

AGENDA

Cabinet

Date: **Thursday 21 October 2010**

Time: **3.00 pm**

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

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

For any further information please contact:

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Agenda for the Meeting of the Cabinet

Membership

Chairman Councillor 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

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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.

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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
4	Shared Services	Corporate & Customer Services & Human Resources	Overview and Scrutiny Committee	Yes
5	Herefordshire Equality and Human Rights Charter	Corporate & Customer Services & Human Resources	Overview and Scrutiny 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 16 September 2010.

1 - 8

4. SHARED SERVICES

The purpose of this report is to update Cabinet on the progress since the update provided on 22 July and to recommend the next steps on the Shared Services Programme in light of the further work that has been undertaken to revise the Business Case evaluate various delivery models and develop the future shape of support services.

9 - 26

5. HEREFORDSHIRE'S EQUALITY AND HUMAN RIGHTS CHARTER

To approve the Herefordshire Equality and Human Rights Charter.

27 - 42

6. HEREFORDSHIRE 2010 JOINT STRATEGIC NEEDS ASSESSMENT (JSNA)

To draw attention to the following aspects of the 2010 JSNA so that it can be utilised in future plans, strategy development, budget decisions and commissioning of services.

43 - 54

7. BUDGET CONSULTATION

To agree a timetable and consultation arrangements for the 2011/12 budget in line with the requirements of the Constitution.

55 - 60

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HEREFORDSHIRE COUNCIL

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HEREFORDSHIRE COUNCIL

MINUTES of the meeting of Cabinet held at The Council Chamber, Brockington, 35 Hafod Road, Hereford on Thursday 16 September 2010 at 2.00 pm

Present: Councillor RJ Phillips (Chairman)

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

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

50. APOLOGIES FOR ABSENCE

Apologies were received from Councillor WU Atfield, Labour Group Leader.

51. DECLARATIONS OF INTEREST

4. YOUTH JUSTICE PLAN.

- Councillor DB Wilcox, Personal, Youth Court Magistrate.
- Councillor RJ Phillips, Personal, Youth Court Magistrate.

6. REVIEW OF TOURISM DELIVERY.

- Councillor H Bramer, Personal, Business interest in tourism industry in Herefordshire.
- Councillor JG Jarvis, Personal, Business interest in tourism industry in Herefordshire.
- Councillor MAF Hubbard, Personal, Business interest in tourism industry in Herefordshire.
- Councillor PD Price, Personal, Business interest in tourism industry in Herefordshire.

52. MINUTES

RESOLVED: That the Minutes of the scheduled meeting held on 22 July 2010 and the additional meeting held on 12 July 2010 be approved as a correct record and signed by the Chairman.

53. YOUTH JUSTICE PLAN

The Cabinet Member Children's Services presented the report on the Annual Youth Justice Plan 2010/11.

Responding to comments raised in discussion, the Cabinet Member:

- Stated that the performance was moving positively in the right direction.
- Acknowledged that most of the statistics related to a combined Herefordshire and Worcestershire data set and noted that the Court system had access to more local data on youth offending.
- Recognised that there was a significant cost to local authorities to provide a programme of support and supervision to young offenders when provided as an alternative to custody. There was a need to meet these costs within the current financial constraints.

The Leader emphasised the need to balance the challenging issues of reducing public finances during a time of economic crisis, which may, as a consequence, lead to an increase in youth crime.

RESOLVED: that the Youth Justice Plan as prepared be endorsed and that it be recommended within the Policy Framework that the Plan be approved by Council at its meeting on the 19 November 2010.

54. INTEGRATED CORPORATE PERFORMANCE REPORT

The Cabinet Member Corporate Customer Services and Human Resources presented the report which provided an overview of performance against the Joint Corporate Plan 210-13 for the first quarter of 2010-11. Cabinet was advised that the report used content from Performance Plus (P+), the electronic performance management system being used by Herefordshire Public Services, which was still in the process of being fully integrated. Future reports would be refined and re-designed to include meaningful indicator descriptions and more timely data.

The Head of Policy and Performance advised Cabinet that the report was a transitional one, as previous reports reported performance against the Annual Operating Statement, whilst this and future reports outlined how the Council managed performance against the Joint Corporate Plan via P+. The majority of indicators at the end of quarter one were on track to achieve target and a further report, outlining the mid year position, would be presented to Cabinet in October.

Responding to a question on the funding of the flood alleviation scheme, the Director of Sustainable Communities advised Members that the scheme remained a planned commitment for AWM during 2010/11 – 2011/12. The financial support committed from AWM was second only to the scheme to redevelop Birmingham New Street Station. The Council was currently awaiting a suitable outcome of the Compulsory Purchase Inquiry, the results of which would be expected in November 2010.

RESOLVED that Cabinet:

- (a) noted the performance to the end of June 2010 and the measures being taken to address areas of under-performance, noting that a more comprehensive report will be presented in October; and**
- (b) noted the recommendations of Overview and Scrutiny Committee to review the indicators in the Local Area Agreement, and that the opportunity be taken to review the indicators and projects that are in the Joint Corporate Plan 2010-13, using the forthcoming review of the Joint Corporate Plan 2010-13 to do this.**

55. REVIEW OF TOURISM DELIVERY

The Cabinet Member Economic Development and Community Services presented a detailed report on the remodelling of tourism delivery in Herefordshire which had been based on a comprehensive review of the service and outlined the reasons for the recommendations. Cabinet was advised of the proposal to form a new Destination Management Partnership (DMP) and to remodel the tourist information centres (TICs) service to move away from the traditional methods of service delivery to create a more efficient service.

The Leader stated that,

- Given the expectations of the Comprehensive Spending Review of the need for local authorities to cut between 25-40% of their budgets, difficult decisions needed to be made about the future of public expenditure. Debates about the future of services needed to had against the background of public sector cuts. Currently AWM and the ERDF contributed to the funding of advertising, market campaigns and sponsorship within the county, however, future funding from these sources could not be relied upon.
- In relation to the TICs, the Council had inherited some expensive leases, which could no longer be sustained.
- The great importance of tourism to the local economy was recognised and a commitment was made to retain a TIC presence in the localities, however such a presence needed to be provided in the most cost effective way through, where possible, a locality contact point. The administration would commit to retain such presence.
- In relation to the development of tourism, the joint bid for a Local Enterprise Partnership (LEP) from Herefordshire, Shropshire and Telford and Wrekin (Marches LEP) to HM Government would place an emphasis on the tourism industry as a priority area for support. Tourism would be an important keystone for the LEP bid and its strategic importance would be emphasised.
- The importance of neighbouring areas in attracting visitors and in encouraging spend was emphasised, as visitors did not confine themselves to county area boundaries.

In discussion the following points were made by Cabinet Members:

- Thanks were expressed to all those involved in the tourism services within the county, however times were changing and a different approach to supporting tourism was imperative.
- In determining the future of the TIC service, it was necessary to consider the most cost effective use of council tax by vacating expensive buildings to appropriate shared facilities and using multi talented staff, whilst ensuring the presence in the City and Market Towns. Such an approach would emphasise the Council's 'tell us once' vision. The reports of alleged closure of the TICs service had been made out of context.
- It was acknowledged that the decision to remodel tourism delivery would not be easy and that such changes would need to be dealt with sensitively. It was stated that there was a need to cut the cost of doing jobs before consideration of cuts to the front line delivery of services.
- In considering the proposal to form a new DMP it was emphasised that there was a need to strategically develop new opportunities, to raise the profile of the county and to work with adjoining counties.
- It was recognised that the internet was increasingly being used by tourists to find out information on destinations and to make on-line bookings; at the same time there had generally been a decline in visitor numbers for TICs.
- The development of a Tourism Strategy was to be welcomed and would provide vision and direction. It was stated that local businesses, through the local Chamber of Commerce, were in agreement that the private sector was key to the future promotion of tourism in the county.

The Cabinet Member Economic Development and Community Services, in responding to comments from Members in attendance stated that:

- He did not recognise the comments which had been made regarding the fact that difficulties with the current DMP could be traced back to its establishment due to the fact it had not been set up as an independent body with the Council retaining control. Additional comments made regarding the frustrations of tourist providers

- in relation to the DMP and that it was not given the opportunity to develop engagement with the private sector were additionally not recognised.
- He welcomed the acknowledgement that there was a need to reconsider the Council's approach to TICs but did not support the view expressed that it was not appropriate to radically alter the TICs at the same time as proposals to change the DMP structure.
 - The new business model was based on world wide best practice and would transfer tourism to the private sector and commissioned by the public sector.

RESOLVED that:

- (a) Cabinet support the establishment of a new Destination Management Partnership (DMP) which will be required to work with Shropshire and Telford DMPs under the emerging Local Enterprise Partnership (LEP);**
- (b) The proposed principles of the tourism strategy and brand essence are agreed as outline in appendix 1 to the report;**
- (c) The remodelling of the TICs is progressed as outlined in the report; and**
- (d) Delegated authority be given to the Director of Sustainable Communities to negotiate, subject to decisions about the Council's spending proposals in 2011/12 and taking account of the Government's comprehensive spending review (CSR) to be announced later in the autumn, future financial and staffing resources for the DMP.**

56. LOCAL DEVELOPMENT FRAMEWORK

The Leader advised Cabinet that, as the report sought approval for the publication of the Herefordshire Core Strategy: Hereford Preferred Option paper for consultation purposes, any discussion or comment on the item would need to pertain to the process of the consultation which included ensuring that all issues which needed to be consulted upon had been included. Discussion was not to be had on the content of the Preferred Option paper. The opportunity for an informed balanced debate would take place within the framework of the consultation process.

The Cabinet Member Environment and Strategic Housing introduced the report and stated that:

- this was the start of an important consultation process about the future of Hereford and Herefordshire.
- The proposal was based on the outcomes of consultations, public engagement and detailed work and sought to place economy and quality of life at the heart of a successful Herefordshire, which was dependent on a successful Hereford.
- The Preferred Option document set out a package of proposals to deliver the vision of; more and better paid jobs, increased number of homes, improved leisure and shopping and infrastructure (including the preferred option of a western route corridor for the relief road).
- Local media be requested to assist in publicising the consultation process.

The Strategic Delivery Manager informed Cabinet that:

- Once adopted, the Core Strategy would set the guidance for the long term development of new homes, businesses, open space and other facilities across the county to 2026.
- The Preferred Option paper had been developed following consideration of evidence base and external consultation on the Place Shaping Paper (which contained a number of possible options) undertaken during early 2010.
- The distribution of growth and urban expansion areas outlined in the report provided an opportunity to meet the vision agreed for Hereford 2026.
- Feedback had been received from specialist environmental consultants who undertook Sustainability Appraisals of the preferred policies and it was proposed to make minor amendments to the Preferred Option paper to reflect these findings prior to the start of the consultation process. Habitat Regulation Assessment work was continuing and would inform the final Core Strategy.
- The consultation process would run between 27 September 2010 and 5 November 2010.
- Close working with Elected Members was being undertaken to go through any concerns.
- There had been a typographical error in the report. The reference to the Hereford Relief Road – Study of Options August 2010 under the Background Papers heading should have stated Hereford Relief Road – Study of Options September 2010.

