

# AGENDA

## Community Services Scrutiny Committee

Date: **Monday 6 December 2010**

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Time: **10.00 am**

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

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

For any further information please contact:

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# Agenda for the Meeting of the Community Services Scrutiny Committee

## Membership

<b>Chairman</b>	<b>Councillor TM James</b>	
<b>Vice-Chairman</b>	<b>Councillor KG Grumbley</b>	
	<b>Councillor PL Bettington</b>	
	<b>Councillor BA Durkin</b>	HALC
	<b>Councillor DW Greenow</b>	
	<b>Councillor KS Guthrie</b>	
	<b>Councillor MAF Hubbard</b>	
	<b>Councillor B Hunt</b>	
	<b>Councillor SJ Robertson</b>	
	<b>Councillor RH Smith</b>	
	<b>Councillor AP Taylor</b>	
<b>Non Voting</b>	<b>Mrs Gillian Churchill</b>	HALC
	<b>Mrs. J. Evans</b>	National Farmers Union
	<b>Mr Gary Woodman</b>	Hereford and Worcester Chamber of Commerce

## **GUIDANCE ON DECLARING PERSONAL AND PREJUDICIAL INTERESTS AT MEETINGS**

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

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

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

## AGENDA

		Pages
1.	<b>APOLOGIES FOR ABSENCE</b> To receive apologies for absence.	
2.	<b>NAMED SUBSTITUTES</b> To receive any details of Members nominated to attend the meeting in place of a Member of the Committee.	
3.	<b>DECLARATIONS OF INTEREST</b> To receive any declarations of interest by Members in respect of items on the Agenda.	
4.	<b>MINUTES</b> To approve and sign the Minutes of the meeting held on 15 November 2010.	1 - 12
5.	<b>SUGGESTIONS FROM MEMBERS OF THE PUBLIC ON ISSUES FOR FUTURE SCRUTINY</b> To consider suggestions from members of the public on issues the Committee could scrutinise in the future.	
6.	<b>REVENUE AND CAPITAL BUDGET MONITORING REPORT</b> To advise the Committee of the revenue forecast outturn position for Community Services as at 30 <sup>th</sup> September 2010 and the progress of the 2010/11 Capital Programme which falls within the portfolio for Community Services	13 - 20
7.	<b>PERFORMANCE OUT-TURN UP TO THE END OF SEPTEMBER 2010</b> To provide a report on the outturns for key national performance indicator targets for services under the committees remit. This report has used the same format as used previously, and now incorporates the adopted performance rating system being used in the new corporate performance report for Cabinet; an explanation of the ratings is shown at Appendix A.	21 - 32
8.	<b>REVIEW OF THIRD SECTOR SUPPORT AND DEVELOPMENT SERVICES</b> To consult on the proposals contained within the Review of Third Sector Support and Development Services and its overall objective to achieve consensus on the future provision of services, resources and delivery.	33 - 116
9.	<b>EXECUTIVE RESPONSE TO COMMUNITY SERVICES SCRUTINY REVIEW OF SUPPORT FOR VOLUNTEERING</b> To consider the Executive's response to the Review of Volunteering conducted by the Community Services Scrutiny Committee.	117 - 124
10.	<b>PROGRESS REPORT FROM THE SAFER HEREFORDSHIRE SCRUTINY REVIEW GROUP</b> To provide a summary of the evidence the Review Group has received and to set out the considered findings and recommendations to the Committee.	125 - 128
11.	<b>COMMITTEE WORK PROGRAMME</b> To consider the Committee's Work Programme.	129 - 132
12.	<b>EDGAR STREET GRID - UPDATE</b> To receive a report on the progress made with the Edgar Street Grid project.	133 - 134



## **PUBLIC INFORMATION**

### **HEREFORDSHIRE COUNCIL'S SCRUTINY COMMITTEES**

The Council has established Scrutiny Committees for Adult Social Care and Strategic Housing, Childrens' Services, Community Services, Environment, and Health. A Strategic Monitoring Committee scrutinises corporate matters and co-ordinates the work of these Committees.

The purpose of the Committees is to ensure the accountability and transparency of the Council's decision making process.

The principal roles of Scrutiny Committees are to

- Help in developing Council policy
- Probe, investigate, test the options and ask the difficult questions before and after decisions are taken
- Look in more detail at areas of concern which may have been raised by the Cabinet itself, by other Councillors or by members of the public
- "call in" decisions - this is a statutory power which gives Scrutiny Committees the right to place a decision on hold pending further scrutiny.
- Review performance of the Council
- Conduct Best Value reviews
- Undertake external scrutiny work engaging partners and the public

Formal meetings of the Committees are held in public and information on your rights to attend meetings and access to information are set out overleaf

## **PUBLIC INFORMATION**

### **Public Involvement at Community Services Scrutiny Committee Meetings**

You can contact Councillors and Officers at any time about Scrutiny Committee matters and issues which you would like the Scrutiny Committees to investigate.

There are also two other ways in which you can directly contribute at Herefordshire Council's Scrutiny Committee meetings.

#### **1. Identifying Areas for Scrutiny**

At the meeting the Chairman will ask the members of the public present if they have any issues which they would like the Community Services Scrutiny Committee to investigate, however, there will be no discussion of the issue at the time when the matter is raised. Councillors will research the issue and consider whether it should form part of the Committee's work programme when compared with other competing priorities.

Please note that the Committees can only scrutinise items which fall within their specific remit (see below). If a matter is raised which falls within the remit of another Scrutiny Committee then it will be noted and passed on to the relevant Chairman for their consideration.

#### **2. Questions from Members of the Public for Consideration at Scrutiny Committee Meetings and Participation at Meetings**

You can submit a question for consideration at a Scrutiny Committee meeting so long as the question you are asking is directly related to an item listed on the agenda. If you have a question you would like to ask then please submit it **no later than two working days before the meeting** to the Committee Officer. This will help to ensure that an answer can be provided at the meeting. Contact details for the Committee Officer can be found on the front page of this agenda.

Generally, members of the public will also be able to contribute to the discussion at the meeting. This will be at the Chairman's discretion.

(Please note that the Scrutiny Committees are not able to discuss questions relating to personal or confidential issues.)

## **Remits of Herefordshire Council's Scrutiny Committees**

### **Adult Social Care and Strategic Housing**

*Statutory functions for adult social services including:*

*Learning Disabilities*

*Strategic Housing*

*Supporting People*

*Public Health*

### **Children's Services**

*Provision of services relating to the well-being of children including education, health and social care.*

### **Community Services Scrutiny Committee**

*Libraries*

*Cultural Services including heritage and tourism*

*Leisure Services*

*Parks and Countryside*

*Community Safety*

*Economic Development*

*Youth Services*

### **Health**

*Planning, provision and operation of health services affecting the area*

*Health Improvement*

*Services provided by the NHS*

### **Environment**

*Environmental Issues*

*Highways and Transportation*

### **Strategic Monitoring Committee**

*Corporate Strategy and Finance*

*Resources*

*Corporate and Customer Services*

***Human Resources***

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- Inspect minutes of the Council and all Committees and Sub-Committees and written statements of decisions taken by the Cabinet or individual Cabinet Members for up to six years following a meeting.
- Inspect background papers used in the preparation of public reports for a period of up to four years from the date of the meeting. (A list of the background papers to a report is given at the end of each report). A background paper is a document on which the officer has relied in writing the report and which otherwise is not available to the public.
- Access to a public Register stating the names, addresses and wards of all Councillors with details of the membership of Cabinet and of all Committees and Sub-Committees.
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- Have access to a list specifying those powers on which the Council have delegated decision making to their officers identifying the officers concerned by title.
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- Access to this summary of your rights as members of the public to attend meetings of the Council, Cabinet, Committees and Sub-Committees and to inspect and copy documents.



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**BROCKINGTON, 35 HAFOD ROAD, HEREFORD.**

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HEREFORDSHIRE COUNCIL

**MINUTES of the meeting of Community Services Scrutiny Committee held at The Council Chamber, Brockington, 35 Hafod Road, Hereford on Monday 15 November 2010 at 1.30 pm**

**Present:** Councillor TM James (Chairman)  
Councillor KG Grumbley (Vice Chairman)

Councillors: WLS Bowen, GFM Dawe, JHR Goodwin, DW Greenow, KS Guthrie, MAF Hubbard and RH Smith

**Co-opted** Mrs G Churchill (HALC)

**In attendance:** Councillors AJM Blackshaw and MD Lloyd-Hayes

**31. APOLOGIES FOR ABSENCE**

Apologies were received from Councillors PL Bettington, B Durkin and SJ Robertson.

**32. NAMED SUBSTITUTES**

Councillor JHR Goodwin substituted for Councillor PL Bettington and Councillor WLS Bowen for Councillor SJ Robertson.

**33. DECLARATIONS OF INTEREST**

Name	Item	Interest
Cllr MAF Hubbard	6 – Scrutiny Review of the Strategic Direction of the Edgar Street Grid Project	Director of a not for profit campaigning organisation, It's Our City

**34. MINUTES**

**RESOLVED:** That the minutes for the meeting held on 8th October 2010 be approved as a correct record and signed by the Chairman.

**35. SUGGESTIONS FROM MEMBERS OF THE PUBLIC ON ISSUES FOR FUTURE SCRUTINY**

There were no suggestions.

**36. REVIEW OF THE STRATEGIC DIRECTION OF THE EDGAR STREET GRID PROJECT**

The Chairman welcomed Members to the meeting and said that this would be an information gathering process, with the intention of producing a report to be approved by the Committee at its next meeting. The meeting would adjourn once the evidence from those involved in commissioning and delivering the project had been heard, and would reconvene at 09.30 on the 16<sup>th</sup> November in order to hear further representations from stakeholders.

The Chief Executive, Herefordshire Futures Ltd provided a presentation, which covered a number of areas:

- That Herefordshire Futures Ltd had a much wider remit than ESG Hereford Ltd, and had assembled a Board of Directors with the expertise to push projects forward across the City. The company's role was to take strategic ideas from the Council,

consider the feasibility of them with the Board, and deliver them, at the request of the Council, with a mixture of public and private funding.

- That the original Masterplan for the Edgar Street Grid site produced in 2004 had proved unpopular with the Commission for the Built Environment (CABE) and English Heritage. Greater liaison with both of these bodies had resulted in a greatly improved plan produced by ESG Herefordshire Ltd in 2007 which had been, following consultation, adopted by the Council in 2008.
- That the Urban Village was a fundamental part of the Masterplan, and was being formulated with long term, sustainable objectives.
- That the Old Livestock Market area was a natural extension of the City centre, with a design that would tie it in to the existing City. There was an emphasis on retail and leisure at the southern of the site, which would then blend with the residential area of the Urban Village to the south east of the site.
- There would be a development opportunity for Hereford United, which could include additional fast food outlets on the ground floor of the Football Club, and possible student accommodation or a budget hotel.
- A Higher Education (HE) Centre would be developed on the Blackfriars site. In addition to HE provision, the Centre would facilitate business use, with auditoria suitable for conferences. There would be remote linkages to other colleges that would allow local students to study for degrees elsewhere in the Country.
- Additional cable ducts would be laid below new roads and pavements to facilitate broadband requirements on the site.
- The Flood Alleviation Scheme which was designed to help prevent the City being flooded by waters from the Yazor Brook had been agreed with the National Trust, and would consist of a 2 metre bore pipe that would take flood waters from the brook safely into the Wye. The scheme had received planning permission.
- As part of the business relocation process from the route of the Link Road, monthly meetings were now being held with the businesses, and there was now a single point of contact with them. The existing Livestock businesses still located on the Old Livestock Market Site were updated on progress by the Council, whilst Hereford Futures dealt with those on the Link Road.
- Additional funding was being sought from the Marches Local Enterprise Partnership (LEP), one of only twenty two LEPs approved nationally. The LEP would be bidding for funding from the new Regional Growth fund and expressions of interest were now being developed for a number of schemes, including one for the Three Elms Industrial Site. The LEP had also made a pitch for assets in Herefordshire currently owned by the Regional Development Agency.
- In terms of the Butter Market competition, final submissions would be made by the 19 November, and the scheme would go out for public consultation. Developers would be invited to tender, and a preferred developer would be appointed in the Spring of 2011. The developer would be encouraged to work with the winner of the design process.

Following his presentation the following points were made in discussion:

- That the existing Livestock Market provision was no longer appropriate for the needs of the County, and that the principal New Market was a high quality investment in the future for the agricultural community, and was the sort of investment that was not being made elsewhere in the country. Three businesses

were already considering moving to the site. As a result of a restrictive covenant from the Church Commissioners, only businesses that were associated with agriculture would be permitted to relocate to the new site.

- A Member said that he believed that as the Retail scheme had been scaled down, it was important that it should get underway as soon as possible if it was not to suffer the same fate as Newport, Gwent, scheme. The anchor stores had pulled out of this scheme, which had collapsed, and the major retailers had gone into out of town Retail Park. Major investment in the City centre was required in order to prevent this happening in Hereford.
- In reply to a question from a Member, the Director of Sustainable Communities said that a large amount of capital had already been drawn down from Advantage West Midlands (AWM), and that funding allocated by AWM would continue to meet the costs of the Flood Alleviation Scheme. AWM could not provide funding for the Link Road. The new Regional Growth Fund could, however, be an option to bridge the funding gap.
- A Member suggested that it was appropriate that a briefing note should be provided to the Committee with answers to the first four questions in the Scoping Statement for the Review.
- The Cabinet Member (Economic Development and Community Services) added that the development of the Local Enterprise Partnerships had been undertaken with little national guidance, but it was hoped that the new body would play a vital role in administering existing funds, as well as accessing new European Union Funds. Negotiations over the role of the LEP were still in hand.

The Chairman thanked the Chief Executive, Hereford Futures Ltd for his presentation.

Mr G Bourne, Development Director, Stanhope plc provided a presentation and a briefing note for the Committee on the company's vision for the Old Cattle Market Site.

In his presentation, a number of issues were addressed:

- In response to concerns that had been expressed, the retail scheme was now smaller than initially envisaged, having been reduced from 4-500k to 300k square feet. There would be 30 units which would provide 20 new retail outlets. This was insufficient to provide a shopping destination in isolation, and would therefore encourage shoppers to go to the City centre in order to widen their shopping experience. The scale of the scheme was appropriate, and of a sufficient quality to attract people to the City.
- Retail provision would be complementary to the existing City centre, and the scheme as a whole would be further to the south of the site, ensuring it was closer to the City wall. It would provide support for the City centre, and a boost for Eign Gate.
- There would be a major department store with high visibility on the corner of the site, and a small supermarket as well as a six screen multiplex Odeon cinema. There was a high degree of leakage of retail spend to neighbouring towns, with local people prepared to drive to Worcester to see a film. It was important to have a stylish cinema which could also be used for business purposes. Better quality car parking had been requested, so rooftop car parking had been extended.
- The public consultation exercise undertaken in High Town had been successful, with over 3,000 people involved. Of those who were consulted, 79% were in favour of the design principles, and 75% supported the overall scheme.

- The three anchor store pre-lets for the scheme would be announced by Christmas, and a planning application would be submitted by the first week of December.

In the ensuing discussion, the following points were made:

- In reply to a Member's concern that the rural areas had not been sufficiently consulted, Mr Bourne said that in order to further engage Herefordshire residents, 12,000 flyers had been sent to homes, letters and emails had been sent to 3,000 stakeholders, and adverts had been taken out in local newspapers.
- A Member stated that he had attended the consultation in High Town, and agreed that shoppers were supportive of the need for more shops, but pointed out that many also felt that these shops were being sited in the wrong place. The forms that had been used had been insufficiently sophisticated to allow members of the public to express their concerns about the scheme. There were a lot of concerned people in the City, as well as a lot of people who just wanted the scheme to get underway. Mr A Shaw, Development Director, Stanhope plc replied that issues that had been raised were less about where the shops were sited, but more about issues that were not the responsibility of Stanhope.
- The proposed pedestrian access from the site through the Tesco's site on Bewell Street to the City centre was being discussed with the Council's Highway's Team at the moment, and a plan to show how it could be facilitated and improved would be produced shortly. The presence of the Department store at that end of the site would help improve both the nature and standard of this aspect of the connectivity from the site. The multiscreen cinema would also have a major impact on footfall to the site, and the catchment of the cinema would extend over the County boundary.
- In reply to concerns expressed about the fact that the public might not be aware that the inner ring road would still be in place when the scheme was operational, and that no cars were shown on the diagrams of the scheme, Mr Shaw said that the absence of cars from the art work had been a mistake which had been acknowledged, but added that the enhancement of the existing crossings that were used by pedestrians would greatly aid connectivity to the City centre.
- The Chairman stated that it was desirable for the link road to be a first priority and that it should be delivered on time, preferably before the Old Cattle Market.

The Chairman thanked Mr Shaw and Mr Bourne for their presentation.

Mr G Scannell and Mr A White of Sanctuary Housing provided a presentation on the Urban Village. During the presentation, the following points were made:

- That as Sanctuary Housing were a Registered Social Landlord (RSL) rather than a developer, the nature of the project would differ from a normal development of this size, as surpluses from the project would be reinvested into it, and there would be long term investment in the scheme by Sanctuary Housing.
- Covenants would be in place to provide a stewardship vehicle to run the site, along the same lines as the Bourneville Village Trust in Birmingham. The Board of Directors would initially be made up of Stanhope, the Council and Sanctuary Housing, and residents would gradually become involved in the running of the Board as the scheme matured. The Homes and Communities Agency (HCA) saw this development as a key regional priority, a testament to what had so far been achieved.

- Sanctuary would not build the houses themselves, but would sell parcels of land to developers to produce houses under a strict design brief. There had been a great deal of consultation with local architects, and any design brief would rely heavily on the local vernacular architecture. The intention was that houses would be built sustainably to the Department of Local Government and Communities Code Level 4, rather than Level 3, the minimum standard to which houses were currently built. Level 4 is the maximum standard that could be delivered within the financial parameters of the scheme.
- The Masterplan had been updated to encourage the use of open spaces, and there would be communal green spaces running both east and west and north and south on the site. On-site flood alleviation had also been included, to ensure that surface standing water could be dealt with. The canal basin would be an integral part of the design, and would provide waterfront homes within the scheme and encourage tourism to the City. It was intended that a planning application would be submitted by the autumn of 2011.

In the ensuing discussion, the following points were made:

- That phase 1 of the Link Road would receive more funding from the Urban Village scheme as a result of land being in Council ownership than the later sections of the road project.
- In reply to a question from a Member, Mr White said that it was intended that construction should begin on the project within two years of a planning application, and work should therefore begin on site by the autumn of 2013. The numbers of houses that would be available for social rent and shared ownership had not yet been set, and there would be a detailed review of the demand for each type of property. Whilst shared ownership schemes did have their detractors, they were the only way for many people to get onto the housing ladder. Some of the key risks for the project were the outcome of the Government's Comprehensive Spending Review, and what Sanctuary would be able to deliver to the local market without government involvement. The intention was to deliver the greatest number of sustainable houses.
- In reply to an additional question, Mr White said that houses would be available on a part buy and part tenancy basis, and shared ownership would be available for up to 100% of the affordable housing on the site. Profits made on sales would be reinvested within the village boundary. The standard of housing would be higher than that of the local area standards, and it would be a mix of family homes and flats for single people. There would be a mix of public and private space, as well as play areas. There would be provision for car parking.
- Section 106 levels would be set by the Council, and would be at a different level within the Edgar Street Grid Project area than elsewhere in Hereford. These levels had yet to be set. The project would be design and social housing led, with a complex mix of funding streams. 65% of the housing product would be available on the open market.
- That the Canal basin had been placed where it was in the current Masterplan, as it was significantly cheaper to build it north of the Link Road.

The Chairman thanked Mr Scannell and Mr White for their presentation.

The Committee received a report on the Flood Alleviation Scheme. The Construction Manager reported that the Yazor Brook Flood Alleviation Scheme (FAS) comprised a 1.4 km long buried culvert to divert Yazor Brook flood waters, direct to the River Wye from Credenhill. The project would reduce significantly the instances of flooding downstream, particularly within the northern built-up part of the city. Beneficiaries of the FAS included

housing and commercial/employment areas, public open space, allotments, and areas of car parking (including the County Hospital). Transport links within the City, including the A438 and the A49 trunk road would also benefit. Upstream, the flood risk to large areas of agricultural land and scattered property would also be alleviated.

In reply to a question from a Member, the Strategic Delivery Manager said that whilst flood waters from the Yazor Brook would reach the Wye at an earlier point than they did at present, any effect from this would be negligible. The Yazor Brook flooding events were different from those in the Wye, as the Brook rose and fell much faster than the river, and the catchment area was much smaller. The scheme had been closely scrutinised, and was supported by the Environment Agency.

The Committee received a background information report concerning the integration of the design for the site with the historic City Centre. The Strategic Delivery Manager reported that the principle of ensuring integration between the ESG area and the historic city centre to the south, and addressing the barrier that the inner ring road represented, had been key to the consideration of the project since its inception. The Unitary Development Plan (UDP) policies reflected the importance of securing effective integration both within and without the ESG project area.

In reply to a question from a Member regarding the additional volume of traffic that would be generated by the development, the Strategic Delivery Manager said that any planning application from Stanhope plc would have to have a full traffic assessment, and would have to provide a scheme that worked on the existing highway network.

In reply to a further question, the Chief Executive, Hereford Futures Ltd reported that any plans for a library on the site would be a matter for Herefordshire Council, but it was intended that the library in Hereford would remain on its present site in Broad Street, as part of the heritage tourism offer around the Cathedral. The Director of Sustainable Development added that there was no funding available for a new library building on the ESG site, and consideration was being given to what could be done with the existing library site.

The meeting adjourned at 16.45 and reconvened at 09.30 on 16<sup>th</sup> November 2010.

The Chairman welcomed the Committee and invited Mr S Kerry, the Town Clerk of Hereford City Council to give his evidence.

Mr S Kerry provided a statement on behalf of Hereford City Council. He affirmed that he was authorised to represent the Council as part of his role as long as his comments were broadly in line with the Council's viewpoint.

Mr Kerry said that there was a broad consensus of support for the development amongst City Councillors, and that this support could be broken down into four main areas:

- That no large retailers should be in a position to leave High Town in favour of the new site. It was important that the development should provide a new offer for the City, and not undermine the existing one. He questioned how much power the Herefordshire Council had to enforce its stated intention to prevent existing retailers from moving from High Town.
- The issue that should be at the forefront was a reduction of traffic, rather than a change to where the traffic was directed. There would be no benefit to the City if the traffic that had previously flowed along Blue School Street was merely to be redirected down Commercial Road. Traffic modelling would have to be robust and well tested. It was crucial that the Link Road should be in operation before the Development, which would otherwise be impaired.



- That there should be careful support to those businesses that would be affected whilst the work was undertaken in order to ensure the minimum of disruption to those in the City centre. Whilst it was obviously difficult to get into the operational base of every business, disruption of amenities and access should be kept to a minimum, as far as possible.
- With regard to the Urban Village, he pointed out that the housing market was currently depressed, and public funding would be in short supply over the coming years. The City Council were concerned as to the viability of the scheme, as well as the order of delivery of the project. There was concern that a retail development would be delivered which would be bordered by an empty site until funds became available for the Urban Village. Clarity and transparency were required for the delivery of the project, and to reassure the City that sufficient funds were available.

The Chief Executive, Hereford Futures replied to the issues that had been raised. He said:

- That through the planning process, retailers were entitled to expect that Local Authorities would provide sufficient capacity for business expansion, but there was a clear caveat that retailers should be prepared to be flexible in the way that they conducted their business. Under planning legislation, there was a sequential test that obliged retailers to locate as close to a city centre as possible. Herefordshire Council had been very effective at defending the City centre from the relocation of retailers. The sequential test was also an effective mechanism to ensure that new retailers would be obliged to look first to High Town or the Old Cattle Market Site rather than opening an out of town outlet on Holmer Road. As far as the Cattle Market was concerned, the protection negotiated in the development agreement with Stanhope could only be extended to first lettings with the project.
- That there were contractual clauses within the agreement with Stanhope that prevented them from cherry picking retail tenants from within the City although the agreement did allow two named retailers to relocate who would otherwise have left the City centre. Should other large retailers be interested in coming into the City, the same sequential test would ensure that they would be obliged to open as near to the centre as was practicable.
- The Cabinet Member (Economic Development and Community Services) added that Marks and Spencer had recently spent £7m on refurbishing their food hall, which was a significant commitment to the City centre. He went on to say that this was one of the few urban regeneration projects begun in the UK before the recession that had managed to survive the economic down turn. It was important to get shoppers back into Hereford, and shops in High Town were filling up in anticipation of the Old Cattle Market project. He was confident that it would be possible to sustainably deliver the regeneration of the City.
- Funds were being sought from a complex package of sources which included European Union funding sources, prudential borrowing, infrastructure levies and Section 106 monies.
- In reply to a question from a Member, the Chief Executive, Hereford Futures Ltd said that Section 106 funds were likely to be the smallest part of the funding package. Phase 1 of the Link Road would be delivered with a complex package of funds, whilst Phase 2 would utilise Homes and Communities (HCA) and LEP investment. Phase 3 was more challenging at this stage. Whilst it was important that the Link Road should be built before the Urban Village was complete, it would be possible to start work on the Village without the road.

- A Member suggested that the Committee should regularly consider specific reports on overall timing and financing of the project as the issues arose.
- That the retail scheme had not been reduced because of a lack of demand, but as a result of consultation with residents in the City. The demand for retail units was there, and whilst there was a small amount of space available for further expansion, there were no immediate plans for a second phase of retail development at this point.
- There was no prospect of the City not having busy roads, but the aim of the project was not to solve the city traffic problems, as that would be the job of the outer relief road. Traffic management was a hugely complex issue. However, it was anticipated that the reconfiguration of the Edgar Street Grid Roundabout by Stanhope would result in an 11% reduction of traffic at that junction. It was intended that the scheme would be self mitigating, but it was not a traffic solving project.

The Committee noted a written representation that had been received from the Hereford and Worcester Chamber of Commerce.

Mr G Thomas, Chairman of the Hereford Civic Society, provided a presentation. In the course of his presentation the following points were made:

- That the Society believed that the consultations undertaken by Herefordshire Council and Herefordshire Futures Ltd had not been adequate. He suggested that this view had been supported by a document prepared in July 2010 by the Council's Research Team entitled Local Development Framework - Place Shaping Paper Results Report, July 2010. As a consequence, the Society believed that the project would fail to meet the needs of the community, as large sections of that community, most particularly the hard to reach groups, had not been adequately consulted concerning the project. The amount and quality of consultation meant that the project was not sustainable. This criticism could also be applied to the UDP and LDF consultation processes. If the consultation had been inadequate, then the Council should go one step further and consider alternative ways of consulting in order to make it easier for the community to engage with the process.
- The Director of Sustainable Communities replied that the UDP and LDF consultations had been carried out exhaustively, and that various consultations took place in different periods of the process, which would provide different levels of results. A greater level of response to the UDP and LDF consultation processes had been recorded in the County than in the rest of the Country.
- The Cabinet Member (Economic Development and Community Services) supported these comments, and added that he did not believe that the quality of consultation was at fault. There might be, however, an issue of consultation fatigue on behalf of the residents of the County.
- A Member added that it could also be said that the Council had done all it could to consult using a variety of methods, from leaflet drops to Officer and Cabinet Member attendance at Parish, Town Council and PACT meetings. He believed that the majority of people in the County were supportive of the project.
- A Member highlighted the questions contained on page 35 of the Civic Society's report: Hereford's Regeneration, The Edgar Street Grid Project, An Assessment, which asked for a detailed break down of where funds had been spent on the project to date. He suggested that this information would aid the Committee in its deliberations.

- A Member said that he objected to the charge that consultation had failed, not least because this was a direct criticism of every Councillor. There were a plethora of consultations, and one of the important roles of being a Councillor was being able to pick out those that were important to the community.
- A Member said that there was a low engagement rate with the consultation process, and suggested that consideration should be given to the way that questions were formulated to provide more open ended ones that provided greater information for both the Council and the potential responder.

The Chairman thanked Mr Thomas for his evidence.

Mr Wolverson of Rockfield DIY provided evidence to the Committee on behalf of the businesses on the line of the Edgar Street Grid Link Road. In his presentation he highlighted the following concerns:

- That the uncertainty that surrounded the future of the businesses on the route of the Link Road had been profoundly unsettling, and meant that it was impossible to make coherent business decisions in what was a very competitive environment. This had been compounded by the Compulsory Purchase Order (CPO) powers which had been mentioned in the original Masterplan as a likely way forward when dealing with the north east corner of the Edgar Street Grid site which meant that he felt that he had been trading under the shadow of a CPO.
- That there were issues associated with the way that the planning matters were presented. The Link road was given planning consent as a piece of essential infrastructure, required before the Development could start, but it now appeared that there were insufficient funds to complete the project.
- That Stanhope plc had decided to proceed with the development of the Retail Quarter, but were not prepared to take ownership of the Link Road as part of this project, as they did not see it as being germane to the Old Cattle Market site. As a result, he believed that Stanhope representatives had misled the public during their exhibition in High Town, as without the Link Road the Retail site would be flawed because integration with the City centre would be compromised. He suggested that the planning application for the Old Cattle Market site should be made dependant on the Link Road, and that the road should be built first.
- A meeting had been organised by the affected businesses at TGS Bowling on 15 July. There had been a wide ranging discussion before representatives of the Council and Hereford Futures had arrived, and the businesses had been asked if any of them felt they had been treated in a correct and professional way by either organisation. Not one business had been able to say that they had.
- Mr Wolverson added that he believed that the businesses had not been shown any of the rights that were enshrined in the Council's own Equality and Human Rights Charter, a copy of which was circulated to the Committee.
- ESG Herefordshire Ltd had adopted a strident attitude in the early stages of the project, but that the company had accepted constructive criticism, and their attitude to the businesses had improved markedly over the last few months.
- Mr Wolverson had offered to relinquish the present site of Rockfield DIY, which he regarded as one of the best retail sites in the City, to be able to move to an equivalent site on the Old Cattle Market. He had, however, been told by Stanhope that it was not appropriate for Rockfield to be on the new site. As one of the largest independent retailers in the City, if Rockfield DIY were not to be regarded as appropriate, he questioned whether it was likely that any of the other local independent businesses would be invited to apply for retail units.

