

# AGENDA

## Cabinet

Date: **Thursday 21 January 2016**

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Time: **2.00 pm**

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Place: **Council Chamber, The Shire Hall, St Peter's Square,  
Hereford, HR1 2HX**

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

For any further information please contact:

**Sam Tweedale**

Tel: (01432) 260272

Email: [Sam.Tweedale@herefordshire.gov.uk](mailto:Sam.Tweedale@herefordshire.gov.uk)

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If you would like help to understand this document, or would like it in another format, please call Sam Tweedale on (01432) 260272 or e-mail [Sam.Tweedale@herefordshire.gov.uk](mailto:Sam.Tweedale@herefordshire.gov.uk) in advance of the meeting.

# Agenda for the Meeting of the Cabinet

**Chairman**  
**Vice-Chairman**

**Councillor AW Johnson**  
**Councillor PM Morgan**

Councillor H Bramer  
Councillor JG Lester  
Councillor GJ Powell  
Councillor PD Price  
Councillor P Rone

**AGENDA**

Pages

**HEREFORDSHIRE COUNCIL**

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<b>Item No</b>	<b>Title</b>	<b>Portfolio Responsibility</b>	<b>Scrutiny Committee</b>	<b>28 Day Notice Given</b>
7	Provision of short breaks and respite care services for children with disabilities	Cabinet Member Young People and Children's wellbeing	Health and Social Care	16 December 2015
8	Corporate Plan 2016-2020	Cabinet Member Corporate Strategy and Finance	General Overview and Scrutiny	16 November 2015

**1. APOLOGIES FOR ABSENCE**

To receive any apologies for absence.

**2. DECLARATIONS OF INTEREST**

To receive any declarations of interest by Members in respect of items on the Agenda.

**3. MINUTES**

To approve and sign the minutes of the meeting held on 3 December 2015.

7 - 20

**4. ANNUAL FOSTERING REPORT - APRIL 2014-2015**

To review fostering service performance and approve related documents.

21 - 74

**5. ADOPTION REPORT, ADOPTION SERVICE STATEMENT OF PURPOSE AND CHILDREN'S GUIDE TO ADOPTION**

To review the effectiveness of the adoption service; To approve the adoption service statement of purpose and children's guide to adoption.

75 - 110

**6. CHILDCARE SUFFICIENCY REPORT**

To approve the childcare sufficiency report for 2016–2019.

111 - 184

**7. PROVISION OF SHORT BREAKS AND RESPITE CARE SERVICES FOR CHILDREN WITH DISABILITIES**

To provide the executive response to the report from the health and social care overview and scrutiny's task and finish group report on 'Short breaks and respite services for children with disabilities'; and to approve in principle the proposals in relation to the provision of short breaks and overnight respite care.

185 - 218

**8. CORPORATE PLAN 2016-2020**

219 - 248

To agree proposals for the council's corporate plan 2016-20 for recommendation to Council.

**9. 2016-17 BUDGET AND MEDIUM TERM FINANCIAL STRATEGY (MTFS)**

249 - 362

To agree the draft 2016-17 budget and medium term financial strategy (MTFS) 2016-20 for recommendation to Council on 5 February.



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HEREFORDSHIRE COUNCIL

**MINUTES of the meeting of Cabinet held at Council Chamber, The Shire Hall, St Peter's Square, Hereford, HR1 2HX on Thursday 3 December 2015 at 2.00 pm**

**Present:** Councillor AW Johnson (Chairman)  
Councillor PM Morgan (Vice Chairman)

Councillors: H Bramer, JG Lester, GJ Powell, PD Price and P Rone

**In attendance:** Councillors JM Bartlett, WLS Bowen, BA Durkin, JA Hyde, TM James, RI Matthews, AJW Powers, Mr A Neill, Mrs J Davidson, G Hughes, Robinson, Claire Ward, CR Butler, PE Crockett, PJ Edwards, DW Greenow, J Hardwick, DG Harlow, MD Lloyd-Hayes, FM Norman, NE Shaw, WC Skelton and EJ Swinglehurst

**Officers:** Mr A Neill, Mrs J Davidson, Mr G Hughes, Mr P Robinson, Mr M Samuels, Mrs C Ward

**106. APOLOGIES FOR ABSENCE**

Apologies were received from Cllrs PA Andrews and RJ Phillips.

**107. DECLARATIONS OF INTEREST**

None.

**108. MINUTES**

**RESOLVED:** That the minutes of the meeting held on 15 October 2015 be approved as a correct record and signed by the chairman.

**109. OUTCOME OF ADULT SAFEGUARDING PEER CHALLENGE AND ACTION PLAN**

The Cabinet member for health and wellbeing introduced the report which identified three key points:

- there has been significant progress with what was an area of concern;
- the peer review noted the positive attitude of staff;
- three clear action points were identified which are described in the action plan provided with the report.

The director for adults and wellbeing described the context for the peer challenge which was supported by a sector-led regional board with representatives including the department of health and NHS. There was a comprehensive work programme which directors were signed up to which included a series of desk-top peer challenges in which Herefordshire had participated twice and a third round is about to commence in the region. Work was happening to ensure robust methodology and quality of care in order for the programme to be a national exemplar for to adopt across the country.

The action plan was built into a range of improvement programmes.

One area arising from the review was that of the role and connectivity of the independent chair so this was being reviewed. A robust performance framework was to be developed to measure against safeguarding criteria. Progress on the action plan would be reported

to the safeguarding board and across the partnership. The review was regarded as a powerful learning opportunity for the organisation and for staff involved.

The vice-chairman of the health and social care overview and scrutiny committee (HSCOSC) welcomed the report and confirmed that the committee would scrutinise safeguarding processes in both adults' and children's services in March and the matter would remain in the committee's work programme.

The Cabinet Member for economy and corporate services had taken part in the peer challenge in his previous cabinet member role and welcomed the review of the role of independent chair. He noted that until recently more rigour had been applied to children's safeguarding and emphasised the importance of members' awareness of adult safeguarding. He welcomed the involvement of HSCOSC and the comments made by the vice-chair. As a final comment, he made the observation that many actions arising from the peer review were for completion in April and therefore queried the reporting to HSCOSC in March. The vice-chairman of HSCOSC would discuss this with the chairman for consideration.

The Herefordshire Independents' group leader congratulated officers for their hard work. He commented on the rating for accountability (item 7) in the review as being green although it was considered as an area for improvement. Regarding members' training (Item 9), he requested this be a face-to-face workshop rather than online.

The leader of the Green group commended the report, noting the scope of the action plan and the references to the social care information system, Mosaic. She commented on the value of a progress report after April previously referred to.

The Cabinet member for health and wellbeing reminded members of an update briefing planned for next week.

The group leader for It's Our County commented that there was a missed opportunity not to have a family member as a safeguarding board member and requested a firmer commitment on this. In response the director for adults and wellbeing acknowledged the principle of this and pointed out the need to have a balanced representation from the community which may not be achievable with a sole representative.

## **RESOLVED**

### **THAT:**

- (a) the outcome of the review attached at appendix 1 be noted;**
- (b) the action plan attached as appendix 2 be approved as the response to the areas for improvement identified; and**
- (c) any further actions necessary be identified to secure improvement.**

## **110. THE FUTURE OF THE COUNCIL'S SMALLHOLDINGS ESTATE (COUNTY FARMS)**

The Leader requested that comments and questions be put forward in a sensible and constructive manner.

He acknowledged receipt of a letter signed by group leaders requesting the decision be referred to full council. Having considered this request in discussion with cabinet members, the Leader confirmed the decision against this, stating that the Cabinet had a clear mandate to decide on this as a Cabinet item. The decision to be considered today was whether or not to sell smallholdings. Should the decision be taken to sell, a plan would be produced and which would encompass all questions that would be raised today. The Leader emphasised that rumours that people would be turned out of homes was not accurate and whilst there would be some changes, it was arguably to the advantage of tenants.