In discussion Cabinet:

- Stressed the importance of ensuring that the public were aware of the consultation process and its importance to the future of Hereford and the county over the next 16 years, not least in providing a future for young people in the county. Comments and views needed to be encouraged and the consultation needed to be actively monitored to ensure receipt of responses and that it received active publicity.
- Emphasised that Elected Members had a role to play in encouraging good in depth debate and engagement within local communities.
- Provided assurances that the consultation process would welcome alternative views than those outlined in the Preferred Option document.
- Acknowledged that consultation on the Preferred Options for the county's market towns had been undertaken to complement that now being proposed for Hereford.

The Leader, in responding to comments from members in attendance stated that:

- Contrary to the statement made that there had been a lack of engagement on the growth agenda, the wider growth agenda had been discussed by Council during this administration and publically through the Place Shaping consultation held in early 2010.
- He emphasised the importance of actively mobilising the public to respond to the consultation process, both from those in favour and against the proposals.
- The city needed to have managed growth and that the consequences of development would need to be debated, managed and addressed. The sensitive nature of some of the proposals under consultation was acknowledged.

An additional recommendation (b, below) was proposed and accepted for consideration.

RESOLVED That:

- (a) the publication of the Herefordshire Core Strategy: Hereford Preferred Option Paper be approved for consultation purposes.**

- (b) **approval of further minor text changes be delegated to the Director – Sustainable Communities, in consultation with the Cabinet Member.**

57. WINTER WEATHER DECEMBER 2009 - FEBRUARY 2010 THE RESPONSE TO IT

The Chairman of Overview and Scrutiny was invited to present the report of the Scrutiny Review of the Impact of Winter Weather December 2009 to February 2010. Thanks were expressed to the members of the Overview and Scrutiny Committee for undertaking the review and to officers for providing information.

The report outlined five key areas which the Overview and Scrutiny Committee believed the Council should consider when seeking to improve the response to future episodes of severe weather; these were the Council's role as: Community Leader, Service Provider, Commissioner of Services, Employer and Partner. Overarching these areas was the importance of communications and the proposal to provide a central communications point which would better facilitate timely information flows.

The Leader welcomed the report and endorsed the thanks to all the members and officers involved. He stated the importance of gaining clarity on certain matters, such as legal responsibilities of individuals and businesses for snow and ice clearance, advice which would be appropriate for Government to provide. He additionally commented on the need for Government departments to act pragmatically in severe weather situations. The example was given of HM Customs and Excise issuing a reminder to farmers during the severe snow to ensure farm vehicles, when assisting with road clearances, ran on white, not red diesel. In the era of the Big Society when communities were encouraged to help themselves, such messages would not be helpful.

The Cabinet Member Highways and Transportation advised Cabinet:

- that the Winter Plan 2010/11 has been revised and updated. The Plan covered as many eventualities as possible and encompassed matters such as access routes, buses routes, schools.
- Preparation for the winter season had already begun with salt bins being filled.
- That the Government had advised all local authorities that they could not use as much salt as was used during Winter 2009/10. There would be a need to spread the salt as thinly as possible to achieve as much as possible.

Cabinet welcomed the report and emphasised the need to monitor progress on actions.

An additional recommendation (d, below) was proposed and accepted for consideration.

RESOLVED that:

- (a) **the Committee be thanked for undertaking a comprehensive review and producing an excellent report;**
- (b) **The Executive joins with the Committee in recognising and commending the considerable efforts made in response to the winter problems;**
- (c) **All thirty recommendations be agreed and implemented within existing budgetary provision; and**
- (d) **HM Government be lobbied to provide clarity and legislation on the responsibility for snow/ice clearance for both individuals and businesses.**

58. BUDGET MONITORING REPORT 2009/10

The Cabinet Member Resources presented a report on the forecast financial position for both revenue and capital to 31 March 2011 which also provided an update on Directorates' recovery plans instigated to address projected overspends. Additionally, the report provided information on treasury management activities in the first four months of 2010/11.

Cabinet was advised that;

- the projected overspends were within the Integrated Commissioning Directorate and the Children and Young People Directorate, both of which had recovery plans in place.
- The general reserves as at 1 April 2010 was £6.4million, having been replenished by £1million as part of the agreed budget setting process.
- The Council was working within a challenging budgetary environment given the likely reduction in funding to be announced in October's Comprehensive Spending Review.
- Due to maximising investment interest and rescheduling loans, it was expected that £800k would be delivered above budget.
- Whilst the level of write offs had increased the collection rates remained good.

The Head of Financial Services added that:

- the projected overspend equated to 1.4% of the budget.
- All service areas had initiated recovery plans to work towards a balanced budget.
- There were no significant changes captured in August as the financial position was static.

In discussion the following points were raised:

- The comprehensive report was welcomed
- That the £540k Park and Ride scheme had been put on hold for the time being, however it remained a future objective for the Council. A coach park behind the swimming pool in Hereford was still planned to go ahead.

RESOLVED that Cabinet:

- (a) note the report and the forecast deficit position of £1.9 million; and**
- (b) note the Chief Executive's requirement that Directors deliver recovery plans to ensure a balanced revenue budget.**

The meeting ended at 3.45 pm

CHAIRMAN



MEETING:	CABINET
DATE:	21 OCTOBER 2010
TITLE OF REPORT:	SHARED SERVICES
PORTFOLIO AREA:	CORPORATE & CUSTOMER SERVICES AND HUMAN RESOURCES

CLASSIFICATION: Open

Wards Affected

County-wide

Purpose

The purpose of this report is to update Cabinet on the progress since the update provided on 22 July and to recommend the next steps on the Shared Services Programme in light of the further work that has been undertaken to revise the Business Case evaluate various delivery models and develop the future shape of support services. In particular, it signals a significant milestone in the project and sets out the detail of the Programme moving from the planning phase to implementation phase.

It also asks Cabinet to recommend to Council that a Joint Venture Company be established on terms to be agreed.

A similar report is scheduled for the NHS Herefordshire (NHSH) and Hereford Hospitals Trust (HHT) Boards later this month.

Key Decision

This is a key decision as it is significant in terms of its effects on communities living or working in an area comprising one or more wards in the County and result in the Council incurring expenditure which is, or the making of savings which are, significant having regard to the Council's budget for the service or function to which the decision relates.

Recommendation

THAT Cabinet

- (a) **Agrees to enter into formal shared service arrangements with its partners, NHS Herefordshire (NHSH) and Hereford Hospitals Trust (HHT), adopting a 'multi-source' approach; enabling different fit-for-purpose models to be used to deliver Shared Services for each service or group of services;**

Further information on the subject of this report is available from Dean Taylor,
Deputy Chief Executive on Tel: (01432) 260037

- (b) **Endorses the establishment of a Joint Venture Company and recommends to Council that such a Company be established;**
- (c) **Delegates the negotiation and agreement of the Heads of Terms for the Shared Service arrangement and for the establishment of the Joint Venture Company to the Chief Executive (with appropriate liaison with the Chief Executive of HHT);**
- (d) **Instructs the Chief Executive to undertake a full consultation with employees within the scope of the Shared Services programme, in accordance with policy and procedure for implementing these changes;**
- (e) **Instructs the Chief Executive to report progress of the implementation, as part of the corporate performance reporting process, linked to key milestones with risk management reports;**
- (f) **Agrees to establish a ‘Shadow Board’ consisting of representatives from the three partners in order to provide strategic governance during the implementation phase.**

Key Points Summary

- This report outlines progress made on Shared Services and the key steps required to implement the project.
- An external review of the Shared Service business case has been undertaken by Capita plc. The main conclusion from this review is that the case for Shared Services remains a robust and viable one and it is capable of delivering savings of £4.3m per annum after full implementation. The review has also identified that approximately £1.02m of these savings have already been delivered by the early implementation of some of the proposals to reduce costs. These savings have contributed to existing efficiency targets in 2010/11.
- In addition to the four earlier options of setting up a Joint Venture Company, appointing a Strategic Partner, using a Joint Procurement framework or agreeing a Lead Commissioner/Provider approach, a number of new models for delivering Shared Services were also considered against a refined set of evaluation criteria.
- The Business Transformation Board (BTB) are recommending a “multi-sourcing” approach with service clusters being grouped and transferred into a shared provision in different models. This would result in more than one delivery model for Shared Services. So, for example, a Joint Venture Company could deliver some shared services such as the ‘back office’ support services of Human Resources, Payroll, Finance and Procurement. Other services such as Transport, Asset Management and Property could be delivered with a Strategic Partner or other appropriate model. Further detailed analysis and planning is on-going to determine the most appropriate model for each service.
- This report describes how the Shared Services programme is now moving from the planning phase to the implementation phase. Once agreement has been reached on the direction proposed in this report it is intended to move ahead with the appropriate pace required to achieve the transition, minimise further uncertainty for employees and begin to deliver savings and other benefits.
- This report also seeks support for the establishment of a Shared Service Joint Venture Company.

Reasons for Recommendations

To ensure that Cabinet is briefed, and to agree the way forward to enable the projected benefits and costs savings to be delivered.

Introduction and Background

1. Cabinet received an update on 22nd July 2010 on Shared Services. In this report it was noted that a review of the business case for Shared Services was being undertaken to ensure that it remained robust and viable. In addition, the links with the establishment of the Integrated Care Organisation (ICO) were set out. The report stated that a formal decision to agree terms of the partner's participation in a Shared Services Joint Venture would be presented later in the year.
2. The changing national environment means it is essential that the Shared Services programme continues to meet local outcomes in an increasingly challenging economic environment.
3. In progressing the implementation of Shared Services, the Council, NHS Herefordshire (the PCT) and Hereford Hospital Trust (HHT) collectively form the Herefordshire Shared Services Partnership (HSSP).

Key Considerations

4. A number of key public service drivers underpin the Shared Services work, these include:
 - i. Making local public services more joined up, customer focused and responsive, so they are easier to understand and access;
 - ii. Maintaining a strong sense of place for Herefordshire;
 - iii. The need to secure greater efficiencies and provide value for money; particularly in light of the likely outcomes of the Comprehensive Spending Review;
 - iv. Increasing the quality, responsiveness and sustainability of services against a background of increasing demand;
5. These drivers are reflected in the design principles and evaluation criteria for Shared Services within the business case already agreed by the Cabinet. These are summarised in Appendix A.
6. The weightings of the evaluation criteria in Appendix A have been reviewed to reflect the changing economic environment which has increased the need for all public sector organisations to reduce costs and demonstrate value for money.
7. The Comprehensive Spending Review will have reported on 20 October 2010. It is expected to set out in detail the allocation of public sector expenditure for the duration of the current parliament. It is likely to require significant further efficiency savings. It may contain proposals that impact on the Shared Services programme and an impact assessment will be carried out.
8. In July 2010, the Department of Health published a White Paper entitled "Equity and Excellence - Liberating the NHS". This document set out the proposed future direction of key health organisations including the Strategic Health Authority and Primary Care Trusts. The White Paper proposals envisage that the Primary Care Trust network will

cease to exist by 2013 with General Practice (GP) consortia leading the commissioning of health care services.