Mrs A Holmes provided evidence to the Committee on behalf of Reprodex Printers. She was deeply unhappy with the way that she had been treated both by the Council and ESG Herefordshire Ltd. She said that she had been told in 2006 that she would have to move her company from its existing site by 2010. The company had been told that it would receive compensation for the move, but not betterment. The letter outlining the terms had finally been received in November 2009. New premises had been found in January 2010, as she had expected to have to move in June. Contracts and surveys had been undertaken when she was informed in June that there was no money to move the company. She felt that the situation was intolerable, and that she had been treated in a most inappropriate way by the Council and ESG Herefordshire Ltd.

A Member commented that consideration might be given at the next meeting as to whether a recommendation was needed regarding whether or not the Old Cattle Market development could proceed without the Link Road in place.

Mr A Sanders was invited to give his evidence to the Committee. He said that he supported the comments that had already been made on behalf of the businesses, and added that it was important that Herefordshire Futures should be given the appropriate tools to be able to undertake the project. It was unclear as to how they could be expected to deliver the project with insufficient funding.

In the ensuing discussion the following points were made:

- That most of the businesses were experiencing challenging trading times, and it was not made any easier when the timetable for the Link Road kept moving. Staff recruitment and retention was proving difficult, as most felt that they had no control over their businesses.
- That a great deal of land north of the river that had previously been used for businesses had now been overtaken by housing, and it meant that there was a paucity of land available for relocation. Whilst Hereford Futures Ltd was attempting to achieve a bigger and brighter City, it should not be forgotten that employment was the key to the success of Hereford.
- The Director of Sustainable Communities replied that whilst he accepted that more land did need to be allocated in the north of the City, the Rotherwas Industrial Estate had been expanded. The issue was being considered as part of the Local Development Framework process currently being undertaken by the Council.
- That the businesses were concerned with the way that the Hereford Futures launch had been handled. The company had been trumpeted as a new entity, when it had the same Chief Executive, Chairman and Board of Directors as ESG Herefordshire Ltd. This did not engender trust with the new entity. The Chief Executive, Hereford Futures replied that the legal entity that was ESG Herefordshire Ltd had utilised when Hereford Futures Ltd was set up. There were new Board members, and substantial changes in both the remit of the company and its modus operandi. Hereford Futures also worked much more closely with Council Officers. The change had been necessary not least because of the demise of Advantage West Midlands, which had meant that the company had had to be composed along different lines. The new company was also much less restricted in operation than ESG Herefordshire Ltd had been. The Chairman added that the apparent spin that had accompanied the launch of the new company had caused concern amongst Members, and asked that the press releases that announced the new company should be provided to the Committee.

- A Member said that there was a clear message that certainty for the businesses was required, and whilst it was undoubtedly difficult to do this in the current climate, some greater level of certainty would undoubtedly help.
- The Cabinet Member (Economic Development and Community Services) concurred, but pointed out that it was a complex regeneration project that was being planned in a recession to be delivered after the recession had finished.
- Mr G Williams, Development Director of Hereford Futures Ltd, said that the land acquisition had been undertaken in a professional way, and that businesses had been written to in July, August and October of this year to keep them informed of progress. It was normal practice that there should be negotiations in the course of the renewal of leases. It was anticipated that a settlement should be reached shortly. There was no compulsion for businesses to move unless they agree to do so, or were subject to a CPO. He added that there had been no Council resolution to use CPOs for the purchase of the land on the route of the Link Road.
- A Member said that there was a lack of clarity as to whether there was a corporate policy in place when dealing with negotiations with tenants. He suggested that the approach to tenant businesses should be made clear in the corporate way that the Council dealt with businesses. Opening gambits were difficult for some businesses to deal with given the history of this particular situation.
- In reply to a question both Mrs Holmes and Mr Sanders said that whilst both had kept records of their expenditure over the years, neither had been promised compensation for the time and energy they had spent in attending meetings and dealing with the Council. They had been told that professional fees would only be reimbursed once a settlement had been reached. Mr Wolverson added that any losses incurred whilst 'under the shadow' of a compulsory purchase order (CPO) were not compensated for if no CPO was enforced. Mr Williams added that all professional fees would be reimbursed if the relocations were successful. The Cabinet Member pointed out that although the businesses should be supported as much as possible; the Council had a statutory duty to achieve best value for money.
- In reply from a question from a Member, the Chief Executive, Hereford Futures Ltd said that whilst Mr Bourne and Mr Shaw were Directors of Stanhope plc, he was not aware whether they were titular or de facto Directors, and that how Stanhope chose to structure their company was an internal matter for that company.

The Chairman thanked Mr Wolverson, Mrs Holmes and Mr Sanders for their evidence.

The meeting ended at 1.00 pm

**CHAIRMAN**



<b>MEETING:</b>	<b>COMMUNITY SERVICES SCRUTINY COMMITTEE</b>
<b>DATE:</b>	<b>6<sup>TH</sup> DECEMBER 2010</b>
<b>TITLE OF REPORT:</b>	<b>REVENUE AND CAPITAL BUDGET MONITORING REPORT</b>
<b>PORTFOLIO AREA:</b>	<b>ECONOMIC DEVELOPMENT AND COMMUNITY SERVICES</b>

**CLASSIFICATION:** Open

### **Wards Affected**

County-wide

### **Purpose**

To advise members of the committee of the revenue forecast outturn position for Community Services as at 30<sup>th</sup> September 2010 and the progress of the 2010/11 Capital Programme which falls within the portfolio for Community Services.

### **Key Decision**

This is not a key decision.

### **Recommendation**

**THAT the report be noted.**

### **Key Points Summary**

- The current revenue forecast position for Community Services for 2010/11 is an under spend of £48k.
- The capital budget for Community Services is £13,845k and as at 30<sup>th</sup> September 2010 £1,485k has been spent.

### **Key Considerations**

- 1 A detailed Revenue Budget Monitoring Report to 30<sup>th</sup> September 2010 is attached at Appendix 1 for Member's consideration.
- 2 The total Community Services Revenue budget for 2010/11 has decreased by £40k to £9,492k from the amount reported to the previous meeting, which was £9,532k. This relates to:
  - A transfer of budget from an under spend within Parks and Countryside, to Parking Services, which is outside the remit of this Scrutiny Committee. This budget transfer was to alleviate income pressures on car parking and part of the overall budget management of the Sustainable Communities Directorate.

- The summary position is set out in the table below and included in full in Appendix 1.

2010/11	Annual Budget	Projected Outturn	Under/-Over spend
<u>Service Area</u>	£000	£000	£000
<b>Parks, Countryside and Leisure</b>	3,163	3,163	0
<b>Communities</b>	785	785	0
<b>Economy and Culture</b>	5,020	5,020	0
<b>Directorate Management and Support</b>	524	476	48
<b>Community Services Total</b>	<b>9,492</b>	<b>9,444</b>	<b>48</b>

### **Parks and Countryside and Leisure**

- 3 Following the transfer of £40k under spend reported at the last committee meeting, to Car Parking budgets, Parks and Countryside are now forecasting to come in within budget.

### **Communities**

- 4 Communities expect to come in within budget this year. Community safety and Safer Roads Partnership funding is heavily reliant upon Area Based Grant funding. During October the Area Based Grant allocation was confirmed and although reduced in amount, to that previously expected, it is not anticipated that this will result in any forecast overspend and agreements to lower funding options has been agreed with partner organisations.
- 5 In the Comprehensive Spending Review in October it was announced that a number of specific and Area based grants will be moved into the formula grant over the review period, of which the Road Safety and Economic Assessment Duty grants, specifically relate to the Community Services portfolio. Although reductions are expected the impact for Herefordshire formula grant will not be known until December 2010.

### **Economy and Culture**

- 6 Services within Economy and Culture are all forecasting to spend within budget. Library services have successfully addressed last years over spend of £96k, due to remodelling and better contract negotiation.

### **Directorate Management and Support**

- 7 Following the freeze on recruitment and the secondment of a staff member to the Housing Services, Directorate Support Services are expected to under spend by £48k.

### **Recovery Plans**

- 8 The savings forecast within Directorate Management and Support, will be used to mitigate overspends within other services that form part of the Sustainable Communities Directorate.
- 9 The Director of Resources has indicated that where possible Directorates should aim to under spend in order to contribute to the Council's overall forecast over spend position. Further work is being carried out to ascertain any further savings that can be made within



the Sustainable Communities Directorate and these will be reported to the next Community Services scrutiny meeting.

### **Capital Budget 2010/11**

10 The Capital budgets for Community Services for 2010/11 are shown in appendix 2, on an individual scheme basis with funding arrangements indicated in overall terms. The total of the Capital Programme has decreased to £13,845k from £13,977k, being the budget figure reported at 31<sup>st</sup> July 2010 and the relevant virements have been completed. This is a net decrease of £132k and relates to:

- A reduction in the budgets for Belmont Pools of £78k. This budget has been re profiled to be spent in 2011/12 rather than this year.
- A reduction in the Free Swimming budgets of £54k. This has now transferred to Hereford Leisure pool, which is not within the Community Services Capital Programme.
- Since the September forecasts Ross Library scheme has been under review and it is expected that the budget for 2010/11 will significantly reduce. This detail will be reflected in the next update to Scrutiny.
- Ledbury Library continues to be under review and the latest forecasts available for October expect the budget for this year to be reduced to £100k until the review is complete. Confirmation of any budget changes will be shown in the next Scrutiny Committee reports.
- Although the spend to date at 30<sup>th</sup> September 2010 is only £1,485k , the remainder of the £13,845k budget ,allowing for likely reductions for Ross and Ledbury Library is all expected to be spent by 31<sup>st</sup> March 2010.

### **Financial Implications**

11 These are contained in the body of the report.

### **Legal Implications**

12 None.

### **Risk Management**

13 The risks are set out in the body of the report.

### **Appendices**

14 Appendix 1 – Summary Community Services Revenue Budget 2010/11

15 Appendix 2 – Summary Community Services Capital Programme Budget 2010/11

### **Background Papers**

- None Identified.



**SUMMARY COMMUNITY SERVICES REVENUE BUDGET REPORT 2010/11****TO 30TH SEPTEMBER 2010**

<b>COMMUNITY SERVICES</b>	<b>Annual Budget</b>	<b>Forecast Outturn</b>	<b>Under/(over) spend</b>	<b>Actual to date</b>	<b>Budget to date</b>	<b>Under/(over) spend to date</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Parks, Countryside and Leisure Communities	3,163	3,163	0	1,630	1,706	76
Economy and Culture	785	785	0	234	285	51
Directorate Mangement and support	5,020	5,020	0	2,881	2,589	-292
	524	476	48	241	268	27
	<b>9,492</b>	<b>9,444</b>	<b>48</b>	<b>4,986</b>	<b>4,848</b>	<b>-138</b>
Parks and countryside	1,461	1,461	0	528	610	82
HALO	1,624	1,624	0	1058	1058	0
Leisure Centre	78	78	0	44	38	-6
<b>Sub-Total Parks , Countryside and Leisure</b>	<b>3,163</b>	<b>3,163</b>	<b>0</b>	<b>1,630</b>	<b>1,706</b>	<b>76</b>
Community Safety	116	116	0	62	58	-4
Community Regeneration	669	669	0	172	227	55
<b>Sub-Total Communities</b>	<b>785</b>	<b>785</b>	<b>0</b>	<b>234</b>	<b>285</b>	<b>51</b>
<b>Economy:</b>						
Economic Development	414	414	0	208	216	8
Delegated Grants and Programmes	79	79	0	23	42	19
Hereford Futures	336	336	0	602	227	-375
Head of Economic and Community Regeneration	154	154	0	77	75	-2
Regeneration Programmes	314	314	0	111	172	61
Tourism	477	477	0	238	236	-2
<b>Cultural Services:</b>						
Arts	572	572	0	317	314	-3
Cultural Services Staff	112	112	0	43	49	6
Heritage	519	519	0	293	274	-19
Sports Development	197	197	0	72	93	21
Libraries	1,846	1,846	0	897	891	-6
<b>Sub-Total Economy and Culture</b>	<b>5,020</b>	<b>5,020</b>	<b>0</b>	<b>2,881</b>	<b>2,589</b>	<b>-292</b>
<b>Sub-Total Directorate Mangement and support</b>	<b>524</b>	<b>476</b>	<b>48</b>	<b>241</b>	<b>268</b>	<b>27</b>



**COMMUNITY SERVICES CAPITAL PROGRAMME 2010/11**

Scheme	Original	Forecast as	Revised	Change	Spend to
	Budget	at 31st July	Forecast as	in	30th
	2010-11	2010	at 30th	forecast	September
			September		2010
			2010		
	£000	£000	£000	£000	£000
Livestock Market	4,800	5,800	5,800	0	652
Grange Court	0	1,500	1,500	0	36
Belmont pools	105	105	27	-78	27
Rural enterprize grant	1,667	1,667	1,667	0	766
Hereford City Shop Front Grants	2	2	2	0	0
Rotherwas Futures	500	718	718	0	-162
Hereford Cathedral Close	75	75	75	0	50
Shobdon S106	22	22	22	0	14
CCTV		14	14	0	10
CCTV for Union St/Passage	18	18	18	0	17
Safer Stronger Communities	44	22	22	0	0
Ross Library	1,000	1,000	1,000	0	38
Ledbury Library	2,339	2,339	2,339	0	22
Friar Street Phase 3	156	156	156	0	0
Self Service Booking System	39	39	39	0	15
Golf driving range	347	347	347	0	0
Free Swimming	54	54	0	-54	0
Aylestone Hill Park (Phase 2)	72	72	72	0	0
Vine Tree Farm R o W (POS) S106	27	27	27	0	0
	<b>11,267</b>	<b>13,977</b>	<b>13,845</b>	<b>-132</b>	<b>1,485</b>

**Funded By:**

Capital Receipts Reserve	4,905	5305	5,227	-78	
Growth Point Grant	0	600	600	0	
Grants - Grange Court	0	1500	1,500	0	
AWM	2,167	2372	2,372	0	
Prudential Borrowing	3,976	3989	3,989	0	
S106	121	135	135	0	
Home Office	44	22	22	0	
Dept of Cult & Leis - Free swimming gra	54	54	0	-54	
	<b>11,267</b>	<b>13,977</b>	<b>13,845</b>	<b>-132</b>	



<b>MEETING:</b>	<b>COMMUNITY SERVICES SCRUTINY COMMITTEE</b>
<b>DATE:</b>	<b>6<sup>TH</sup> DECEMBER 2010</b>
<b>TITLE OF REPORT:</b>	<b>PERFORMANCE OUT-TURN UP TO THE END OF SEPTEMBER 2010</b>
<b>PORTFOLIO AREA:</b>	<b>ECONOMIC DEVELOPMENT AND COMMUNITY SERVICES</b>

**CLASSIFICATION:** Open

### **Purpose**

To provide a report on the outturns for key national performance indicator targets for services under the committees remit. This report has used the same format as used previously, and now incorporates the adopted performance rating system being used in the new corporate performance report for Cabinet; an explanation of the ratings is shown at Appendix A.

### **Recommendation(s)**

**THAT:**

- (a) the report be noted;  
and;
- (b) areas of concern continue to be monitored.

### **Key Points Summary**

- Whilst the majority of indicators are on target, there are a number that are currently below target, however where possible the services have actions in place to improve performance against these.

### **Reasons for Recommendations**

1. To update the Communities Scrutiny Committee Members on the performance of services within the committee's remit.
2. To ensure Scrutiny Committee are kept apprised of the plans to improve performance within the service.

### **Introduction and Background**

3. Performance is monitored against the National Indicators (NI) that were introduced from April 2008 Regular reports are sent to the Government of the West Midlands and many of the government departments.
4. This report covers the Performance Indicator Outturns as at 30<sup>th</sup> September 2010, against target figures for 2010-11, along with information about Direction of Travel and Status, which

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Further information on the subject of this report is available from  
Chris Jones, Performance Improvement Officer, Sustainable Communities Directorate,  
[chris.jones@herefordshire.gov.uk](mailto:chris.jones@herefordshire.gov.uk) or on (01432) 261596

are defined as:

- Direction of Travel – indicates whether the current position demonstrates improvement against the previous year's out-turn
  - Status – indicates whether the current position demonstrates progress in line with the agreed target – G = Green (exceeded target by over 10%, B = Blue (on target or above target by up to 10%), A = Amber (within 5% of the target) and R = Red (5% or more below target).
5. Progress needs to be assessed regularly, against the National Indicator; together with the risks and the actions that are being taken to address these and improve performance.

## Key Considerations

6. **NI 152 – Working Age People on out of work benefits** - Despite this being an annually reported indicator there are actions in place to improve against this target. The target is currently rated as amber which indicates that the outturn is within 5% of the target. However, the Future Jobs Fund to assist long term unemployed aged 18 – 24 into work will have approximately 40% of beneficiaries moving into full time work, accredited training or both.
7. **NI 9 – Use of Public Libraries** – This indicator is currently rated as red which indicates that the target is 5% or more below target. There are actions that are in place and the development of the Future Libraries Programme and the new Library Strategy is being developed to improve the service. We will also be developing a new framework of local performance indicators that will measure performance of the service and customer satisfaction.
8. **NI 11 – Engagement in the arts** – This indicator is currently amber and is therefore within 5% of the target. Actions are now in place and it is envisaged that improvements will be seen against this target over the coming months.
9. **NI 171 – VAT registration rate per 10,000 resident population aged 16+** - This indicator has exceeded the target by over 10%. This was due to all of the activities taking place as envisaged within the service plan. This has included the creation of business start up grants and business growth grants. The New Business Booster, Start-up Grant and Training Voucher schemes allocated £50,000. In addition £150,000 has been allocated for Herefordshire Redundant Building Grant scheme which will enable small business to bring buildings back into use.
10. 10 new grants were approved in September through the Rural Development Programme for England, with 152 projects being supported so far.
11. **NI 40 – Drug users in effective treatment** – This indicator is currently amber, being within 5% of target; some of the most important actions have been achieved and progress continues to be made against the drug treatment review actions.
12. **NI 30 – Re-offending rate of prolific and other priority offenders** – This indicator is currently blue, on target or above target by up to 10%. As at 31 March 2010 there were 76 proven re-offences (target was no more than 79 offences). The team continues to work with all of the agencies on initiatives to ensure that the rate of re-offending reduced further.
13. Further information in respect of the performance outturns can be found in Appendix B.

## Community Impact

14. Not Applicable.



## **Financial Implications**

15. None Identified

## **Legal Implications**

16. None Identified

## **Risk Management**

17. None Identified

## **Appendices**

18. Appendix A : Key to Performance Reports

19. Appendix B : Details of Key Performance outturns for Economy and Culture, and Homes and Communities up to 30<sup>th</sup> September 2010.

## **Background Papers**




20. None identified.






## KEY TO PERFORMANCE REPORTS

### LEVEL 1

PERFORMANCE AGAINST TARGETS AND ACTION PLANS	
<b>4</b>	Overall, performance is significantly better than target(s)
<b>3</b>	Achieved, or on track to achieve, target(s)
<b>2</b>	Slightly behind target(s)
<b>1</b>	Significantly behind target(s)

DIRECTION OF TRAVEL	
	Overall, performance is better than for the same period last year
	Overall, performance is the same as for this period last year
	Overall, performance is behind that for the same period last year

**LEVELS 2 & 3**

PERFORMANCE AGAINST TARGETS AND ACTION PLANS	
<b>4</b>	Outturn is 10% or more above target
<b>3</b>	Outturn is above target by up to 10% <b>or</b> , where up to date performance data against target is not available for good reason, the action plan shows satisfactory progress
<b>2</b>	Outturn is below target, but within 5% <b>or</b> where up to date performance data against target is not available for good reason, the action plan shows inadequate progress
<b>1</b>	Outturn is 5% or more below target <b>or</b> no target has been set without good reason <b>or</b> there is no action plan
<b>N.B.</b> Where data is available this determines the judgement made for each indicator. Action plans are used to judge performance only where relevant data is unavailable.	
DIRECTION OF TRAVEL	
	Performance is better than for the same period last year
	Performance is the same as for this period last year
	Performance is behind that for the same period last year

Economic Development & Enterprise		Tolerance		Target		Latest Performance		Judgement		Direction of Travel		Analysis	
Indicator	Lead Director			2010-11	2009-10			June	Sept	June	Sept		
<b>Citizen</b>													
NI 151 - Overall employment rate	Director of Sustainable Communities	Bigger is better		70%	76.2%	76.2% (2009/10)		3	3	n/a	n/a		See commentary for NI 152
NI 153 - Working age people on out of work benefits in the worst performing neighbourhoods	Director of Sustainable Communities	Smaller is better		41.80%	33.00%	33% (2009/10)		1	1	n/a	n/a		The baseline for this has been recalculated and highlights Golden Post-Newton Farm as the only LSOA to exceed 25% claimant rate (31% for May 06 to Feb 07). The latest data for the four quarters in 2009 shows Golden Post-Newton Farm to have increased to 33% up to Feb 2010. See commentary for NI 152.
NI 166 - Average employee earnings in the area	Director of Sustainable Communities	Bigger is better		£390.00	£383.30	£383.30 (2009/10)		2	2	n/a	n/a		Summary of activity: Hereford Futures (formerly the Edgar Street Grid Scheme) - Schemes have been delayed due to securing funding. Stanhope scheme proceeding with planning permission due for submission. Rotherwas - Work on Rotherwas infrastructure progressing ready for marketing the site. Supporting Home Working Businesses and small business growth. Small businesses supported through training voucher. business booster and networking events. Projects now finished before time because of reductions on ABG funds. Model Farm- Project still being considered for planning permission, though funds not currently available to proceed with the project.
NI 171 - VAT registration rate per 10,000 resident population aged 16+ (LAA)	Director of Sustainable Communities	Bigger is better		39.9 (2009)	49.7 (2008)	49.7 (2008)		4	4	n/a	n/a		10 new grants approved this month through RDPE. 152 projects supported across lifetime of project.
NI 172 - VAT registered businesses in the area showing growth	Director of Sustainable Communities	Bigger is better		14.20%	15.01%	15.01% (2009)		3	3	n/a	n/a		Supporting Home Working Businesses and small business growth. Small businesses supported through training voucher. business booster and networking events. Projects now finished before time because of reductions on ABG funds.
NI 173 - People falling out of work and on to incapacity benefits	Director of Sustainable Communities	Smaller is better		0.61%	Latest data supplied is from Sept 2008	0.62% (September 2008)		3	3	n/a	n/a		See commentary for NI 152
<b>Partnership</b>													

Appendix B

NI 152 – working age people on out of work benefits (LAA)	Director of Sustainable Communities	Smaller is better	9.70%	2.9% better than the national average	9.7% (Feb 2010)	2	2	▲	n/a	Data from and up to May 2010. Indicator remains marginally below target, however the outturn has again improved from the previous quarter Feb 2010). The Council continues to run schemes to reduce worklessness e.g. Future Jobs Fund contract 1 (due to finish on the 19/11/2010) from which it is anticipated that there will be approximately 40% of beneficiaries moving into full time work, accredited training, or both. Contract 2 will be live till March 31st 2011, it is too early to predict job/training outcomes on contract 2 but, we do already have 1 person who has left FJF for full time work. Some of the Economic Development Teams work relating to Business Support is on hold at present due to the hold on ABG funding.
NI 163 – working age people qualified to Level 2 or higher (LAA)	Director of Sustainable Communities	Bigger is better	72% (2008)	74.8% (2009)	Due January 2011	3	3	n/a	n/a	All action plan activity is taking place and on target.
NI 178 – bus services running on time (LAA)	Director of Sustainable Communities	Bigger is better	86%	73%	86%	4	4	▲	n/a	This data is collected annually by various surveys that take a sample of bus passenger users on certain days of the week throughout particular months each year. We have exceeded our 2009/10 target of 71%. Issues arising in terms of punctuality problems are dealt with in partnership with bus operators providing the specific surface. All activity has either been achieved or is on target

Stronger Communities	Indicator	Lead Director	Tolerance	Target		Latest Performance	Judgement		Direction of Travel		Analysis
				2009-10	2009-10		March	June	March	June	
<b>Citizen</b>											
NI 3 – civic participation		Deputy Chief Executive	Bigger is better	16% (2008/09)	17.5% (2010-11)	Next due end of 2010	3	3	n/a	n/a	Information is obtained from the Place Survey which is carried out every two years. The next survey is due to be carried out in autumn 2010 and data available in 2011, the target for which is 17.5%. Work is progressing in line with the action plan.
NI 6 – participation in regular volunteering (LAA)		Director of Sustainable Communities	Bigger is better	29% (2008/09)	32.5% (2010-11)	Next due end of 2010	3	3	n/a	n/a	Information is obtained from the Place Survey which is carried out every two years. The next survey is due to be carried out in autumn 2010 and data available in 2011, the target for which is 32.5%. Delivery Plan shows good progress being made in volunteer development, with several key initiatives identified for the rest of the financial year.
<b>Service</b>											
NI 9 – use of libraries (LAA)		Director of Sustainable Communities	Bigger is better	Biennial data, anticipated to be available end 2010	51% (2010-11)	Interim result- 42.8% (Nov 2009)	1	1	n/a	n/a	<b>Targets are to be consulted on and therefore the Performance rating may change.</b> Although work is progressing in line with the action plan, interim results from the Active People 3 Survey have recently been released and show that performance has fallen from previous levels and is not on track to achieve the LAA targets. Over the period visits to libraries have increased. However, this indicator is derived from a national telephone survey of adults only and measures their use of the library service, which includes visits to libraries as well as other services, such as those available on-line. In conjunction with the development of the Future Libraries Programme and the new Library Strategy a new framework of Performance indicators for the library service will be introduced in 2011 which will measure both service performance and customer satisfaction.
NI 11 – engagement in the arts (LAA)		Director of Sustainable Communities	Bigger is better	Biennial data, to be available end 2010	49.5% (2010-11)	46.3% (Nov 2009)	2	2	n/a	n/a	Arts: Herefordshire Art Week was an overall success, all other activities on target or completed - further analysis to take place in Dec/Jan.
<b>Partnership</b>											
NI 4 – influencing decisions in the locality (LAA)		Director of Sustainable Communities	Bigger is better	28.8% (2008/09)	32.3% (2010-11)	Next due end of 2010	3	3	n/a	n/a	Information is obtained from the Place Survey which is carried out every two years. The next survey is due to be carried out in autumn 2010 and data available in 2011, the target for which is 32.3%. Despite the difficulties in raising funds both the Participatory Budgeting and emergency initiative, both are progressing with a good level of activity at parish council level.
<b>Statutory</b>											
NI 1 – % of people who believe people from different backgrounds get on well together (LAA)		Deputy Chief Executive	Bigger is better	75.9% (2008/09)	79.4% (2010-11)	Next due end of 2010	3	3	n/a	n/a	Information is obtained from the Place Survey which is carried out every two years. The next survey is due to be carried out in autumn 2010 and data available in 2011, the target for which is 79.4%. Withdrawal of external funding may have detrimental effect on performance in this area.
Local – % of people who find access to services difficult: Local shop Advice provision Public transport facility Cultural / recreational facility a) Local shop		Director of Sustainable Communities	Smaller is better	12%	11% (2010-11)	Next due end of 2010	3	3	n/a	n/a	Information is obtained from the Place Survey which is carried out every two years. The next survey will be carried out in autumn 2010 and data

b) Advice provision			18%	16% (2010-11)	Next due end of 2010	3	3	n/a	n/a	available in 2011.
			21%	21% (2010-11)	Next due end of 2010	3	3	n/a	n/a	
c) Public transport facility										Work is progressing in line with the action plan.



Safer Communities		Lead Director	Tolerance	2009-10		Target 2010-11	Latest Performance	Judgement		Direction of Travel		Analysis
				2009-10	2010-11			March	June	March	June	
<b>Citizen</b>												
NI 21 – dealing with concerns about anti-social behaviour (proxy – incidents of: anti-social behaviour – including speeding - criminal damage, alcohol-related disorder, alcohol-related violent crime) (LAA)	Director of Sustainable Communities	Bigger is better		30.4% (2010-11)	25.4% (2008/09)	3	3	n/a	n/a			Although the number of ASB incidents are above the ytd target set by Safer Herefordshire Strategy group in 2008, the actual number of ASB incidents ytd are down 883 incidents compared to the same period in 2009 (to 30th September). The Safer Herefordshire Partnership are progressing work in this area and it is good to see that the 20/20 Vision project is now on track to deliver against the tasks.
<b>Partnership</b>												
NI 40 – drug users in effective treatment (LAA)	Director of Integrated Commissioning	Bigger is better		541	530 (as at December 2009)	2	2	n/a				Progress continues to be made towards achieving the many recommendations listed in the drug treatment review, although funding uncertainties were highlighted in October update. The most important key actions have been achieved. Further supplementary documents/plans are available following changes to drug policy.
NI 30 – priority & prolific offenders (PPOs) (LAA)	Director of Sustainable Communities	Smaller is better		21% (79)	53 (December 2009)	3	3	n/a				2010/11 target is unknown, no in-year data to report. GOWM would normally provide this information to Herefordshire. No performance information available. The PPO Coordinator continues to monitor PPO's locally - the last update received was in July 2010. Workshop booked for 30th Nov 2010 to start Service Mapping.