In response, the group leader of It's Our County recognised the constitutional entitlement to make decisions through the Cabinet. However, he explained that the letter intended to point out that this was not necessarily the right thing to do given the significance of the decision. He regarded this as a failure to engage with democracy which showed the council in poor light. The Leader reminded members that this was not the case; group leaders had participated in the review of this matter and following deferral by the previous administration the matter had been on hold for three years. He added that there had been opportunity for all to express opinions and the matter had been through the scrutiny process.

In presenting the item under consideration, the cabinet member for contracts and assets thanked the chairman of the general overview and scrutiny committee and the smallholdings task and finish group for their work on this matter which had helped inform the Cabinet decision. He explained that as resources reduced, the council's strategy was to focus on those areas which were the Council's responsibility and which could not be discharged by another party. It was not a duty of the council to manage a farm estate and there were many other agricultural landlords who may be much better placed to do so. The intention was to ensure that the council was securing best value for money for Herefordshire taxpayers in the use of this asset with the aim to use the receipts to help realise important growth opportunities to support Herefordshire's future economic prosperity through investment in key infrastructure. He added that there had been concern about the loss of farm land, but emphasised that the majority of the agricultural land would not be lost to the county and the majority of tenants would not be affected by the disposal. The disposals programme would come back to Cabinet for approval and those affected would be supported through the process. He reminded members that the council was not well placed as a landlord to effectively manage and provide the much needed investment and there was a strong case that new owners could do this more effectively. The cabinet member proposed that the recommendations set out in the report be approved.

The chairman of the general overview and scrutiny committee thanked officers for their work with the task and finish group, which came to a good conclusion although this differed from the recommendations put forward today. He expressed disappointment that the recommendation was rejected to support farms in order to support economic development through the introduction of new practices with both new and existing farmers, as well as maintaining links with communities, which he hoped would continue. He commented on the importance of improving county estates, noting the potential difficulty in selling estates at best value due their tenancies. He also expressed disappointment not to have seen published a report prepared by consultants Fisher German. On closing, he hoped that Cabinet would consider the decision carefully, not just for the best value of the council but also for tenants.

The group leader of Herefordshire Independents commented that the selling-off of assets and not investing in the land is not the answer. He believed that decisions should have been made sooner and managed properly and that once sold, could never be bought back. Echoing the comment of the GOSC chairman regarding limited capital return, he added that tenants would seek strong legal advice to get the best outcome for themselves. He closed his remarks by commenting that entry into agriculture should not be through inheritance alone as many young people were keen to enter the industry and smallholdings were a key opportunity to do this.

The Leader responded that young people taking on smallholdings was dependent upon tenants moving and creating vacant tenancies, which had happened on just three occasions in ten years and therefore there was little evidence of turnover in practice.

The director of resources confirmed that there would be a master plan for disposal of properties which would be reported to Cabinet.

The Group Leader for It's Our County asked for explanation of why the report from Fisher German had not been made publicly available including to the NFU despite a freedom of information request. He further asked why the council had failed to communicate properly with tenants. He also questioned the valuations which had been requested by external auditors Grant Thornton as there was suggestion that council estates had been over valued compared with Duchy and crown estates.

He also commented that the recommendations contradicted the Agriculture Act as there was a duty to manage farm estates, and asked how the council would meet obligations and give tenants assurance of continuing access. He added that there was evidence that retaining estate would be to the advantage of the council, as demonstrated in Devon where retention had improved credit status and reduced borrowing requirement at the same time as providing social housing and business incentives. His closing remarks were that if there were no assurances or answers to questions, this would be a black day for the county.

The Leader responded with the remarks that the smallholdings estate represented a public asset of significantly high value, occupied by 45 tenants, including lifetime tenancies and retirements which would revert to lifetime tenancies if ownership changed. The council's duty of care would extend to the opportunity to speak to each tenant and duty of care would be regarded. The Leader reminded all of the duty to ensure public assets were used to best advantage to the population as a whole and in that context, it would be unlikely that the council would spend money on acquiring smallholdings at this time. Income from estates was in the region of £400,000 against £2.5m outstanding in liabilities or work needed and therefore to retain properties was not a sensible use of publicly owned assets. Consultation showed that disposal was supported in order to support economic growth.

With regard to the Fisher German report referred to, the monitoring officer confirmed that the report was background and not relied upon as material to the recommendations.

In response to a question from the Leader of It's Our County regarding cost of the report, the Leader advised that this was not pertinent to today's decision and if there had been any options that presented better value properties would be retained. The monitoring officer provided further assurance of satisfaction that the council did not have a statutory duty to provide agricultural estate and was not in breach of the 1970 Act, and there was no legal barrier to the sale of estate.

The chairman of GOSC commented that by retaining the estate, there would be proper progression for farmers. In response the Leader reiterated his earlier comments that there was no evidence that the estate brought in new farmers as movement in the last ten years was minimal.

The Leader added that there was a collective view that turnover was influenced by the price of agricultural land and that with the council's financial position there was a duty to ensure that assets were put to the best use of the community as a whole.

The Leader of the Green group commented that best value was subjective and that the figures were a detriment to the GOSC recommendation to keep the smallholdings. She added that the scrutiny system was pointless as the recommendations had not been regarded in terms of feasibility and that the figures influenced the sale of the estate because the council was not in a position to manage them. This was not a business decision but an ideological one which failed to consider the feasibility of the GOSC recommendation which would enable the estate to be used for the wider community. She asked about the report's reference to the Agriculture Act and tenants' rights to continued occupancy.

In response the Leader refuted that the recommendations were ignored as this was not the case and duty of care was being observed. It was not the role of scrutiny to take the place of the council's decision-making process and due process had been followed. The council was in difficult financial circumstances and it was necessary to look at saleable assets and although the value was yet to be realised, the sale would do more for the economic future of the council.

The monitoring officer confirmed that section 37 of the report clarified the legislation and explained the statutory protections for tenancies.

The Leader of the Green group closed by remarking that the council needed to make assets work and it was a lost opportunity to not consider this.

The group leader for the Liberal Democrats stated that this was a very sad day for the county and for colleagues and was appalled that this decision was to take place rather than considering the rationalisation of the estate. The Fisher German report was expensive and the council was not prepared to publish it which suggested it was not helpful to Cabinet's case. This was a major issue for the council which concerned hard working families of the farming community and that it could not be possible that it was a good decision to sell the estate and it would destroy the social fabric of the county.

The Leader responded with the comment that it was not the case that the tenants were to lose their livelihood or suffer in some way as they were protected through new ownership. All had the opportunity to make offers for their properties and the council would sell to them. However, it was the case that tenants deserved better landlords as the council did not have the capital to keep up the maintenance of the properties.

The group leader of Herefordshire Independents queried the legality of the decision and felt that the decision would be called into question as it would not be supported by some group members on council although it should have been considered by council rather than cabinet.

The Leader reiterated that it was the right of the cabinet to take such decisions. The monitoring officer explained that the challenge to the decision would be by way of judicial review.

The cabinet member for infrastructure explained that he had met with tenants previously and that he had made it clear that there would be serious change ahead. As a farmer himself, he could relate to the tenants' situation and this was not an easy decision, therefore so duty of care was critical for long standing tenants who had grown through the estates. It was the case that some tenants could not see how they could move forward. Austerity had significant impact on the council and there was a duty to look after public finance. However, the council needed to engage properly with tenants. The council had no influence over the price of agricultural land which had fluctuated over the years. Whilst he did not like the decision, he was not against the sale, but it was important to work with those affected.

The Leader acknowledged the cabinet member's comments and confirmed that the council would do what it could to alleviate the situation. The issue has been aired well but no-one would want to sell if it were not in the best interest of the assets. Members had the responsibility to make decisions and look after the county's assets and the council had to drive the economy of the county and use this asset.

All cabinet members were in favour of recommendations.