9. These changes are compatible with Herefordshire's overall approach to integration, which will evolve to ensure that adequate support is in place for the emerging GP consortia. This may also present an opportunity for Shared Services to develop further in the future.
10. Herefordshire remains 'ahead of the game' and well positioned in terms of transitioning to a Shared Service provision for 'back office' services.
11. The Shared Services programme is an integral part of the 'Streamlining the Business' work-stream within "*Rising to the Challenge*" the Herefordshire Public Services (HPS) Transformation Programme.
12. The current scope of services included in the Shared Services programme are:
 - Finance
 - Procurement
 - ICT Services
 - Human Resources
 - Payroll and Expenses
 - Asset Management and Property
 - Transport
 - Revenues and Benefits
 - Internal Audit
 - Legal
 - Communications and PR
 - Emergency Planning
13. A Service Change Manager has been appointed for each service and a detailed assessment has been completed as to which parts of these in-scope services will transition to the Shared Services Organisation (SSO), and how each service will deliver the savings. A Target Operating Model is being developed which details how each Shared Service will look.
14. A key consideration will be ensuring that the service user requirements of the new Shared Service Organisation (SSO), such as front line service staff, are captured as part of the analysis. Client-side managers have been involved in the service assessments described above.
15. On September 27th 2010, the Overview and Scrutiny Committee considered an update on Shared Services and provided feedback which has helped to shape this report, including the need to keep operational costs of the Joint Venture Company to a minimum. An extract from the draft minutes from this meeting are in Appendix E. These draft minutes are subject to approval on October 18th 2010.

Updating the original Shared Services business case

16. The PA Consulting business case upon which the original decision to proceed with a Shared Services programme was based was completed last year. This business case, and its investment appraisal, has now been comprehensively reviewed by the three partners and the lead Directors/Heads of Service responsible for each service in scope.

This has been done so as to ensure the case for Shared Services remains viable, is fully owned by those accountable for the services, and takes into account changes in the local and national economic and political environment.

17. The PA business case concluded that savings of between £4.1m to £5.3m could be achieved across the three partner organisations, based upon a strategic partner outsourcing.
18. The internal review has confirmed that savings can be achieved within this target range, with a target figure of £4.3m per annum after full implementation. The review has also identified that approximately £1.02m of these savings have already been delivered by the early implementation of some of the proposals to reduce costs. These savings have contributed to existing efficiency targets in 2010/11; further detail is presented in the Financial Implications section below.
19. Independent advice has also been received from Capita plc to ensure the integrity and robustness of the financial model and to gauge whether the savings remain achievable.
20. Capita plc has concluded that the process has been thorough with valid assumptions. In addition, Capita plc state that the level of net savings of £4.3m is realistic and achievable. More information on the Capita report is included in the Financial Implications section below.

Models for delivering Shared Services

21. In July 2010, The Business Transformation Board (BTB) recommended a two stage process:
 - (1) Establishment of JVCo to deliver short to medium term (one to two years) benefits
 - (2) Further consideration of the strategic private sector partner option for the longer term (after two to three years);
22. Whilst the setting up a Joint Venture Company was being progressed, it was prudent to assess the viability of some newer models, including mutual or other forms of social enterprise, for delivering shared services in Herefordshire.
23. To help confirm the most appropriate delivery model for each service, the evaluation criteria were updated to reflect the latest developments and the new financial environment. Each viable option has been assessed against the new criteria and their ability to achieve savings.
24. The adjusted evaluation criteria were based on the outcomes agreed by the Business Transformation Board for Shared Services.
25. The outcomes have been re-affirmed as follows:
 1. Modern streamlined support services
 2. Reduced cost of support services
 3. Platform for Integrated Herefordshire Public Services
 4. Best for Herefordshire's economy.

26. The full range of models that were considered against these evaluation criteria were:
 - a. Joint Procurement
 - b. Lead Commissioner/Provider
 - c. Strategic private sector partner
 - d. Joint Venture
 - e. Industrial Provident Society – Community Benefit
 - f. Industrial Provident Society – Co-operative
 - g. Community Interest Company
 - h. Charity
27. The evaluation concluded that the first four models were most likely to achieve the outcomes that we have set and, in particular, to deliver savings. The other models would not be suitable either because they are not legally possible, they offer no advantages, or are actually disadvantageous by, for example, introducing additional costs and overheads of regulation.
28. The other main conclusion was that a combination of models may be needed to deliver savings in a mixed multi-sourced approach. This will ensure that the overall arrangements best meet the objectives set out in the evaluation criteria and that delivery models are best suited to the particular nature of each support service, rather than a “one size fits all” approach.
29. Services may be grouped and shared in different models. Possible service groupings with their preferred delivery model are listed in Appendix B.
30. The detailed evaluation process and the updating of the business case have identified that the transactional elements of the support services of Revenues and Benefits, Human Resources, Payroll and Expenses, Finance, Procurement and ICT are best suited to transition to a Joint Venture Company. These services could provide the largest share of the savings delivered in this way.
31. It was also identified that there may be synergies in considering Asset Management and Property and Transport as a single group; this group could deliver significant savings, possibly by engaging a private sector strategic partner to provide some services. This option will be explored further in the next few weeks taking into account the particular requirements and circumstances of each partner for these services. This will include: a study to examine the potential of the council’s current strategic partnership; a review of the market; procurement or negotiation of any new arrangements; definition of new business models required during the transition; and the implementation of the Department of Health’s Transforming Community Services guidelines.
32. Services such as Legal and Audit may be best suited to a Lead Commissioner/Provider model as one partner could provide and commission services on behalf of all partners.
33. There is further analysis to be completed on the optimal arrangements and further negotiations and analysis will need to take place, before a final model is determined.

Principles for the Joint Venture Company

34. The partners have concluded it is essential that the proposed Joint Venture Company is both governed and run with low management overheads and operational costs, so as to optimise the efficiency gains for each of the partners. In short, the focus must be on delivering low cost, modern and responsive support services, not on running a company. Appendix C sets out the principles for ensuring low company overheads and maximising operational cost control.
35. A key consideration will be the need for a robust set of Service Level Agreements and challenging Key Performance Indicators being embedded between the Shared Services Organisations and the Client organisations. It is also vital that a vigorous and disciplined business-like approach is adopted to ensure that service levels are maintained whilst costs are kept down. The client commissioning organisations (the three partners) will need to do more themselves and this 'self-service' will be fundamental in driving out the savings.
36. In order to ensure that we maintain focus and momentum, it is proposed that a Shadow Board is established for the Joint Venture, consisting of senior representatives of the three organisations. That Board will oversee the development of the new Joint Venture Company and steer the negotiations with the three partners.

Other Considerations

37. Approval is currently being sought from the Cooperation and Competition Panel to establish an Integrated Care Organisation (ICO) for Herefordshire-wide acute and community healthcare services. The Integrated Care Organisation is scheduled to be established by April 2011.
38. The establishment of the Integrated Care Organisation (ICO) has links with the Shared Services programme in that some of the 'support staff' will either transfer to the ICO or to the Shared Service organisation. The establishment of a Shared Service will assist the ICO in the delivering its management cost saving.
39. The Agresso project is progressing and will implement a new system for four of the key in-scope services – Human Resources, Payroll, Finance and Procurement in April 2011. This will help in the transition to Shared Services and will introduce a range of fully automated self-service transactions over time.
40. An essential part of achieving the benefits in the Shared Services programme is the implementation of a new corporate system for Human Resources, Payroll, Finance and Procurement. This will provide, amongst other things, fully automated self service transactions for employees and managers, reducing the costs of the core functions. Agresso has been selected as the preferred solution and this is now being implemented as a core element of the Shared Services programme. This requirement originally formed part of the original Connects Programme; the remaining element of Connects are being managed by the same project team and overseen by the Business Transformation Board.
41. Progress on Shared Services will be reported on as part of the corporate performance reporting process, together with any remaining elements of the Connects programme not already incorporated into the Shared Services programme.

42. Appendix D sets out a high level timeline for implementing Shared Services.

Consultation and Engagement

43. A staff and Trade Union consultative group has been established. All three partner organisations are represented on the group as are employees from across the partnership.
44. Head of Service briefings have taken place to enable them to engage with and communicate progress to staff. Information about Shared Services is being cascaded through team briefings and using internal communication channels including First Press and the Council/PCT intranet.
45. A fundamental ingredient to achieving agreed outcome is effective cultural change in relation to expectations of support services. This will require clear Service Level Agreements, transparency about costs, more self service and demand management. A change plan is being put in place to help prepare managers and staff to adjust to, and make most effective use of the new ways of using support services.

Community Impact

46. The implementation of Shared Services will deliver improved quality and more efficient and effective back office support to front line services across the three partner organisations; will release savings to deal with future financial constraints and/or for reinvestment in front line services; and will protect jobs and investment in the County in future. In particular, the preferred options provide an opportunity for the partners to provide those services to other public services providers in Herefordshire in line with the 'localities' agenda, maintaining and building on the strong sense of place that is characteristic of the county.

Financial Implications

47. In 2009, the PA Consulting business case concluded savings of between £4.1m to £5.3m could be achieved across the three partner organisations, based upon a strategic partner outsourcing.
48. Over the past three months, the business case was reviewed to address:
- a. Current estimated range of savings, approved by each director.
 - b. Estimated implementation costs, based on a JVCo model.
 - c. Estimated Pay Back period, using the HM Treasury guidance (which is used in all such business case assessments) to discount cash-flow by an annual factor of 3.5%.
 - d. Provide for a number of scenarios, to demonstrate the impact of high, medium and low risk deliverables attached to the benefits.
49. Following this detailed review and assessment, a revised net return of £1.7m in 2011-12 rising to £4.3m in 2016/17 has been agreed. This amounts to savings of £33.3m over 10 years.

50. The £4.3m in recurring savings are projected to commence from 2016/17. The investment being made in Shared Services is expected to break-even in 2011/12.
51. Capita were provided with a clear specification, the overall requirement being to ensure the assumptions made in the financial business case were consistent between the organisations, realistic and achievable. The approach was a process that validates the assumptions for costs, benefits, the integrity of the model and the options therein.
52. Capita's findings confirm there is a robust indication of the levels of savings achievable from the introduction of shared services.
53. This revised business case has been agreed with Directors and approved by the Business Transformation Board.
54. Significantly, £1.02m of the £4.3m referred to above, has already been secured as a result of implementing some of the recommendations in the 2009 Shared Services business case. These savings, benefiting all three partners, have been made in the areas of Procurement, Finance, Human Resources and ICT. The Council has accrued savings of just over £400k of this as a result of this initial Shared Services work.
55. The revised business case includes the costs and benefits from the Agresso project.
56. In addition to the revised Shared Services savings of £4.3m, including those attributable to the implementation of Agresso, further savings will be realised as part of the remaining elements of the Connects programme.
57. The Council's share of future savings is expected to be in excess of 70%, which will be in the region of £3.01m per annum.
58. The table below summarises the overall financial position:

	2010/11	2011/12	2012/13	2013/14	2014/15	2016/2017 onwards
	£'000	£'000	£'000	£'000	£'000	£'000
Costs **	-1057	-1795	-1316	-736	-718	-309
Savings / Benefits	1015	3510	4315	4569	4569	4569
Net Savings	-42	1715	2999	3833	3851	4260

**** Costs include: Agresso project, Shared Services set up costs (including Joint Venture set up and transition costs) and estimates of potential redundancy costs**

NB – Negative figures represent costs and positive figures represent savings

Table A: Projected Shared Services costs and benefits across all three partners.