<b>MEETING:</b>	<b>COMMUNITY SERVICES SCRUTINY COMMITTEE</b>
<b>DATE:</b>	<b>6<sup>TH</sup> DECEMBER 2010</b>
<b>TITLE OF REPORT:</b>	<b>REVIEW OF THIRD SECTOR SUPPORT AND DEVELOPMENT SERVICES</b>
<b>REPORT BY:</b>	<b>DIRECTOR OF RESOURCES</b>

**CLASSIFICATION:** Open

### **Wards Affected**

County-wide

### **Purpose**

To consult on the proposals contained within the Review of Third Sector Support and Development Services and its overall objective to achieve consensus on the future provision of services, resources and delivery.

### **Recommendation**

**THAT: the Committee considers the Review of Third Sector Support and Development Services and in particular comments on the conclusions, which will be used to inform recommendations to the Joint Management Team and Cabinet.**

### **Key Points Summary**

- A joint review between HPS and the Third Sector is being undertaken to consider future provision of support services to front line voluntary and community organisations.
- The review has examined the needs of front line organisations, taken account of the views of key stakeholders, as well as the changing national picture and the financial constraints placed on HPS.
- A number of options for the future structure for the delivery and commissioning of support services have been developed and are currently under consideration.
- A decision on future delivery arrangements needs to be agreed and transitional arrangements substantially in place by April 2011.

### **Alternative Options**

1. This report does not seek to put forward one option for the delivery of future support services to front line voluntary and community organisations, but gain views on the options developed as part of the Review. However, it was made clear during the Review that the status quo was not an option, nor was the complete withdrawal of HPS funding support.

## Reasons for Recommendations

2. This report to Scrutiny provides an opportunity to understand the views of Members prior to formally proposing the structure of future arrangements to support front line organisations, to Cabinet in January 2011.

## Introduction and Background

3. Third sector support services provision has become an integral part of the frontline public service offer operating within Herefordshire. Shifts at the national level are reflected in the current direction of service provision. Key factors include:
  - Total Place - already embraced in Herefordshire e.g. through the creation of HPS;
  - a shift to a commissioning rather than a provider focus and towards more locally focussed provision;
  - adoption of Compact Principles; and
  - significant resource pressures on local public services.
4. The current trends are likely to accelerate and encompass the 'Big Society' approach to service provision. The developing agenda is aimed at minimising the impact of the national fiscal tightening by focusing and prioritising outcomes for Herefordshire.
5. A cross-sector working group (the Third Sector Support Services Review Group) was established under the chairmanship of the Council's Director of Resources, to review support services provided to the voluntary and community sector in Herefordshire (also known as the Third Sector).
6. There is a detailed definition of the support services covered by the Review in the Terms of Reference for the Working Group. It is summarised here as the range of organisations which occupy the intermediary space between the State and the private sector, including voluntary and community organisations, charities, faith groups, not for profit groups and social enterprises. In Herefordshire, they range from small local volunteer led community groups to large, countywide organisations.
7. The scope of the review covered the six third sector organisations funded by Herefordshire Public Services (HPS) to provide support services ( Herefordshire Voluntary Action, Community Voluntary Action Ledbury and District, Community First, Herefordshire Council for Voluntary Youth Services, The Alliance and Age Concern Hereford and Worcester) as well as those services delivered within HPS to support to the third sector. The majority of funding to support these services is provided by Herefordshire Public Services.
8. The overall objective of the Review is to achieve a consensus on the future provision of services, resources and delivery which will lead to:
  - Comprehensive, high quality support services that meet the identified and anticipated needs of front line third sector organisations.
  - Inclusive and flexible support services that are available, accessible and affordable to all front line third sector organisations across the county, and meet the varying support needs of different organisations.
  - Sustainable and effective delivery of support services that reflects good practice, eliminates duplication, fills gaps and provides value for money.

9. The work of the Review Group has included
  - a survey of those third sector organisations which receive support services from either the third sector or HPS;
  - a mapping exercise of the scope of support services currently provided by the six third sector organisations and HPS;
  - the development of principal options for the future shape and resourcing of support and development services to the third sector (this work was commissioned from Grant Thornton, whose report is attached as Appendix A).
10. The findings have been shared with Councillors, the Third Sector Interim Board and trustees of the six organisations affected. In addition, the Third Sector Interim Board has also commissioned a scrutiny review, testing the proposals with Board members and front line organisations. This approach was agreed in order to provide a wide scrutiny process that included both the Council and Third Sector. The Third Sector Interim Board has interviewed members of the review group to help inform its process.

## **Key Considerations**

11. The Working Group has reached a consensus on the general direction of travel, to respond to the future needs of front line third sector organisations, with the need to develop new delivery mechanisms and new commissioning arrangements. There are a number of options under consideration including the move towards a single provider / entity, (with future development of a hub and spoke model to service localities) and commissioning multiple providers via a single commissioning board. April 2011 is the deadline for transitional arrangements to be agreed and substantially in place.
12. The review has concluded that the current approach to Third Sector Support Services lacks co-ordination. Furthermore, in some instances services are duplicated meaning value for money cannot be demonstrated and a lack of clarity exists about which organisation delivers what services. One of the agreed principles of the review is that it is a priority for Herefordshire Public Services to deploy funding in the most efficient way whilst providing the most effective service. A new commissioning arrangement for these services is therefore needed to ensure this priority is met, especially as the third sector will be need to ensure even greater co-ordination of support will enable it to continue to meet the aspirations of the 'Big Society', within existing and future funding constraints.
13. The options outlined in the report also reference a need for shared 'back office' functions for the services which will provide greater collaboration and value for money. This is particularly relevant given the opportunity afforded by the HPS Shared Services programme. If not implemented, the danger is that of continued duplication, siloed working and under-utilised resources.
14. At an early stage the review group wanted its work to be informed by an evidence base. This was achieved by two research exercises:
  - A services needs survey of Front Line Organisations (FLOs). The survey saw 321 organisations respond; and
  - A service mapping survey carried out by the six Local Support and Development Organisations (LSDOs) commissioned by HPS to provide third sector support services. HPS support was also mapped.

15. Following a competitive tendering process Grant Thornton was selected to provide additional review capacity and develop the principal options.
16. The needs survey data was reviewed by Grant Thornton and their findings presented to the review group. The data suggested that those who use the services are broadly happy but the relevance to the wider community of FLOs is unclear. Even so the majority of perceived needs appear to be met. However, the wider issue is whether this would remain the case in the future.
17. Grant Thornton concluded “that the level of unmet need will grow, and if it does, dissatisfaction with provision can be expected to grow with it, if the way third sector support services are provided does not change”. The implication of this conclusion is there would be an impact on all organisations either receiving or delivering third sector support services. A wider impact was felt to be a limitation of the extent to which civil society organisations are able to respond to the emerging changes evident in government policy aimed at support the Big Society agenda.
18. The working group accepted the increasing resource constraints and have been briefed on the emerging implications of CSR10 announced on 20<sup>th</sup> October. These constraints mean that it is unlikely that increased resources will be available to meet increasing demands. The changes required for the future means that third sector support services will:
  - a. Have a priority driven strategic rationale;
  - b. Demonstrate increased productivity;
  - c. Remove duplication yet support devolution of service delivery;
  - d. Demonstrate a market response approach that adopts as needs change and grow; and
  - e. Demonstrate new, lower cost, models of support.
19. The Grant Thornton work also concluded that the organisations through which third sector support services are deployed will need to change. The likely scale of the change was seen as significant and there was an associated need to implement change quickly so that future demand can be met.
20. It is important to note that the current model had undoubted strengths and the stakeholder consultation in September and October produced the following comments:
  - “...there is a desire to support diverse and disparate front line organisations...”
  - “...there is detailed specialist support available...”
  - “...there is a high propensity for volunteering in Herefordshire...”
  - “...there is good partnership working between HPS and other TSSS providers...”
  - “...the model has developed organically, so it has strong community buy-in...”
  - “.. there are good examples of shared delivery, such as community buildings...”
  - “...different sources of funding can be accessed - we have "more bites at the cherry"...”
20. However, the stakeholders also gave examples that indicated why change is necessary:
  - “...I don't know what support services are on offer...”
  - “...the same service is provided by different providers...”
  - “...the current providers need to be more joined up...”
  - “...I receive multiple newsletters and don't have the time to read any of them...”
  - “...Herefordshire is small; so the current set up seems overly complicated...”
  - “.. there seem to be gaps in service provision...”

- “...there is a cost to managing the boundaries and interfaces between the different providers...”

21. Stakeholder consultation produced a series of key themes:

- The current model can and should be improved;
- There are efficiencies to be made via improved working (shared back office, accommodation, removal of duplication, etc.);
- LSDOs agree there needs to be a “One Sort of Something”;
- The future model needs to be “rural proofed” and ensure diverse communities are supported;
- FLOs find the duplication of activities and communications confusing;
- A priority for FLOs is bidding for funds, often unsuccessfully. A concerted effort to reduce this burden may be preferable to findings ways to sustain it;
- The future model needs to align to the new localities principles;
- Priority for FLOs is sustainability/securing funding;
- Herefordshire has good track record of volunteering, but there are concerns over its sustainability; and
- This review is an opportunity, but we need to get it right.

22. Following consideration of feedback and work undertaken as part of the preliminary phases of the project a list of options was developed. As a result on 7<sup>th</sup> October the Third Sector Support Service Review working group agreed the following list of options for evaluation:

<i>Options</i>	<i>High level description</i>
1. Commission a single provider	Full commissioning of all TSSS activity currently provided by the existing 6 providers and HPS via a single entity (this could be, for example, via a joint venture, potentially including the merger of part or all of existing commissioned providers)
2. Commission multiple providers via a single TSS Board	Re-tender all TSSS contracts and stimulate competition for providing TSSS and invite new market entrants including private sector organisations to deliver TSSS. This can include local, regional and national providers
3a. Mixed in-sourced and outsourced TSSS provision	HPS integrate core/generic TSS provision into HPS shared service centre ( <b>back office and front line generalist support</b> ), and commission specialists support via a range of providers.
3b. Mixed in-sourced and outsourced TSSS provision	HPS integrate core/generic TSS provision into HPS shared service centre ( <b>back office only</b> ), and commission specialists support via a range of providers.
4. Hub and spoke /Localities model	Deliver a core/generic cross sector TSSS at a County level via a single hub (merging levels of provision by current providers) with access to specialist support - providing access to the hub via small spokes based in service provision localities.

5. Single provider with hub and spokes structure	A hybrid of options 1 and 4, with a single entity with a central hub (including shared back office and potentially some specialist services) with local spokes providing other, potentially more generalist services. Balance of central and local delivery to be determined, and a phased approach possible, reflecting wider role out of localism principles and practical constraints
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23. The TSSSR Working Group considered the options and following the first review it was agreed that:
- Options 3a and 3b should be discounted. Whilst it was noted these options would offer some economies of scale, by delivering cost savings through shared services, it was unclear that the approach would be welcomed by all FLOs. The working group also felt that little extra value would be delivered.
  - The Commissioning Board in Option 2 was identified as the distinguishing feature from the status quo. However, it was noted that the Commissioning Board could be applied to the other options.
  - The TSSSR working group at a subsequent meeting identified a new option, combining a single entity with some local presence (see Option 5 above). The group felt this was potentially preferable to Options 1 and 4, as it combined the benefits of both options.
24. The Working Group focussed predominantly on two options (2 and 5) but did not reach a clear consensus.
25. Option 5 was preferable to most, but not all members of the Working Group but there are still issues to be addressed. These include the viability of the predecessor organisations (if Herefordshire TSSS provider elements are removed) and the need to structure it in a way that maximises the potential to lever funding and additional resources. It should also be noted that there are various organisational models that may reflect different types of integration with varying degrees of impact upon exiting bodies.
26. The group reached a consensus on a localities focus as being the preferred direction of travel; this is consistent with likely developments in the county (and nationally). However there were some concerns about the feasibility of implementing local 'spokes' in terms of implementation complexity and potential cost.
27. The review is also timely given the end of Capacity Builders funding in March 2011. This is at a time when the Government is consulting on future national support services. The "Supporting Stronger Civil Society" consultation document was issued in October 2010 and includes the Herefordshire Third Sector Support Services Review including rationalisation of infrastructure provision.
28. CSR10 confirmed £470m over the four year review period will be made available to support third sector capacity building and a £100m Transition Fund will be created to support third sector organisations providing public services. The review process may be well placed to access funding should collaboration or even merger of organisations occur.

## Community Impact

29. The review has been a collaborative piece of work involving the relevant third sector organisations in the entire process, as it is important that consensus is reached. The resulting



decision from this review will have an indirect impact on communities as community groups benefit from the support services commissioned and delivered and it is therefore important that this service to them is of the highest quality whilst being cost-effective.

## **Financial Implications**

30. Financial support from HPS for those organisations providing support services to the third sector will not be immune from the effects of CSR10. Whilst this is not the prime driver for the Review, the emphasis has been on effective support to front line third sector organisations, and reducing management and overhead costs at a time of budgetary constraint would be an advantage.
31. The funding envelope has not been agreed but it is likely that the Council's funding will need to reduce over future years.

## **Legal Implications**

32. At the end of the 2010/11 financial year all current contracts with third sector organisations providing support services end. There are therefore no legal implications in relation to contractual arrangements other than the need to reach a decision swiftly for clarity to be given on financial arrangements post March 2011.

## **Risk Management**

33. If agreement is not reached, HPS will not be able to secure a way of ensuring co-ordination and increased value for money in commissioning. This has been mitigated by the joint nature of the review.
34. More immediately, if clear financial proposals are not reached by end of December 2010, the viability of the six third sector organisations may be at risk from April 2011.

## **Consultees**

35. Consultation with key stakeholders, including commissioners, providers, third sector front line organisations was undertaken as part of the work conducted by Grant Thornton. The HPS Research Team also supported a postal survey of third sector frontline organisations. The 320 survey responses informed the Grant Thornton report.
36. Significant consultees have included:
  - The Leader of Herefordshire Council
  - The Chief Executive of Herefordshire Public Services
  - Members of Joint Management Team
  - The Interim Chair of the Third Sector Board
  - Trustees and chairs of the involved third sector organisations

## **Appendices**

- Appendix 1 - Review of Third Sector Support and Development Services – Grant Thornton (November 2010)
- Appendix 2 - Terms of Reference of the Third Sector Support Services Review Group





# Herefordshire Council Review of Third Sector Support and Development Services

25 November 2010  
Final Draft

This report (the "Report") was prepared by Grant Thornton UK LLP at the request of Herefordshire Council and the terms for the preparation and scope of the Report were agreed with them. The Report was prepared solely for the benefit of Herefordshire Council and no responsibility or liability is accepted by Grant Thornton UK LLP towards any other person in respect of the use of the Report or reliance on information contained in the Report by any other person.

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## Section 1: Executive Summary

“We recognise and value the special ability of voluntary and community organisations to mobilise and support people, particularly those who sometimes struggle to find a voice. We want to harness their power to find better solutions to our social problems. Our vision is for the sector, as a resilient and independent partner, to play an even more influential role in shaping a stronger sense of society and improving people’s lives.

The sector cannot be immune from reductions in public expenditure because the scale of the challenge to reduce the national deficit is so great. The government recognises that this is a particularly challenging time for charities, social enterprises and other voluntary organisations. Badly handled public sector cuts could significantly alter the ability of the sector to nurture social capital and support some of the most vulnerable people in society just at a time when we want to build that social capital and encourage those local support networks.”

- Building a Stronger Civic Society (Cabinet Office, October 2010)

# Context

## Context

Third sector support services provision has become an integral part of the frontline public service offer operating within Herefordshire. Shifts at the national level are reflected in the current direction of service provision. Key factors include:

- Total Place - already embraced in Herefordshire e.g. through the creation of HPS
- a shift to a commissioning rather than a provider focus and towards more locally focussed provision
- adoption of Compact Principles
- significant resources pressures on local public services

The current trends are likely to accelerate and encompass the 'Big Society' and the Government's desire to balance fiscal tightening with the protection of the front line. The agenda going forward is aimed at minimising the impact of fiscal tightening by focusing and prioritising outcomes for Herefordshire.

## The Third Sector Support Services Review (TSSSR) Working Group

The TSSSR Working Group has been established to manage the review of Third Sector Support Services (TSSS) provision in Herefordshire. Its overall objective is to achieve a consensus on the future provision of services, resources and delivery, which will lead to:

- Comprehensive, high quality support services that meet the identified and anticipated needs of front line third sector organisations.
- Inclusive and flexible support services that are available, accessible and affordable to all front line third sector organisations across the county, and meet the varying support needs of different organisations.
- Sustainable and effective delivery of support services that reflects good practice, eliminates duplication, fills gaps and provides value for money.

## Our Role

We have been engaged to support the TSSSR in realising its objective, by developing the principal options for the future shape and resourcing of support and development services to the third sector, for the TSSSR working group to review, to determine a consensus for implementation from April. Our scope has been provided by Herefordshire Public Services (HPS) and by the six Local Support and Development Organisations (LSDOs) commissioned by HPS to provide TSSS.

# Our Approach

## Our Approach

Our brief was agreed by the TSSSR Working Group, which is chaired by David Powell of Herefordshire Council, and which contains representatives from the six TSSS providers in Herefordshire.

Stakeholders were engaged throughout the review via a number of mechanisms: in-depth interviews, workshops, and teleconferences. A list of those consulted is included at Appendix 1.

We have also drawn on the mapping and needs surveys undertaken by HPS as part of a desk-top review of assorted key documents provided by stakeholders. A list of documents consulted is included at Appendix 2.

Following this analysis stage we identified and developed a set of options for future TSSS provision and an evaluation framework by which the options would be appraised. The evaluation framework and a short list of options were agreed by the TSSSR working group. Grant Thornton then evaluated these options, which informed the TSSSR working group's ranking of the options.

## Structure of Our Report

Our report structure is set out on the right of this page

Executive Summary (pp 3 -8)

Analysis of Current Position (pp9-27)

Evaluation Framework/Options Development  
(pp 28-41)

Options Evaluation (pp 42-49)

Conclusions (pp 50-51)

Implementation Considerations (pp 52-54)

A number of acronyms and other terms are used in the context of this review. A glossary of terms is included at Appendix 3.

# Current TSSS deployment: overview

Our analysis of the current model identified:

- the current cost of TSSS provision represents about 20% of the total turnover of the Front Line Organisations (FLOs) who responded to the Needs Survey (the value of volunteer time was not included in the survey).
- the data suggests that LSDOs are generally meeting the needs of those that use them, but usage is low, and there may be unmet need as FLOs have yet to understand the relevance of the current services, or the impact of the forthcoming changes.
- the multiplication and greater specificity of provision has increased the impact of support on particular areas
- there is a mix of generalist and specialist support
- this support is provided across the LSDOs and HPS
- there is no overall co-ordination of generalist support
- this lack of co-ordination leads to duplication, poor branding and consequent lack of market penetration
- there is no co-ordination of specialist support
- possible gaps in provision, and consequent gaps in market penetration
- much of the leveraged funding is time-limited and originates from funding sources which are themselves under increasing resource constraints. It is therefore reasonable to assume that there will be reduced ability to leverage additional funds, and that existing resources will be increasingly time limited.
- the total cost of TSSS activity may therefore be reduced over time.



# Stakeholder and working group consultation

The stakeholder consultation that followed this analysis, confirmed widespread agreement of the need for change, but not the form this should take, only a consensus that change should be made soon.

We developed an evaluation framework and series of options, based on this stakeholder consultation and our wider understanding of the coalition government's policy agenda. The TSSSR Working Group then reviewed, amended and agreed the options they wanted to short list for evaluation, and the evaluation framework to be applied.

Grant Thornton then evaluated these options, which informed the TSSSR Working Group's discussion of the options, and led to an agreed ranking of the options by the working group, which is set out below.

Criteria	Key evaluation questions	Option 1 Single Provider	Option 2 TSS Board	Option 3a In & out source	Option 3b In & out source (BO only)	Option 4 Hub & Spoke	Option 5 Hybrid of 1 and 4
<b>RANKING</b>		<b>2</b>	<b>4</b>	<b>6</b>	<b>5</b>	<b>3</b>	<b>1</b>

A summary of the ranking agreed is set out below. Further detail on the evaluation framework is included in Section 3, and on the evaluation in Section 4.

# Conclusions: Overview

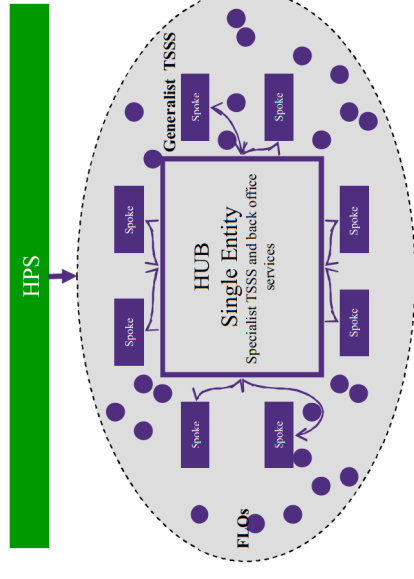
The TSSSR Working Group considered the options. Following the first review it was agreed that:

- Options 3 a and 3b should be discounted. It was recognised that these would offer some economies of scale, and so cost savings through shared services. However, it was unclear that the approach would be welcomed by all FLOs, and it was recognised that little extra value would be delivered.
  - A new option was identified, combining a single entity with some local presence (see Option 5 above). This was considered preferable to Options 1 and 4, due to combining the benefits of both.
- The Working Group tended to focus on two options (2 and 5). The Working Group did not reach a clear consensus, although it should be noted discussion did not divide on sector that lines (there was not a separate HPS and sector view).

The sense of the meeting was that **Option 5** was preferable to most, but not all members of the Working Group. It was recognised that there were significant issues to be addressed. These included the viability of the predecessor organisations (if Herefordshire TSSS provider elements are removed) and the need to structure it in a way that maximises the potential to lever funding and additional resources. There are various organisational models that may reflect different types of integration with varying degrees of impact upon exiting bodies.

Equally there was consensus on a localities focus as the preferred direction of travel, which is consistent with likely developments in the county (and nationally). However there were some concerns about the feasibility of implementing local 'spokes' in terms of implementation complexity and potential cost - these could be **progressively implemented** as the entity matures, the wider locality approach is developed and affordability confirmed.

A minority on the group tended more to **Option 2**, feeling it offered greater flexibility, and suggesting that it may be more likely to secure the commitment of some stakeholders.





## Section 2: Analysis of the Current Position

# FLOs in Herefordshire

	No.	%
Charity	165	54
Voluntary Organisation	111	36
Community Organisation	101	33
Co-Operative	3	1
Community business/enterprise	10	3
Social enterprise	17	6
Umbrella group/development org	4	1
Partnership organisation	6	2
User led	22	7
Membership org	47	15
Housing Association	2	1
Social/hobby group	35	11
Other	42	14
Total	306	
Not answered	15	
Total survey respondents	321	

Source: Third Sector Support Services Needs Survey (HPS, September 2010)

Note: some survey respondents indicated more than one type of category, so the total in the above table relates to the total number of respondents, and does not represent the total of different types of categories. The % column follows the same principle.

## Observations:

- There were 321 respondents to the needs survey, self categorised as per the table to the left.
- There were in the region of 1,500 FLOs operating in the county in 2007\*. Assuming FLO numbers have remained constant, this indicates the needs survey generated a sample size of approximately 21%.
- FLO turnover in the county was in the region of £95 million\* in 2007. Extrapolating the needs survey returns, the turnover for those who replied is in the region on £11 million. This excludes the value of volunteer time.

\* "Valuing the voluntary and community sector in Herefordshire and Worcestershire" (Sustain Consultancy, January 2007)

# Research

To provide an evidence base for this review, two research exercises were undertaken. These were:

- a services needs survey of FLOs, conducted by HPS, to which there were 321 respondents, and
- a service mapping survey carried out by the six LSDOs and by HPS on TSSS.

The six LSDOs also provided a separate paper, setting out the results of their review of future TSSS needs.

Our terms of evidence categorises TSSS as follows:

- development support
- legal and technical
- practical assistance
- learning and development
- strengthening voice
- partnership building and brokerage and
- research and policy development

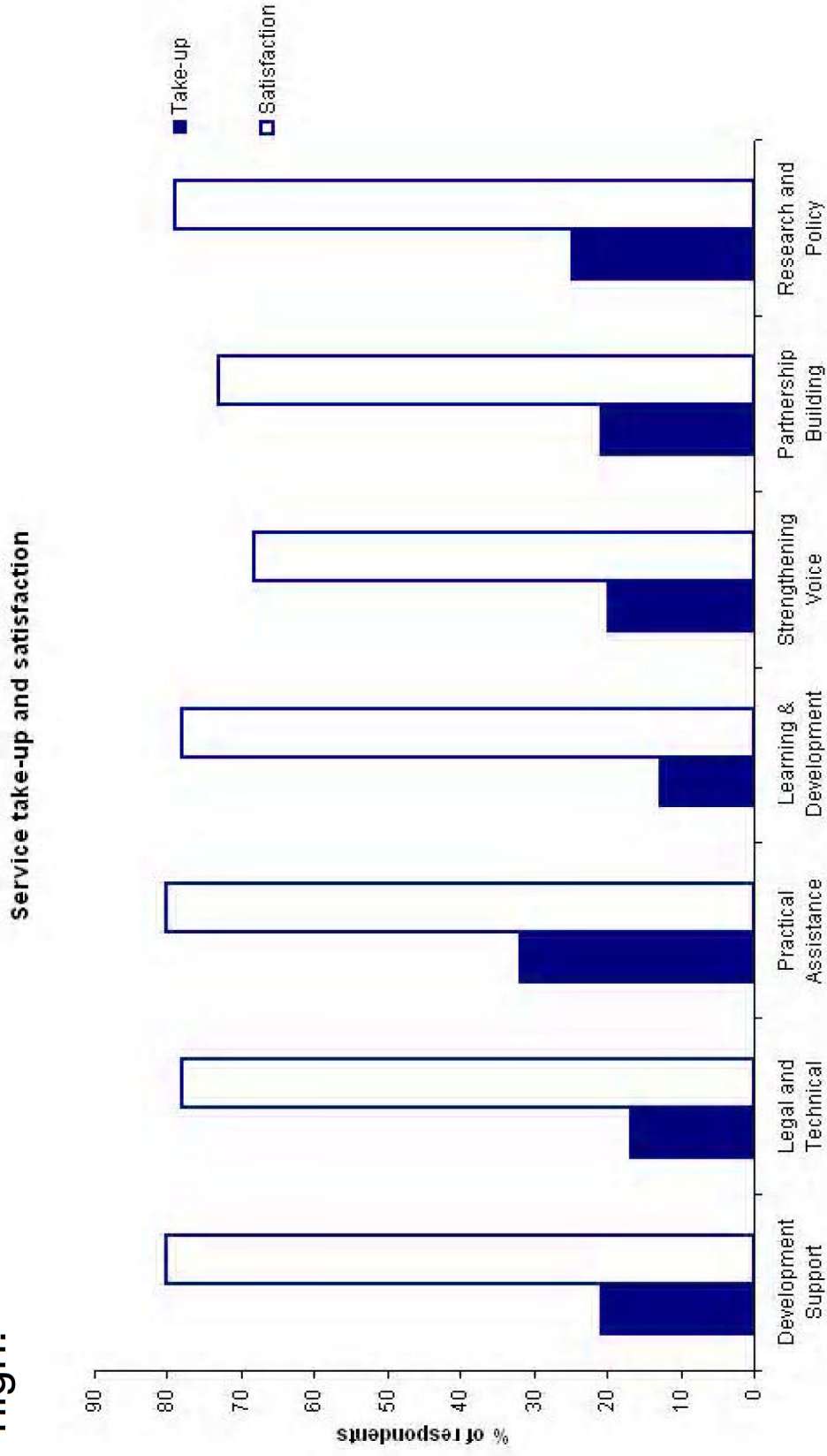
During the course of our review the TSSSR Working Group agreed to a further category: shared services (see Appendix 4).

The evidence base is needs led, and therefore looks at the demand for, and supply of, TSSS across these categories, but it should be noted that the mapping analysis did not adopt the full seven categories noted above.

The evidence necessarily also reflects the current level and deployment of TSSS provision, and therefore incorporates evidence of what is currently provided by whom, and how this is funded. The evidence base is not complete, but its scope and depth are richer than any pre-existing available baseline. It therefore provides as good a basis as is available to analyse TSSS, and reach conclusions about where they are now, and where they need to be in the future.