**RESOLVED  
THAT:**

- (a) the council undertakes a structured sale of the entire smallholding estate taking into account expert legal advice as to achieving best value for the council and excluding land and/or buildings which are identified as having potential development value which should be retained for separate promotion and sale/development to maximise commercial/development value;**
- (b) the new smallholdings policy set out in appendix A be adopted; and**
- (c) the executive response to the recommendations of the general overview and scrutiny committee (GOSC) be approved.**

## **111. HEREFORD LIBRARY AND MUSEUM**

The cabinet member for contracts and assets introduced the report and confirmed that the question was not about the future of the library but how best to make best use of the building. It was currently the home for the library and the museum service and future options for library provision did need to be considered. Work to clear asbestos would go ahead with further reports to cabinet.

The cabinet member for economy and corporate services sought clarification that the £1m in the capital plan was available to support the recommendations, of which £86m would be allocated to addressing the asbestos and the feasibility of moving back into the building. He sought further assurance that the museum was not forgotten. There were a number of suggestions that had been discussed regarding the future of libraries and it was important to make the point that there were other museum facilities and that they would be subject separate review.

The cabinet member for contracts and assets explained that there were other issues with the building that made it non compliant for public use and it would need more funding to meet this compliance which would mean rehousing the services. A report on museums would come to cabinet in the new year.

In answer to a question from the group leader for Herefordshire Independents regarding provision in other authorities, the cabinet member explained that Worcestershire had its own provision and that Herefordshire needed to look at the local estate being compliant for the future.

The group leader of It's Our County disagreed with the reference in the report to support for retaining a library service and fundraising. He also pointed out that the report contained reference to restricted covenants meaning the building was only for the purpose of a free library although consideration had been given in the report to an alternative use for building. With regard to consideration of future use, as the building was considered to be limited to use as a library, he suggested consideration be given to exploring future service for "a library in Hereford" and whether it is in the building or elsewhere, such as Belmont.

The head of corporate asset management clarified that the matter being considered was not the provision of a library service, although consideration was being given to how best to provide a library along with the suitability and cost of the current building or if a better service could be provided elsewhere. Consultation had taken place to establish if there was a more suitable offer for the public. Broad Street was not considered a good solution for many reasons and consideration was being given to finding an alternative in consultation with stakeholders. The covenant regarding the use of Broad Street had been uplifted to accommodate the museum and gallery and as covenants could be renegotiated a change of use was not being ruled out.

The leader of the Green group commented on the value of looking at usage across the county and not just the city. Referring to the Hive in Worcester being a joint venture with



the university there, she noted that there was a lot of activity in the building but there was no reference to plans for a university in Hereford and how libraries would link to this. With reference to the university, the Leader responded with the comment that a recommendation was to engage in dialogue with the library user group and would expect this matter to arise in those discussions.

In response to a question from the leader of It's Our County, the assistant director, communities explained that the intention was to explore options with stakeholders rather than to pinpoint solutions. Discussions had already started with the library user group and for the long term.

## **RESOLVED**

### **THAT:**

- (a) subject to Council approval of the capital programme in December 2015; the Hereford Library Users Group (working with other relevant stakeholders) be invited to confirm by the end of February 2016, whether or not they wish to work with the council to explore options for future service delivery of a library in Hereford;**
- (b) subject to Council approval of the capital programme, works be undertaken at the earliest opportunity to remove asbestos from the Broad Street building at a cost of £86k; and**
- (c) a further report be brought forward following consultation with stakeholders to determine a preferred option.**

## **112. FASTERSHIRE BROADBAND NEXT PHASE DELIVERY**

The cabinet member for economy and corporate services introduced the item and explained the history to the second phase of the introduction of faster broadband across the county:

- the original contract with BT was signed in 2013 with deployment to commercial premises in Hereford, Leominster and Ledbury and covering 45% of premises;
- match-funding was available through Leader UK for £10m;
- the majority of contracts were under a standard government agreement but Herefordshire was a primary area of activity and so had its own framework with Gloucestershire;
- the challenge was due to the distribution of population with no uninhabited areas and 55,000 premises were covered;
- officers had done a good job to get to this point but there was still work to be done before commercial roll-out reached 88%

There was a commitment by 2018 to have delivered fast broadband to those who needed it and the plan was to extend the contract with BT followed by tenders for other funding sources to complete the coverage. However it was decided to not extend the contract with BT after the original contract ended in 2016.

The new provider was looking at supply by postcode rather than individual premises and will cover 100% compared with the current BT contract. A new 4-stage strategy was identified to enable the supply to extend over higher ground with wireless so enabling supply. Consultation included Herefordshire business board who had given their support. A business seminar and a members' training session had taken place with good response and the proposal had support and endorsement from the Members of Parliament. The proposal presented a unique but rewarding scenario without which businesses would not be able to compete in the global market.

The chairman of the general overview and scrutiny committee saw the proposal as encouraging for the future and asked about developments for other digital networks for wireless telephony where poor mobile phone coverage impacted on business and safety.

The cabinet member clarified that he had written to the minister as this issue had been shelved by treasury. The provider, BDUK, was aware and would also raise the matter.

In answer to a question from the group leader of the Liberal Democrats in relation to apparent lack of progress in the west of the county, it was explained that the map presented with the report was illustrative in order to identify milestones and that with the change of contract the way the strategy was communicated would change.

The group leader of It's Our County, although pleased to see the gap being met, remarked on the speed of 30 megabytes not being superfast in practice and would not attract new practices.

The cabinet member responded by explaining that this was a European standard for 2020 but the council was aiming for 2018 and advised that major businesses would be using direct fibre and Ethernet rather than domestic broadband. In response the group leader commented that he was concerned that the self-employed and those working on the domestic network might be disadvantaged.

## **RESOLVED**

### **THAT:**

**in agreement with Gloucestershire County Council,**

- (a) the revised Fastershire Broadband Strategy 2014-18 attached at appendix 1 to this report is adopted;**
- (b) the procurement of Lot 2 covering the Golden Valley and the Forest of Dean commence in January 2016; and authority be delegated to the director for economy, communities and corporate following consultation with the cabinet member for economy and corporate services, to award the Lot 2 contract within the financial envelope set out in paragraph 33 of this report.**

## **113. PROPOSED CAPITAL PROGRAMME 2016-17**

The Leader, having cabinet responsibility for corporate strategy and finance, highlighted the importance of economic growth of the county.

The chairman of the general overview and scrutiny committee commented on the need to invest in schools, noting that some schools did not have the money to invest themselves and expand educational input. He also asked what the council planned with regard to the use of photo-voltaic (PV) panels on more of the council's buildings.

The Leader confirmed that the council would be better informed on its financial position later in the month once more detail on the settlement had come from central government. The director, economy, communities and corporate confirmed commitment to the spending allocation within the current programme.

Referring to schools capital, the group leader of the Liberal Democrats commented on the risk of retaining financial responsibility for schools that were not under the management of the council.

In response the cabinet member for young people and children's wellbeing acknowledged the need to invest in schools and have a high quality environment for children to learn in, hence the strategy to look at assets. He welcomed input from scrutiny on this matter.

The group leader for the Greens commented on scrutiny input to invest to save programme, and welcomed an opportunity to have more information on this. The leader commented on the value of monitoring progress and on this strategy as a way to resolve financial constraints.

In response to question from the group leader on further briefings for invest to save programmes, the director of resources explained that further information would be presented to cabinet and possibly thereafter to scrutiny. Responding to the chair of the

general overview and scrutiny committee the cabinet member for economy and corporate services added that those capital programmes detailed as invest to save would be included in a briefing note to confirm savings would be delivered.

The cabinet member for infrastructure commented on experience in his own ward of a school which was at 130% capacity, adding that the situation was in urgent need of addressing as there were also issues there connected with asbestos. Also commenting on the use of PV cells at the cattle market, he explained that the market was interested in having them installed. However it was found that fluctuations in demand for power at certain times in the market's operations could not be supported by the cells and so the proposal was not taken forward. He added that the complexities of the site meant that it was not suitable for income generation.

Referring to asset valuations, the group leader, It's Our County, commented on a request that was made by external auditors Grant Thornton for assets to be revalued through the audit and governance committee and asked whether valuations would liquidate £60m in three years. He commented on the relationship between the capital programme and the medium term financial strategy and the sum of assets compared with borrowing requirements. In response the director, economy, communities and corporate confirmed that the majority of valuations held up well in the market and were meeting targets in the medium term financial strategy. The director of resources drew attention to the difference between the market value and the asset value and that auditors would focus on asset value. Further information on formal market values could be presented at a future cabinet meeting.