Legal Implications

59. There are a number of legal considerations that need to be addressed whilst progressing the Shared Services proposal. The partners have procured and used the services of specialist lawyers in the development of these proposals. The specialist advice is reflected in this report. The key issues for consideration in relation to the recommendations in this report are set out below.
60. The evaluation of the models has included an appraisal of the legal issues in relation to each. It is within the vires and powers of each partner to adopt any of the four models that will form the basis of the multi-sourced approach. It is not legally possible for the partners to form an industrial provident society or an unincorporated partnership. The legal requirements of establishing and operating a charity or community interest company have been considered and the constraints and requirements led to the conclusion that those models are unsuitable for delivery of shared services.
61. The establishment of any of the four models will involve significant legal issues which will need to be considered, resolved and reflected in the formal legal arrangements between the partners. These include the governance arrangements, control and management of the organisation(s) or operations by the partners, risk transfer, apportionment of benefits, financing and charging, staff transfer and terms and conditions, protection of employment rights of employees and compliance with HR policies, property and accommodation issues and exit arrangements. These issues will all be addressed during the implementation phase.
62. The Council has agreed that it should develop integrated shared support services with its partners. This is reflected in past Council decisions. However, it is felt legally prudent to ask the Cabinet to recommend the establishment of a Joint Venture company to be the vehicle for the delivery of shared services as outlined in this report. If agreed, this will be recommended to Council on 19 November 2010.
63. The options are fully set out in this report and the report provides the information needed to enable the Cabinet to take the decisions as recommended. The Cabinet must give consideration to the options and to the background information in reaching its decision.
64. There are no other legal implications and the Cabinet are lawfully entitled to reach the decisions as recommended.

Risk Management

65. A full risk analysis has been undertaken and is subject to weekly review. Current risks and mitigations include:
 - a. *Programme Governance* - Strong leadership and sponsorship from the JMT, Hereford Hospitals Trust and the Business Transformation 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 and Shared Services is part of the 'streamlining the business' work-stream.

- 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 has been mitigated by the revised investment appraisal, with external assurance.
- e. *Tax/VAT issues.* The NHS and HHT can claim back VAT on contracted out services, if the JV is structured and charged in the right way then both partners could claim back the VAT. The ceiling for VAT claims needs to be monitored.
- f. *Comprehensive Spending Review (CSR)* – The risk that the CSR significantly changes the scope of Shared Services needs to be closely monitored.
- g. *Staff terms and conditions* – Legal advice is being provided to ensure that the legal provisions and guidance are fully understood. The impact of these requirements is fully reflected in the revised business case.

Alternative Options

- 66. Alternative options have been evaluated as part of the options appraisal; Details have been included in the Appendices.

Consultees

- 67. Consultations have commenced and will continue to take place during the Shared Service Review with Members, Directors, and Heads of Service, Service Managers, staff, Unions, non-executive directors (NHSH) and partners. A comprehensive communications strategy has been developed to support this work going forward.
- 68. Overview & Scrutiny views have been sought and these are summarised at Appendix E.
- 69. All Political Groups have received, or are scheduled to receive, a presentation on the progress on the Shared Services programme.

Political Groups - Shared Services briefing dates

Labour Group	8 September
Herefordshire Independents	11 September
It's Our County	24 September
Conservative	27 September
Hereford Liberal Democrats	8 November

Background Papers

None identified

Appendices

APPENDIX A. REVISED EVALUATION CRITERIA FOR SHARED SERVICES DELIVERY MODELS.

Table 1: Shared Services: Summary of Revised Evaluation Criteria

Outcome	Revised Objectives	Weighting Factor	Percentage (rounded)
(1) Modern and streamlined support services.	• Facilitating the delivery of improved services to the public.	3	21
	• Providing streamlined and effective support services to internal customers.	4	
	• Enabling the effective commissioning of flexible and innovative support services.	2	
(2) Reduced cost of support services.	• Delivering short-term savings from April 2011 to March 2012	5	35
	• Delivering medium to long-term savings from 2 to 5 years.	5	
	• Providing a substantial return on investment over life of the programme.	5	
(3) Platform for integrated Herefordshire Public Services.	• Enabling the procurement of goods and services on behalf of all three partners.	2	26
	• Providing a platform for expanding joined-up support to other Herefordshire public sector partners.	4	
	• Offering a sound and manageable legal basis for shared services.	3	
	• Enabling costs, risk and reward to be shared appropriately by partners.	2	
(4) Best for Herefordshire economy	• Protecting public service employment in Herefordshire and supports investment in the local economy.	3	19
	• Providing ready access to additional capacity, skills and expertise.	2	
	• Enabling rapid establishment as a sustainable service provider.	3	

APPENDIX B. POSSIBLE SERVICE GROUPINGS

Table 2:

Service	Preferred Models
Confirmed recommendations	
Human Resources	Public/Public Joint Venture Company
Payroll and Expenses	Public/Public Joint Venture Company
Finance	Public/Public Joint Venture Company
Procurement	Public/Public Joint Venture Company
ICT	Public/Public Joint Venture Company
Revenues and Benefits	Public/Public Joint Venture Company
Require further evaluation	
Asset Management & Property Services	Public/Public Joint Venture Company/Strategic Partner
Transport	Public/Public Joint Venture Company/Strategic Partner
Communications	Lead Commissioner / Provider
Legal Services	Lead Commissioner / Provider
Audit	Lead Commissioner / Provider
Emergency Planning	Lead Commissioner / Provider

APPENDIX C. PRINCIPLES FOR THE CONTROL OF THE JOINT VENTURE COMPANY OVERHEADS

Table 3

1. **Lean design:** the design of the management structure of the company will be lean and proportionate, drawing on comparisons with similar organisations.
2. **Using available talent:** the company directors will, where practicable, be drawn from the existing resources of both the partners and the company.
3. **Self-sufficiency:** support and advice to the company’s directors will be drawn from internal resources where possible.
4. **Professionalism:** the senior management of the company will need to demonstrate and develop the competencies required for effective company management.
5. **Measurement:** the company will develop transparent measurement of the organisation’s central overheads.

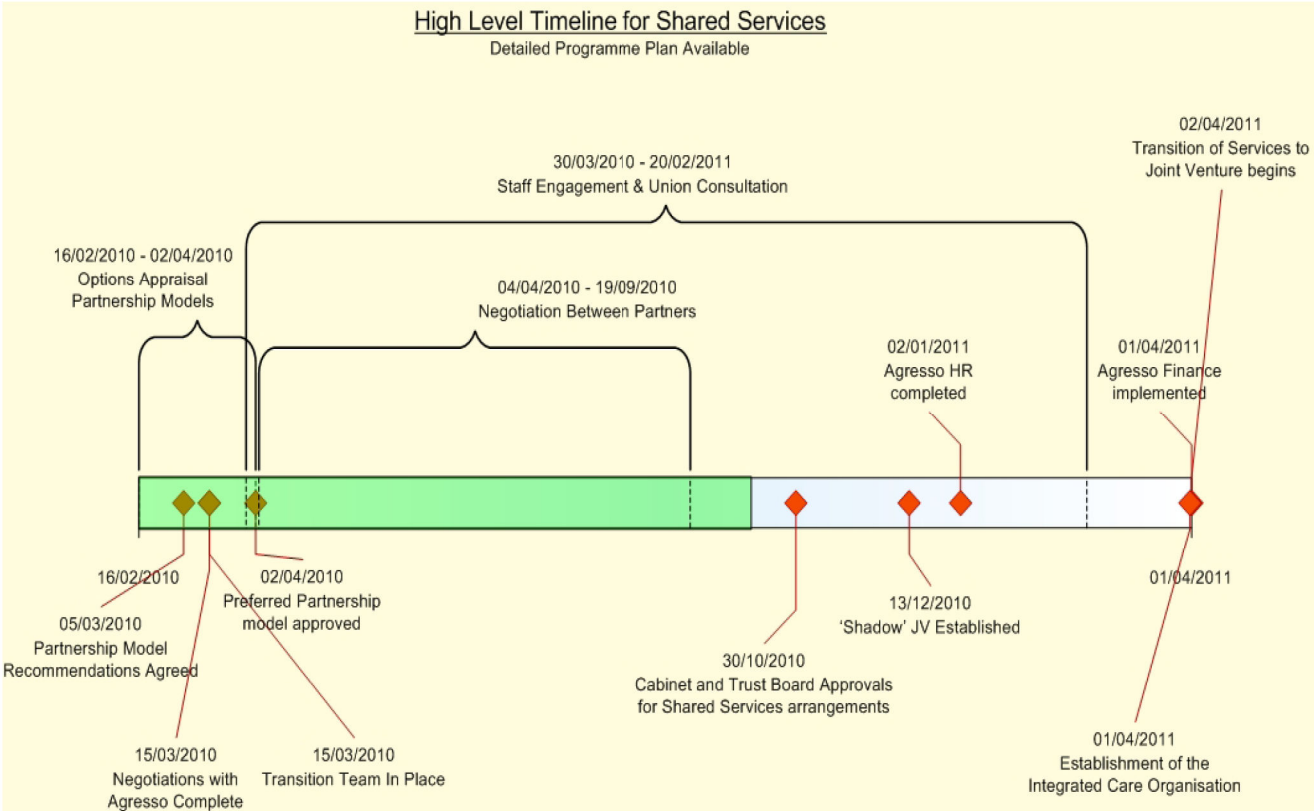
While the control of the company’s overheads is important in ensuring its cost-effectiveness, the greatest impact that the company would be able to make is in the control of operational costs. A set of principles is proposed in table 2 that would inform the design of the company’s performance and financial management and drive continuous efforts to reduce costs.

Table 4 – Principles for Operational Cost Control

1. **Financial control:** accountabilities for sound financial management will be maintained at the appropriate level.
2. **Benchmarking:** regular comparisons will be undertaken to ensure that the cost of the services become and remain competitive.
3. **Transparent charging:** charging mechanisms will be designed to be easily understood and not over-complex.
4. **Fostering innovation:** staff and customers will be involved in the development of new ideas for streamlining the service and reducing costs.
5. **Streamlined processes:** business processes will be simplified where possible to eliminate duplication and waste.
6. **Standardisation:** consistent ways of working will be adopted across the organisation, in accordance with industry standards.
7. **Cost-consciousness:** a culture will be embedded that is committed to cost control and the elimination of waste.

These principles will be used to inform the design and refinement of the Joint Venture Company’s structure and management. They will inform the development of the Service Level Agreements. They will also inform the development of the management structure of the company and it is proposed to present a high-level view of the structure at the Board’s meeting in November. The principles can also be used to inform the development of the governance process for managing the performance of the company in meeting the partners’ objectives.

APPENDIX D. HIGH LEVEL TIMELINE FOR SHARED SERVICES



APPENDIX E. MINUTES FROM OVERVIEW AND SCRUTINY COMMITTEE HIGH LEVEL TIMELINE FOR SHARED SERVICES

HEREFORDSHIRE COUNCIL

MINUTES of the meeting of Overview and Scrutiny Committee held at The Council Chamber, Brockington, 35 Hafod Road, Hereford on Monday 27 September 2010 at 9.30 am

Present:

Councillor PJ Edwards (Chairman)

Councillor WLS Bowen (Vice Chairman)

**Councillors: PA Andrews, ME Cooper, KG Grumbley, TM James, PM Morgan
and PJ Watts**

**In attendance: Councillors JP French (Cabinet Member - Corporate and Customer Services
and Human Resources)**

19. SHARED SERVICES UPDATE REPORT

(Councillor PJ Edwards declared a personal interest.)

The Committee considered an update on the Shared Services programme (SSP) and was invited to submit its views on the proposals.