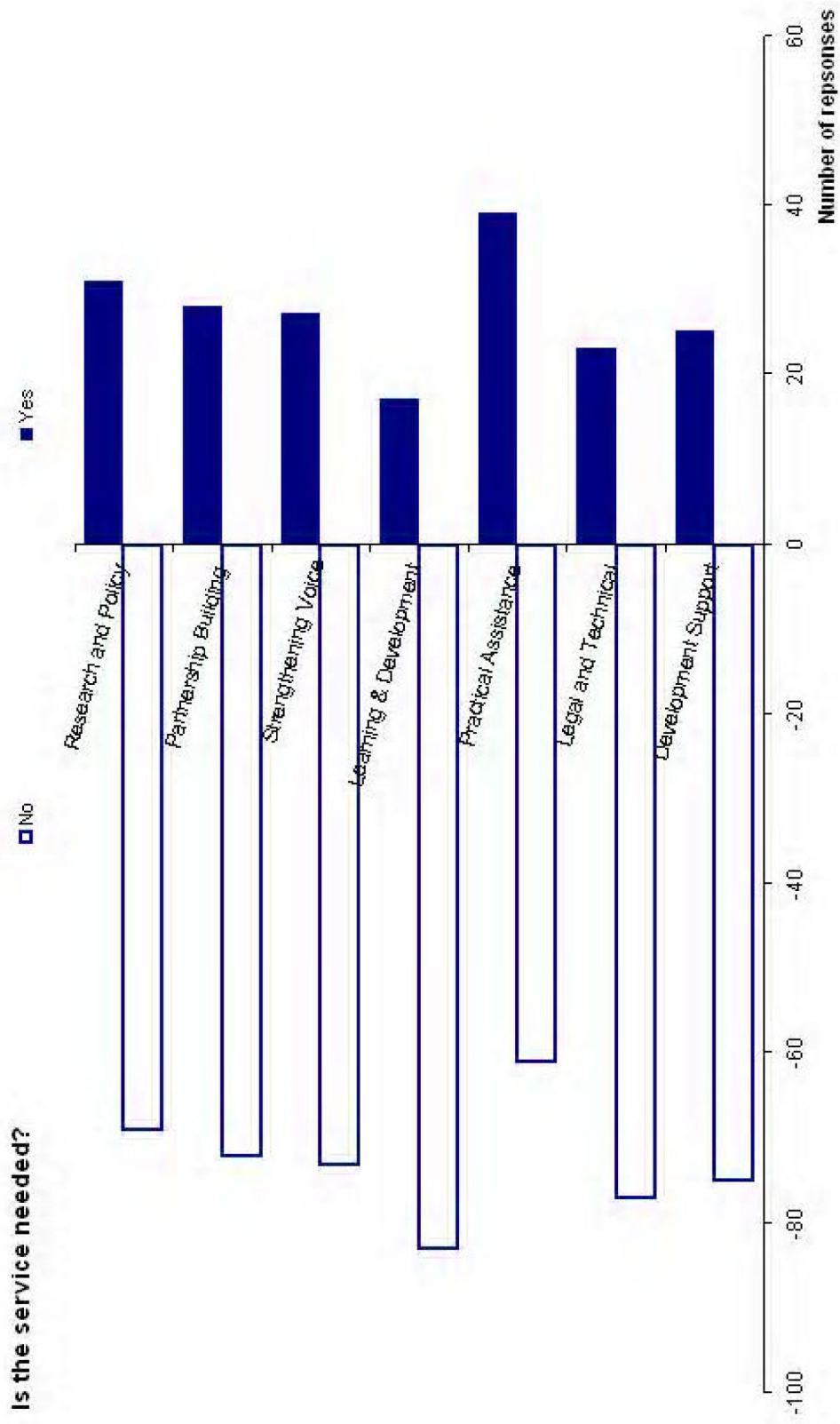
# Take up of TSSS and Satisfaction Levels

The take up of services by FLOS is low, but satisfaction with them is high.



# The need for services

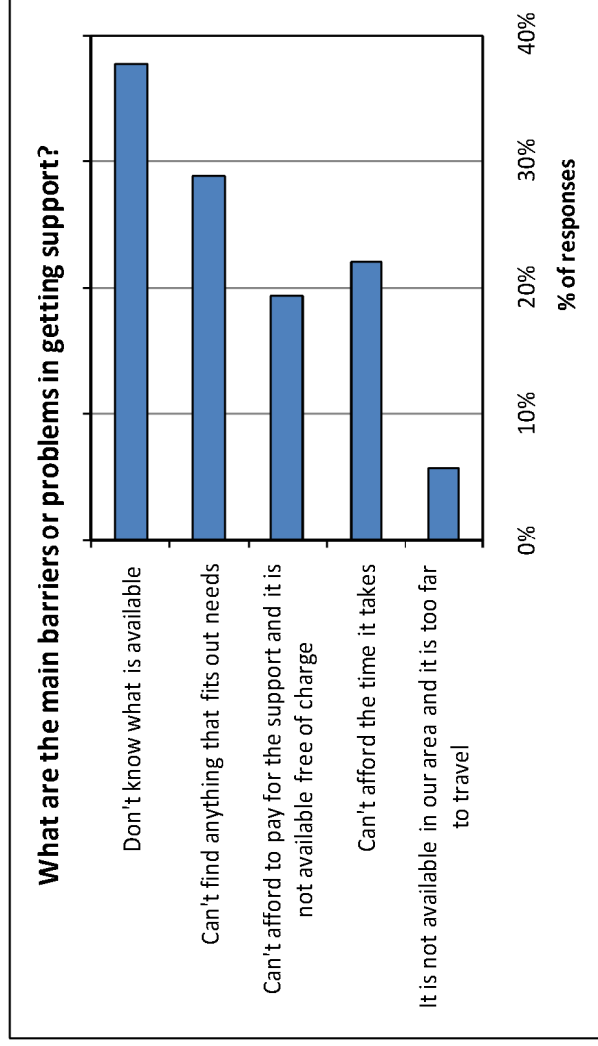
This appears largely because, at the moment, the services are not seen as being needed by FLOs.



Source: Third Sector Support Services Needs Survey (HPS, September 2010)

# Barriers to demand

However, this may in part be because of lack of information, suitability, money and time, leading to demand being ineffective.



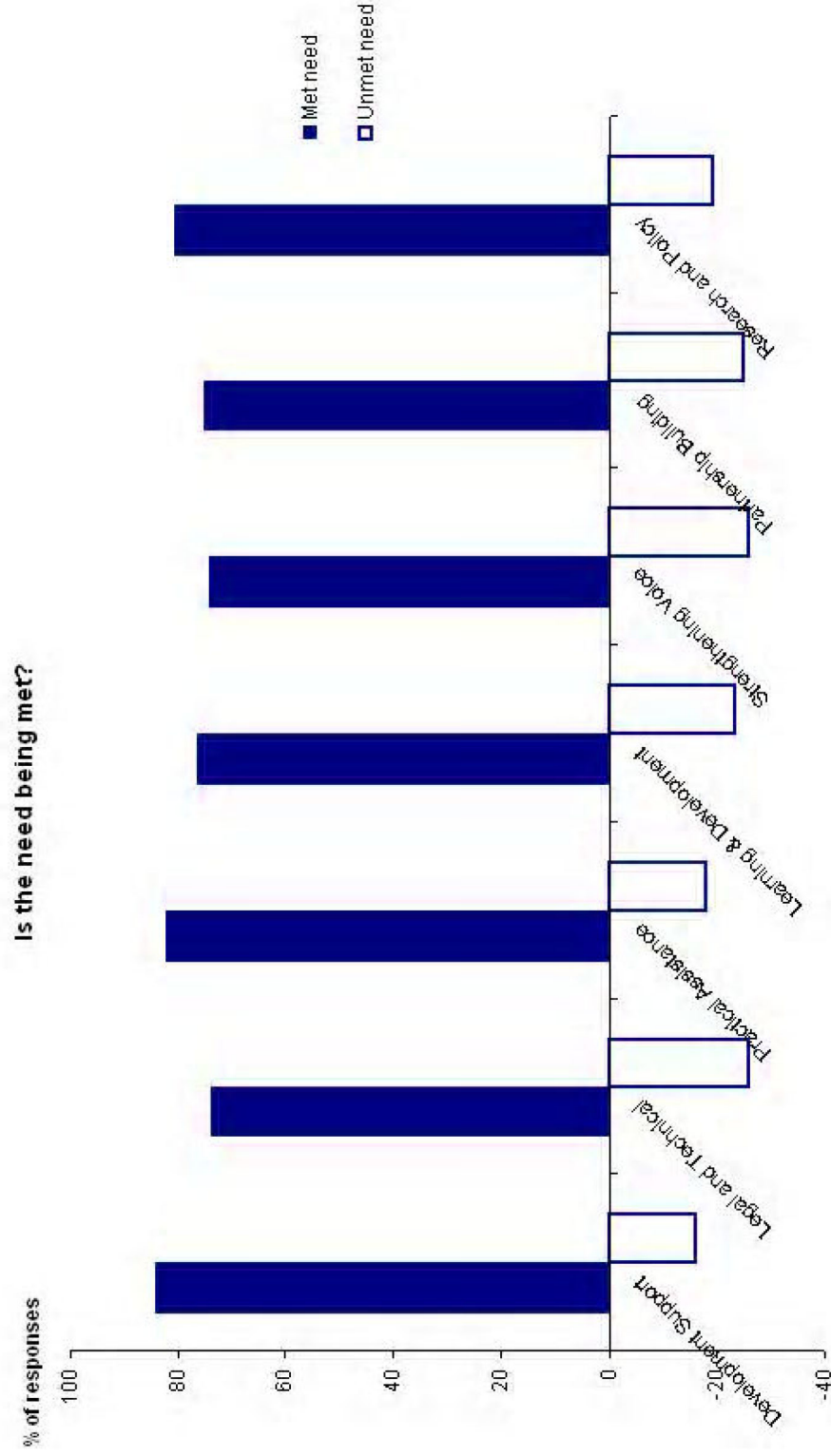
Observations:

- Communication may be improved?
- Is needs assessment effective?
- Is there full geographical coverage?



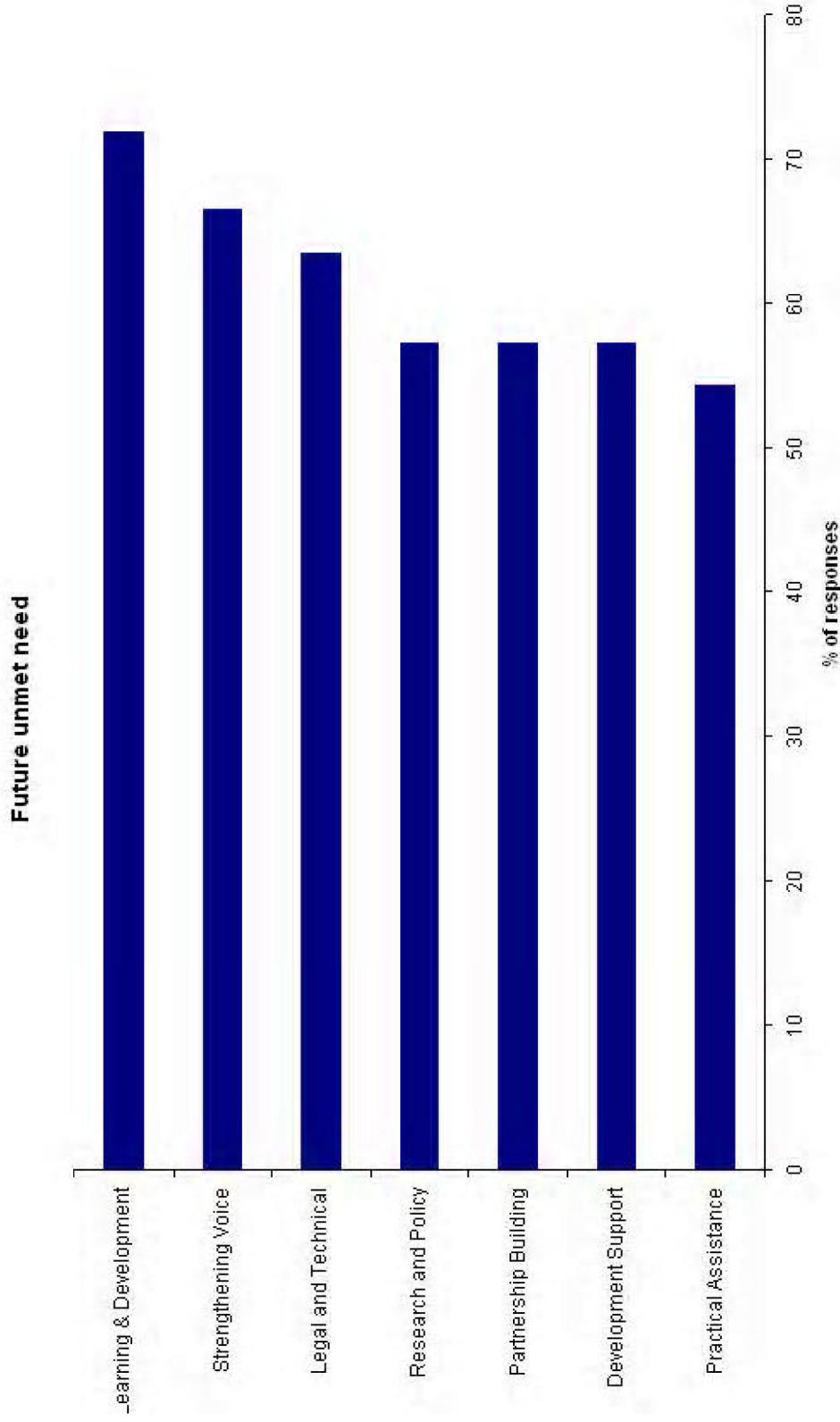
# Is demand being met?

Therefore, at this level of take-up, the majority of demand is met, but the minority of unmet demand is still significant



# Future unmet demand

However, this level of unmet demand is anticipated to increase in the future, and in two years time the majority of demand could be unmet, stalling the capacity of FLOs to grow.



Source: Third Sector Support Services Needs Survey (HPS, September 2010)

# Future needs

The needs survey data suggests that those who use the services are broadly happy, but their relevance to the wider community of FLOs is unclear.

At the moment this is not a significant problem – the majority of perceived needs are being met – but it could be so in the future. FLOs may not have significant needs now but they expect that they will have in two years time. This indicates that the level of unmet need will grow, and if it does, dissatisfaction with provision can be expected to grow with it, if the way TSSS is provided does not change.

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This will impact on HPS, LSDOs and FLOs. More widely, it may limit the extent to which civil society organisations are able to respond to the changes in public service provision and to the Big Society agenda.

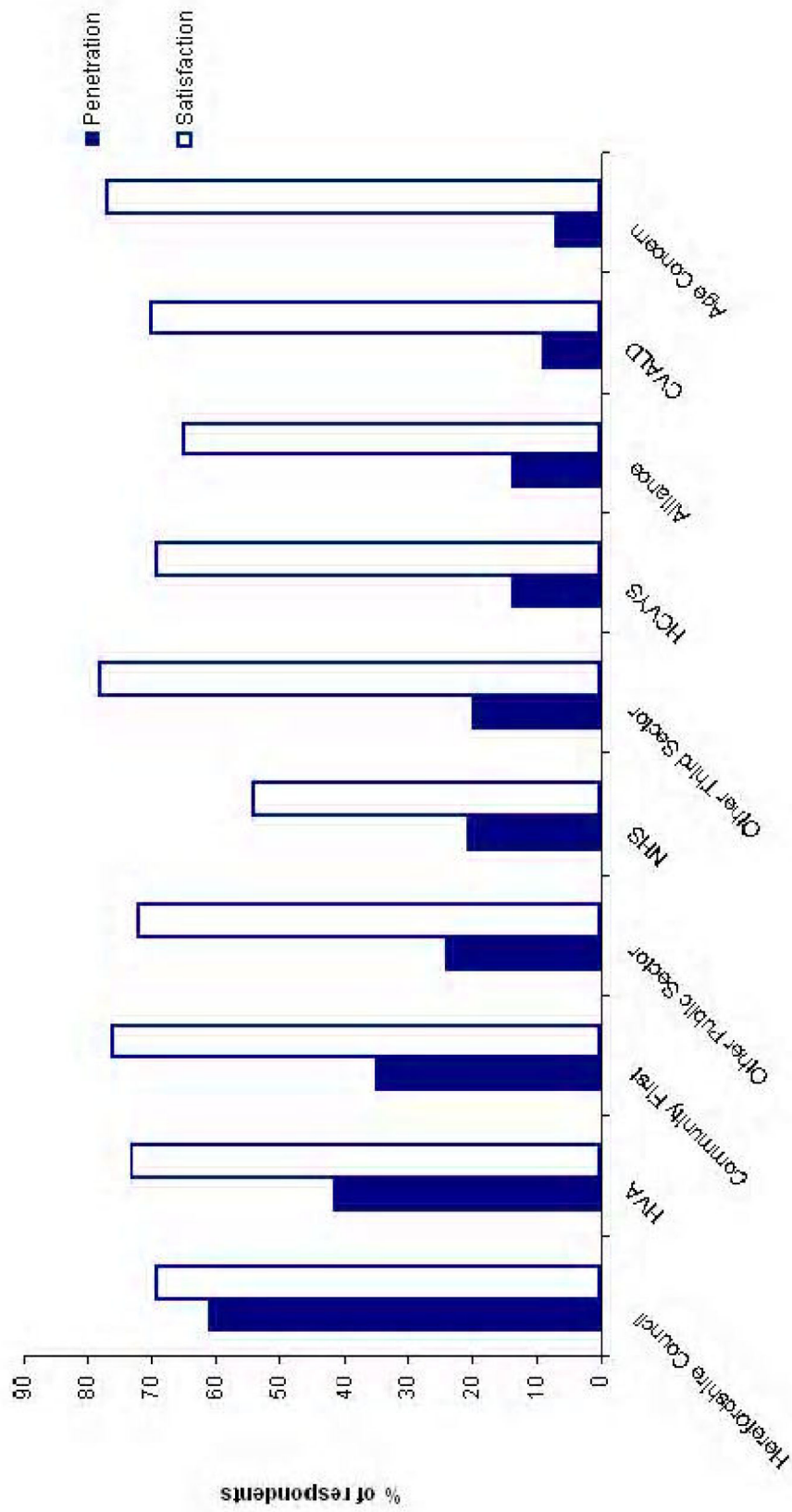
Local and national policy suggest a key role for voluntary, community and social enterprise organisations, with an increasing role in mixed economy, locally focussed provision. Public, private and third sector organisations will have to demonstrate:

- maximum efficiency by minimising overhead and back office costs,
- increasing agility in reshaping around a locality focus, and responding to a changing policy context
- better joint working through streamlining and proportionate, outcome focussed commissioning

# Penetration of and satisfaction with TSSS provision

TSSS is currently deployed in ten main blocks. The contribution of each to meeting demand varies widely, based on those who replied to the survey. Satisfaction is good, but there is still significant dissatisfaction. The survey does not permit analysis in terms of relative value for money of the provision, whether to satisfied or non satisfied FLOs.

Penetration and satisfaction



## Activity to meet needs

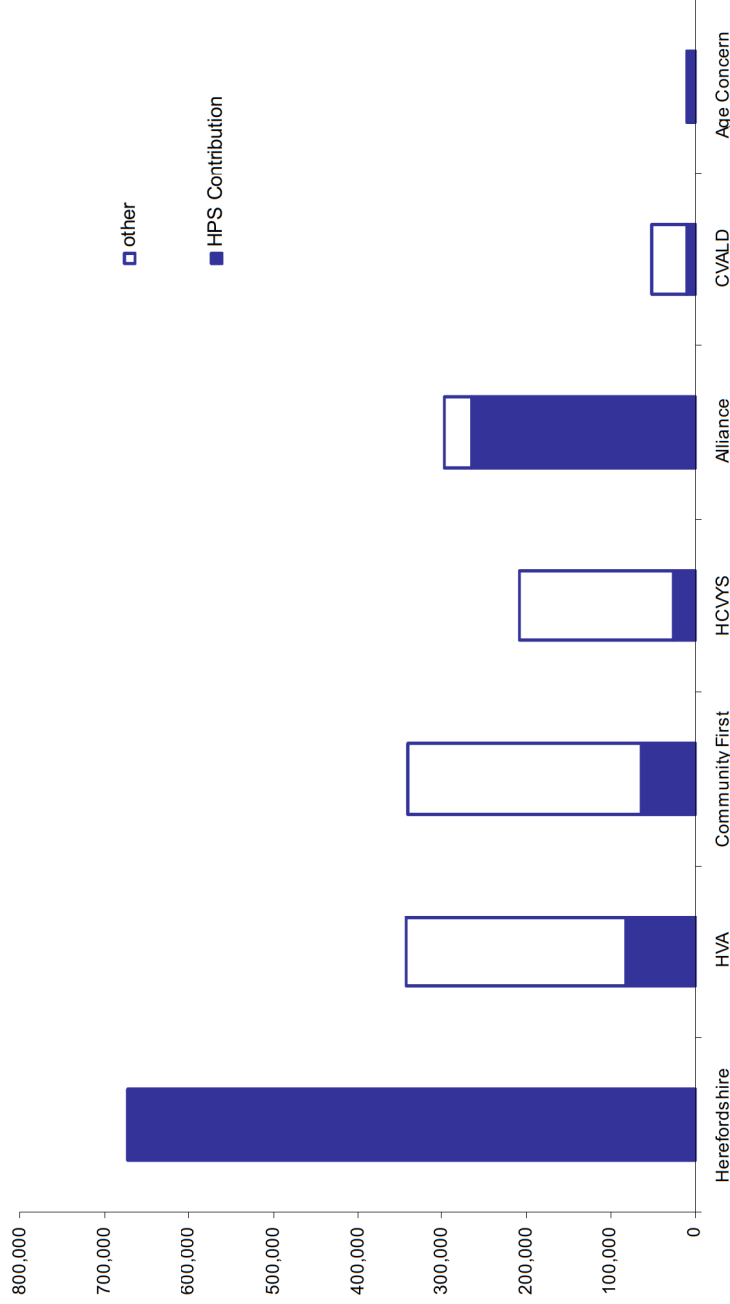
- The way in which these needs are currently met is via a broad range of activities, most of which are undertaken by providers in the scope of this review. The mapping survey identified the distribution of activities as set out below.

Activity	HPS	HVA	CF	HCVYS	The Alliance	CVALD	Age Conc.
Information and advice	Y	Y	Y	Y	Y	Y	Y
Start up / development support	Y	Y	N	Y	Y	Y	N
Strengthening voice	Y	Y	Y	Y	Y	Y	Y
Practical assistance / resources	Y	Y	Y	Y	N	Y	Y
Other	Y	Y	Y	Y	N	Y	Y

As suggested by the preceding slides, the take up of TSSS varies, but on average this take up is low, and the uptake of TSSS is between approximately 15 and 30%. While the table above shows the distribution of relevant activities, it is not clear that there is capacity or critical mass to undertake them on a larger scale.

# Sources of Funding

The cost and source of funding of these activities varies widely, as does the leverage which those in scope are able to generate. However, the main provider and funder is HPS.



**Notes:**

- a) Total forecast TSSS income of the six LSDOs in 2010/11 is £1.251m, of which HPS funding totals £460k. HPS direct spend is £674k. HPS therefore fund approximately £1.134m of the total £1.925m TSSS spend. Note that CVALD figures require sign off.
- b) HPS directly delivered TSSS will face a reduction of £228k following the restructure of Early Years and Extended Services within CYPD
- c) We cannot identify in any detail how the funding aligns to the categories of TSSS provision identified in the needs survey.

# Characteristics of current TSSS deployment

Although the way in which HPS and the LSDOs operate financially does not allow us to attribute cost to the seven main areas of TSSS activity. It does, however, allow us to determine certain characteristics of its deployment. These are that

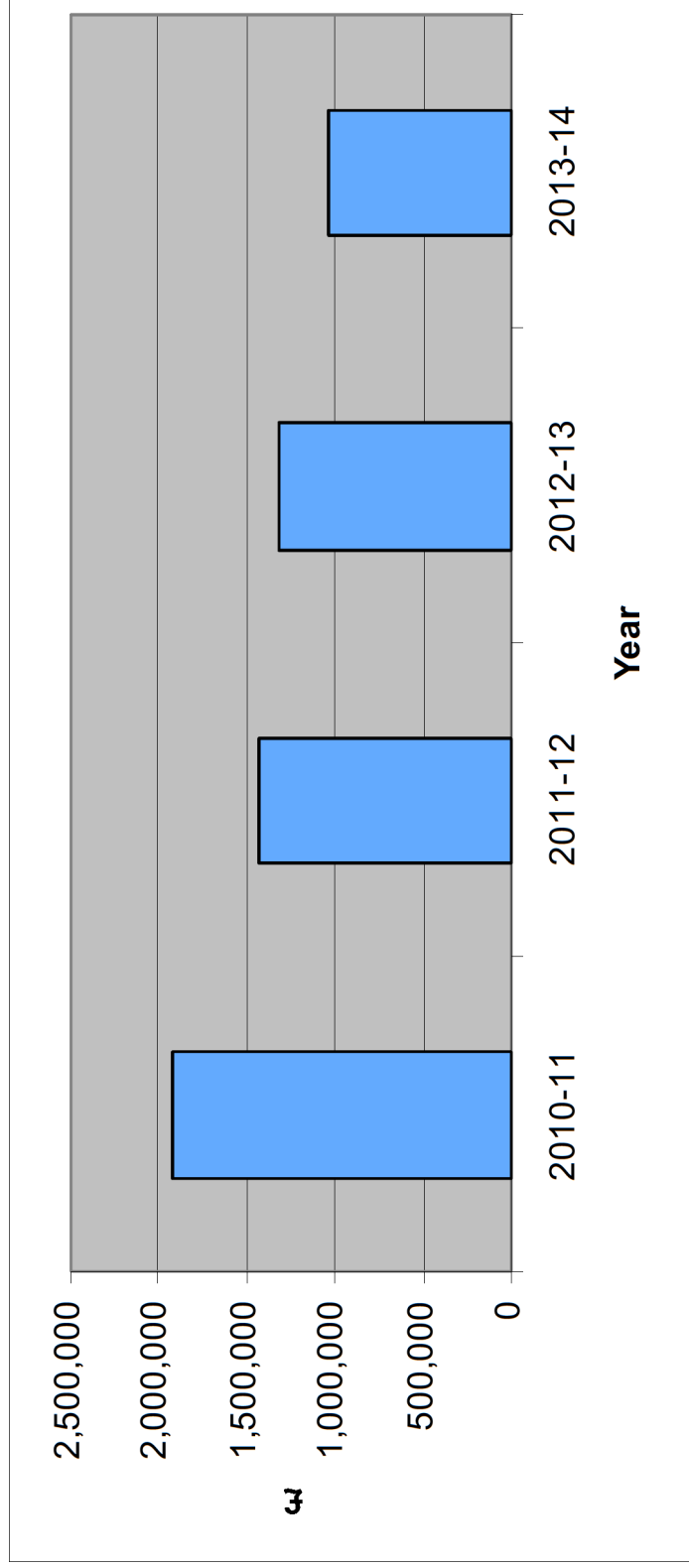
- the current cost of TSSS provision represents about 20% of the total turnover of the FLOs who responded to the Needs Survey (the value of volunteer time was not included in the survey).
- the data suggests that HPS and LSDOs are generally meeting the needs of those that use them, but usage is low, and there may be unmet need as FLOs have yet to understand the relevance of the current services, or the impact of the forthcoming changes.
- the multiplication and greater specificity of provision has increased the impact of support on particular areas
- there is a mix of generalist and specialist support
- this support is provided across the LSDOs and HPS
- there is no overall co-ordination of generalist or specialist support
- this lack of co-ordination leads to duplication, poor branding and consequent lack of market penetration
- there are possible gaps in provision, and consequent gaps in market penetration
- much of the leveraged funding is time-limited and originates from funding sources which are themselves under increasing resource constraints. It is therefore reasonable to assume that there will be reduced ability to leverage additional funds, and that existing resources will be increasingly time limited.
- the total cost of TSSS activity may therefore be reduced over time

# Future funding flows

The current resourcing profile suggests that the current deployment is likely to contract sharply through to 2013/14. Whilst the level of future HPS funding has not been confirmed, it is anticipated that it will reduce by 24% by 2013-14, following the recent government Spending Review.

There is also likely to be a reduction in funding secured by LSDOs from other sources, but the levels of this funding is currently unknown.

The table below reflects all known TSSS funding for services either directly provided by HPS or those being delivered by the LSDOs.





# Meeting future needs

We would conclude that TSSS may not be able to respond to future needs and its longer term sustainability is uncertain. These services may not provide the platform necessary to meet the twin challenges of the Big Society and deficit reduction.

Given increasing resource constraints, it is unlikely that increasing the level of resources to grow existing TSSS deployment to meet increasing demand will be possible. Instead the existing deployment will need to change so that:

- the strategic rationale underlying the deployment is priority-driven
- productivity of the deployment is improved
- duplication is taken out of the deployment, whilst recognising that devolution of service delivery is recognised as appropriate
- the deployment is made more market-responsive as needs change and grow
- new, lower cost models of support are able to be developed and delivered

This implies that the organisations through which TSSS is deployed will need to change. The scale of change needed is likely to be significant and therefore must soon be implemented, if future demand is to be met. At the minimum strategic level changes to the deployment should be in place for 2011/12, and the detail of their marshalling be settled for 2012/13.

# Changing national picture

Capacitybuilders funding will end in March 2011 and the Coalition Government is consulting\* on future national support for LIO services. Priorities set out in the document include:

- More joined up provision of online support, possibly facilitated by the Office for Civil Society
- Better local brokerage of peer to peer, pro bono and mentoring support between organisations and across sectors
- Rationalised provision of infrastructure
- Direct support to frontline organisations to support change

The document also sets out the following three components of the Big Society policy agenda:

- **Empowering communities:** local councils and neighbourhoods having more power to take decisions and shape their area.
- **Opening up public services:** government reforms will enable third sector and private sector bodies to compete to offer high quality public services.
- **Promoting social action:** encouraging and enabling volunteering and philanthropy.