#### **RESOLVED**

**That the schemes detailed in Appendix 2 are recommended to Council for inclusion in the capital programme.**

#### **114. REVISION TO THE COUNCIL TAX REDUCTION SCHEME**

In response to a request from the chairman of the general overview and scrutiny committee, the Leader confirmed that the hardship fund would be publicised so it could be accessed by the people who were in need of support.

Referring to the equality impact assessment, the deputy leader asked what mitigation was in place to support those who might be unable to pay and what would be the impact if the council accepted the government offer of 2% increase in Council tax.

The director of resources explained that there were arrangements in place for recovery of non-payment of council tax and for those with genuine inability to pay, there would be a review of the hardship scheme so that there were more options to claim relief.

The Leader acknowledged a request from the group leader of the Greens to have more information on the impact once the revisions were in place in order to explore mitigation for significant hardship.

#### **RESOLVED**

#### **THAT**

**It be recommended to Council that:**

- a) the following revisions to the CTR scheme be approved:**
  - i. reduce the maximum level of CTR subsidy from 84% to 80% for certain claimants;**
  - ii. protect CTR at 84% where the claimant is in receipt of either severe disability premium or carer's allowance, or households with a child under the age of five;**

- iii. a claimant who lives in a property above band C would have their CTR capped at 80% of a band C equivalent property in their parish; and
- iv. the amount of capital, excluding property, above which claimants cannot claim CTR be reduced from £16k to £6k and
- b) the revised CTR scheme is implemented for the financial years 2016/17 and 2017/18.

#### 115. LOCAL COUNCIL TAX SUPPORT EFFECT ON PARISH PRECEPTS

The cabinet member for economy and corporate services provided some background to the scheme which was introduced in 2013:

- receipts were at 100% until central government increase the responsibility on councils to claim and reduced support to 90%;
- from 2013 the grant was absorbed into the revenue support grant, which then reduced as reflected in the medium term financial strategy;
- the council continued to subsidise parish precepts and had a legal obligation to deliver 100% of the set precept irrespective of whether people paid their council tax. The shortfall would have been made up through this grant last year.

The grant would be replaced by a small charge in council tax with the average impact being £3.63 per year per household. There would be no reduction on what parishes received and this was included in the recent council tax consultation. There were five parishes where the impact would be phased and there had been discussion with town, city and parish councils who accepted this was the right way to support.

The leader of It's Our County observed that the city council fell below the threshold for town councils and it was confirmed that it was aware of this.

**RESOLVED THAT: the following be recommended to Council:**

- (a) the council tax reduction scheme funding passed to parish councils is withdrawn in 2016/17; and
- (b) for five parishes: Bromyard and Winslow Town; Kentchurch; Kington Town; Ledbury Town; and Leominster Town councils, where the impact of withdrawal would result in an increase in the annual council tax charge of 0.4% or more in any one year the withdrawal be phased over a period of up to three years.

#### 116. REVIEW OF OFF STREET PARKING TARIFFS

The cabinet member for transport and roads presented the report explaining that there had been a broad consultation process including commercial bodies, representatives of the old cattle market, and the Herefordshire business improvement and development committee. Much of the changes to off street parking would allow for flexibility in offering a better service. For example, new pay meters could be automatically updated to adjust charges for occasions such as reductions for late night shopping. The proposed changes would also allow for a service more in line with public demand, for example all day parking in short stay car parks.

The chairman of general overview and scrutiny, noted a knock-on impact between off street parking and on street parking that if off street parking charges increased this would impact on residents from the public seeking free parking in residential areas. He asked what action would be taken to resolve the parking problems faced by local residents. In reply, the cabinet member for transport and roads explained that currently only off street parking was under review; however it was well understood that there were pressures with on street parking and this would be addressed.

The leader of It's our County noted the link between the impact of changes to off street parking and trends for on street parking. He further remarked that the current plan was to be implemented over three years and queried whether quicker implementation would have a greater positive impact on parking behaviour and also be more cost effective. In response the head of technical and parking services clarified that the new charges would be implemented within a short period. However the new payment machines would be introduced over a longer three year period. The assistant director, commissioning, added that the intention was to make considerable changes across the area and that the pace of implementation would be reviewed on an annual basis.

The cabinet member for health and wellbeing congratulated the cabinet member for transport and roads for the success of parking concessions recently offered for late night Christmas shopping. She also expressed support for a system using intelligent parking machines allowing flexibility and other provision described in the report. It was noted however that there was a need to be aware of the variation of traffic in car parks as revenue could be increased by varying charges according to the time of day and other contextual factors. The cabinet member for transport and roads noted that this would be possible with the new machines.

The group leader for Herefordshire Independents noted the importance of council staff parking and suggested consideration of an incremental scheme where officers on higher pay scales contributed more to parking. He added that such a scheme must not have a detrimental impact on staff on lower pay who already commuted into the city and considerable expense. The leader and the cabinet member confirmed that the staff parking scheme would be reviewed in due course.

The group leader for the Greens commended the approach taken in the consultation behind the review in the market towns and recommended that this be used as a model for future consultations.

#### **RESOLVED**

**That the off street car park tariffs, including the relevant staff car park tariffs in Hereford, outlined in the appendix of the report are approved for implementation from February 2016.**

#### **117. QUARTER 2 CORPORATE PERFORMANCE AND BUDGET REPORT 2015/16**

The cabinet member for economy and corporate services introduced the performance report showing performance against the corporate plan. The new style of reporting that had been developed included dashboard overviews and workforce figures.

In answer to a question from the group leader of Herefordshire Independents regarding the possibility of a short fall in business rate collection from general practitioners, the director of resources explained that localisation meant that there was a risk that the council could pick up appeals which included an element of backdating which would incur costs.

The group leader of It's Our County had a number of questions which would be submitted in writing, but drew attention to a point regarding overspending in adults and wellbeing. The director of resources explained that there were underspends, as shown in the report, in other parts of the budget that compensated. The group leader also referred to overspending in children's safeguarding and commented that the compensatory underspends there were not sufficient.

The chairman of the general overview and scrutiny committee commented on the impact of residential care on budgets.

He also expressed thanks to the assistant director, safeguarding and early help, who was leaving the council. The leader echoed these thanks on behalf of the council.

**RESOLVED**

**THAT:**

- (a) Cabinet notes the council is currently projecting an overspend of £583k; and**
- (b) performance for the first six months of 2015/16 is considered.**

**118. WEST MIDLANDS RAIL**

The cabinet member for transport and roads outlined that in 2017 London Midland rail services would be available for tender for which a bid was being considered by West Midlands Rail, a scheme developed by a number of local authorities in the region. He emphasised that Herefordshire's contribution represented a small but essential part of the scheme.

The head of transport and access services explained that the scheme was a partnership largely led by Centro. The council was invited to participate in the partnership for an initial period until 2017 where there would be opportunity to remain in the partnership. He explained that the council's engagement with the project had limited scope as the only area of rail operated by London Midland within the county was the line between Great Malvern and Hereford. He added that the greatest benefit would be the opportunity to invest in the capacity on that section of line.

The group leader of Herefordshire Independents expressed support over a positive attitude being taken towards rail. He hoped that the project would lead to support for rail projects elsewhere in the county in future.

The group leader for It's our County Herefordshire expressed support for the project but hoped that the project would not incur too great a cost.

The group leader for the Greens noted that Arriva also operated a service in the county which would not be affected by this project. She hoped that there could be greater influence over the wider rail infrastructure and not just the areas currently operated by London Midland.

The leader commented that other members of the West Midlands Rail scheme had a limited interest in investment in the rail infrastructure in Herefordshire. Given the scale of other local authorities involved, it would be very difficult to gain support for major investment in Herefordshire. However, he emphasised that the council would work hard to ensure that the best deal for Herefordshire was achieved.