The Interim Assistant Chief Executive – Legal and Democratic gave a presentation. This covered the overall ambition for Herefordshire Public Services; the original statement of the drivers for the development of shared services and their most recent description; and the

objectives of the programme (cost savings, speedy benefit realisation; promotion and regeneration of Herefordshire; protecting employment in the County and presenting a cost-effective solution for the public sector). It outlined changes in terms of the national and local context, their bearing on the SSP; and the priority drivers suggested by the Business Transformation Board on 2 September in response to these changes. The savings identified in the business case for shared services were also reported, noting that these were under review.

A supplementary paper had been circulated on the 9 potential organisational models for delivery of shared services. The presentation commented on the criteria used to evaluate these models. The four models considered viable were described in the agenda papers. The Interim Assistant Chief Executive remarked on the emerging view that one model might not suit all services within the shared services programme and a range of models may therefore need to be developed. She also noted that establishing delivery models locally would be more likely to secure the objective of retaining employment within the County.

In discussion the following principal points were made:

- The challenge of building on the work by the Council and the Primary Care Trust (PCT) to integrate health and social care services to incorporate Hereford Hospitals NHS Trust (HHT) in the delivery of a shared services programme for the three organisations was discussed. The Interim Assistant Chief Executive commented that HHT had been involved in the programme from the outset. She noted that the PCT currently provided HHT with financial services and it would be more costly to HHT if it were not involved in the SSP.
- Concern was expressed about the time the shared services programme had taken to develop and that the changes now proposed in the recent Health White Paper, in particular GP Commissioning, would mean that the programme would be overtaken by events.

The Cabinet Member (Corporate and Customer Services and Human Resources) commented on the progress that had been made in integrating health and social care services. She emphasised the importance of delivering savings quickly, to protect service delivery in the face of demographic pressures on budgets locally allied to the imminent national budget reductions. She also expressed the wish to protect Hereford Hospital and to protect jobs within the County, recognising the difficulty, given communication routes and other factors, in finding alternative work compared with some other parts of the Country.

- The Chairman of the PCT Board commented that the PCT would not be able to prescribe what GP consortia chose to do. However, the PCT was working with GPs and believed there was a shared vision with support for coterminosity of commissioners and providers.
- Members supported the objective of protecting employment within the County. The Interim Assistant Chief Executive observed that there were a range of potential clients for services, for example Voluntary Sector organisations that did not have national support services.
- The consensus was that the proposed changes must lead to improved efficiency and cost savings, be simple, with no overlapping layers of bureaucracy and be easy to deliver.

The Interim Assistant Chief Executive commented that the importance of streamlining governance arrangements and keeping them simple was recognised.

- Members emphasised the importance of the contract with the eventual service provider(s) being robust and ensuring that as commissioners of services the Council and its partners had control of costs to avoid the possibility that new arrangements ended up being more expensive than the current ones.
- There was support for the idea that, to maintain flexibility, different models might be appropriate for different services within the SSP. It was suggested that for the Committee to be able to express a firm view on the proposals a matrix needed to be produced setting out the pros and cons of each model for each service within the scope of the SSP. Further detail was also required on the costs of each option, recognising that one of the key objectives was to deliver savings. The Committee received assurance that this would be done as part of the appraisal process and reported fully in due course.
- Asked to comment on the timescale for delivering the SSP the Assistant Chief Executive said that agreements would need to be negotiated and signed by the Partners. However, in her experience these processes could be completed more swiftly when the groundwork had been done in advance, which she believed to be the case in Herefordshire. The aim was to have a shadow company in place by the end of December, becoming operational by April 2011.

RESOLVED

THAT:

- (a) it be noted that the business case for Shared Services is being reviewed;**
- (b) it be noted that a number of options were being considered as models for delivering shared services in Herefordshire and that Cabinet would be deciding in October on the options available; and**
- (c) a further report be made to the Committee in advance of the report to Cabinet in October, taking into account the comments made by the Committee as outlined above.**

MEETING:	CABINET
DATE:	21 OCTOBER 2010
TITLE OF REPORT:	HEREFORDSHIRE EQUALITY AND HUMAN RIGHTS CHARTER
PORTFOLIO AREA:	CORPORATE AND CUSTOMER SERVICES AND HUMAN RESOURCES

CLASSIFICATION: Open

Wards Affected

County-wide

Purpose

To approve the Herefordshire Equality and Human Rights Charter.

Key Decision

This is a Key Decision because it is likely to be significant in terms of its effects on communities living or working in an area comprising one or more wards in the County. It was included in the Forward Plan.

Recommendation(s)

THAT: the Herefordshire Equality and Human Rights Charter be approved as the overarching equality policy for the Council;

Key Points Summary

- The Herefordshire Equality and Human Rights Charter will provide a focus to ensure that we meet our obligation under the Human Rights Act 1998, and the detailed requirements of the Equality Act 2010.
- The Charter demonstrates our commitment to dignity, respect and human rights in everything that we do.
- The charter also sets out the framework to move our organisation forward from regarding human rights as important, to being a “human rights based organisation” where human rights are fundamental to who we are and what we do.
- The joint management team have endorsed the charter and the Action Plan that has been developed to implement it. Monitoring will be through the Joint Corporate Diversity group with an annual review to JMT. All Directorates have been reminded of the requirement for

Further information on the subject of this report is available from
Carol Trachonitis, Equality and Diversity Manager, (01432) 260616

regular updates on equality matters as part of Management Team meetings.

Alternative Options

There are no Alternative Options. It is a legal requirement that as a public service provider we set out our commitment with regards to Equality and Human Rights legislation.

Reasons for Recommendations

This charter replaces the Comprehensive Equality Policy and approval will ensure continued compliance with legislative requirements.

Introduction and Background

1. This charter is the result of working with Local Government Improvement and Development (formerly the IDeA) and the British Institute of Human Rights. Herefordshire is one of 5 pilot projects looking at how a human rights perspective can help local authorities and public bodies improve service delivery. It is intended to take human rights out of the courtroom and assess their usefulness in the complex and diverse world in which public services operate.
2. As Herefordshire formalises its partnership working, it has already been agreed that all our equality policies should cross boundaries across the three organisations, and we have successfully achieved this by producing both a joint Disability Equality Scheme (Oct 2009) and, more recently, a joint Gender Equality Scheme (May 2010). We are now embarking on the next level by demonstrating in this charter our commitment to improving life chances, quality of life, health and well being of all the people in the county.
3. A similar report is being presented to NHS Herefordshire and Hereford Hospitals Trust boards

Key Considerations

4. In developing this charter we recognise that inequality is caused by the way in which society fails to meet an individual's needs. This charter sets out our commitment to take positive steps to eliminate discrimination in our policies, practice and procedures, and empower individuals to take control of their lives, and to live independently.
5. This charter demonstrates to our communities our shared commitment to equality and human rights and that, by working in partnership, the Council, NHS Herefordshire and Hereford Hospitals NHS Trust are committed to promoting human rights and equality of opportunity, good community relations and to tackling all forms of unlawful discrimination.

Community Impact

6. The charter underpins the priorities for Herefordshire as set out in Herefordshire's sustainable community strategy. The charter also sets out specific priorities around community cohesion and support for the new and emerging communities in the county and further develops the "No Prejudice In HEREfordshire" campaign
7. The values and principles set out in the document complement the guiding principle as stated in the Herefordshire Partnership's sustainable community strategy.

Financial Implications

8. The Corporate Diversity Team, with the support of the British Institute of Human Rights and Local Government Improvement and Development, has borne the cost of developing this partnership document within existing budgets.
9. There are no significant negative financial implications with regards to the action plan that has been developed to aid implementation. JMT have reinforced the requirement for Directors to embed this work into core business.

Legal Implications

10. This charter sets out the legal framework within which we work with regards to our general and specific duties, and takes into account the new Equality Act 2010.

Risk Management

11. Each public sector organisation has a statutory responsibility to ensure that equality and human rights is adequately embedded within their organisation. Failure to do this could leave the organisation vulnerable to litigation, unwitting discriminatory practice and reputational risk.

Consultees

12. There has been an extensive consultation process that has incorporated presentations, direct mailing, awareness and training sessions, support from the BIHR and LGID as well as internal and external stakeholders events concluding in a 6 week consultation period on the final document. Details are at Appendix 2

Appendices

Appendix 1. Herefordshire Equality and Human Rights Charter

Appendix 2 Consultees

Background Papers

- None identified.

Herefordshire's Equality and Human Rights Charter 2010-2013



If you would like help to understand this document, or would like it in another format or language, please call the Corporate Diversity Team on 01432 260244 or e-mail diversity@herefordshire.gov.uk.

Contents

1.	Commitment to this Charter	3
2.	Why do we want an Equality & Human Rights Charter for Herefordshire?	4
3.	Our vision	5
4.	Our values	6
5.	Principles for our approach	6
6.	The legal framework	7
7.	Herefordshire's areas for action	8
8.	Monitoring arrangements and reporting	9
9.	Appendix 1 – The rights contained in the Human Rights Act	10

1. Commitment to this Charter

Herefordshire's service providers have signed up to this charter and will work to the principles and values as set out below. We will all work towards our joint vision and, by working in partnership, make Herefordshire a place where people, organisations and businesses work together towards long term, sustainable success for all.

By signing up to this charter, our organisations commit to:

1. working towards embedding equality and human rights in all that we do
2. promoting human rights and equality of opportunity, good community relations and to tackling all forms of unlawful discrimination
3. working towards the Herefordshire vision
4. embedding the Herefordshire values and principles of approach
5. complying with our statutory requirements
6. focusing on our local priorities
7. delivering the actions set out in the action plan
8. demonstrating progress on these actions by producing an annual report that will be publicly available

Chris Bull

*Chief Executive of Herefordshire Council
and NHS Herefordshire*

Martin Woodford

*Chief Executive, Hereford Hospitals
NHS Trust*

Joanna Newton

Chair, NHS Herefordshire

Cllr Roger Phillips

Leader of Herefordshire Council

2. Why do we want an Equality and Human Rights Charter for Herefordshire?

We believe that this charter demonstrates our commitment to dignity and respect and human rights in everything that we do. Human rights are, by definition, the basic entitlements someone can expect in a civilised society, but there is a long way to travel from regarding human rights as important, to being a human rights based organisation.

This charter sets out how public service providers will work in partnership to embed equality and human rights within all that we do. It also sets out an agreed vision around equalities for the communities of Herefordshire.

It will provide a focus to ensure that we meet our obligations under the Human Rights Act 1998, the detailed requirements of the Equality Act 2010, the Equality Framework for Local Government and World Class Commissioning for the NHS.

Promoting human rights within an organisation allows individuals to flourish, reach their potential, and participate fully in society.

Promoting equality is a core part of the human rights agenda and is essential for the creation of a cohesive society and for a strong economy.

Recognising and respecting individuals' rights within our community helps us to uphold our sense of responsibility to each other.

The Council, NHS Herefordshire, and Hereford Hospitals Trust and other partners are working closely together to improve the life-chances, quality of life, health and well-being of all the people in the county.

We have both a moral and a statutory obligation to reflect the needs of our diverse population when providing services, and when employing people. We recognise that all individuals should have equal rights in relation to employment and services so that they can participate fully as citizens.

In developing this charter we recognise that inequality is caused by the way in which society fails to meet an individual's needs. We are committed to taking positive steps to eliminate discrimination in our policies, practices, procedures and the way we work together in partnership. We are also keen to empower individuals to take control of their lives, and to live independently.