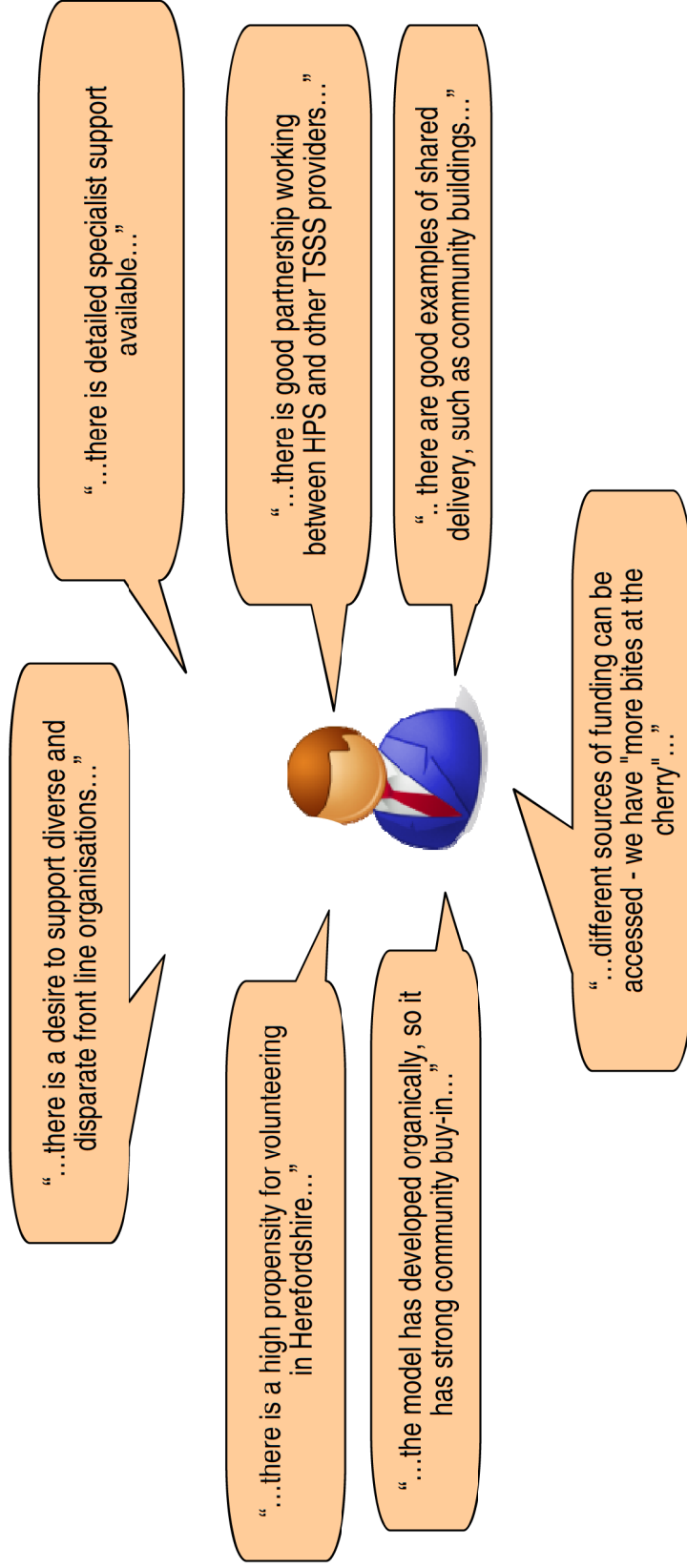
The consultation document also signals that ‘there could be time-limited consolidation grants to enable infrastructure to implement merger or substantial collaboration’...where the action is part of locally agreed plans for the reconfiguration of plans with continued local authority support or targeting improved quality of services to the frontline or to support frontline groups.

The Spending Review of 20 October confirmed £470m over the review period will be made available to support third sector capacity building, and a £100m Transition Fund will be created to support third sector organisations providing public services.

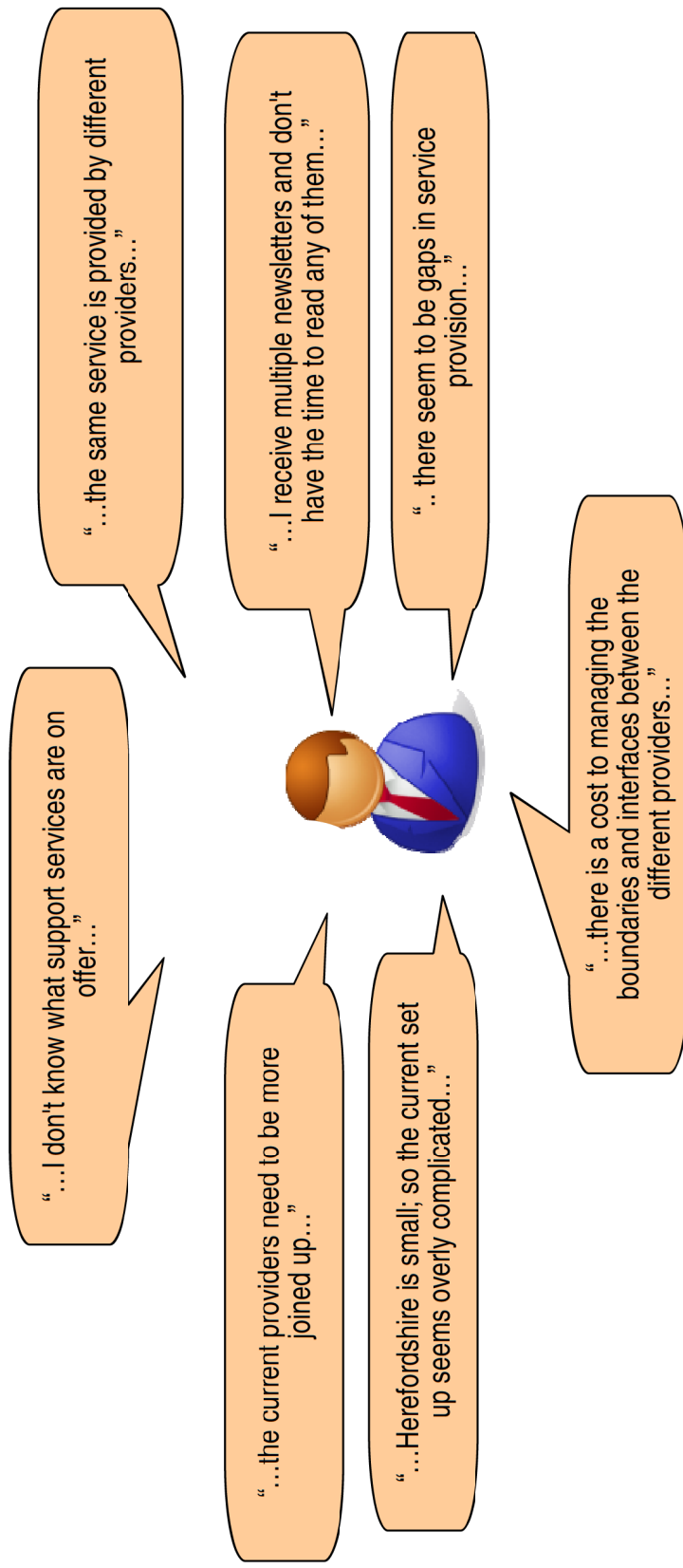
The national picture, which includes the anticipated content of the *Decentralisation and Localism Bill* to be published in late November, is in line with the terms of this review. That fit, and depending on the option decided, could unlock funding to support change involving collaboration or merger of organisations.

\* "Supporting a Stronger Civil Society: An Office for Civil Society consultation on improving support for frontline civil society organisations" (Cabinet Office, October 2010) 24

# The current model has its strengths...



# ...but some examples of why things need to change



# Stakeholder consultation - key themes

This need for change has been echoed in our stakeholder consultation which found that::

- the current model can and should be improved
- there are efficiencies to be made via improved working (shared back office, accommodation, removal of duplication, etc)
- LSDOs agree there needs to be "One Sort of Something"
- the future model needs to be "rural proofed" and ensure diverse communities are supported
- FLOs find the duplication of activities and communications confusing
- a priority for FLOs is bidding for funds, often unsuccessfully. A concerted effort to reduce this burden may be preferable to finding ways to sustain it.
- the future model needs to align to the new localities principles
- priority for FLOs is sustainability / securing funding
- Herefordshire has good track record of volunteering, but there are concerns over its sustainability...and that
- this review is an opportunity, but we need to get it right.

The TSSR Working Group agreed a series of options to appraise, and agreed an evaluation framework as the basis for this appraisal. This is set out in the next section.



## Section 3: The Evaluation Framework and Options Development

# Introduction

The TSSSR Working Group agreed to evaluate the options for future TSSS delivery. An evaluation framework was agreed that set out:

- evaluation criteria, and
- the approach to scoring.

The Chairs and Vice Chairs of the LSDOs were consulted on this framework, and it was updated to reflect their comments.

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The TSSSR Working Group also discussed a long list of options to evaluate. The long list was developed by Grant Thornton, and a short list of options, including two new options, was agreed by the Working Group via two challenge workshops.

The agreed evaluation framework and options are set out on the following slides.

Please note that the arrows included on the structure charts for each option indicate commissioning relationships. We recognise that there are other important functions, such as a single sector voice and sector views, but these are not represented on these structures.

# Evaluation Framework: Decision Criteria

Criteria	Criteria elements	Associated questions
Strategic fit	Alignment with the strategies and values of Herefordshire third sector and other community stakeholders.	Does the option meet the strategic intentions of the sector, providing a solution which is owned by all parties and appropriately reflects the independence of the bodies involved?
	Alignment with HPS delivery model	Does the option meet the priorities of HPS as a major funder and enabler of third sector support services, including localities principles?
	Considers and supports the strategic direction of public services and civil society across the county.	Does the option focus support for third sector organisations to deliver against the emerging agenda of public services and civil society, contribute to its development, and is flexible enough to meet changing priorities? *
Service quality	Meets needs and expectations of third sector organisations	Does the option manage the needs, expectations, and focus on delivering the needs of the third sector?
	Equality and diversity of the third sector in Herefordshire	Can the option support the diversity of the third sector, and provide an equitable level of service across the county?
Cost	Cost of implementation / change, and future delivery ?	What are the implied cost of changes associated with the option, and are they affordable?
		Does the option deliver better value for money and release efficiencies?
Risk	Impact on key stakeholders	Is the option credible with key stakeholders? (HPS, LSDOs, FLOs and end users)
	Feasibility	How feasible is the change, and does the capacity and capability exist to support implementation?

\* This question incorporates the LSDOs added value principles (where not covered by other criteria questions) - see following slide.



# LSDO Added Value Principles

Beyond the Terms of Reference for the review, the LSDOs believe strongly that 'added value' should be at the heart of a change process that seeks to put in place the optimum support services for the available resources, that are consistent with the following principles:

- Responsive, flexible and easily accessible
- Inclusive and equitable – reaching organisations according to their need and locality across the county
- Professional, knowledgeable and skilful staff, in touch with the sector
- Sustainability of services for the sector
- Innovative, pro-active and forward looking
- Specialist and generalist services for addressing sector needs
- Providing community leadership, including leaders and advocates who understand, are committed to, and can speak up for the sector

# Evaluation Framework - Scoring Approach

The TSSSR Working group agreed the following approach to scoring the options, which was used by Grant Thornton to undertake the initial evaluation of the options:

- 5 = option has very high acceptability to the criteria
- 4 = high acceptability
- 3 = medium acceptability
- 2 = low acceptability
- 1 = very low acceptability

The working group felt that all evaluation criteria were of equal importance, so no weightings were applied to these scores.

# Long list of options

The following list of options was considered by the TSSSR working group on 7 October 2010:

Options	High level description
0. Status quo	Continue to provide TSSS as-is, with HPS commissioning from 6 providers and providing TSSS direct.
1. Commission a single provider	Full commissioning of existing TSSSR provided directly by HPS or commissioned by HPS, from a single entity.
2. Commission multiple providers via a single TSS Board	Re-tender all TSSS contracts and stimulate competition for providing TSSS and invite new market entrants including private sector organisations to deliver TSSS. This can include local, regional and national providers.
3. In-sourced TSSS delivered by HPS	Build capacity within HPS to deliver all TSSS currently funded by HPS in-house.
4. Mixed in-sourced and outsourced TSSS provision	HPS integrate back office and generalist TSSS provision into HPS shared service centre, and commission specialist support via a range of providers.
5. Hub and spoke / Localities model	Deliver a core/generic cross sector TSSS at a county level via a single hub (merging levels of provision by current providers) with access to specialist support - providing access to the hub via small spokes based in service provision localities.
6. Dispersed localities model	Deliver the same level of provision across each of the 9 Service provision areas.
7. HPS Ceases Funding	HPS stops funding any TSSS activity.

Note: it was felt that the evidence on the current model, and the need for change, was such that it should not be evaluated. However, it was further agreed, that the Status Quo should be used as the baseline against which the short-listed options would be evaluated.

# Short list of options

The TSSSR working group agreed on 7 October the following list of options to evaluate.

Options	High level description
1. Commission a single provider	Full commissioning of all TSSS activity currently provided by the existing 6 providers and HPS via a single entity (this could be, for example, via a joint venture, potentially including the merger of part or all of existing commissioned providers).
2. Commission multiple providers via a single TSS Board	Re-tender all TSSS contracts and stimulate competition for providing TSSS and invite new market entrants including private sector organisations to deliver TSSS. This can include local, regional and national providers.
3a. Mixed in-sourced and outsourced TSSS provision	HPS integrate core/generic TSS provision into HPS shared service centre ( <b>back office and front line generalist support</b> ), and commission specialists support via a range of providers.
3b. Mixed in-sourced and outsourced TSSS provision	HPS integrate core/generic TSS provision into HPS shared service centre ( <b>back office only</b> ), and commission specialists support via a range of providers.
4. Hub and spoke / Localities model	Deliver a core/generic cross sector TSSS at a County level via a single hub (merging levels of provision by current providers) with access to specialist support - providing access to the hub via small spokes based in service provision localities.

Following further review on the 21 October, the TSSSR working group agreed the further option.

5. Single provider with hub and spokes structure <b>(New Option)</b>	A hybrid of options 1 and 4, with a single entity with a central hub (including shared back office and potentially some specialist services) with local spokes providing other, potentially more generalist services. Balance of central and local delivery to be determined, and a phased approach possible, reflecting wider role out of localism principles and practical constraints.
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These are set out in more detail on the following slides. Further detail on the discounted options is located at Appendix 5.

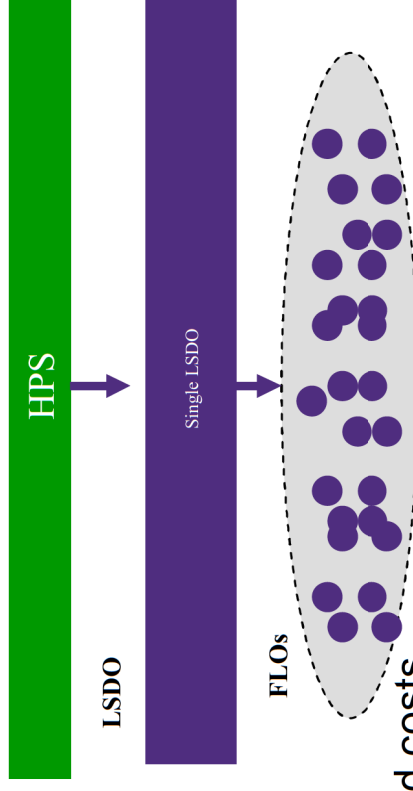
# 1. Commission a single provider

## Overview

- All TSS currently provided by HSP or commissioned from the 6 LSDOs is commissioned via a single, merged provider.

Function	Delivered by
Development support	Single provider
Legal & technical information, advice and guidance	Single provider
Practical assistance and resources	Single provider
Learning and development	Single provider
Strengthening voice	Single provider
Strategic partnership building and brokerage	Single provider
Research and policy development	Single provider
Shared Services	Single Provider?

## Structure



## Implied costs

- Merger and integration costs could be significant
- Assume lower long term running costs due to merged functions and removal of duplication

## Implied benefits of option

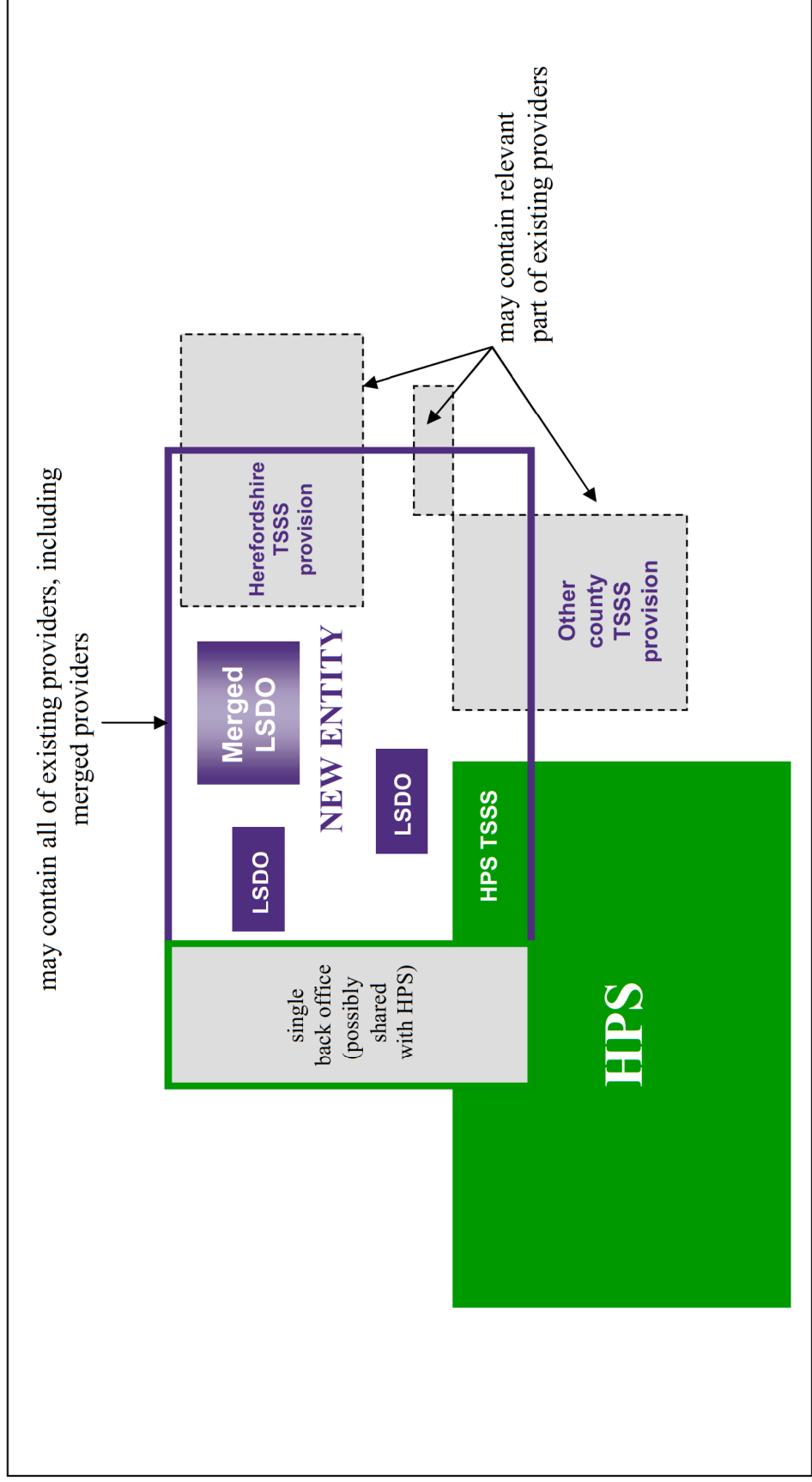
- Remove duplication of activity - efficiencies
- Enhance single voice of third sector in Herefordshire
- Single access point / one stop shop for FLOs, less confusion
- Simpler commissioning and reporting arrangements
- Easier to re-direct resources across areas / services in response to changing needs.

## Implied risks

- Potential loss of key staff, knowledge and experience
- Failure to successfully merge LSDOs
- Loss of focus and specialist support services
- Unable to meet needs of diverse third sector
- Unable to provide services across county
- Single voice not representative of third sector

# Option 1: Further illustration of structure

The TSSR Working Group identified that the form of the single provider / entity does not have to relate to a full merger of existing LSDOs. The form of the single provider is further illustrated below. This new entity, for example, could take the form of a Joint Venture Partnership.



# 2. Commission multiple providers via a single board

## Overview

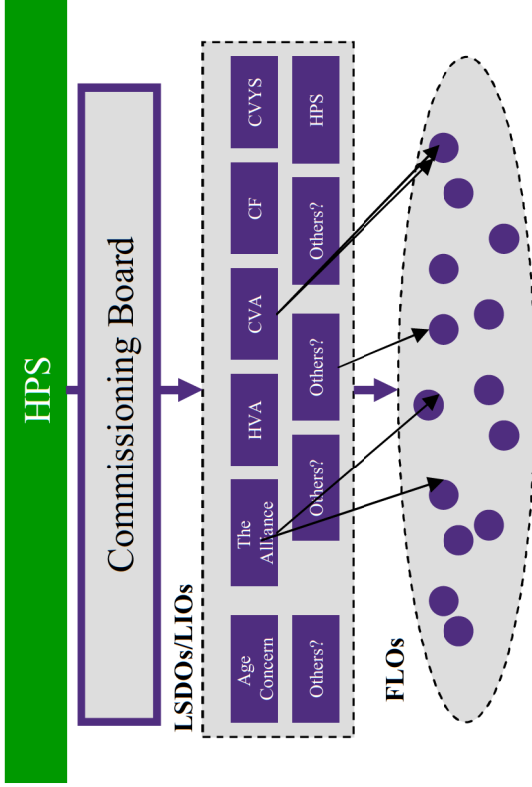
- Full strategic commissioning of existing TSSS currently provided or commissioned by HPS to a County TSSS Commissioning Board.
- Board members make operational commissioning decisions.
- Stimulate competition of market.

Function	Delivered by
Development support	Range of providers
Legal & technical information, advice and guidance	Range of providers
Practical assistance and resources	Range of providers
Learning and development	Range of providers
Strengthening voice	Range of providers
Strategic partnership building and brokerage	Range of providers
Research and policy development	Range of providers
Shared Services	Some / No providers?

## Implied costs

- Limited costs of change
- Possible shunting of transaction costs to single provider
- Additional costs of setting up and running commissioning board

## Structure



## Implied benefits of option

- Limited disruption to current level of support services
- No gaps in provision and increased choice for FLOs / clear boundaries between providers
- Assumes strengthening HPS commissioning model and clearer focus on commissioning against HPS priorities
- Assume increased competition will improve quality of provision
- Strengthens ability to meet support requirements of FLOs

## Implied risks

- Continued duplication and overlap in delivery - do not realise efficiency potential.
- Lack of appropriate commissioning skills
- Concerns over sustainability of model (funding and quality)
- HPS funding likely to be required to make savings/cuts
- Implies FLOs not able to demonstrates delivery contribution to HPS commissioning priorities will no longer get same levels of support
- Failure to create a "level playing field" for providers

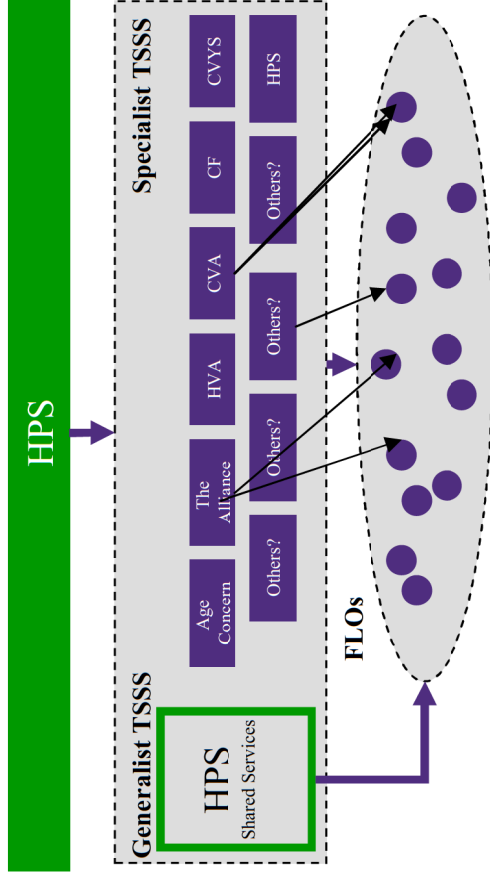
# 3a. Mixed in-sourced and out-sourced TSSS

## Overview

- HPS provides core cross sector / generic TSSS via a single shared service centre.
- Commission specialist support via range of LSDOs
- HPS provide back office support services to FLOs and LSDOs

Function	Delivered by
Development support	Range of Providers
Legal & technical information, advice and guidance	Range of Providers
Practical assistance and resources	Range of Providers
Learning and development	Range of Providers
Strengthening voice	Range of Providers
Strategic partnership building and brokerage	Range of Providers
Research and policy development	Range of Providers
Shared Services	Single Provider

## Structure



## Implied costs

- Additional costs to establish shared service centre

## Implied benefits of option

- Economies from shared service
- Potential shared service provision to FLOs, to support capacity across the county.
- Centre of excellence for generalist support

## Implied risks

- Continued duplication in specialist services
- Initial disruption to current provision
- HPS fails to develop capacity.
- Loss of locality base for some core / generalist services.



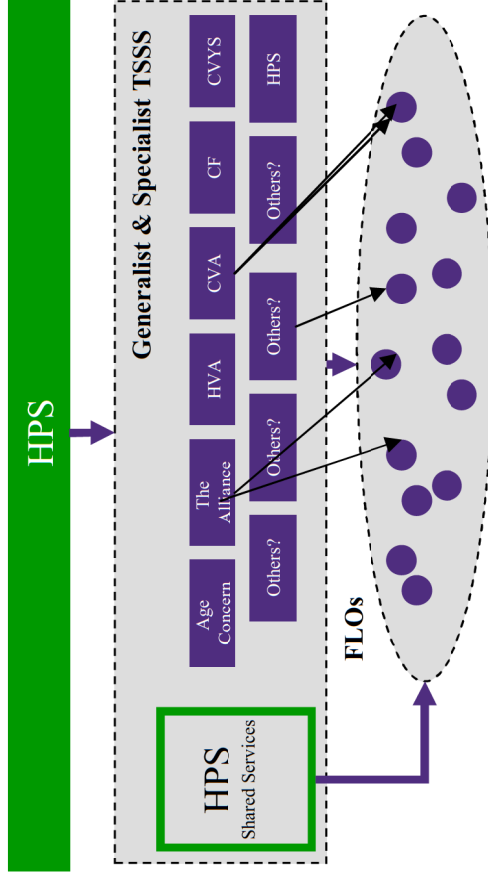
# 3b. Mixed in-sourced and out-sourced TSSS

## Overview

- Commission specialist and generalist support via range of LSDOs
- HPS provide back office support services to FLOs and LSDOs

Function	Delivered by
Development support	Range of Providers
Legal & technical information, advice and guidance	Range of Providers
Practical assistance and resources	Range of Providers
Learning and development	Range of Providers
Strengthening voice	Range of Providers
Strategic partnership building and brokerage	Range of Providers
Research and policy development	Range of Providers
Shared Services	Single Provider

## Structure



## Implied costs

- Additional costs to establish shared service centre

## Implied benefits of option

- Economies from shared service (but not as great as including shared generalist support)
- Potential shared service provision to FLOs, to support capacity across the county.
- Alignment to HPS direction of travel.

## Implied risks

- Continued duplication in specialist services
- Initial disruption to current provision
- HPS fails to develop capacity.
- Loss of locality base for some core / generalist services.

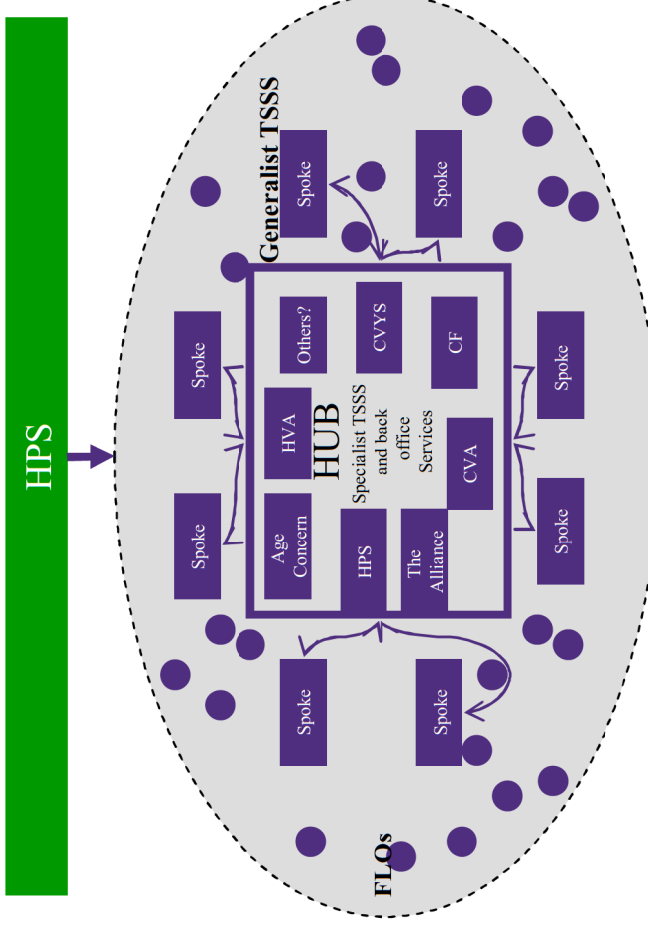
# 4. Hub and spoke / localities model

## Overview

- Deliver core / specialist TSSS at county level via single "hub" (merging levels of provision by current providers) with provision generalist support in localities via smaller "spokes". Spokes can access central support from the "hub". This is a geographical model, ensuring provision can be made in localities across the county.