The chairman of general overview and scrutiny expressed support for the scheme and hoped that it would be a success. He also noted that with a high rate of cancellations of trains on the line, there was a case for improvement. The leader acknowledged the issue and hoped that all that could be done by the negotiators would be done in this regard.

It was noted that the leader was to undergo surgery shortly and he was wished well for a successful recovery.

**RESOLVED**

**THAT:**

- (a) the council becomes a member of the West Midlands Rail Limited Company, subject to legal agreements being satisfactorily finalised;**
- (b) authority is delegated to the director of economy, communities and corporate to complete these agreements;**

- (c) Subject to recommendations A and B, the leader be appointed as a director of the company and the cabinet member transport and roads be appointed as substitute who will be authorised to make decisions in this capacity relating to the strategic direction of the WMRL;**
- (d) Subject to recommendations A and B, funding of £13,200 in 2016/17 and £7,464 in 2017/18 be approved as the council's contribution towards the costs of administering the partnership and developing the case for full devolution of the rail franchise.**

The meeting ended at 4.50 pm

**CHAIRMAN**







<b>Meeting:</b>	<b>Cabinet</b>
<b>Meeting date:</b>	<b>21 January 2016</b>
<b>Title of report:</b>	<b>Annual fostering report – April 2014-2015</b>
<b>Report by:</b>	<b>Fostering team manager</b>

## Classification

Open

## Key Decision

This is not a key decision.

## Wards Affected

Countywide

## Purpose

To review fostering service performance and approve related documents.

## Recommendation(s)

**THAT:**

- (a) the activity, quality and impact of Herefordshire Council's fostering service as detailed in appendix a to this report, be reviewed and any additional actions to support improvement identified(;**
- (b) the Herefordshire foster carers charter (appendix B) be approved;**
- (c) the guide for young people that are looked after (appendix C) be approved;**  
and
- (d) The statement of purpose (appendix D) be approved**

## Alternative options

1. It is open to Cabinet to identify further actions to address and under performance or drive improvement but in doing so regard must be had to the availability of resources.
2. There are no alternatives to adopting the Herefordshire foster carers' charter and guide for young people looked after because they have been drawn up following

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Carol Moreton – Fostering Team Manager on Tel (01432 383240)

engagement and consultation with Herefordshire foster carers and looked after children to shape the service they needed from Herefordshire Council.

## **Reasons for recommendations**

3. It is a statutory responsibility for Cabinet to receive an annual fostering report, and approve the related documents to have oversight of the direction and priorities for Herefordshire children and ensure they receive good quality care from Herefordshire foster carers who are supported to keep children safe, enjoy a healthy lifestyle and attain good educational outcomes. The foster carer's charter evidences the participation and engagement of foster carers in helping to improve outcomes for children. It provides clarity around expectations and communication about concerns between Herefordshire fostering service to enable carers to look after complex children. The process stimulated foster carer representative roles and subsequently the setting up of a foster carers association. Increased communication and increased fundraising activity results in more support for children, carers and birth children of foster families.

## **Key considerations**

4. The management, outcomes and financial state of the fostering service is monitored through routine performance reporting processes to ensure oversight of the service and effective improvements are maintained with risks identified and mitigated.
5. Herefordshire fostering service was judged by Ofsted in 2013 as 'achieving good outcomes' for children and rated adequate overall. As part of the children's services inspection in May 2014 there was no 'stand-alone' judgement but assessment from inspectors was that the fostering service was providing a good service to looked after children.
6. The annual report reflects the changes in team structure, recruitment and placement activity between 1 April 2014 – 31 March 2015. Since this time the fostering service has developed a specialist therapeutic service for children with complex needs and has reduced the number of children being placed outside of the county in residential units and external agencies. From July 2015 marketing and recruitment has resulted in an increase in people enquiring and progressing to becoming foster carers from December 2015.
7. Nationally there is a shortage of foster carers, specifically those able to care for children from traumatised backgrounds and with challenging behaviours. There has also been an increase in the number of children needing to be looked after and those needing to be placed within 15 miles of their home environment. To date Herefordshire has been able to meet the needs of younger children under the age of 10 years, including sibling groups, and also has a good record for preventing placement disruption. However, there are increased costs associated with not being able to place older teenagers or challenging placements through using external resources. Locally, Herefordshire needs foster carers able to provide teenage placements, permanence and therapeutic placements to prevent the use of expensive external placements. To meet the increased need for specialised services and increase sufficiency the fostering service has separated into two distinct service areas: the general fostering team and the kinship and SGO hub. This has resulted in faster assessment procedures and increased support to extended family members able to offer children permanent homes without dependency on in-house resources. This means in-house resources are more available to those children who cannot be

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placed within the extended family. Through the implementation of the care placement strategy it has also developed the HIPSS (Herefordshire Intensive Support Services) scheme to provide local therapeutic foster placements for those young people either currently in, or at risk of, going to residential or external fostering agencies.

8. The general fostering team is responsible for all short, long term and respite placements (0-18yrs), and supported lodgings providers (16-18 years), HIPSS foster carers (Herefordshire Intensive Placement Support Services) and implements a 'staying put' arrangement for those over 18 who wish to remain with their foster carers until ready for independence. The kinship and special guardianship order (SGO) hub supports families who are able to care on a permanent basis for members of their extended family or connected persons.
9. As at 31 March 2015 the fostering service provides support, supervision and training for 92 fostering households, 21 supported lodgings providers and 32 kinship foster carers. In total there were 124 fostering households at 31 March 2015. As at 31 December 2015 there will be 140 fostering households. There are also 97 children who have achieved permanence through SGO arrangements in Herefordshire.
10. Analysis of recruitment strategies and data on enquiries showed interest peaks and troughs around key seasonal times of the year, Fostering Network publicity on TV, supermarket and high town events. Developing the council website and social media underpins a marketing and recruitment strategy for 2015-16 with the appointment of a marketing officer and recruitment officer to enable us to meet increased targets in recruiting more foster carers. Training and support programmes to carers have been increased to reflect those carers seeking varied training and development. (appendix a, b and d)
11. In performing regulatory duties all foster carer annual reviews have taken place within timescale in the last 12 months. Of 124 carer households two unannounced visits fell out of timescale (1.6%); one due to bereavement/new worker allocation and one due to reassessment and serious concern procedures. (Appendix A, page 6)
12. Additional investment and staffing within the fostering service mean that the recruitment targets for approved foster carers has been significantly increased to help prevent spend on independent fostering agencies and residential costs for the year 2015-16 By increasing the number of in house carers we will be able to reduce spend on more expensive IFA's, keep children local to their birth families, schools and social workers. By increasing in house recruitment and using the resources/carers we have more creatively (increasing placements and support to carers) has meant that a number of experienced carers have moved over to become carers for Herefordshire Council (7 in the 12 months January to December 2015) which means they are more able to take older or challenging placements more quickly than those recruited without previous experience needing induction periods and time to develop skills. The care placement strategy and development of the HIPSS scheme means that by December 2015 we also have seven specialist therapeutic carers. Of these, two placements have 'stepped down' from residential units and four have been either prevented from being placed in residential care or been maintained in placement without further placement disruption. Every placement disruption has significant impact on a child's wellbeing and likely need for more intensive resources in the future from across the council. Therefore these figures present great success for these young people both in the here and now and into the future.

## Community impact

13. It is a council priority to safeguard children by ensuring they have a safe place to live. Through placements in loving and supportive foster families research tells us children will be happier, healthier and are more likely to achieve in education and future employment. The fostering service, carers charter and looked after children's guide support the council achieving its ambitions in key strategies in the corporate plan, health and well-being and children's and young people's plan.
14. Increasing in house capacity will support children being placed with local carers. This will enable children to remain in their current school and facilitate contact with family members. This will also meet objectives set within the care placement strategy and children and young people plan.