Dignity: everyone is important, valuable, worthy of respect

Equality: no-one is more important than anyone else

In working with others, the Council, NHS Herefordshire and Hereford Hospitals Trust are committed to promoting human rights and equality of opportunity, good community relations and to tackling all forms of unlawful discrimination. As public sector service providers, we must respect and protect human rights in all that we do. We also have a responsibility to promote and implement equality when we:

- provide services
- purchase services
- employ staff
- work in partnership with other organisations
- engage with our communities

3. Our vision

- Herefordshire will be a place where we will achieve a fair and just society and empower every person to secure the best possible standard of service from all public authorities.
- Everyone who lives in, works in and visits this county has the right to be treated with respect, dignity and fairness, creating the environment and opportunity for people to succeed.
- In Herefordshire we will create a new culture of respect for human rights.
- In Herefordshire we will make every effort to help people to understand their rights, and where possible, help them to realise them.

As community leaders and service providers we must uphold, respect, protect and fulfil human rights and must take positive steps to make these commitments a reality in people's lives.

It is recognised that some people may experience discrimination and be disadvantaged due to their individual characteristics¹ or social identity, including (but not limited to) their:

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

We have a legal duty with regard to these protected characteristics, but we acknowledge that this is the minimum required and that there is a moral obligation to go beyond legislation.

¹ The characteristics listed here are the "protected characteristics" as defined in the Equality Act 2010

4. Our values

The acronym PEOPLE is used by Herefordshire Public Services to demonstrate that we want to put people at the centre of everything we do:

People:	Treating people fairly, with compassion, respect and dignity
Excellence:	Striving for excellence , and the highest quality of service, care and life in Herefordshire
Openness:	Being open , transparent and accountable for the decisions we make
Partnership:	Working together in partnership and with all our diverse communities
Listening:	Actively listening to, understanding and taking into account people's views and needs
Environment:	Protecting and promoting our outstanding natural environment and heritage for the benefit of all

This complements the guiding principle "everyone is someone", as stated in the Herefordshire Partnership's Sustainable Community Strategy. This is defined as:

- valuing everyone's contribution
- challenging prejudice
- supporting people and promoting an equitable county

5. Principles for our approach

A human rights approach is the underpinning framework for equalities work. Human rights encompasses equality and goes beyond addressing issues of discrimination. Human rights are about how people are treated.

Equality is about creating a fairer society, where everyone can participate and has the opportunity to fulfil their potential².

An **equalities approach** understands that social identity – in terms of gender, race, disability, age, social class, sexuality and religion – will impact on our life experiences.

Human rights help individuals to flourish and achieve potential through:

- being safe and protected from harm
- being treated fairly and with dignity
- being able to live the life you choose
- taking an active part in your community and wider society³

A **human rights approach** protects an individual's freedom to control their day-to-day life, and effectively participate in all aspects of public life in a fair and equal way.

² Department of Health 2004

³ EHRC 2008

6. The legal framework

Since the Human Rights Act 1998, all public authorities and bodies performing a function of a public nature have had a duty to uphold the rights contained in the European Convention of Human Rights. This includes local authorities, education, police forces, national health services and NHS trusts.

The Human Rights Act provides a complementary legal framework to the anti-discriminatory framework.

The Human Rights Act places the following responsibilities on public authorities:

- Organisations must respect and protect individuals' human rights. This means treating people fairly, with dignity and respect while safeguarding the rights of the wider community.
- Organisations should apply core human rights values such as equality, dignity, privacy, respect and involvement, to all organisational service planning and decision making.

The anti-discriminatory legal framework placed a number of specific and general duties on public authorities. These duties cover all aspects of an organisation's activities, policy and service delivery, as well as employment practices.

Each of the public duties requires organisations to:

- Produce a (race, disability and gender) equality scheme
- Carry out impact assessments on their functions, policies and practices

- Carry out equalities monitoring and take action to redress any imbalance
- Publish the results of any work undertaken

All public bodies must also have due regard to:

- Eliminate unlawful discrimination
- Promote equality of opportunity
- Promote good relations between different racial groups
- Promote positive attitudes towards disabled people and encourage their participation in public life
- Take account of disabled people's impairments, even when this involves treating a disabled person more favourably than others

The Equality Act 2010 (due to come into force October 2010) will replace and broaden many of the key duties to encompass other protected characteristics. It contains the following:

- Introducing a new public sector duty to consider reducing socio-economic inequalities
- Putting a new Equality Duty on public bodies
- Using public procurement to improve equality
- Banning age discrimination outside the workplace
- Introducing gender pay reports
- Extending the scope to use positive action
- Strengthening the powers of employment tribunals
- Protecting carers from discrimination
- Offering new mothers stronger protection when breastfeeding
- Banning discrimination in private clubs
- Strengthening protection from discrimination for disabled people

7. Herefordshire's areas for action

7.1. Priorities for Herefordshire

This charter underpins the following priorities, which are taken from Herefordshire's Sustainable Community Strategy:

- **Children and young people**
We aim to improve the lives of children and their families and enable children and young people to develop the knowledge, skills and judgement they need to lead a fulfilling life
- **Economic development and enterprise**
We aim to create an environment for enterprise to thrive and enable business growth and prosperity for all.
- **Environment**
We aim to protect and enhance Herefordshire's distinctive environment and address climate change.
- **Healthier communities and older people**
We aim to work with people and their communities to enable them to lead healthy and fulfilled lives.
- **Safer communities**
We will work together to make Herefordshire an even safer place to live, work and visit.
- **Stronger communities**
We will develop stronger, vibrant, more inclusive communities in which people enjoy a good quality of life and feel they have influence over decisions that affect them.

7.2. Community Cohesion

"A cohesive community is a community that is in a state of 'wellbeing, harmony and stability'. Local authorities have an important role in facilitating community cohesion, by listening to communities, engaging residents and assisting interaction between communities."

(LGA 2002)

We feel the Herefordshire perspective of cohesion differs from the national perspective with regard to the community cohesion agenda in a fundamental way. The 2001 Ted Cattle report defined a lack of community cohesion as "different communities living parallel lives". However this concentrated on cultural and religious differences as the cause of tension and was based on research in a large multicultural urban setting. Parallel lives results in communities becoming fragmented and increasingly isolated from each other. This fragmentation is compounded by new migrants who gravitate towards those who share their background, culture and beliefs. Herefordshire has long adopted a "whole community" philosophy, which we believe must be successful if we are to challenge the notion of parallel lives developing in this county.

With the ever-increasing diversity of Herefordshire's population, it is vital we have a deep understanding of all the community cohesion issues in Herefordshire. Previously, from a multi-cultural perspective, we could describe Herefordshire as having had "households"; now we have "communities" working and living side by side. It is very early days for the new communities in the county and Herefordshire's cross-sector organisations have an opportunity to learn from other authorities by ensuring we do not leave anyone behind and prevent parallel communities or lives within communities from developing.

7.3. No Prejudice in HERefordshire

"No Prejudice in HERefordshire" is a local campaign which supports the community cohesion agenda. The objective of the campaign is to make clear that prejudice, in whatever form it manifests itself, should not be tolerated. This campaign has taken the "whole community" approach, and seeks to create a culture where prejudice will be challenged.

The Council, NHS Herefordshire, and Hereford Hospitals Trust and other partners are supporting this campaign as we recognise the detrimental impact that prejudice and discrimination can have on individuals and communities. We believe that inappropriate language, jokes and actions will perpetuate if unchallenged. We are encouraging the safe challenge of offensive and inappropriate language that is bullying at best, criminal at worst and damages the lives of many. We are using this campaign to encourage a culture where challenging this kind of thing is the norm rather than the exception.

We will use the No Prejudice campaign to challenge the far right agenda and to support the BAME⁴ communities and the new migrant communities of Herefordshire. This said, we must remain aware that there are as many differences *within* communities as there are *between* communities, and the potential these differences have to negatively impact on social and community cohesion. We must work to establish and maintain a good relationship not only between the established communities but also between the different migrant communities. This must be part of a Herefordshire-specific agenda.

8. Monitoring arrangements and reporting

Herefordshire Council, NHS Herefordshire and Herefords Hospital Trust will report annually on their successes and publish a review so that we can demonstrate how we are doing. We will strive to go above and beyond *just* compliance.

⁴ Black, Asian & Minority Ethnic

9. Appendix 1 – The rights contained in the Human Rights Act

Your human rights are:

- the right to life (Article 2)
- freedom from torture and degrading treatment (Article 3)
- freedom from slavery and forced labour (Article 4)
- the right to liberty (Article 5)
- the right to a fair trial (Article 6)
- the right not to be punished without law (Article 7)
- the right to respect for private and family life, home and correspondence (Article 8)
- freedom of thought, conscience and religion (Article 9)
- freedom of expression (Article 10)
- freedom of assembly and association (Article 11)
- the right to marry and to start a family (Article 12)
- the right to an effective remedy (Article 13)
- the right not to be discriminated against in respect of these rights and freedoms (Article 14)
- the right to peaceful enjoyment of your property (Article 1 of protocol 1)
- the right to an education (Article 2 of protocol 1)
- the right to participate in free elections (Article 3 of protocol 1)
- the right not to be subjected to the death penalty (Article 1 protocol 13)

Absolute and non-absolute rights

The rights set out in the Human Rights Act are divided into absolute and non-absolute rights. This is an important distinction because absolute rights can never be interfered with, not even in times of war or national emergency. Lack of resources is never an excuse for interfering with an absolute right.

Non-absolute rights may be referred to as limited rights and may be interfered with in certain strictly defined circumstances. These are set out in legal terms and must be:

- lawful
- for a legitimate purpose
- necessary
- proportionate

If you feel that any of your human rights are breached you can take a legal case in any court or tribunal in the UK.

Herefordshire Equality and Human Rights Consultation process

- Training day held with stakeholder group run by the BIHR 21 May 2010
- Introduction chapter sent out to stakeholder group for comments June 2010
- Full document sent out for consultation with questionnaire 9 July 2010 (6 week consultation period)
- Final draft to JCDG 10 September 2010
- Approved by JMT 28 September 2010
- List of consultees below

Name/Members of	Organisation
Joint Corporate Diversity Group	HPS
Disability Working Group	HPS
Race Equality Staff Group	HPS
LGBT Staff Group	HPS
Disability Staff Group	HPS
Joint Management Team	HPS
Herefordshire Partnership	HPS
HR Manager	HHT
Chief Executive	HHT
Chair of PCT Board	NHS Herefordshire
PCT	NHS Herefordshire
West Mercia Police	Police
Chief Executive	Halo
Chief Executive	Courtyard
Chief Executive	Herefordshire Housing
Herefordshire Voluntary Action	HVA
Leader of the Council	HC
Deputy Leader	HC
Herefordshire Diversity Leads	Various, including Chamber of Commerce, Fire & Rescue Service, CAB, Festival Housing
Union Rep	Unison
HR	HC
Area Manager	West Mercia Probation
	Local Government Improvement and Development
	British Institute for Human Rights
Improving Working Lives steering group	HPS
Office for Social Responsibility	Hereford Diocese
Manager	St Michael's Hospice

MEETING:	CABINET
DATE:	21 OCTOBER 2010
TITLE OF REPORT:	HEREFORDSHIRE 2010 JOINT STRATEGIC NEEDS ASSESSMENT (JSNA)
PORTFOLIO AREA:	CORPORATE STRATEGY AND FINANCE

CLASSIFICATION: Open

Wards Affected

County-wide

Purpose

To draw attention to the following aspects of the 2010 JSNA so that it can be utilised in future plans, strategy development, budget decisions and commissioning of services:

- 1) The new web-based Herefordshire JSNA, a dynamic integrated resource that draws upon the many information sources and analyses that are available within Herefordshire
- 2) The key points and recommendations identified from the analysis contained within the 2010 JSNA web-site (see Appendix 1)

Key Decision

This is not a Key Decision.