Function	Delivered by
Development support	Hub and spokes
Legal & technical information, advice and guidance	Hub and spokes
Practical assistance and resources	Hub and spokes
Learning and development	Hub and spokes
Strengthening voice	Hub and spokes
Strategic partnership building and brokerage	Hub and spokes
Research and policy development	Hub and spokes
Shared Services	Hub / No provider

## Structure



## Implied costs

- Potential cost of alternate accommodation for hub and spokes.

## Implied benefits of option

- Economies from merged activity in single hub and single locality sites.
- Removal of duplication, and clarity to FLOs.
- Maximise potential for diverse and county wide coverage.

## Implied risks

- LSDOs find merging provision difficult due to cultural or other barriers.

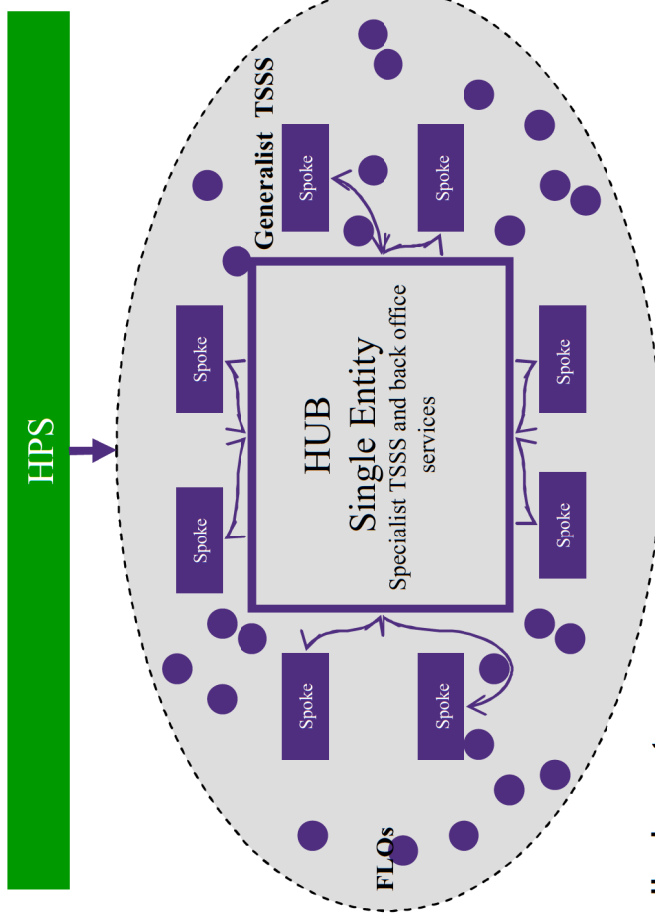
# 5. Single Provider with hub and spoke / localities model

## Overview

- A hybrid of options 1 and 4, with a single entity with a central hub (including shared back office and potentially some specialist services) with local spokes providing other, potentially more generalist services.
- Balance of central and local delivery to be determined, and a phased approach possible, reflecting wider role out of localism principles and practical constraints.

Function	Delivered by
Development support	Hub and spokes
Legal & technical information, advice and guidance	Hub and spokes
Practical assistance and resources	Hub and spokes
Learning and development	Hub and spokes
Strengthening voice	Hub and spokes
Strategic partnership building and brokerage	Hub and spokes
Research and policy development	Hub and spokes
Shared Services	Hub

## Structure



## Implied costs

- Potential cost of alternate accommodation for hub and spokes.

## Implied benefits of option

- Economies from merged activity in single hub and single locality sites, and from commissioning single entity.
- Removal of duplication, and clarity to FLOs.
- Maximise potential for diverse and county wide coverage.

## Implied risks

- LSDOs find merging provision difficult due to cultural or other barriers.



## Section 4: Options Evaluation

# Evaluation Ranking

Scoring was undertaken by Grant Thornton against the evaluation framework agreed by the TSSSR Working Group (see slide 30).

The TSSSR Working Group then used these scores to inform their evaluation of the options, and to agree a ranking, as set out below.

Criteria	Key evaluation questions	Option 1 Single Provider	Option 2 TSSS Board	Option 3a In & out source	Option 3b In & out source (BO only)	Option 4 Hub & Spoke	Option 5 Hybrid of 1 and 4
<b>RANKING</b>		<b>2</b>	<b>4</b>	<b>6</b>	<b>5</b>	<b>3</b>	<b>1</b>

Further detail on the underlying assumptions against each criteria is contained in the following slides.

# Option 1 - Commission a single provider

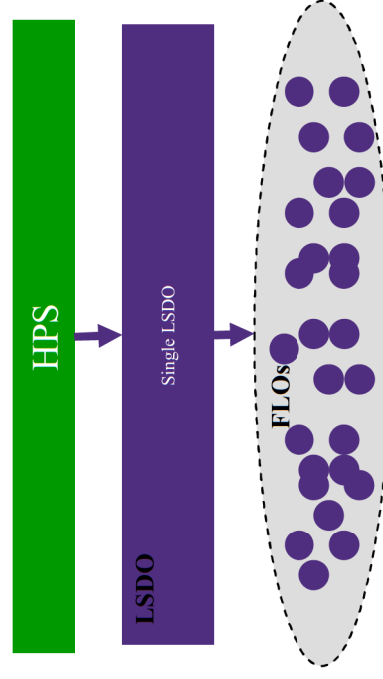
Key evaluation questions	Assumption
Does the option meet the strategic intentions of the sector, providing a solution which is owned by all parties and appropriately reflects the independence of the bodies involved?	Assume that the single provider can be more agile in meeting priorities of other funders and stakeholders, but some providers may be resistant to merger.
Does the option meet the priorities of HPS as a major funder and enabler of third sector support services, including localities principles?	Assume that the single provider can be more agile in meeting priorities of HPS. Good fit to HPS direction of travel.
Does the option focus support for third sector organisations to deliver against the emerging agenda of public services and civil society, contribute to its development, and is flexible enough to meet changing priorities?	Assume a single provider can provide a clearer and more focussed offering, and removal of overlap and duplication of activity. Single provider requires less coordination and management from HPS.
Does the option manage the expectations and focus on delivering the needs of the third sector?	Assume that a single provider can enhance the management of expectations of 3rd sectors orgs through a clearer and more focused offering, and through less complicated relationships with HPS. However, the risk of disruption to existing networks and brands needs careful management.
Can the option support the diversity of the third sector, and provide an equitable level of service across the county?	Assume that single coordination of TSSS would be more efficient with a common standards and level of service County wide offering may be dependant on levels of funding and demonstrated need.
What are the implied cost of changes associated with the option, and are they affordable?	Assume significant cost of change and disruption associated with planning and implementation of merging functions of 6 organisations. However, this option is likely to be eligible for OCS transition funding.
Does the option deliver better value for money and release efficiencies?	Assumes significantly better value for money commissioning to single entity, but need to manage risks of merger activity effectively.
Is the option credible with key stakeholders? (HPS, LSDOs, FLOs and end users)	Appears strong commitment for a more coordinated and focussed approach through single provider, however what this means for individual organisations may
How feasible is the change, and does the capacity and capability exist to support implementation?	Challenging to implement effectively, and would require a skilled merger team to manage risks and costs to deliver benefits

## Overview

- All TSSS currently provided by HSP or commissioned from the 6 LSDOs is commissioned via a single, merged provider.

## Key benefit assumptions

- Removes levels of duplication and overlap
- More focussed and common approach to service delivery
- Reduction in administration and management costs
- Longer term benefits outweigh the cost of change and merger
- Specialist support and knowledge is retained through merge process
- Potential to access OCS transitional funding.



# Option 2 - Commission multiple providers via single Board

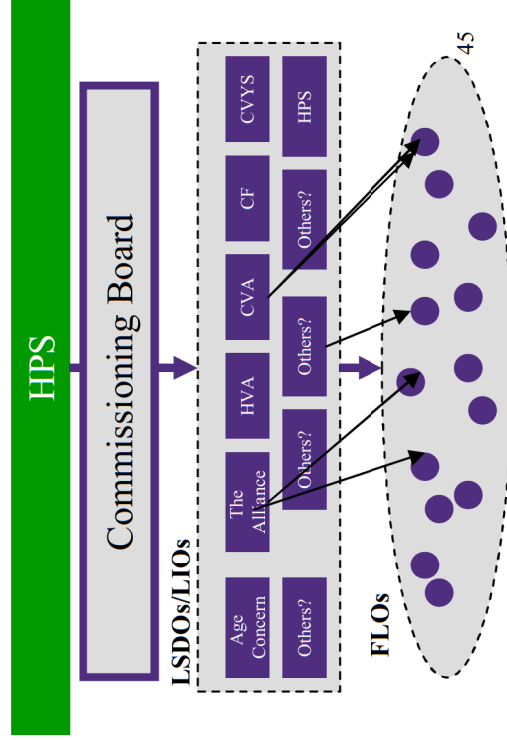
Key evaluation questions	Assumption
Does the option meet the strategic intentions of the sector, providing a solution which is owned by all parties and appropriately reflects the independence of the bodies involved?	Assume the commissioning board is strong enough to ensure that sector priorities are clear and are regularly reviewed as part of the commissioning cycle.
Does the option meet the priorities of HPS as a major funder and enabler of third sector support services, including localities principles?	Assume that commissioning board is strong enough to ensure that HPS priorities are clear and are regularly reviewed as part of the commissioning cycle
Does the option focus support for third sector organisations to deliver against the emerging agenda of public services and civil society, contribute to its development, and is flexible enough to meet changing priorities?	Assume regular review of performance and commissioning cycles allows opportunity to flex support to match evolving markets. Need to effectively manage existing duplications and overlaps.
Does the option manage the expectations and focus on delivering the needs of the third sector?	Assume this information is gathered at a local/regional and national level as part of commissioning cycle.
Can the option support the diversity of the third sector, and provide an equitable level of service across the county?	Assume, as above, this can be regularly reviewed, and maintaining separate providers can support diversity of provision.
What are the implied cost of changes associated with the option, and are they affordable?	Some initial development work required to set-up and service Board, and commissioning framework
Does the option deliver better value for money and release efficiencies?	Assume that strong commissioning Board and market management will help drive improvements and efficiencies
Is the option credible with key stakeholders? (HPS, LSDOs, FLOs and end users)	Will create a more competitive market so there may be some resistance from LSDOs.
How feasible is the change, and does the capacity and capability exist to support implementation?	Limited change required, but strong commissioning skills required

## Overview

- Full strategic commissioning of existing TSSS currently provided or commissioned by HPS to a County TSSS Commissioning Board.
- Board members make operational commissioning decisions.
- Stimulate competition within market

## Benefit assumptions

- more focussed commissioning to deliver HPS priorities with flexibility
- Assumes a more competitive market will drive efficiencies and improvements
- Limited costs of change



# Option 3a - mixed in-sourced and out-sourced TSSS (back office and generalist support)

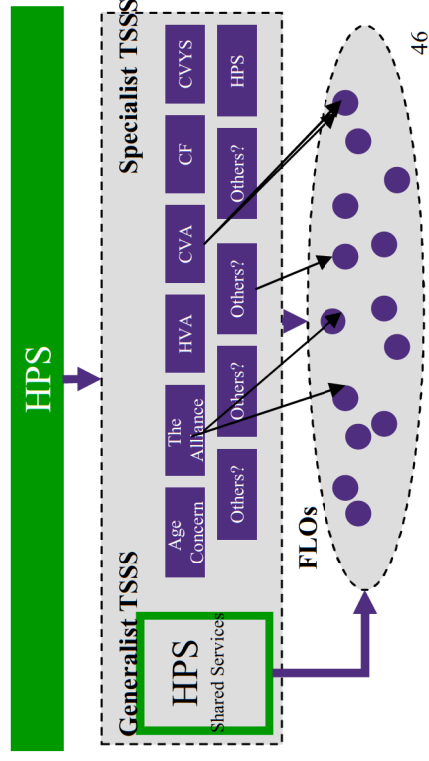
Key evaluation questions	Assumption
Does the option meet the strategic intentions of the sector, providing a solution which is owned by all parties and appropriately reflects the independence of the bodies involved?	Assumes this option is too complex for providers and recipients of services, and stronger role from HPS will inhibit sector independence.
Does the option meet the priorities of HPS as a major funder and enabler of third sector support services, including localities principles?	Assumes a close relationship between HPS Shared Services, and commissioner of specialist providers therefore ability to focus on priorities, but also assumes market confusion impacting on ability to deliver.
Does the option focus support for third sector organisations to deliver against the emerging agenda of public services and civil society, contribute to its development, and is flexible enough to meet changing priorities?	Assumes that core generalist support needs meet market needs and flexibility of specialist support determined through the commissioning cycle to a range of LSDOs, but risks that overly complex model will significantly inhibit opportunities.
Does the option manage the expectations and focus on delivering the needs of the third sector?	Assumes option would rely on specialist providers to provide insight and manage expectations outside of core/generalist provision
Can the option support the diversity of the third sector, and provide an equitable level of service across the county?	Assumes that diversity of sector and geography would be considered through the commissioning of specialist support
What are the implied cost of changes associated with the option, and are they affordable?	Assuming that generalist support services can be integrated in existing HPS shared service centre with limited cost implications.
Does the option deliver better value for money and release efficiencies?	implies cost savings through shared services arrangements, and better use of funding through commissioning focussed specialist support
Is the option credible with key stakeholders? (HPS, LSDOs, FLOs and end users)	Shared back office aligned to key stakeholders' direction of travel, but not shared generalist support.
How feasible is the change, and does the capacity and capability exist to support implementation?	Requires further consultation and detailed integration planning with HPS shared services and generalist support. Strong commissioning skills also required

## Overview

- HPS provides core cross sector / generic TSSS via a single shared service centre.
- Commission specialist support via range of LSDOs
- HPS provide back office support services to FLOs and LSDOs

## Benefit assumptions

- range of providers to deliver specialist support to meet diversity of sector;
- strong HPS involvement in delivery, coordination and commissioning allows 'The centre' to manage expectation of centre and communication priorities
- savings delivered through shared service centre with mechanisms already in place





# Option 3b - mixed in-sourced and out-sourced TSSS (back office only)

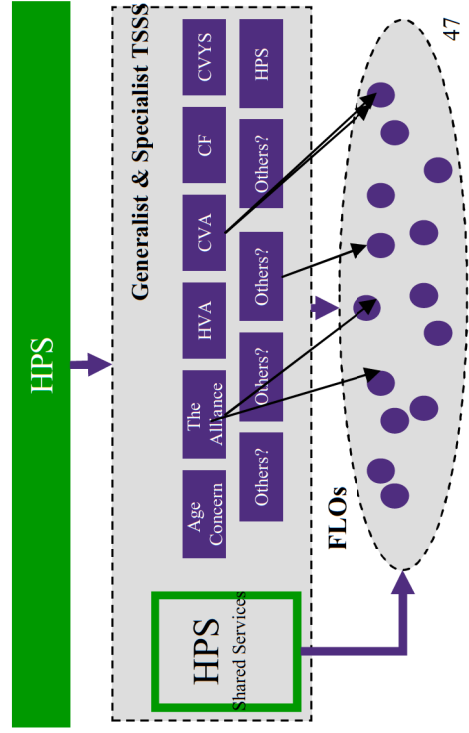
Key evaluation questions	Assumption
Does the option meet the strategic intentions of the sector, providing a solution which is owned by all parties and appropriately reflects the independence of the bodies involved?	Option assumes a stronger role for HPS in both coordination, commissioning and delivery of TSSS. Inhibitor to independence of sector, alongside complexity of model.
Does the option meet the priorities of HPS as a major funder and enabler of third sector support services, including localities principles?	This is aligned to HPS shared service direction of travel, but the option would require a stronger strategic coordination role by HPS.
Does the option focus support for third sector organisations to deliver against the emerging agenda of public services and civil society, contribute to its development, and is flexible enough to meet changing priorities?	Option could create another layer of TSSS overlap with a bigger delivery role for HPS shared services and potential lack of focus.
Does the option manage the expectations and focus on delivering the needs of the third sector?	Assume option would rely on both HPS and specialist providers to provide insight and manage expectations outside of core/generalist provision
Can the option support the diversity of the third sector, and provide an equitable level of service across the county?	Assumes that diversity of sector would be considered through the commissioning of specialist support and through HPS delivery
What are the implied cost of changes associated with the option, and are they affordable?	Assumes that generalist support services can be integrated in existing HPS shared service centre
Does the option deliver better value for money and release efficiencies?	implies cost savings through shared services arrangements, and better use of funding through commissioning focussed specialist support . Risk of overlap and duplication may still exist
Is the option credible with key stakeholders? (HPS, LSDOs, FLOs and end users)	Aligned to HPS direction of travel, and general agreement from LSDOs that sharing back office functions is required.
How feasible is the change, and does the capacity and capability exist to support implementation?	Requires integration planning with HPS shared services. Set up of strong commissioning also required .

## Overview

- Commission specialist and generalist support via range of LSDOs
- HPS provide back office support services to FLOs and LSDOs

## Benefit assumptions

- range of providers to deliver specialist support to meet diversity of sector;
- strong HPS involvement in delivery, coordination and commissioning allows 'the centre' to manage expectation of centre and communication priorities
- savings delivered through shared service centre with mechanisms already in place



# Option 4 - Hub & spoke localities model

Key evaluation questions	Assumption
Does the option meet the strategic intentions of the sector, providing a solution which is owned by all parties and appropriately reflects the independence of the bodies involved?	Option assumes a stronger role for HPS in both coordination, commissioning and delivery of TSSS to align to localities model, maximising access to support across diverse communities.
Does the option meet the priorities of HPS as a major funder and enabler of third sector support services, including localities principles?	This model is strongly aligned to HPS localities principles.
Does the option focus support for third sector organisations to deliver against the emerging agenda of public services and civil society, contribute to its development, and is flexible enough to meet changing priorities?	This assumes strong flexibility, but option could create another layer of TSSS overlap with a bigger delivery role for HPS shared services and potential lack of focus
Does the option manage the expectations and focus on delivering the needs of the third sector?	Option would rely on both HPS and specialist providers to provide insight and manage expectations outside of core/generalist provision
Can the option support the diversity of the third sector, and provide an equitable level of service across the county?	Yes - assumes that diversity of sector would be considered through the commissioning of specialist support and through HPS delivery
What are the implied cost of changes associated with the option, and are they affordable?	Significant - assumes merging generalist support of providers, with added costs and setting up provision within 'spokes'. Could be eligible for OCS transitional funding.
Does the option deliver better value for money and release efficiencies?	Yes - implies cost savings through shared services arrangements, and better use of funding through commissioning focussed specialist support. But multiple sites limits VFM opportunities. Risk of overlap and duplication may still exist
Is the option credible with key stakeholders? (HPS, LSDOs, FLOs and end users)	Yes - aligned to stakeholder commitment to provide services across the county that meets diversity of geography and of sector
How feasible is the change, and does the capacity and capability exist to support implementation?	Requires detailed integration planning with HPS shared services Set up of strong commissioning also required for spokes

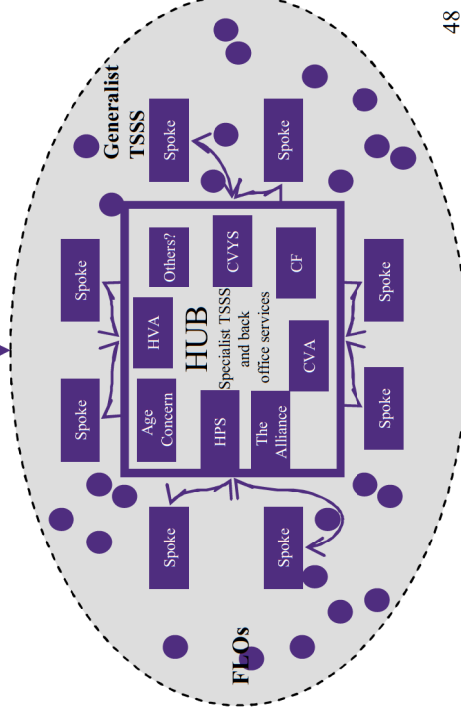
## Overview

- Deliver core / specialist TSSS at county level via single "hub" (merging levels of provision by current providers) with provision generalist support in localities via smaller "spokes".
- Spokes can access central support from the "hub."

## Benefit assumptions

- range of providers to deliver specialist support to meet diversity of sector;
- strong HPS involvement in delivery, coordination and commissioning allows 'the centre' to manage expectation of centre and communication priorities
- savings delivered through shared service centre with mechanisms already in place

HPS



# Option 5 - Single provider with hub and spoke model

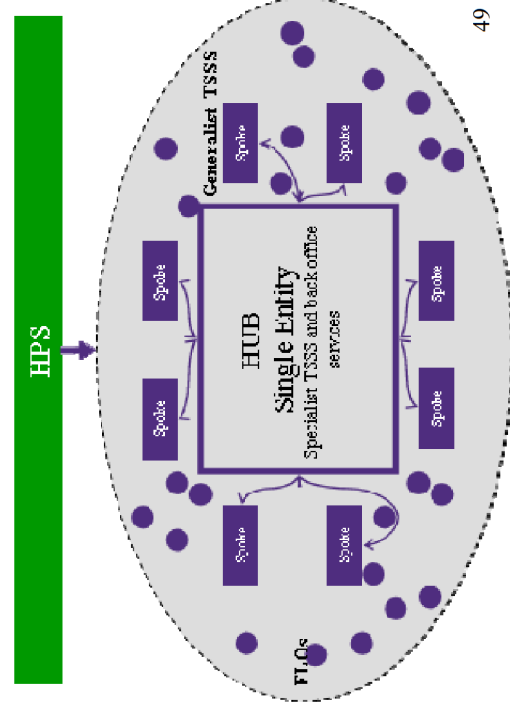
Key evaluation questions	Assumption
Does the option meet the strategic intentions of the sector, providing a solution which is owned by all parties and appropriately reflects the independence of the bodies involved?	Assume that the single provider can be more agile in meeting priorities of other funders and stakeholders, but some providers may be resistant to merger. Localities model supports independence outside hub.
Does the option meet the priorities of HPS as a major funder and enabler of third sector support services, including localities principles?	Assume that the single provider can be more agile in meeting priorities of HPS. Good fit to HPS direction of travel in terms of localities model and shared services.
Does the option focus support for third sector organisations to deliver against the emerging agenda of public services and civil society, contribute to its development, and is flexible enough to meet changing priorities?	Assume a single provider can provide a clearer and more focussed, and removal of overlap and duplication of activity. Single provider requires less coordination and management from HPS. Offers flexibility and local provision.
Does the option manage the expectations and focus on delivering the needs of the third sector?	Assume that a single provider can enhance the management of expectations of 3rd sectors orgs through a clearer and more focused offering, and through less complicated relationships with HPS, including localities delivery.
Can the option support the diversity of the third sector, and provide an equitable level of service across the county?	Assume that single coordination of TSSS would be more efficient with a common standards and level of service. Localities approach ensures county wide coverage. County wide offering may be dependant on levels of funding and demonstrated need.
What are the implied cost of changes associated with the option, and are they affordable?	Assume significant cost of change and disruption associated with planning and implementation of merging functions of 6 organisations. However, this option is likely to be eligible for OCS transition funding.
Does the option deliver better value for money and release efficiencies?	Assumes significantly better value for money commissioning to single entity, but further cost to meet localities model. Need to manage risks of merger activity effectively.
Is the option credible with key stakeholders? (HPS, LSDOs, FLOs and end users)	Appears strong commitment for a more coordinated and focussed approach through single provider, with county wide coverage.
How feasible is the change, and does the capacity and capability exist to support implementation?	Challenging to implement effectively, and would require a skilled merger team to manage risks and costs to deliver benefits.

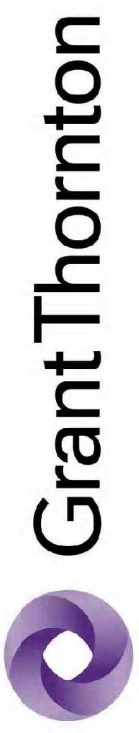
## Overview

- A hybrid of options 1 and 4. Full commissioning of existing TSSS directly provided by HPS or commissioned via LSDOs to a single entity.
- The structure of the entity follows the "hub and spoke" model.

## Key benefit assumptions

- Range of providers to deliver specialist support to meet diversity of sector;
- Strong HPS involvement in delivery, coordination and commissioning allows 'the centre' to manage expectation of centre and communication priorities
- Savings delivered through commissioning single entity.





## Section 5: Conclusions

# Best Fit Option

The TSSSR Working Group considered the options. Following the first review it was agreed that:

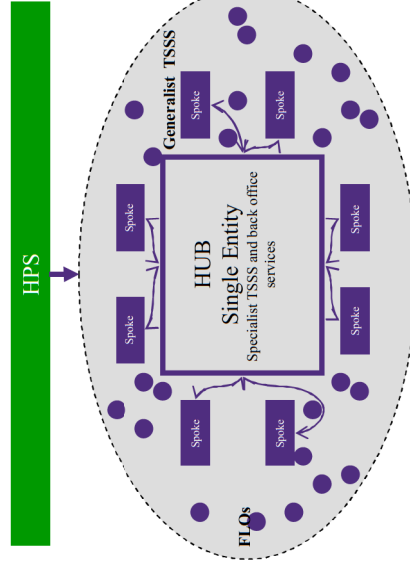
- Options 3 a and 3b should be discounted. It was recognised that these would offer some economies of scale, and so cost savings through shared services. However, it was unclear that the approach would be welcomed by all FLOs, and it was recognised that little extra value would be delivered.
- The Commissioning Board in Option 2 was identified as the distinguishing feature from the status quo. It was noted that the Commissioning board could be applied to the other options.
- A new option was identified, combining a single entity with some local presence (see Option 5 above). This was considered preferable to Options 1 and 4, due to combining the benefits of both.

The Working Group tended to focus on two options (2 and 5). The Working Group did not reach a clear consensus, although it should be noted discussion did not divide on sector that lines (there was not a separate HPS and sector view).

The sense of the meeting was that **Option 5** was preferable to most, but not all members of the Working Group. It was recognised that there were significant issues to be addressed. These included the viability of the predecessor organisations (if Herefordshire TSSS provider elements are removed) and the need to structure it in a way that maximises the potential to lever funding and additional resources. There are various organisational models that may reflect different types of integration with varying degrees of impact upon exiting bodies.

Equally there was consensus on a localities focus as the preferred direction of travel, which is consistent with likely developments in the county (and nationally). However there were some concerns about the feasibility of implementing local 'spokes' in terms of implementation complexity and potential cost - these could be **progressively implemented** as the entity matures, the wider locality approach is developed and affordability confirmed.

A minority on the group tended more to **Option 2**, feeling it offered greater flexibility, and suggesting that it may be more likely to secure the commitment of some stakeholders.





## Section 6: Implementation Considerations

# Implementation Considerations

Implementing the best fit option will require HPS and other TSSS providers to undergo a robust and focused change programme to get county-wide buy-in to the new way of working. When planning change it is important to address the four key organisational and interdependent dimensions (right) which need to be systematically addressed during the implementation process.

**People & Culture** – People change is critical to implementation success. We believe that a number of challenges will need to be addressed for the key stakeholders to make the required change, including:

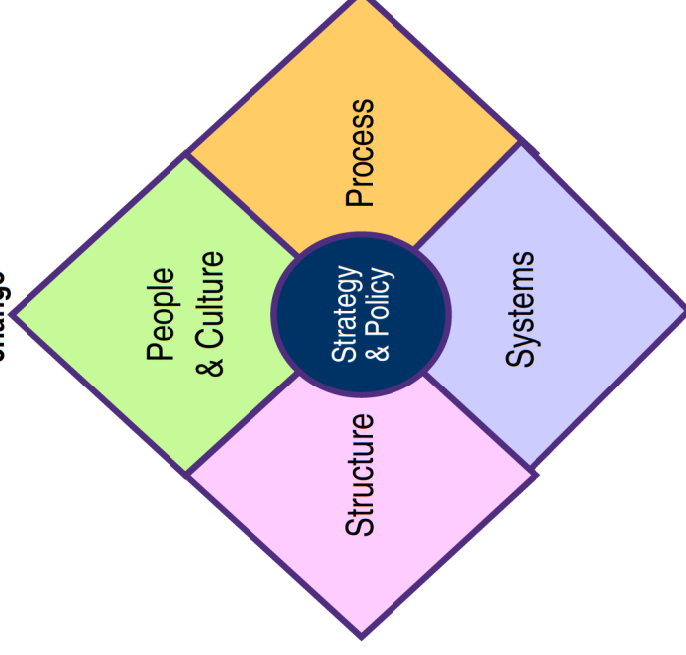
1. A high level of scepticism – a number of other reports have been commissioned in this area and people have seen little happen as a result
2. Silo attitudes – failure of services / organisations to work together to solve problems
3. Negative outlook on change – although people recognise problems and weakness, there is an inherent concern about the consequences of change.