## Equality duty

15. The fostering service welcomes enquiries from all ethnic, religious and cultural groups within Herefordshire. Increase in house fostering capacity will support sufficiency of choice and ensure appropriate matching of children to the right placements, with consideration to ethnicity, culture, religion and disability. Currently we do not have sufficient families able to care for children with complex disabilities, Muslim or Eastern European families. This risks requiring specialist placements out of county. At present we aim to mitigate these risks through specific support plans, training, using buddying or learning from those carers with children from other cultures..Note: Under Section 149, the "General Duty" on public authorities is set out thus:
  16. "A public authority must, in the exercise of its functions, have due regard to the need to -
    - eliminate discrimination, harassment, victimisation and any other conduct ... prohibited by or under this Act;
    - advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
    - foster good relations between persons who share a relevant protected characteristic and persons who do not share it."

## Financial implications

17. The fostering service overspent by £326,536 April 2014/15 as a result of the previous baseline budget not being adjusted sufficiently to allow for the impact of a significant national increase in children requiring foster placements, an increase fostering households and also increase Level 2 and 3 carers available for sibling or more challenging placements to mitigate costs of dependency on IFAs for these placements. These in house placements are still more cost effective than using IFA placements – an average in house placement costing £350 pwk including mileage (£520 with staffing costs in 2013) compared with an average £824 pwk for an IFA and £3,500 for residential placement (December 2015). Whilst the 15/16 budget was increased by £139,279 an overspend is anticipated given continued increase in placements and care placement strategy to reduce IFA costs through increased staffing in marketing and recruitment activity and social work staff to support an projected increase in foster carers (target of 31 this year),11 gross to date with a further 16 forecast for the next quarter. Further pace is required to maintain targets ie

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through fast track of IFA carers transferring to in house.

18. April 2015 in house lac figures stood at 175, an increase was experienced in July 2015, October figures are 209. Work is being undertaken 'at the front door' to prevent children becoming LAC; this current increase also represents a reduction in dependency on IFA placements through in-house provision.
19. Fostering allowances are increased by 1% every April to bring the local authority in line with nationally set guidance. As Lac numbers increase this figure increases.
20. There have been an average of four staying put arrangements per month over the last 12 months. These cost on average £300 per week (£1,200 per month) but are offset against the Department for Education funding of £52,000 to support young people post 18 years. There is a shortfall of £5,600 if the numbers of staying Put remain the same, however, there is likely to be an incremental increase as known kinship and in house placements are forecasted to increase by 6 placements in the next six Months (from Jan 2016). Recruitment needs to increase to compensate for these 'blocked placements'. Work around reviewing Staying put allowances and securing LHA benefits needs to be implemented to offset costs.

## **Legal implications**

21. The Local Authority must comply with Standard 25.7 of the Fostering National Minimum Standards and ensure that annual reports on the state of the fostering service are received by the executive.

## **Risk management**

22. Without an effective fostering service children may be placed at risk within their community. This would be detrimental to their wellbeing and life chances and would not support the objective of 'protecting children and giving them a great start in life' or listening to the wishes and feelings of children to be kept safe, be healthy and to achieve in education and into adulthood. An effective fostering service is of importance to ensure that we are able to offer a robust approach
23. The fostering service has consistently been judged adequate or good by Ofsted. If the service is not effective this affects the overall judgement of children's wellbeing and thus the reputation of the council. We need to ensure that the service maintains this judgement and minimise any reputational risk.

## **Consultees**

Foster carers at the Foster carers Forum 2013 shaped the foster carers charter within participation groups and feedback via the foster carer representatives which continues to meet with the team manager on a monthly basis to shape expectations of the fostering service to support and equip them to undertake the task of caring for children with complex needs. Further work needs to be undertaken to ensure young people's views are being sought in relation to their care experience and aims of the care placement strategy.

Reporting is shared with members of Herefordshire's fostering panel which is independently chaired and comprises independent and professional members with experience of fostering. This may raise issues of note to the agency decision maker regarding performance of the service and needs of looked after children. Key concerns

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have related to the number of changes of social workers children experience which links to the recruitment and retention strategy of the council.

The fostering service works closely with the participation service and Corporate Parenting Panel which consists of council members and representatives of partner agencies in health, education and representative foster carers and young people leaving care which are a forum for young people to be consulted on experience of care. This has resulted in a strengthening of the foster carers association and fundraising arm, which will provide additional funding for activities and trips for birth children and care leavers for example, which no longer are budgeted for within fostering expenditure.

## **Appendices**

Appendix A - Fostering annual report 2014/15

Appendix B - The foster carer's charter

Appendix C - The young people's guide

Appendix D – Statement of purpose.

## **Background papers**

- None identified.

# FOSTERING ANNUAL REPORT

## Ofsted registration: SCO56304

APRIL 2014- MARCH 2015

Report Owner –Carol Moreton (Registered Person) Fostering Team Manager

Alison Forshaw – Kinship and SGO Team manager

Jo King (Responsible Person) – Head of Looked After Children

### **Introduction**

This report complies with Standard 25.7 of the Fostering National Minimum Standards which sets out the condition that the Fostering Service Manager will monitor and report to board members and management members about the management, outcomes and financial state of the fostering service every three months.

### **Establishment**

**See Appendix 1.**

In the last 12 months the Fostering Team has separated into two distinct service areas to meet the increased need for specialised services and increase sufficiency: the General Fostering Team managed by Carol Moreton and the Kinship and SGO Hub managed by Alison Forshaw.

The 'general' Fostering team is responsible for short, long and respite placements for children and young people 0-18 yrs, Supported Lodgings Providers and HIPSS foster carers (Herefordshire Intensive Support Services).

Michelle Baxter was appointed as Senior Practitioner in November 2014 but has been unable to fully assume this role due to holding a full caseload and difficulties in recruiting to the fostering team in Dec/Jan 14/15. This post was filled and taken up in March 2015 and a handover of casework has now been achieved. Michelle Baxter will assume core responsibility for the operational aspects of the Fostering team ie Duty , initial enquiries and some staff supervision and complex casework. Carol Moreton will be able to fulfil Statutory and developmental service delivery ie Sufficiency and Recruitment, SLP and HIPSS development in addition to staff supervision and liaison with internal and external Agencies.

A further social work vacancy is now filled – due to start end of April. Both appointments were to social workers from other stretched teams and this has placed stress elsewhere in ‘the service’. An agency social worker was appointed for 6 months to bridge the gap from appointment to start dates as there are currently 2 fostering social work vacancies with a rolling internal and external advert given the previous lack of suitable candidates. At the time of writing there are now sufficient applications to progress shortlisting and interview.

Victoria Leader was appointed as the HIPSS Project co-ordinator in January 2015. Refer to detail regarding HIPSS development below.

Alison Forshaw was appointed as Kinship and SGO team manager in July 2014, following the brief appointment and departure of Kevin Hawkins an Agency manager. This is a full time permanent post. In the last 6 months the Kinship hub has assumed case work responsibility from the general fostering team for all kinship carers, becoming fully staffed for a short period in February/March 2014. Unfortunately one full time member of staff is currently serving notice due to a desire to relocate geographically and recruitment is needed to ensure the kinship team is again fully staffed.

Fostering social workers continue to hold a case load of between 18-22 cases. Issues relating to the geographic spread have been compensated by reallocation of cases over the last year into area groupings to reduce time spent by fostering social workers travelling. However, this continues to be a particular challenge for kinship workers for whom viability visits or carers are spread from Hull to Devon.