Recommendation(s)

THAT:

- (a) the development of the JSNA web-site as a dynamic resource that also draws upon the wide range of local information and analysis across Herefordshire be noted;
- (b) the Key Points and Recommendations from the 2010 JSNA (Appendix 1) be noted; and
- (c) it be agreed that these be used to inform future plans, strategy development, budget decisions and commissioning of services.

Key Points Summary

- The JSNA should underpin decisions regarding future plans, strategy development, budget decisions and commissioning of services

Further information on the subject of this report is available from
Dr A Talbot-Smith, Public Health Department NHS Herefordshire (01432) 344344

- It is the central resource that draws together all the information required to provide an overarching understanding of the needs of the people of Herefordshire - it identifies current needs across the spectrum of well-being, health and social care, as well as considering how those needs are likely to change in the coming years
- The JSNA should be an ongoing continuous process, that responds to changes in populations, socio-economics and the wider environment – in other words a ‘dynamic’ resource
- The JSNA should be readily available to partner organisations, employees, interest groups and the public
- To meet these requirements we have developed Herefordshire’s JSNA into a web-based dynamic resource, that will be updated throughout the year and that also draws upon the breadth and depth of information and analyses undertaken across Herefordshire

Alternative Options

- 1 Production of JSNA is a statutory requirement.

Reasons for Recommendations

- 2 To meet statutory requirements for production of the JSNA.
- 3 To ensure that future plans, strategy development, budget decisions and commissioning of services are based upon assessments of need.
- 4 To meet the requirement that JSNA is a continuous process.
- 5 To ensure JSNA also draws upon the breadth and depth of analyses already undertaken with Herefordshire.

Introduction and Background

- 3 This is the third JSNA for Herefordshire. It has been produced, on behalf of the Directors of Public Health, Children’s Services and Integrated Commissioning, by a cross-Directorate project group from the Council and NHS Herefordshire.
- 4 The strengths of previous JSNAs have been built upon, moving towards an electronic web-based resource. This enables it to be dynamic and ‘continuous’, and as well as containing analyses undertaken specifically for JSNA can explicitly draw upon other information and analyses undertaken across Herefordshire.

Key Considerations

- 5 As in previous years the 2010 JSNA examines the important things that affect people’s lives, their health, and their well-being. Thus it does focus on people’s health and social care needs, but these are set within the context of the other things that affect people’s lives.
- 6 This year we have sought to build upon the strength’s of previous JSNAs, by utilising a similar ‘chapter heading’ structure that focuses on population groups, by recognising the ongoing importance of much of the analyses in previous JSNAs, and by including the annual analyses we undertake specifically for JSNA.
- 7 We have also sought to explicitly draw upon the breadth and depth of other information and analyses already undertaken within Herefordshire. This includes unique information resources such as the State of Herefordshire Report, as well as a considerable number of

information and analyses undertaken as part of ongoing service planning and development across NHS Herefordshire and the Council.

- 8 To facilitate this approach we have developed JSNA into a web-based resource, able to link seamlessly across other resources, information and analyses.
- 9 Moving to a web-based JSNA resource has also enabled us make it more dynamic, with ongoing 'in-year' additions of relevant information and analyses as they become available.
- 10 As in previous years the web-based JSNA is also readily available to stakeholders.
- 11 Recognising the importance of being able to summarise findings of the JSNA we will continue to produce an annual 'Key points and Recommendations' document (Appendix 1). This identifies the main facts and trends drawn from the more detailed analyses contained within the JSNA web-site, as well as identifying the recommendations drawn from those analyses.

Community Impact

- 5 The findings of JSNA will be utilised to inform strategy development, service planning and commissioning decisions
- 6 Being web-based, the resource will be available for community, user and stakeholder use.

Financial Implications

- 6 Annual costs of producing the JSNA are met from within existing approved budgets.

Legal Implications

- 7 These proposals comply with relevant statutory requirements.

Risk Management

- 8 Risk 1 - The Council (and NHS Herefordshire) fail to meet their statutory duty in respect of producing a JSNA.

Risk 2 – The JSNA is not based upon high quality data and analysis that are relevant and 'up to date'.

Risk 3 - Insufficient use is made of the findings of JSNA, which would undermine the organisations ability to set priorities, develop strategies and deliver appropriate services.

The proposals in this paper are explicitly designed to mitigate those risks

Consultees

- 9 The 2010 JSNA was developed by a group drawn from across the Council and NHS Herefordshire.
- 10 Many of the analyses within the 2010 JSNA have been prepared in consultation with a wide range of partner organisations and interests.
- 11 The 2010 JSNA will be presented and discussed with a wide range of stakeholders, including NHS Herefordshire and Herefordshire Partnership. Their views will be taken into account as the JSNA is updated and taken forward.

Appendices

12 Appendix 1 – Herefordshire Joint Strategic Needs Assessment 2010. Key Points and Recommendations.

Background Papers

The full web-based JSNA resource is available at www.herefordshire.gov.uk/jsna

It can be obtained in an alternative format or language by contacting the Herefordshire Corporate Policy and Research Team, Herefordshire Council, PO Box 4, Hereford, HR4 0XH.

Herefordshire Joint Strategic Needs Assessment 2010

Key Points and Recommendations



The full assessment is available as a web based resource at: www.herefordshire.gov.uk/jsna

Should you require this document in an alternative format or language please contact the Herefordshire Corporate Policy & Research Team on telephone 01432 260498 or email researchteam@herefordshire.gov.uk



Working together for the people of Herefordshire



SUMMARY OF THE HEREFORDSHIRE JOINT STRATEGIC NEEDS ASSESSMENT 2010

What the Joint Strategic Needs Assessment (JSNA) is for:

This is a summary of Herefordshire's third Joint Strategic Needs Assessment. The JSNA brings together, in a single, continuous process, all the information on the health and well-being needs of Herefordshire's population. It examines current and predicted 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. By identifying the major issues that need to be addressed regarding people's health and well-being it helps Herefordshire Council, NHS Herefordshire and our partners identify what our priorities should be. These priorities 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 our first *Joint Strategic Needs Assessment* in 2008, we have been working to ensure we continuously improve our understanding of the needs of the county. This year we have adopted a new approach to the JSNA, developing a dynamic web-based facility¹ that will enable us to continuously (in-year) update the JSNA as a resource. This approach has also enabled us to increase the breadth and depth of information used to inform the JSNA – as well as including analyses specifically undertaken for JSNA, we have included information and analyses developed during the ongoing service and development process, and we have utilised the unique information resource of the Herefordshire Partnership by linking into the State of Herefordshire web-based report.

Through this approach we have continued our focus on different 'groups' across the county, including children and young people and older people, as well as different 'issues' important for the county, such as the major causes of mortality and ill-health and other factors that affect people's lives. We have also continued our focus on 'what people think', gained through ongoing consultation and discussions with local people, as well as new analyses

¹ Full web-based JSNA available at www.herefordshire.gov.uk/jsna

of data. All of this information will now be supplemented in-year as new information and analyses become available – this will make JSNA a dynamic ‘up-to-date’ information resourced that can be used to inform priority setting and decision making.

What we know: the main facts and trends

Many of the issues identified in previous annual JSNAs remain current for Herefordshire, although there are some new emerging issues and trends. Within this short summary document we have highlighted the key points and recommendations – for more details, we would encourage you to visit the full web based JSNA resource which is available at www.herefordshire.gov.uk/jsna.

Overall people in Herefordshire are healthy, live longer compared with national life expectancy, and have positive experiences of the things that affect their lives and well-being:

- Women live on average to 83, a year longer than in England as a whole; men to 79, which is slightly longer than nationally.
- 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.
- Our young people generally get better qualifications than in England as a whole, with 74 per cent achieving five or more A* – C grades at GCSE.
- Even with the recession, Herefordshire has much lower levels of unemployment and crime than nationally, and the percentage of 16-18 year olds not in education, employment or training has dropped back in line with previous years (following a steep rise in 2008/09 which was largely due to the economic downturn).
- A much higher proportion of people compared with nationally (nearly nine out of ten) are satisfied with their local area as a place to live.
- Herefordshire has a vibrant 3rd sector providing a rich patchwork of community action, voluntary groups and neighbourhood support.

Even so, there are a number of significant issues facing our communities which can get ‘hidden’ behind these headline statements. In the following pages we have highlighted the major issues that need to be tackled to improve health and well-being, and to reduce inequalities in Herefordshire, both

now and in the future. We have tried to draw these together into some overarching themes, but some points and issues will operate across more than one.

1) Inequalities and Deprivation

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 conditions.

- Herefordshire has a number of ‘pockets’ of deprivation, with the highest levels of overall, multiple deprivation (areas within the 25 per cent most deprived in England) in parts of Hereford and Leominster, together with small pockets in and around the other market towns and several rural villages and hamlets.
- The proportion of people experiencing income deprivation in all of these areas has increased from 2004, and increasingly high proportions of children in some areas, particularly of Leominster and Hereford, live in households with low incomes - the gap between the most deprived areas and the rest of the county seems to be widening.
- Some parts of the county have increasingly high proportions of people aged 60 and over living in households with low incomes; for instance, nearly two in five in areas of Bromyard, Hereford and Leominster.
- People living in Herefordshire’s deprived areas experience worse health outcomes – being more likely to be admitted to hospital or die from a range of conditions - than those living elsewhere.
- Deprivation is clearly linked to educational attainment, and the gap between the best and worst performing wards at GCSE (pupils achieving 5 or more A*-C grades at GCSE including English and Maths) is increasing. Although Herefordshire performs relatively well compared with nationally for the educational achievement of looked after children they still do less well than their peers; there are still significant attainment gaps between identifiable groups of vulnerable children, including those with special educational needs, those in care, and pupils from minority ethnic groups, notably Gypsy and Roma Traveller children.
- 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.

- 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. This is a particular issue for vulnerable groups and children and young people.
- Although levels of unemployment remain low compared to the West Midlands and England, numbers have increased as a result of the recession and are expected to increase further. Unemployment has also been felt disproportionately by unskilled and semi-skilled people.

2) Changing Demographics

The increasing number of people aged 65 and over has been recognised for some time, but it is also important to identify what this means in terms of their health and social care needs. Other demographics also need to be considered – and not forgotten just because it has been heard before.

- The number of people aged 85 and over is expected to almost 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 of poor, inadequately heated housing.
- Expected increases in levels of disability, due mainly to the ageing of the population structure, will add significantly to the number of people having to provide care to their families or friends.
- 51 ➤ Dementia presents a significant and urgent challenge to health and social care in Herefordshire in terms of both numbers of people affected and costs. projections suggest that the estimated 2,900 people affected in 2010 could almost double to 5,600 by 2030. The ratio of GP recorded prevalence of dementia to estimated occurrence based on national rates of the condition suggests under reporting in the county. This leads to a lack of treatment and care for individuals affected, and lack of support for their carers. The Joint Commissioning Plan *Living Well with Dementia in Herefordshire*, due to be finalised by the end of 2010, will be the catalyst for change in the way people with dementia are viewed and cared for.
- The number of people aged over 65 with learning disabilities will double by 2015, and those with moderate disabilities living at home are likely to have high dependency as they age. There will be an increase in the need for age appropriate services. In more general terms we need to identify how we most appropriately support people with the highest level of support needs to access community facilities, and to increase the employment opportunities for working age people with learning disabilities.
- Although the number of children continues to decrease within Herefordshire there have been more births than expected in the last two years, mirroring a national increase in fertility – this will have implications for planning across the whole range of children’s services.
- Herefordshire has a relatively small Black, Asian and Minority Ethnic population - but this is growing.