**Structure** – implementing the best fit option may be construed in a negative light amongst some stakeholders, creating potential barriers to change and impeding effective delivery, especially during the transition phase to the new ways of working and new model for delivering TSSS.

**Process** – it will be important to establish new business processes that will support the new delivery model.

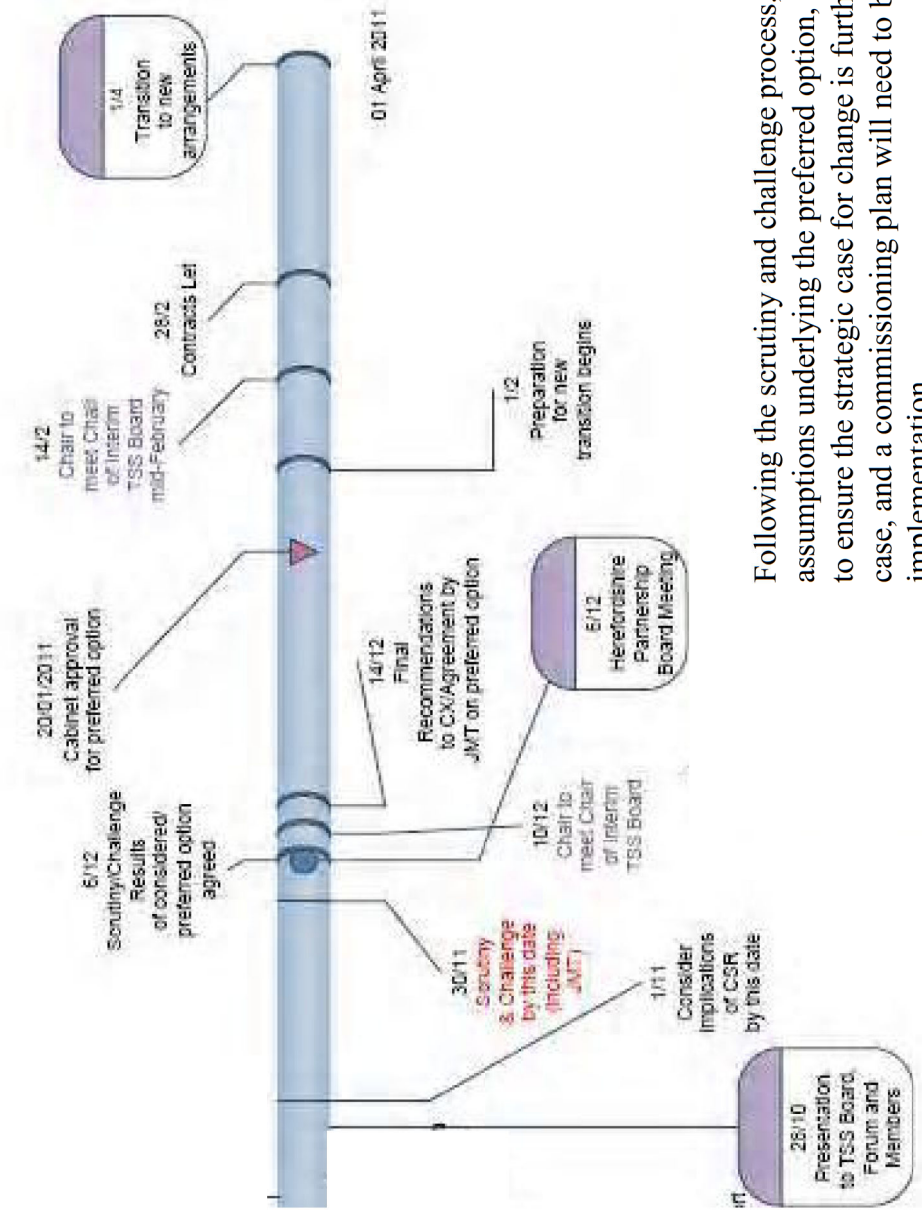
**Systems** - there will need to be some system integration as part of delivering the new delivery model.

Principle dimensions of organisational change



# Next Steps

The options will now move through the scrutiny stage of the project:



Following the scrutiny and challenge process, which will test the assumptions underlying the preferred option, the Working Group will need to ensure the strategic case for change is further developed into a business case, and a commissioning plan will need to be in place prior to implementation.





# Appendices

# Appendix 1: Individuals Consulted

We are grateful for the time and inputs of the following who have been consulted as part of our work.

Name	Role	Organisation
David Powell	Director of Resources	Herefordshire Council
Alex Fitzpatrick	Third Sector Liaison Officer	Herefordshire Council
Phillipa Granthier	Head of Service, Children's Trust, CYPD	Herefordshire Council
Clare Wichbold	Grants and Partnerships Officer	HPS
Tess Brooks-Sheppard	CEO	CVALD
Helen Horton	CEO	The Alliance
Richard Kelly	Chair	The Alliance
Jan Frances	Trustee	The Alliance
Nina Bridges	Community Development Manager	Herefordshire Council
Richard Quallington	CEO	Community First
Magda Praili	Chair	Community First
Alan Courtney	Vice Chair	Community First
Clr Roger Phillips	Leader	Herefordshire Council
Richard Bletterton	Coordinator	HCVYS
Di Jones	Non Executive Director	NHS Herefordshire
Wendy Fabbro	Act Director of Adult Social Care Integrated Commissioning	Herefordshire Council
Paul Ryan	Heda of contracting	NHS Herefordshire
Geoff Hughes	Director of Sustainable Communities	Herefordshire Council
Trish Jay	Interim Managing Director	NHS Provider Services
Will Lindesay	Chief Exec	HVA
Philip Talbot	Chief Exec	Age Concern Hereford & Worcester
Dave Barclay	Member	Herefordshire Community Foundation
Julie Gethin	Head of Partnership Support	Herefordshire Partnership
Gary Woodman	Director	Chamber of Commerce
Lynda Wilcox	CEO	Herefordshire Association of Local Councils (Also Chair of HVA)

## Appendix 1: Individuals Consulted (Continued)

Name	Role	Organisation
Chris Morgan	President	Robert Owen Society
Rachel Jones	Assistant to the Head of Chief Executive's Office	Herefordshire Council
Carol Trachonitis	Equalities and Diversity Manager	Herefordshire Council
Penny Southwood	Community Partnerships Manager	Halo
Wendy Coombey	Community Partnerships & Funding Officer	Hereford Diocese (also Chair of Third Sector Interim Board, and Trustee of HVA)
Chris Baird	AD, Planning Performance and Development, CYPD	Herefordshire Council
John Pitt	Director	Mlinterprise
Bob Widdowson	Chair	Marches Credit Union
Robin Woodward	Chair	Bi-polar Society (also member of HVA)
Cheryl Carpenter	Chair	Community Access Point (also Business Support Manager, CYPD)
Martin Danks	Chair	Aylestone Park Association (Trustee of Herefordshire and Glos Canal Trust)
Jo Hardwick	Training and Volunteer Manager	Supported Housing for Young People Project (SHYPP)
Mags Smith	Development Manager	Jumpstart Kidz
Peter Chambers	Secretary	Welsh Newton Village Hall
Angela Legg		HVA
Ben Lee	Vice Chair	HCVYS
Rosemary Spitzmaul	Manager	Trinity Extended Services

In addition to the above, 321 FLOs responded to the HPS needs survey. The nature of this survey means that the individuals and organisations concerned were anonymous.

## Appendix 2: Documents Consulted

We consulted many documents, key documents are noted below

- Review of the Herefordshire Alliance 2009
- Review of Third Sector Engagement with Herefordshire Partnership 2009
- Review of the Compact Funding and Procurement Code (FPC) 2009
- Herefordshire Community Strategy 2006
- The Herefordshire Compact and codes of practice
- Public Health Annual Report 2009
- Herefordshire Joint Strategic Needs Assessment 2009
- Third Sector Infrastructure Review Working Group
- Needs mapping survey results 2010
- Provision mapping survey results 2010
- The Alliance Summary of the Organisation Spetember 2010
- TSSSR - L10 Income from all sources 2010/11
- Third Sector First (TSF) terms of reference
- The Alliance Evaluation of acquA: Report for the Alliance of Third Sector Health and Social Care Orgs in Herefordshire April 2008
- The Alliance Options appraisal for the future development of the acquA accreditation kite-mark
- The Alliance Report and Action plan: strategic planning and joint commissioning in Herefordshire
- The Alliance Representation and Representation Policy
- The Alliance Annual Reports and Accounts from 2007-2010
- HCVYS Activity Programme 2010/11
- HCVYS Annual Review
- H65 Members' Accounts 2009-2010
- HCVYS Business Plan Plan 2010-11
- HVA strategic plan 2009
- HVA Fininacial Accounts 2009, 2010
- HVA "REACH" and "HERE FOR the CITY" Project Background Papers
- Community First factsheets
- Community First Corporate plan 2010 - 2013
- Community First Accounts 2009
- Community First Corporate Marketing Pack
- Community First Newslime magazine
- CVA Newsletters
- Herefordshire Partnership Management Group
- 14 May 2010: Localities
- Herefordshire Infrastructure consortium: Voluntary and community sector Infrastructure support and service needs: Report July 2006
- Valuing the Voluntary and Community Sector in Herefordshire and Worcestershire - Sustain Consultancy 2007
- Herefordshire Commissioning Framework
- Third Sector Support Services Review: Paper submitted by the six Local Support and Development Organisations, Sept 2010

## Appendix 3: Glossary of Terms

Age Concern Herefordshire and Worcestershire	An independent charity and partner of Age UK working with and for the over 50s, their families, friends, and carers in the two counties.
Community First	LSDO providing support to community groups.
CYPD	The Children's and Young People Directorate of Herefordshire Council
CVALD	Community Voluntary Action Ledbury & District
CVS	Council for Voluntary Services
FLO	Front Line Organisation
Generalist Support	Generalist support within a geographical area, such as CVS
HCVYS	Hereford Council for Voluntary Youth Services
HPS	Herefordshire Public Services
HVA	Herefordshire Voluntary Action: works with volunteers, groups and communities to enhance quality of life throughout the county
LIO	Local Infrastructure Organisation
LSDO	Local Support & Development Organisation, an alternative term for LIO
OCS	Office for Civil Society
PCT	Primary Care Trust
Specialist Support	Specialist support to specific communities or client groups, such as Rural Community Councils or Volunteer Bureaux, or in areas such as health and social care.
The Alliance	The Alliance is a specialist support organisation for third sector health and social care FLOs
The Compact	The Compact is a framework to guide work between public and third sector bodies in Herefordshire.
TSSS	Third Sector Support Services
TSSSR	Third Sector Service Support Review
VCS	Voluntary & Community Sector

# Appendix 4: Categories of Third Sector Support & Development Services

The TSSR Working Group agreed to an additional category of support service during the options development stage.

Service Category	Activities
Development support	Pro-actively identifying needs in the local community and facilitating and supporting responses to meet those needs or plug gaps in provision.
Legal & technical information, advice and guidance	Ensure organisations are fit for purpose, legally compliant and operating to high standards.
Practical assistance and resources	Buildings, premises and facilities support.
Learning and development	Encourage and co-ordinate the take up of training and learning opportunities across the sector.
Strengthening voice	Provide a representative and accountable voice for third sector organisations to policy makers, service planners and funders.
Strategic partnership building and brokerage	Bringing together FLOs with external public and private sector organisations for joint / co-operative policy making, planning and service delivery.
Research and policy development	Collect and provide evidence on the needs, role and developments within the third sector, in order to influence policy, planning and service delivery.
Provision of shared services	Provision of business services and infrastructure to third sector delivery organisations.

In Scope

Additional

## Appendix 5: Discounted Long List Options

- There were four options excluded from the short list by the TSSSR Working Group:
  - Status Quo: it was felt that the evidence on the current model, and the need for change, was such that it should not be evaluated. However, it was further agreed, that the Status Quo should be used as the baseline against which the short-listed options would be evaluated.
  - HPS fully in-sourced model: it was felt that this was not a realistic option to consider for evaluation.
  - Dispersed localities model: it was felt that this was too complex and would not meet Herefordshire's requirements, and should not be evaluated.
  - HPS Funding Ceases: it was felt that this was not a realistic option - HPS would continue funding TSSS, and so it did not merit evaluation.
- Further detail on these options is included on the following slides.

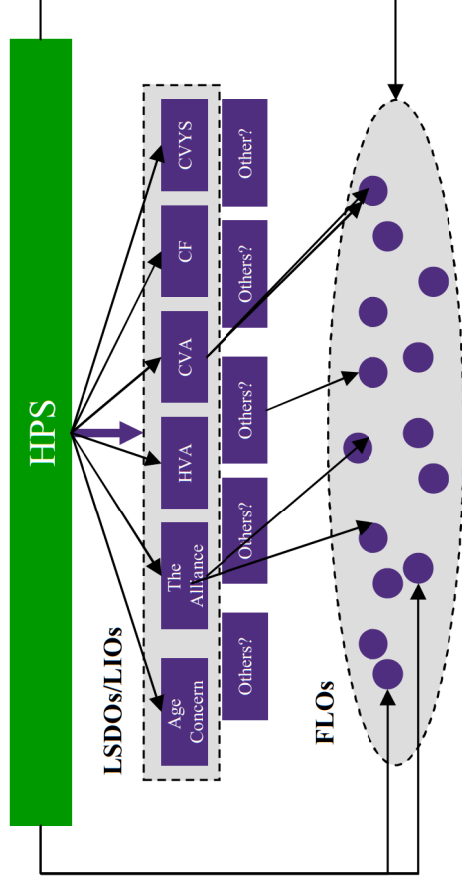
# Status quo

## Overview

- Continue to deliver TSSS via the 6 providers and HPS
- Recognise need to reduce levels of funding and deliver efficiencies through current arrangements due to fiscal pressures from govt deficit reduction programmes
- Assume providers work collaboratively to improve delivery and performance - deliver 'more for less'

Function	Delivered by
Development support	All providers
Legal & technical information, advice and guidance	All providers
Practical assistance and resources	All providers
Learning and development	All providers
Strengthening voice	Some Providers
Strategic partnership building and brokerage	Some Providers
Research and policy development	Some Providers
Shared Services	No providers

## Structure



## Implied costs

- Limited costs of change

## Implied benefits of option

- Limited disruption to current level of support services provision
- Providers and HPS to work collaboratively to improve outcomes, reduce duplication

## Implied risks

- Continued duplication and overlap in delivery
- Concerns over sustainability of model (funding and quality)
- HPS funding likely to be reduced



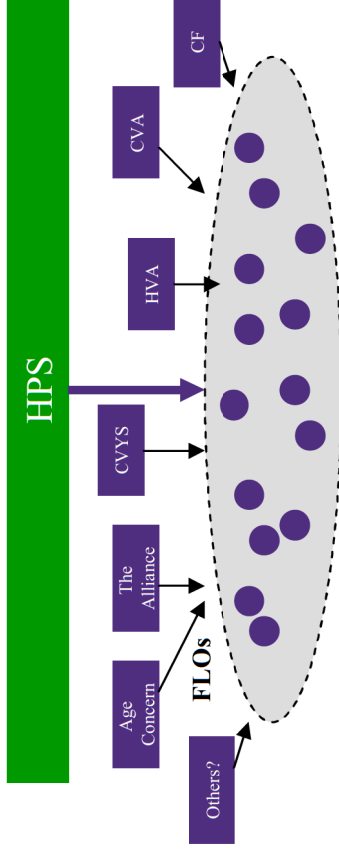
# HPS in-sourced TSSS

## Overview

- TSSS currently commissioned by HPS are de-commissioned, and then provided directly by HPS, alongside existing direct provision.
- LSDOs maintain market presence, realigning provision to new funding levels.

Function	Delivered by
Development support	HPS?
Legal & technical information, advice and guidance	HPS?
Practical assistance and resources	HPS?
Learning and development	HPS?
Strengthening voice	HPS?
Strategic partnership building and brokerage	HPS?
Research and policy development	HPS?
Fiscal Sponsorship	Other / No provider?
Support Services	HPS / other / No providers?

## Structure



## Implied costs

- Cost of building capacity in HPS to deliver broader services

## Implied benefits of option

- One stop shop of currently funded HPS provision
- Assume savings can be made through bringing provision in-house through shared services

## Implied risks

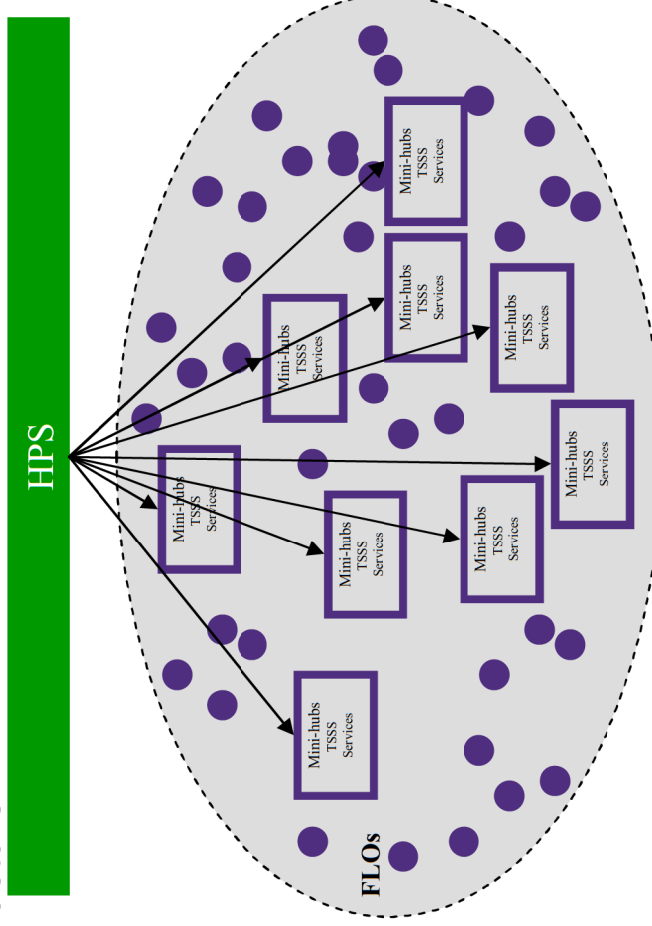
- HPS may not be able to uplift capacity and capabilities to deliver
- Levels of support services may need to be reduced
- HPS not seen as being an independent voice of the third sector
- FLO confusion between HPS and LSDOs
- Potential loss of key staff, knowledge and experience
- Reduction to specialist support available across the county

# Dispersed Localities model

## Overview

- HPS commissions all TSSS via "mini hubs" based in localities.
- "Mini hubs" are bases for all LSDOs.
- HPS continues to provide some TSSS via hubs.

## Structure



## Implied costs

- May require new accommodation in certain localities.

## Implied benefits of option

- Alignment to HPS localities principles
- Effective and equitable county wide coverage
- Sharing of back office and accommodation in localities
- Reduced duplication in localities and locality one stop shop

## Implied risks

- Loss of county wide voice and advocacy for the third sector.

Function	Delivered by
Development support	Mini Hubs
Legal & technical information, advice and guidance	Mini Hubs
Practical assistance and resources	Mini Hubs
Learning and development	Mini Hubs
Strengthening voice	Mini Hubs
Strategic partnership building and brokerage	Mini Hubs
Research and policy development	Mini hubs
Fiscal Sponsorship	No provider?
Support Services	No provider?

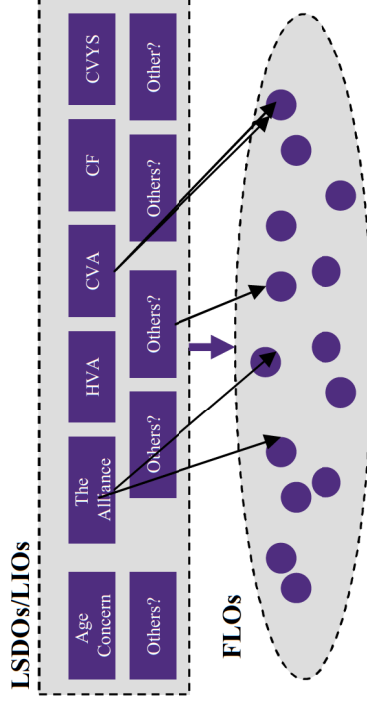
# HPS Funding Ceases

## Overview

- HPS ceases to fund TSSS activity (via commissioning and direct provision)
- Market picks up all provision.

Function	Delivered by
Development support	Range of Providers
Legal & technical information, advice and guidance	Range of Providers
Practical assistance and resources	Range of Providers
Learning and development	Range of Providers
Strengthening voice	Range of Providers
Strategic partnership building and brokerage	Range of Providers
Research and policy development	Range of Providers
Fiscal Sponsorship	No provider
Support Services	No provider

## Structure



## Implied costs

- Limited costs of change, predominantly associated with alternative income generation activity for LSDOs

## Implied benefits of option

- HPS realise significant cashable savings (£1m+)
- No disruption to current level of support services, assuming alternative sources of funding secured
- Providers and HPS to work collaboratively to improve outcomes, reduce duplication

## Implied risks

- Continued duplication and overlap in delivery
- Significant concerns over sustainability of model (funding and quality)
- Non equitable coverage as provision scaled back.



## Herefordshire Third Sector Support Services Review

### Terms of Reference

#### Aim

To review current support services for front line third sector organisations, (FLOs) and make recommendations for future services and their resourcing for Herefordshire Public Services (HPS) to commission or provide, alongside a coherent and cost-effective form of delivery, in order to sustain a thriving, diverse, independent and respected third sector in Herefordshire.

#### Rationale

During 2009 three reports<sup>1</sup> were produced on aspects of the third sector in Herefordshire. The findings of these reports, together with the discussions on their implementation at a time of financial constraint has led to the current Review, which will examine current support services for front line third sector organisations in Herefordshire and to identify future priorities.

It is intended that the review will cover all support services provided to front line third sector organisations across the Herefordshire Partnership, although it is recognised that Herefordshire Public Services, (HPS), is a major funder of some of these services within the county.

HPS has confirmed that it will use the results of the Review as a basis for future commissioning as well as provision of these services from within its own teams. The Review will also assist third sector infrastructure organisations in their future development and structure. It is also expected to inform the support services that other members of Herefordshire Partnership commission.

#### Desired Outcomes

A consensus over future services, resources and delivery

- Comprehensive, high quality support services that meet the identified and anticipated needs of front line third sector organisations
- Inclusive and flexible support services that are available, accessible and affordable to all front line third sector organisations across the county, and meet the varying support needs of different organisations.
- Sustainable and effective delivery of support services that reflects good practice, eliminates duplication, fills gaps and provides value for money.

#### Scope

The review will cover all support services provided to FLOs by HPS and by the following six third sector organisations: Age Concern, Herefordshire and Worcestershire; The Alliance; Community First; Community and Voluntary Action, Ledbury; Herefordshire Council of Voluntary Youth Services and Herefordshire Voluntary Action.

The review will also be informed by other organisations which provide resources to support such services, including members of the Herefordshire Partnership. It is also recognised that there may be a number of other organisations, both public and third sector, including those which are primarily delivery organisations, which also deliver support services to FLOs. The review will not, however, encompass these investments or services in detail, although they could be the subject of second phase work at a later date, should that be considered desirable.

While the Review will, therefore, aim to include all organisations which provide resources for, and support services to FLOs in Herefordshire to inform a future framework for commissioning

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<sup>1</sup> 'Review of The Herefordshire Alliance' Richard Gutch May 2009

'Review of Third Sector Engagement with the Herefordshire Partnership' Hasnah Sheriff June 2009

'Review of Herefordshire's Funding and Procurement Code' Ros Cassy May 2009

these services, it will remain tightly focussed in order to deliver the desired outcomes in a timely fashion.

The working group will compile and monitor a Risk register.

### **Accountability and Decision making**

The Review will be conducted by a Working Group which will make recommendations. The recommendations of the Review will be subject to the approval by the relevant decision-making mechanisms of each participating organisation. This will be the Chief Executive of Herefordshire Council and Herefordshire Primary Care Trust, for HPS, and the Boards of Trustees of third sector support organisations.

### **Timescale**

The review will be conducted to inform commissioning for the financial year 2011/12.

**Operating Procedures and Administration** - These are attached at Appendix B.

### **Review Group Membership**

#### Core membership:

Chair - David Powell – Director of Resources – Herefordshire Council

Nina Bridges, Community Regeneration Manager – Herefordshire Council

Alex Fitzpatrick, Third Sector Liaison Officer- Herefordshire Council

Richard Betterton, Herefordshire Council for Voluntary Youth Services

Tess Brooks-Sheppard, Community Voluntary Action, Ledbury and District

Helen Horton, The Alliance

Will Lindesay, Herefordshire Voluntary Action

Richard Quallington, Community First

Philip Talbot, Age Concern Herefordshire and Worcestershire

Wendy Fabbro, Associate Director, Integrated Commissioning Directorate, HPS

Philippa Granthier, Head of Children's Trust Development, Children and Young People's Directorate, HPS

#### To attend as appropriate:

Richard Gabb, Assistant director, Homes and Communities, HPS

Robert Blower, Communications, HPS

Julie Gethin, Head of Partnership Support, Herefordshire Partnership

Secretariat: Carrie Wright, PA to David Powell.

A list of principal interested parties to be consulted/ included at key stages is attached at Appendix C.

### **Key areas of activity**

1. Agree definitions and categories of support services; see Appendix A
2. Map all support services provided to FLOs, using the agreed definitions and categories.
3. Conduct a sample survey of third sector organisations which receive support services.
4. Each provider of support services to provide further details of services, including current and future costs and funding sources.
5. Each funder of support services to provide further details of funding arrangements, including current and future funding, in kind resources and priority areas for funding.
6. Identify differences, complementary services, duplication, gaps and added value.
7. Understand the priorities and drivers for those organisations that fund support services.
8. Examine examples of current good practice in effective delivery.
9. Identify opportunities and mechanisms for more effective and efficient delivery.
10. Based on the review findings, put forward recommendations on the support services required and the necessary infrastructure to deliver them, in order to inform the commissioning strategy for HPS and other Herefordshire Partnership members.

**Strategic Framework**

The review will take account of Total Place and the locality work being led by Geoff Hughes, (Director of Regeneration, HPS).

The key strategic documents that provide the framework for, and will inform the review, are listed in Appendix D.

**Review**

These Terms of Reference will be open to review at any time, but any proposed changes will require the agreement of the majority of the membership and must be clearly recorded.





## Definitions and Categories

### Third sector

The range of organisations which occupy the intermediary space between the State and the private sector, where private energy can be deployed for the public good. It is an umbrella term that embraces a number in common use which define parts of the sector, including voluntary and community, charity, not for profit and social enterprise, which together form the backbone of civil society.

The sector consists of a diversity of organisations which vary in size, income, activity and the way in which they are constituted. This includes community, voluntary and faith groups, registered charities, foundations and trusts, housing associations and the growing number of social enterprises and cooperatives. They range from small local volunteer led community groups to large, national organisations with turnover in excess £100m.

### Third sector support and development organisations

Services provided by any organisation that plays a role in supporting, co-ordinating, representing, policymaking and/or development in relation to local voluntary and community organisations.

Third sector support and development organisations provide the infrastructure in the sector that ensures that front line third sector organisations, (FLOs), have the skills, knowledge, structures and resources to realise their full potential.

The provision of support and development services through infrastructure organisations is **second tier activity** that supports front-line delivery, supporting organisations, not individuals.

The role of third sector support and development organisations is to provide leadership for the sector and support for third sector organisations in their area, responding to needs identified and expressed by local FLOs, and also bringing to their attention new issues and policies that will have an impact on the sector, offering guidance and support in how to address them.

Support and development services are provided within the sector nationally, regionally and locally.

There are support and development organisations which offer:

- generalist support within a geographical area, such as Councils for Voluntary Service (CVS); and those which offer
- specialist sub-sectoral support to specific communities or client groups, such as Rural Community Councils (RCC) or Volunteer Bureaux (VB), or in health and social care or child care.

Such support can also come from organisations outside the third sector, such as local authorities and other public sector organisations, Business Link, funders, private sector training.

### Third Sector Support and Development Services

Services designed to build the capacity and capability of individual front-line organisations and groups and of the sector as a whole, and also to release and realise their potential for contributing to the public good.

For the purpose of this Review, key services provided by third sector infrastructure organisations cover the following activities:

1. Development support:

Pro-actively identifying needs in the local community and facilitating and supporting responses to meet those needs and /or plug gaps in provision. This includes:

- Community development, community involvement and action;
- Start-up; 'promote and float': incubating new organisations, relinquishing others that can stand alone;
- Initiation, growth and contraction of groups, projects and services.

2. Legal and technical information, advice and guidance:

Ensure that organisations are fit for purpose, legally compliant and operating to high standards, using a variety of means to promote services and encourage take-up.

- Governance: Legal status, governing documents, constitutional, and access to legal advice; Board development and support for Trustees
- Organisational development including strategic and business planning; HR and workforce development; equalities, health and safety, safeguarding and other organisational policies and procedures;
- Financial advice, including financial management; costing and pricing; fund raising, income generation;
- Skills for winning and delivering contracts: 'contract readiness' for tendering and procurement; negotiation; project and service management; data collection; monitoring and reporting
- Marketing, communications, customer care; consultation/feedback; service user engagement.
- Performance improvement and management, including: quality assurance and standards; accreditation service and regulation – advice and/or an accreditation service; evaluation.