#### **Current Picture:**

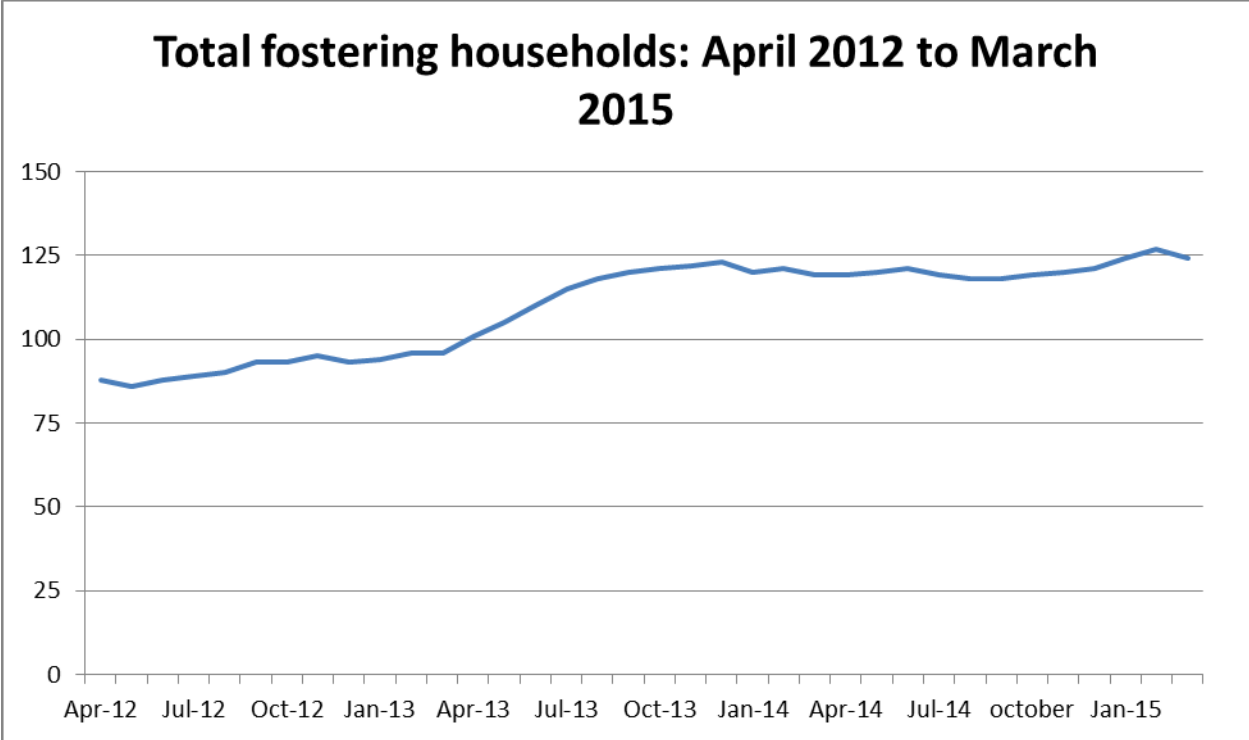
Herefordshire ‘In- house’ fostering service was judged by Ofsted in 2013 as achieving good outcomes for children and rated adequate overall. As part of the Inspection in May 2014 there was no stand alone judgement but assessment from Inspectors was that the fostering team was providing a good service to Looked After Children.

We support, supervise and provide training for 92 general fostering households, 21 Supported lodgings providers and 32 kinship foster carers. Over the year this is an increase of 11 general fostering households, and 7 SLP providers on last April's figures with Kinship remaining broadly the same:

Resignations in the year – 9 general foster carers ( 8 in the previous year). This reflects carers retiring, relocating geographically, placement disruption or changing approval ie from fostering to SLP in one case, from fostering to HIPSS in another. The latter means 2 of the 9 resources have not been lost but have changed role.

There are 124 Fostering households at end of March 2015.





**KINSHIP AND SGO:**

The original SGO (Special Guardianship Order) social worker is currently off due to long term ill-health. There has been significant work done to identify Herefordshire’s Special Guardians and we now know that there are 97 Special Guardians. The Team Manager is aware that identifying numbers is a difficulty for many local authorities (as discussed at the Midlands SGO Group forum). A review of financial support plans has been completed and a decision on whether any adjustments should be made is being explored as part of the care placement strategy, Legal Advice has been sought. The process of review for Special Guardians is now in place and financial support is outlined clearly prior to an Order being made and so that applicants can seek independent advice on this.

This has been a period of induction of new staff with 4 new members joining the team. All are now fully integrated in the team, mandatory training is completed, and they are now familiar with processes and procedures. In terms of whole service support new social workers are now able to support Duty responsibilities for the service and have a clear understanding of expectations around facilitating training.

The team now have a Kinship Family Support Worker (KFSW) who has already provided intensive support to 9 families whilst continuing to support a sibling group of children within the CWD team. Key focus is on supporting emergency placement of children, this is where friend or family members care for a child with little or no notice and are often dealing with their own emotional responses to a family

crisis. Whilst a fostering assessment is underway the KFSW can help families make adjustments. One of the 9 are Special Guardians and support successfully resolved contact issues for the child with the birth parent. The Special Guardians were happy that the contact arrangements were child led.

The KFSW is also setting up a birth children support group for children of kinship carers and will co-facilitate Solihull training and has undergone initial Solihull training and has attended the 12 week course. Further funding will be needed to enable her to complete the Facilitators course.

The Kinship and SGO Hub currently supervises, supports, monitors and trains 30 fully approved kinship fostering households. In March there are 6 full assessment ongoing (plus two SGO assessments) and on average the team are completing 3 viability assessment visits per week alongside childcare team colleagues. Four of these assessments will be presented to panel in April with the remaining in May.

The Kinship and SGO Hub now hold weekly 1 hour peer group supervisions that are open generally to others who may have an interest in fostering issues or are involved jointly in cases. Alongside case discussions, topics covered have been - anti-discriminatory practice and acknowledging own value base, two stage assessment process, How do we encourage... eg. foster carers, each other, communication, reviewing family support. As a team there is an open door policy to social work students who may wish to join these peer group supervisions.

The Kinship and SGO Hub are preparing to take over the monitoring of Private Fostering Arrangements and as a follow on from the recent radio advertisement is developing information materials and looking at how to build awareness amongst ethnic minority communities.

The team celebrate compliments and have recently received three. Unannounced visits are in line with Service policy, as are reviews of approvals; 98% of Kinship foster have now reached Level 1 status and 1 carer has achieved Level 2.

A final stage of assessment auditing tool has been introduced across the service.

### **SLP AND Staying Put:**

The position of our Supported Lodgings Provision has strengthened in terms of recruitment and support. One social worker post is now dedicated to SLP support. Of the 19 SLP providers 6 combine fostering and SLP support. There are 21 young people currently in SLP placements (March 31<sup>st</sup>). Whilst there is no Statutory duty we have brought SLP providers in line with fostering levels of Formal Supervision Visits, unannounced visits and provided specific 3day training on Teenage Attachment, Risk Taking and Independence skills this quarter to increase the monitoring, support and skill set of all Providers to achieve best practice.

### **HIPSS (Herefordshire Intensive Placement support Scheme):**

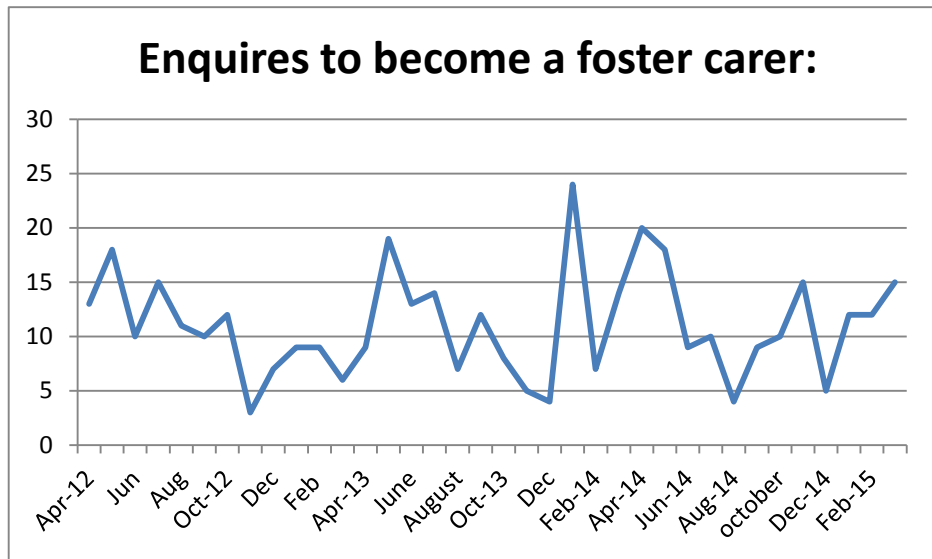
As above Vicky Leader has been in post since January 2015 in conjunction with the establishment of the HIPSS team at no 3, Blackfriars St. Pending full HIPSS placement activity the team has been providing TISS consultations to a number of foster carers in the last couple of months and qualitative feedback from carers has been that this has been helpful in supporting placements and preventing placement breakdown – further analysis of this work will be provided by the HIPSS service later in the year.