- Although the numbers employed by local farms declined in 2010, Herefordshire continues to have a 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.

3) Health and Health-related Behaviours

Many of the major causes of ill-health and mortality remain unchanged within Herefordshire since the publication of the 2009 JSNA. We know that nearly all of these are influenced by 'unhealthy' lifestyle behaviours; at the same time newer challenges are emerging as the result of these 'unhealthy' lifestyle behaviours.

- The levels of cancer and coronary heart disease are lower than nationally and regionally but remain the county's biggest killers.
- The rate of deaths related to stroke has fallen more rapidly than nationally over recent years, but they are still more prevalent in the county.
- Although the number of people killed or seriously injured in road accidents has decreased over recent years the fatality rate remains slightly higher than the national rate
- Suicide rates are higher than regionally and nationally and are increasing, while the number of 18-64s with the most serious mental health disorders is much higher than would be expected.
- The dental health of children is poor with two in every five having some experience of tooth decay by the age of 5 years
- The number of teenage pregnancies is relatively low but has risen; and there has been a sharp rise in sexually transmitted diseases (although this could be the result of better screening).
- Smoking remains the single most important cause of premature death and ill-health, but rates of alcohol-related hospital admissions are increasing. We also know that high proportions of young people, especially girls, smoke and drink alcohol and get drunk.
- Obesity is emerging as a major contributing factor to poor health, disability and premature death. Herefordshire has a higher rate of obesity amongst adults than England generally and it is particularly concerning that more than one in four 11 year-old children are overweight or obese.
- Prescribing is the most common intervention in the NHS. The continued development of new drugs, the identification of new applications for existing drugs, and Herefordshire's aging population mean that this will remain an important issue for Herefordshire, in terms of ensuring safe and appropriate medicines management as well as managing resource implications.

4) What People Have Told Us

In 2008 we undertook the 'Quality of Life Survey', which we detailed in the 2009 JSNA and which is still available on the JSNA web-site and which we will update should the survey be repeated. Other stakeholder's views regarding how to improve people's health and well-being through NHS Herefordshire's Health Improvement Plan can also be found on the web-site.

Recommendations

The main challenges that require action remain similar to those in previous years, although they do encapsulate new and emerging issues that have developed over the last year. These recommendations are of necessity 'high-level' – the more detailed area-specific recommendations will be found within the detailed analyses on the JSNA web-site resource, which is updated continuously as information and analyses become available throughout the year.

- 1) If we are to address the health and social care needs of Herefordshire's population, as well as the things that contribute to their health and well-being, we need to ensure a co-ordinated approach to service commissioning and delivery across partner organisations. This is particularly true for areas and groups in the population suffering from deprivation, including families with children. This approach will need to be safeguarded through organisational change and re-structuring as GP-led commissioning consortia are introduced.
- 2) As the effects of economic recession are felt we need to work with partner organisations to minimise the effects of unemployment and deprivation on people's life-chances, as well as on their health and well-being. Measures to reduce the number of young people not in education, employment or training are important for the future strength of the county's economy, as well as for social benefits.
- 3) There is a growing need to prevent the lifestyle behaviours that contribute to ill-health and mortality and through which we can prevent ill-health and disease. In particular we need to work to reduce the prevalence of smoking, reduce alcohol intake and 'binge drinking', and improve people's diet and levels of physical activity. This is true for adults, children and young people, and their families.
- 4) We need ongoing programmes to reduce accidents – across all ages.
- 5) There is a need to provide more support via GPs for people with common mental health problems, as well as to reduce suicides, especially amongst 25-44 year-olds.

- 6) There is an increasing proportion of the population who will require personalised support and re-ablement services to enable them to live independently in their own homes. This includes people over 85, those with dementia, people with learning disabilities, and people with moderate to severe mental health problems. The support needs of their carers and families also need to be addressed, to enable them to cope and to lead fulfilled lives.
- 7) In tandem with this the housing needs of these and other groups need to be considered, with innovative approaches needed to provide the supported housing needs of the populations. Work is under way to look at the housing needs of people with mental health problems. Other issues, such as an increased need for additional authorised pitches for Gypsies and Travellers, will require working with local communities.
- 8) The number of children in Herefordshire and the birth rate will need to be monitored to identify whether or not they pose a challenge to the sustainability of high quality children's services, especially in rural areas. The educational under-achievement of groups such as looked after children and Gypsy and Traveller children still needs continued attention.
- 9) The rurality of Herefordshire can make access to and delivery of all services problematic – we need to continue to innovate and make use of new technologies to bring services to people in their own localities and their own homes.
- 10) As the ethnic mix of Herefordshire changes we need to ensure there are adequate opportunities for people to gain quickly a reasonable ability to speak English.
- 11) We need to support 3rd sector organisations, recognise good practice and excellence where it exists and encouraging it's spread. We also need to ensure the effective growth of links between 3rd sector organisations and the statutory sector.

Future developments

The detail and in-depth analysis that provides a full understanding of these issues can be found at www.herefordshire.gov.uk/jsna on the JSNA web-site. Ongoing information and analysis that is undertaken throughout 2010/11 will be added to the web-site as it becomes available.

MEETING:	CABINET
DATE:	21 OCTOBER 2010
TITLE OF REPORT:	BUDGET CONSULTATION 2011/12
PORTFOLIO AREA:	RESOURCES

CLASSIFICATION: Open

Wards Affected

County-wide.

Purpose

To agree a timetable and consultation arrangements for the 2011/12 budget in line with the requirements of the Constitution.

Key Decision

This is not a key decision.

Recommendation(s)

THAT:

- (a) the approach to consultation and engagement with the public be approved; and
- (b) the proposed timetable attached at Appendix B to the report be approved.

Alternative Options

1. There are no alternative options.

Reasons for Recommendations

2. There is a need to engage with residents to explain the challenges facing the council.
3. It is important that the council meets its obligations as set out in sections 4.3.2.1 to 4.3.2.5 of the constitution. The wording in the Constitution is attached as Appendix A.

Introduction and Background

4. All local authorities face a challenging set of circumstances as the new coalition government has given a clear commitment to reduce the level of public spending. The services and organisations likely to receive some sort of "protection" do not include local authorities which means difficult decisions will have to be made. The likely level of funding reduction coupled

with the impact of the recession on the demand for council services, means that greater engagement with residents is required to explain the challenges facing the council when setting the 2011/12 budget.

5. The constitution requires a programme to consult on the 2011/12 budget and its key priorities. Consultation methods need to be adopted to ensure consultees are informed, engaged and given ample opportunity to give their views.
6. The shape and extent of the government cuts affecting local authorities will be confirmed in the weeks following the announcement on 20th October. This will lead to a full understanding of how the cuts will affect Herefordshire.

Key Considerations

7. There is a requirement to help residents understand why difficult decisions will be needed. In order to achieve this, dedicated budget pages will be available on the council's website. These can be updated as required and would include information on the budget setting timetable thus ensuring the timetable is also publicised.
8. The appropriate use of Herefordshire Matters will be a key part of the process given its wide distribution across the county. Information about the budget and engagement process can also be provided to the local press.
9. Regular budget bulletins will be made to employees who will be able to respond online or feedback to trade unions.
10. Public meetings remain a suitable means of engagement. Meetings should be held in locations that allow the maximum number of people to attend. It is important that rural areas are also covered in a series of events to be held during November and early December.
11. Other groups and bodies will need to be engaged and consulted as follows:
 - Trade Unions via meetings with the Leader and Deputy Leader.
 - Schools Forum to provide an overall update on the implications for schools.
 - Parish Councils will be offered an overall meeting and officers will attend individual meetings if required.
 - Voluntary and Community Sector will be consulted as part of the ongoing Third Sector Support Services Review
 - There is a requirement that the Business Community is consulted as part of the council tax setting process and this will be scheduled in consultation with the local Chamber of Commerce.
12. Internal consultation about the budget will involve Overview and Scrutiny Committee and the meetings on 29th November and 14th January will be used to consult with the committee so that their views can be fed back to Cabinet.
13. Briefings for political groupings and councillors will be held.
14. The attached timetable will be shared with Overview and Scrutiny and other scrutiny committees so that their work plans can include budget scrutiny in preparation for 2011/12.

Community Impact

15. Effective community engagement will increase the level of understanding about the challenges and choices facing the council.

Financial Implications

16. There will be some costs associated with the process and these will be met by the council's revenue contingency.

Legal Implications

- 18 There is a requirement to demonstrate the council has consulted about the process.

Consultees

19. The report outlines the groups to be consulted..

Appendices

- Appendix A – Extract from constitution
- Appendix B - Proposed dates for consultation

Background Papers

None identified.

Constitution Extract

- “4.3.2.1 *The Cabinet will publicise a timetable for making proposals to the Council for the adoption of any plan, strategy or budget that forms part of the Budget and Policy Framework, and its arrangements for consultation after publication of those initial proposals.*
- 4.3.2.2 *The Cabinet will provide a copy of the timetable to the Chairman of the Council, the Chairman of the Overview and Scrutiny Committee and the Chairmen of the Scrutiny Committees. The Chairman of the Overview and Scrutiny Committee shall take steps to ensure that the Overview and Scrutiny Committee and the Scrutiny Committee work programmes include any such plan, strategy or budget to enable scrutiny members to be consulted on the Budget and Policy Framework.*
- 4.3.2.3 *The Cabinet will determine the methods to be used to publicise the timetable to ensure that the appropriate consultees are informed about the process and the timetable for adoption of any such plan, strategy or budget.*
- 4.3.2.4 *Budget consultees should include Town and Parish Councils, the Local Strategic Partnership, Health partners, the Schools Forum, Business Ratepayers, Council Taxpayers, the Trade Unions, Political Groups on the Council, the Overview and Scrutiny Committee and such other organisations and persons as the Leader shall determine.*
- 4.3.2.5 *Following consultation and having had regard to the responses to the consultation, the Cabinet will draw up firm proposals for the plan, strategy or budget under consideration. “*

Schedule of Significant Dates for Consultation

Cabinet – BUDGET CONSULTATION PAPER	21 st October 2010
Cabinet – VERBAL UPDATE ON CSR10 ANNOUNCEMENT	
MEMBER/NEDs EVENT FOR CSR10	28 th October 2010
Overview & Scrutiny Committee – BUDGET FRAMEWORK PAPER	29 th November 2010
PUBLIC MEETINGS	NOVEMBER – DECEMBER 2010
PARISH COUNCILS EVENT	DECEMBER 2010
BUSINESS COMMUNITY EVENT	DECEMBER 2010
SCHOOLS FORUM	DECEMBER 2010
Overview & Scrutiny Committee – BUDGET 2011/12 FOR COMMENT	14 th January 2011
Cabinet – 2011/12 BUDGET	20 th January 2011
COUNCIL– 2011/12 BUDGET	4 th February 2011
Cabinet – FEEDBACK COMMENTS FROM COUNCIL	17 th February 2011
COUNCIL – COUNCIL TAX SETTING	4 th March 2011