These services can be provided at different levels, from information giving and signposting, through support, including training, to specialist advice to organisations on a one-to-one basis, including good practice, and to national standards where they apply.

3. Practical assistance and resources:

Buildings, premises and facilities: (e.g. Community Resource Centres; Volunteer Bureaux; Community Transport, where used by organisations and groups, not individuals.)

- Premises management
- Office services, including ICT
- Grant-giving mechanism; access to funding opportunities
- Volunteering: Promotion; Brokerage service with a single point of access; accessible Volunteer Centres; employee Volunteering; developing volunteering opportunities

4. Learning and Development

Encourage and co-ordinate the take-up of training and learning opportunities across the sector

- Regular training needs analysis and identification of priorities
- A structured programme for the delivery of learning and development opportunities through a variety of media, including access to accredited training
- Encouragement of innovation and creativity
- Facilitation of support mechanisms, e.g. mentoring, (especially for lone workers), learning sets and skills sharing

5. Strengthening voice:

Provide a representative and accountable voice for third sector organisations to policy makers, service planners and funders.

- Raise the profile of the sector through promoting its capability and value;
- Provide a communications and co-ordination hub
- Channel information between national, regional and local bodies, including promoting national/regional campaigns to front-line organisations
- Encourage the voices of the sector to be heard through advocacy, liaison and representations.
- Promote networking, (including FLO forums), knowledge sharing, collaboration and partnerships internally within the sector to maximise resources
- Scrutinise and challenge policies and practices.
- Pursue Compact compliance
- Promote Gift Aid and Payroll giving
- Assist the Third Sector Strategic Board/Forum to achieve its goals

6. Strategic partnership building and brokerage:

Bringing together FLOs with external public and private sector organisations for joint/cooperative policy making, planning and service delivery.

- Provide and support formal representation
- Engage with policy makers, service planners and funders with and on behalf of FLOs
- Be the 'public face' of the third sector
- Represent the interests of the sector in partnerships and networks
- Encourage community engagement
- Manage third sector consultation networks
- Conduct consultations
- Act as a 'bridge' between FLOs and commissioners of services, facilitating working relationships and contributing to commissioning and service development for the benefit of service users.
- Facilitate participation in shaping and delivering CAA/LAA and delivery of NIs by FLOs

7. Research and Policy Development:

Collect and provide evidence on the needs, role and developments within the third sector, in order to influence policy, planning and service delivery.

- Data bank
- Disseminate information on national, regional and local policy initiatives
- Develop policy responses and proposals
- Commission research
- Produce and circulate policy papers, guidance and information

## **Operating Procedures and Administration**

### Review Group

The Review Group is a task and finish group. The Review Group will be chaired by David Powell, Director of Resources, Herefordshire Council.

The Chair is appointed for the Group, from inception to completion of the task.

### Decision making

It is expected that the Group will achieve consensus through full and open discussion. Any differences of opinion potentially leading to conflict, should be resolved at an early stage, via the Chair if required.

If there are objections to decisions, these must be noted in the minutes of the meetings.

### Meetings

The Group will meet at least monthly. A programme of actions will be agreed at the first meeting and reviewed at each subsequent meeting.

A schedule of meetings will be agreed at the first meeting.

If required the Chair will be able to call additional meetings.

### Administration

The Secretariat for the Group will be provided by Carrie Wright, Personal Assistant to the Chair.

Agendas and papers will be circulated a week prior to the meeting. Every effort will be made to avoid tabling of papers.

Minutes will be kept to record decisions made by the Review Group.

### Attendance

Review Group members unable to attend a particular meeting may arrange for a substitute from the group / organisation they represent, to attend in their place.

If a representative leaves their represented organisation or group, the organisation or group shall appoint a new representative.

### Quorum

The Review Group will be quorate when five members are present including the Chair, with two representatives each from the public and third sectors required at each meeting.

### Declarations of Interest

Declarations of interest should be declared and will be recorded.

## **Principal Interested Parties**

HP public sector organisations: Police/Probation/Fire Service

Diocese of Hereford

Parish Councils

Chamber of Commerce

Business Link

**Relevant Strategic Documents**

The following documents will provide the framework for and inform the Review:

- Local Compact and Codes of Good Practice
- Joint Strategic Needs Analysis
- Community Strategy
- World Class Commissioning Strategy
- Children's Trust Commissioning Framework
- Director of Public Health's Report
- Review of The Herefordshire Alliance
- Review of Third Sector Engagement with Herefordshire Partnership
- Review of the Herefordshire Compact Funding and Procurement Code

**Adopted 8<sup>th</sup> July 2010**



<b>MEETING:</b>	<b>COMMUNITY SERVICES SCRUTINY COMMITTEE</b>
<b>DATE:</b>	<b>6<sup>TH</sup> DECEMBER 2010</b>
<b>TITLE OF REPORT:</b>	<b>EXECUTIVE RESPONSE TO COMMUNITY SERVICES SCRUTINY REVIEW OF SUPPORT FOR VOLUNTEERING</b>
<b>REPORT BY:</b>	<b>ASSISTANT DIRECTOR, ECONOMY AND CULTURE</b>

**CLASSIFICATION:** Open

### **Purpose**

To consider the Executive's response to the Review of Volunteering conducted by the Community Services Scrutiny Committee.

### **Recommendations**

**THAT:**

- (a) the report is agreed; and
- (b) the action plan is monitored by the scrutiny community for the next 12 months.

### **Key Points Summary**

The key findings of the Scrutiny Review of Volunteering were forwarded to the Cabinet Member for Economic Development and Community Services. The Cabinet Member agreed all the recommendations and the attached action plan highlights how the actions will be achieved.

The key activities outlined in the action plan aim to result in more people volunteering (an increase of 3.5% by the end of the current financial year on current performance indicator of 29% on 2008). The activity concentrates on a collaborate approach facilitated through the Voluntary Development Group (VDG), specifically supported by the Voluntary Sector Liaison Officer employed by Herefordshire Council. Key activity includes:

- Increased marketing and awareness;
- Increased collaboration with other organisations / groups including NHS Herefordshire and parish / town councils;
- Raise awareness of the local authority commitment to enable staff to volunteer in office time for up to 2 days per year;
- Gain further understanding of the Community Transport programmes.

## **Alternative Options**

- 1 The scrutiny review and supporting documents found that volunteering is a cost effective way of supporting communities; addressing challenges people face individually; and more widely has a wholly positive effect on society. However, considering the financial climate the alternative option is that support for volunteering provided by HPS is scaled back or withdrawn with the recommendations presented by Scrutiny Committee ignored.

## **Reasons for Recommendations**

- 2 Before being agreed by the Cabinet Member the recommendations presented by the Community Services Scrutiny Committee were considered by the Volunteering Development Group (VDG) and felt to be relevant and achievable through a collaborative approach.

## **Introduction and Background**

- 3 On the 7<sup>th</sup> December 2009 the Community Services Scrutiny Committee decided to establish a review group to consider support for volunteering. After a series of interviews and discussions the review group presented its findings to the wider committee on 28<sup>th</sup> June 2010. The report as presented was accepted.
- 4 The report was considered by the VDG as many of the recommendations affect the work and interests of the membership; also the group felt the issues raised are best addressed through a partnership approach.

## **Key Considerations**

- 5 As outlined in the action plan all the recommendations presented by Community Services Scrutiny Committee have been agreed by the Cabinet Member, as well as being presented to the Joint Management Team.
- 6 The scale and level of the activity in some cases will depend on finding additional funding or reprioritising of activity.
- 7 As well as some short term activity, longer term initiatives include working with parish councils that do not usually engage in volunteering campaigns; and that the Third Sector Review of Infrastructure considers the role of organisations that support volunteering.
- 8 More work is needed to understand the management and delivery of community transport as a number of organisations are involved and it was unclear to the review group if there was duplication. Also, the Volunteer Centres are working increasingly with people with learning disabilities, which require a different type of resource requirement. This again needs to be clarified in terms of impact and demand and should be considered through discussions with people who work with people with disabilities.

## **Community Impact**

- 9 The review group found that the work, the local authority and other organisations in supporting volunteering, has a very positive effect on communities. This is outlined in more detail in the review document but includes creating a sense of well being and achievement, connection to communities and supports people gaining experience for work.
- 10 It found that people and communities rely on volunteering, but also those who volunteer see the personal benefits of "giving their time".



- 11 The review group also found that the nature of volunteering is changing with people motivated to be involved for a range of reasons - this might include addressing a pressing community issue (e.g. closure of a local shop). Also the pattern of volunteering has changed with more people giving their time, but fewer hours.

## **Financial Implications**

- 12 The cost to meet the recommendations can be met from current budgets, aided by pooling resources across organisations. However, external funding will be sought to escalate some of the activity, particularly marketing and awareness campaigns.
- 13 The Volunteering Scheme run by Herefordshire Council has a cost implication in loss of staff hours. However, this is considered a worthy investment that creates greater benefit for the wider county.

## **Legal Implications**

- 14 There are no identifiable legal implications.

## **Risk Management**

- 15 Potential risks and mitigation;
- a. That the intervention activity outlined in the action plan does not have an impact on increased volunteering.  
Mitigation: by people in the volunteering arena working together there is knowledge of what works well; though new activity will involve some risk which can be learnt from.
  - b. That the Third Sector review will raise issues of consideration and concern that needs further analysis that will delay the implementation of the recommendations.  
Mitigation: an action includes that volunteering is included in the Third Sector review to be part of the wider considerations.
  - c. That financial support will be withdrawn from volunteering as direct benefit of intervention is not evidenced.  
Mitigation: to be considered as part of the priority setting of Herefordshire Public Services.

## **Consultees**

- 16 Members of the Volunteering Development Group: Alex Fitzpatrick, Chair; Tess Brooks-Sheppard (CVALD) Vice Chair; Angela Legg (HVA); Steve Ashton (HC, Sports Development); Sarah Crawley (Voluntary Sector); Chris Bucknell (Herefordshire Partnership); Rosie Nunnery (Police); Carol Walmsley (Fire and Rescue); Kate Gathercole (New Leaf); Jo Hardwick (SHYPP); Peter Ding (Herefordshire Council); Will Edwards (HCVYS); Caroline Watkins (CYPD).

## **Appendices**

- 17 Community Services Scrutiny Review of Support for Volunteering.

## **Background Papers**

- None identified.



## Support for Volunteering Action Plan Response to the Community Services Scrutiny Review November 2010

### Key:

CVALD: Community Voluntary Action Ledbury and District  
LDDF: Learning Disability Development Fund  
HPS: Herefordshire Public Services  
HVA: Herefordshire Voluntary Action  
PLRSO: Parish Liaison and Rural Services Officer  
TSLO: Third Sector Liaison Officer (employed by Herefordshire Council)  
VDG: Volunteering Development Group

<b>Recommendation No. 1</b>	<b>For the Volunteering Development Group to produce a marketing and awareness campaign for volunteering</b>			
<b>Executive's Response</b>	<b>Action</b>	<b>Owner</b>	<b>By When</b>	<b>Target/Success Criteria</b>
	Agreed. Marketing and awareness campaign to be produced and integrated into the VDG delivery plan.	VDG	31/11/10	Target increase of 3.5% based on baseline figure of 29% (2008)
	Seek funding to pursue some of the campaign activities	TSLO	12/12/10	Additional income secured.
				Initial marketing activities identified within the spend available.
				Funding streams being explored.
<b>Recommendation No. 2</b>	<b>That discussions with representatives of the PCT take place to address the issue of additional support for the placement of volunteers who have learning difficulties or mental health challenges</b>			
<b>Executive's Response</b>	<b>Action</b>	<b>Owner</b>	<b>By When</b>	<b>Target/Success Criteria</b>
	Agreed. Work with the PCT and others dealing with this area to provide direction and understand all the issues.	VDG	31/03/11	Good practise scoping achieved, and guidance produced including better cross HPS working and knowledge of funding available.
	Actions included in the VDG delivery plan.	VDG	31/03/11	Report back to Scrutiny with an outline of the issues.
	Final report shared with scrutiny as to progress	TSLO	30/04/11	New project to involve 10 people with learning disabilities.
	Foster joint working with a project that works with people with learning disabilities.	VDG	31/03/11	Seek LDDF funding.
				Scoping process underway, list of those to be involved drawn up including relevant representatives of PCT and voluntary sector

<b>Recommendation No. 3</b>	<b>That the opportunity to volunteer for two days is highly promoted through the council's communications tools (Communications Unit)</b>			
<b>Executive's Response</b>	Agreed. Closer working between VDG and HPS with promotional work with the Communications Team. Events planned for all HPS buildings following an initial pilot at Plough Lane this autumn to promote the scheme.			
<b>Action</b>	<b>Owner</b>	<b>By When</b>	<b>Target/Success Criteria</b>	<b>Progress</b>
Instigate a system of recording take up of the scheme.	HR	completed	Record of take up	Completed
Pilot promotion event at Plough Lane	VDG	7/01/11	Awareness and greater uptake	Materials developed and date identified, Chris Bull diarised to attend.
Timetable of future events devised	VDG	31/01/11	Greater uptake	
Regular small articles and/or case studies in First Press etc	TSLO/PR	ongoing	Greater uptake	Article in Herefordshire Matters in November, specific article re scheme promotion event in December.
<b>Recommendation No. 4</b>	<b>To include opportunity for volunteering in employment offer letters and highlighted on induction information, with systems put in place to monitor up-take.</b>			
<b>Executive's Response</b>	Agreed. Induction of officers under review with potential to include the volunteering scheme.			
<b>Action</b>	<b>Owner</b>	<b>By When</b>	<b>Target/Success Criteria</b>	<b>Progress</b>
HR to develop systems and resources	TSLO/HR	12/12/10	Promotion in induction process and offer letters.	Meetings held with HR, induction trainers aware of volunteering opportunity and discussing at their meeting 25/10/10.
<b>Recommendation No. 5</b>	<b>That a package of one and two day volunteering programmes are established for teams at the Council to volunteer for.</b>			
<b>Executive's Response</b>	Agreed. To be developed by the Volunteer Centres – needs to be seen in context of individual choice and interest as well as added value for communities.			
<b>Action</b>	<b>Owner</b>	<b>By When</b>	<b>Target/Success Criteria</b>	<b>Progress</b>
Teams and individual staff members to be made more aware of the Volunteer Centres and what they provide on an individual and team level.	VDG/TSLO	31/12/10	Increased numbers of HC staff and teams utilising VCs to tailor volunteering opportunities for them.	See recommendation number 3
Packages to be provided as requested	Volunteer Centres/TSLO	ongoing	Response to requests and awareness that this is possible through First Press etc	
<b>Recommendation No. 6</b>	<b>That all groups using volunteering are encouraged to follow the Volunteering Code of the Compact.</b>			
<b>Executive's Response</b>	Agreed. The VDG already oversee the Volunteering Code of the Compact and its implementation code with a need for additional promotion.			
<b>Action</b>	<b>Owner</b>	<b>By When</b>	<b>Target/Success Criteria</b>	<b>Progress</b>
Additional promotion activity to promote the code to outside organisations.	VDG	January 2011	Greater awareness	November VDG meeting to discuss most effective awareness methods.

<b>Recommendation No. 7</b>	<b>That all council services using volunteers are required to follow the volunteering code and monitored as to their compliance embodied in a Working with Volunteers Policy.</b>			
<b>Executive's Response</b>	Agreed. Volunteering Code is within current policy documents but requires increased awareness and enforcement. A balance between encouraging services and forms of endorsement.			
<b>Action</b>	<b>Owner</b>	<b>By When</b>	<b>Target/Success Criteria</b>	<b>Progress</b>
Additional promotion activity to promote the code to HPS services.	VDG	January 2011	Greater awareness	November VDG meeting to discussion most effective awareness methods.
Complete audit of services working with volunteers within HPS.	VDG/TSLO	February 2011	Better and more tracked working practise.	Audit in progress
Instigate enforcement methods to ensure services adhere to the code.	TSLO	January 2011	Better and more tracked working practise.	November VDG to discuss methods of endorsement.
<b>Recommendation No. 8</b>	<b>That parish and town councils are kept informed of opportunities for their local communities to volunteer.</b>			
<b>Executive's Response</b>	Agreed. Endorse current activities including direct communication to town and parish councils, and work conducted by CVALD and HVA.			
<b>Action</b>	<b>Owner</b>	<b>By When</b>	<b>Target/Success Criteria</b>	<b>Progress</b>
PLRSO formulate enhanced communication between town and parish councils and volunteer centre managers.	PLRSO	Nov 2010.	Agreed co-ordinated method of information	First meeting taken place between PLRSO and TSLO, further meeting to be arranged with volunteer centres and PLRSO.
<b>Recommendation No. 9</b>	<b>That the support agencies target less involved / resourced councils to address some of the issues within their community through the use of volunteering (Volunteering Development Group)</b>			
<b>Executive's Response</b>	Agree: Community Led Planning includes and promotes this element and will do more through the HALC part of this work. It can also form part of the LEADER funded local democracy project, working with local councils to better involve their communities.			
<b>Action</b>	<b>Owner</b>	<b>By When</b>	<b>Target/Success Criteria</b>	<b>Progress</b>
Extension of this part of CLP as part of the ongoing process to also include the local democracy project	Community Led Planning leads/ TSLO	ongoing	CLPs continue to include volunteering options for service delivery.	Already in process, but further meeting needed with HALC to look at how this can work better and action plan needed.
<b>Recommendation No. 10</b>	<b>That the Third Sector Review of Infrastructure should consider the roles of organisations that support volunteering.</b>			
<b>Executive's Response</b>	Agreed. To be part of the scope of the review and being considered.			
<b>Action</b>	<b>Owner</b>	<b>By When</b>	<b>Target/Success Criteria</b>	<b>Progress</b>
Review includes this in process and final report	David Powell (Chair of Review Group)	7/1/11	Infrastructure considered and developed which includes a focus on volunteering.	Service and needs analysis mapping elements of review completed, analysis underway. Volunteering included in the review's terms of reference.

<p><b>Recommendation No. 11</b></p>	<p>That further clarification of the roles of voluntary organisations and the relationship with Herefordshire Council regarding community transport is brought to Community Services Scrutiny Committee with particular reference to co-ordination of assets (Transportation Service)</p>				
<p><b>Executive's Response</b></p>	<p>Agreed. A further report will be made to provide this clarification, co-ordinated by the Third sector Liaison Officer.</p>				
<p><b>Action</b></p>		<p><b>Owner</b></p>	<p><b>By When</b></p>	<p><b>Target/Success Criteria</b></p>	<p><b>Progress</b></p>
<p>Interviews with key players in this field Report delivered to Community Services Scrutiny Committee</p>		<p>TSLO Assistant Director Homes and Communities</p>	<p>22/12/10 March 2011</p>	<p>Overall information gathered Report received that addresses the recommendation.</p>	<p>Underway as of 6/09/10</p>

<b>MEETING:</b>	<b>COMMUNITY SERVICES SCRUTINY COMMITTEE</b>
<b>DATE:</b>	<b>6 DECEMBER 2010</b>
<b>TITLE OF REPORT:</b>	<b>PROGRESS REPORT FROM THE SAFER HEREFORDSHIRE SCRUTINY REVIEW GROUP</b>
<b>REPORT BY:</b>	<b>Partnership Manager for Safer Herefordshire</b>

**CLASSIFICATION:** Open

## Purpose

To provide a summary of the evidence the Review Group has received and to set out the considered findings and recommendations to the Committee.

## Recommendation(s)

**THAT: The recommendations below be endorsed by the Committee, and referred to the Cabinet Member (Environment and Strategic Housing), for consideration.**

## Key Points Summary

- The Review Group felt that NI30 was well understood by Safer Herefordshire and performance and activity was well under control. In terms of the indicators, the Review Group felt well assured that positive progress was being made.
- The Review Group felt the meeting was very useful and informative. The group has looked at several areas now and genuinely applauds the progress in this area. It was recognised that Safer Herefordshire has hard, tangible information and intelligence which it uses to direct activity and so reduce the impact on society.

## Introduction and Background

- 1 The Community Services Scrutiny Committee has responsibility for scrutinising the local Community Safety Partnership 'Safer Herefordshire'. To ensure this process was carried out effectively, a Review Group, made up of members of the main committee, was established. The Review Group considers a rolling programme of Safer Herefordshire activities and performance. Since the last Scrutiny meeting, the Safer Herefordshire Review Group has met once, to review:

- NI30 – To reduce the re-offending rate of prolific and other priority offenders *LAA target*

This report sets out the recommendations and findings from the Review Group meeting.

## Key Considerations

- 2 The indicator above is owned by Safer Herefordshire. The IOM (Integrated Offender Management) group, led by Liz Smith, Area Manager for Probation, delivers activity against the indicators.

- 3 The five key principles of IOM are:
  - All partners tackling offending and risk of reoffending together;
  - Delivering a local response to local problems;
  - Offenders facing their responsibility or facing the consequences;
  - Making better use of existing (and proven) programmes across agencies and
  - All offenders at high risk of causing serious harm and/or re-offending are in scope for IOM.
- 4 The group needs to oversee and co-ordinate work on the 7 pathways linked to the risk of reoffending. The pathways are: accommodation; education, training and employment; health; drugs and alcohol; finance and debt; children and families; and attitudes, thinking and behaviour.
- 5 IOM will be developed further with a workshop planned for 30<sup>th</sup> November, involving a range of partners. Mapping of current service and activities will be carried out. Potential gaps and areas of duplication will be highlighted. The group will be looking at who and where the repeat offenders are in the county and what types of crimes are being committed. This is to ensure needs-led commissioning is carried out. The workshop will also explore the key outcomes that should be focused on.
- 6 One of the current activities commissioned was discussed in detail – SHIFT project. SHIFT is a care farm project for Prolific and Priority Offenders (PPO's). They attend the farm and engage in activities such as working with animals, physical work on the land and growing produce. This gives clients the structure they may never have had in their life, and can be the first step in their recovery, whilst motivating them and building confidence and self-esteem. PPO's attend SHIFT show a clear reduction in offending behaviour and positive improvements in more social outcomes.

## Conclusions

- 7 Safer Herefordshire has a statutory responsibility to deliver on the reducing reoffending agenda under the above principles.
- 8 The Review Group noted full agency representation was yet to be achieved in this area.
- 9 The IOM group will use the information from the service mapping work to develop its Reducing Reoffending Strategy, to be in place by April 2011.
- 10 As a result of the discussions of the Review Group, the following recommendations were made:
  - (a) **applaud the success of the Shift Care Farm Programme and were impressed to receive clear evidence of its results.**
  - (b) **that the Chairman of Herefordshire Policing Board be invited to consider, in consultation with the BCU Commander, the possibility of offering some degree of funding to evidently high performing services such as Shift Care Farm Programme.**

## Community Impact

Engagement with offenders in this way significantly reduces the impact on communities, as their criminal behaviour lessens.



IOM encourages communities to engage with offenders in a positive manner and be part of their rehabilitation process and so increase the effectiveness of their re-integration into society.

## **Financial Implications**

There are no additional financial implications.

## **Legal Implications**

None identified.

## **Risk Management**

All partners must be fully engaged in IOM for this to be effective.

## **Consultees**

Safer Herefordshire partners are consulted as projects are progressed and developed.

Offenders are consulted around service improvements, delivery, specifications etc.

## **Appendices**

None.

## **Background Papers**

Integrated Offender Management Priority Task Group Terms of Reference

IOM Key Principles Self Assessment Tool

IOM Government Policy Statement by Home Office

IOM Performance against targets report





<b>MEETING:</b>	<b>COMMUNITY SERVICES SCRUTINY COMMITTEE</b>
<b>DATE:</b>	<b>6<sup>TH</sup> DECEMBER 2010</b>
<b>TITLE OF REPORT:</b>	<b>WORK PROGRAMME</b>
<b>REPORT BY:</b>	<b>Democratic Services Officer</b>

**CLASSIFICATION:** Open

### **Wards Affected**

County-wide.

### **Purpose**

To consider the Committee's work programme.

### **Recommendation**

**THAT subject to any comment or issues raised by the Committee the Committee work programme be approved and reported to the Overview and Scrutiny Committee.**

### **Introduction and Background**

1. The Overview and Scrutiny Committee is responsible for overseeing, co-ordinating and approving the work programme of the Committee, and is required to periodically review the scrutiny committees work programmes to ensure that overview and scrutiny is effective, that there is an efficient use of scrutiny resources and that potential duplication of effort by scrutiny members is minimised.
2. The work programme, set out at Appendix 1, may be modified by the Chairman following consultation with the Vice-Chairman and the Directors in response to changing circumstances.
3. Should any urgent, prominent or high profile issue arise, the Chairman may consider calling an additional meeting to consider that issue.
4. Should Members become aware of any issues they consider may be added to the scrutiny programme they should contact the Democratic Services Officer to log the issue so that it may be taken into consideration by the Chairman when planning future agendas or when revising the work programme.

### **Background Papers**

- None identified.



## COMMUNITY SERVICES SCRUTINY COMMITTEE

### WORK PROGRAMME TO BE PRESENTED FOR CONSIDERATION ON 6 DECEMBER 2010

	<b>11 February 2011</b>
Items	<ul style="list-style-type: none"><li>• Budget Monitoring</li><li>• Performance Monitoring</li><li>• Edgar Street Grid – Update</li><li>• Safer Herefordshire Scrutiny Review Group Annual Report</li><li>• Review of Cabinet's Response to the Review on Volunteering</li><li>• Action Plan Monitoring: Review of Community and Safety Drugs Partnership.</li></ul>
	<b>7 March 2011</b>
Items	<ul style="list-style-type: none"><li>• Budget Monitoring</li><li>• Performance Monitoring</li><li>• Edgar Street Grid – Update</li><li>• Crime &amp; Disorder Reduction Partnership Scrutiny – Update</li><li>• Action Plan Monitoring: Review of Community and Safety Drugs Partnership, Review of the Herefordshire Economic Development Strategy 2005- 25, Review of Tourism and Review on Volunteering.</li></ul>
Scrutiny Reviews	<ul style="list-style-type: none"><li>• Review of Access to Services</li><li>• Review of Festivals</li></ul>

**Further additions to the work programme will be made as required.**



<b>MEETING:</b>	<b>COMMUNITY SERVICES SCRUTINY COMMITTEE</b>
<b>DATE:</b>	<b>6<sup>TH</sup> DECEMBER 2010</b>
<b>TITLE OF REPORT:</b>	<b>UPDATE ON THE EDGAR STREET GRID PROJECT</b>
<b>REPORT BY:</b>	<b>Economic Development Manager</b>

**CLASSIFICATION:** Open

### **Purpose**

To receive a report on the progress made with the Edgar Street Grid (ESG) project.

### **Recommendation(s)**

**THAT: the report be noted;**

### **Key Points Summary**

- The Local Growth White Paper gives an indication of possible new financial instruments available to Local Government.
- The detailed implications of any changes in structure of finance are not yet known.
- A Compulsory Purchase Order (CPO) Inquiry has been held for the Flood Alleviation Scheme and a report from the Planning Inspectorate is anticipated to be received after Christmas.

### **Reasons for Recommendations**

1. To update the Community Services Scrutiny Committee on the Edgar Street Grid project.

### **Introduction and Background**

2. The ESG area is a 100 acre redevelopment site to the North of the existing Hereford City Centre. Bounded by Edgar Street to the West, the Cardiff to Shrewsbury railway line to the North, Commercial road to the East and Newmarket and Blueschool Streets to the South.
3. The Scrutiny Committee Members received an update on ESG progress in April, June and October 2010, and all Members had further opportunity to be involved in the recent Scrutiny Report into the ESG proposals in November 2010.

### **Key Considerations**

4. The Government White Paper on Local Growth includes a number of new financial mechanisms available to Local Authorities. The potential impact on Council led projects has yet to be determined but may increase the number of financial options available to deliver ESG related projects.
5. The Government have announced the launch of a £1.4B Regional Growth Fund, a number of projects within the Hereford Futures portfolio have been submitted to the Marshes Local Enterprise Partnership (LEP) Shadow Board as project ideas for RGF funding.

## **Business Relocations**

6. Given that progress is being made on advancing the Retail Quarter development the businesses located within the current Livestock Market were contacted in early October regarding their tenancy and with details of available property that may have suited their business requirements.
7. The Scrutiny Committee was informed in June that due to the uncertainty over funding, the Hereford Futures Board had decided to pause the negotiations with businesses in the second and third phases of the Link Road project. The funding situation is still not clarified although the Regional Growth Fund and other new Local Authority financial instruments may offer options to resolve this situation. The pause in negotiations is still in effect.

## **Flood Alleviation Scheme**

8. Planning permission and funding for the Flood Alleviation Scheme (FAS) was gained in autumn last year. Heads of Terms are in the process of being agreed with the National Trust., and agreement has been reached with regard to the scope of the accommodation works and value of the compensation package.
9. It is anticipated that the Inspectors report from the Compulsory Purchase Order (CPO) will be received after Christmas.

## **Communication**

10. Hereford Futures and Herefordshire Council met with a number of key businesses from across the ESG site in late November to discuss the conduct and content of future relocation negotiations.

## **Community Impact**

11. Not Applicable.

## **Financial Implications**

12. No alteration since the previous report.

## **Legal Implications**

13. None Identified.

## **Risk Management**

14. No alteration since the previous report.

## **Consultees**

15. None Identified.

## **Appendices**

16. None identified.

## **Background Papers**

21. None identified.