We have one HIPSS foster carer approved, she has transferred from in-house fostering to the HIPSS scheme with introductions to a first placement underway. A second carer (again transferring from in-house SLP) is booked in to April Panel. One HIPSS kinship placement is also being supported. A further assessment is also underway with a new provider. This means the HIPSS development is on target within the current Care Placement Strategy (CHIPP PROJECT 18, Developing a Fresh Approach to LAC).

**Recruitment:**

Over the last 12 months some sessional hours were allocated to increased publicity in local supermarkets and high town events and reflected a rise in interest in fostering enquiries – see graph below March – June 2014. In the last quarter a radio campaign and Hereford Times advertising for older teen carers and HIPSS carers has been underway which is beginning to show an upward trend in interest( DEC 14 – March 14).

Analysis of the three year period shows significant peaks and troughs around the Christmas and summer periods as might be expected.



More detailed analysis of the last quarter indicates that an equal proportion of enquiries came from radio or website information and word of mouth from other carers. Of 34 initial enquiries these made 50 % of enquiries. The Council Website clearly has the greater impact ( in line with other local Authority’s data and research produced by digital companies – for example Net Natives- Google - which also shows an increase in mobile device searches which reflect in a 7% increase in fostering and adoption ‘searches’.) Local press did not appear to have generated specific interest – but refer to the HIPSS open evening below. This may equally be due to gaps in taking information at the point of enquiry recorded as ‘other’. A more strategic approach is needed focused on social media, specific promotional events and monitoring of data within our recruitment strategy for 2015 – 16.

Accordingly, a Marketing Officer post has been advertised and a Recruitment support worker is in Job Evaluation to ensure consistent response times and to reduce 'drop off' in interest until Skills to Foster Preparation training is delivered to potential applicants. This is interlinked with the Fostering Team plan to increase the number of fostering preparation training courses planned for the next 2 year period to enable us to progress enquiry to training and assessment in a more coherent and timely manner.

Specific recruitment is needed within the Polish community, and to increase sufficiency for older children, long term, sibling placements and HIPSS foster carers.

**Panel:**

All Foster Carers Annual Reviews have taken place within timescales in the last 12 months. Statutory guidance is that all foster carers must attend panel within 12 months of being approved – this has been achieved. We also bring all other annual reviews to return to Panel following a significant change in circumstance ie bereavement, ill health, retirement or serious concern requiring a review of approval conditions, this has also been achieved. However, as the service and numbers of carers expand it is becoming increasingly difficult to bring foster carers for independent overview to a formal Foster Panel every 3 years as a matter of good practice. New applications alone have accounted for two panels being convened in November 2014 and January 2015.

Whilst many agencies do not bring all reviews routinely to Panel we aspire to improve and this is an area of future development within the team plan and CHIPP programme to have 2 panels per month by October 2015.

In order to meet regulatory requirements NMS 15 and 30 the Fostering service has brought the Fostering Panel Co-ordinator role in from Business support to ensure efficiency and quality of statutory checks and references and administration.

**Unannounced Visits:**

Of 124 carer households two unannounced visits have fallen out of timescale (1.6%); one due to change of FSW allocated/bereavement, one due to reassessment and serious concern procedures : thus, **98.4 % have one U/A (as per Requirement) and 63% 2 visits – as set within the Fostering Service to achieve 'Ofsted Good'**).

Some adjustment is made for those approved in the last 6 months who are on track to have 2 within the year. The number of single U/A's is in part due to kinship carers in different parts of the country ( ie Devon or Hull) where geographically 2 unannounced visits are impracticable.

Although not regulated we have also introduced unannounced visits and Formal supervision Visits to Supported Lodgings Providers to improve and maintain quality of care.

### **Serious matters for concern – LADO**

Notifiable events – 56 incidents reported within the year: this reflects absconding, accident and mental health episodes at normal levels but does particularly reflect an increase in hospital admissions due to 5 very young children with complex needs being Looked After Children requiring either operations or frequent admissions for infections/illness this year.

In the last year there have been 9 Referrals made to LADO, 3 were to seek the opinion of the LADO manager and were felt not to meet the threshold following further investigation. Of four LADO meetings held the outcomes for 2 LADO referrals were unfounded, one substantiated and one was felt to be malicious. All four returned to Fostering panel for Fostering Review of carer's approval status.

Two referrals are still under Joint investigation by police and social care. Both of these are complex and one of these in particular is of a very serious nature.

### **Training and Support to Foster Carers:**

The last year has seen an increased focus on support to carers through training and increasing skills. Within General fostering households we have 10 Level 3 carers, 6 with additional transfer or complex needs payments, 63 level 2 and 13 level 1 foster carers (total 92 households).

There are 4 level 3 SLP carers.

The Family Support worker has received referrals and worked intensively to support 65 carers, birth children or LAC children to prevent placement breakdown and, or, 'upskill' carers to meet the needs of challenging placements. Refer to appendix 2.

A new Training Program for April 2015 – March 2016 has been developed for Foster carers and SLP providers – this has an increased number of workshops with valuable input from other Partners – namely the LAC team, Adoption, HSCB, and YOT Services. Training for older teens and independence skills has been worked into the programme to increase sufficiency and meet any service gaps.

Foster Carer Representatives continue to provide invaluable links with carers – now providing a 'buddying scheme' to newly approved carers, a regular quarterly newsletter and advice and support. Based on the success of this role and partnership work with the service the foster carer representatives for general fostering will be joined by Kinship representatives from April 2015. The representatives have begun to represent the views of foster carers at Corporate parenting Panel and LACPOG.

The Practice issues group for carers has continued to meet every two months as has the weekly 'Stay and Play' which could now be referred to as sufficiently embedded in the Service to be 'business as usual'.

### **Finance and Budgetary issues:**

The fostering service over spent on fostering allowances in 2014/15 as a result of the previous baseline budget not being adjusted to allow for the increase in fostering households and the increase in the number of level 2 and level 3 carers. The budget has been adjusted this year to allow for increase of in house fostering capacity in line with the care placement strategy. The 1% increase was not paid in 2014/15 so in 2015/16 a back dated payment to April 2014 will need to be paid to allow for the 1% increase last year and a further 1% increase will need to be paid to bring us in line with statutory level of payment.

The finance team is completing deep dive work on the way fostering payments are made and the aim in 2015/16 will be for in house payments to be made via FWI rather than the current system.

### **Staying Put:**

The costs for 2014/15 of Staying Put arrangements are included within the budget, at £70k. For 2015-16 the full year cost of those currently in Staying Put arrangements plus the additional arrangements required will be £142k. Those residing in a Staying Put arrangement qualify for housing benefit reducing the staying put cost by £37k to £105k.

<b>Staying Put Costs</b>	<b>2014-15</b>		<b>2015-16</b>	
	<b>Numbers</b>	<b>£000's</b>	<b>Numbers</b>	<b>£000's</b>
<b>Current Arrangements:</b>				
Internal	5	47	5	71
External	1	23	1	38
<b>Total Current</b>	<b>6</b>	<b>70</b>	<b>6</b>	<b>109</b>
Additional for 15-16			2	33
<b>Total payments</b>			<b>8</b>	<b>142</b>
Housing Benefit Contribution				37
<b>Total for 2015-16</b>			<b>8</b>	<b>105</b>

There are 8 Staying Put arrangements currently in place for 2015/16. This is subject to change. The cohort of 16+ in foster placements is monitored to identify future requests for Staying Put arrangements and the associated costs.

For those young people who are in employment and remaining with carers a £50.00 a week contribution will be made towards the placement.

### **HIPSS:**

(Please see performance review report)

**Training Budget for carers:**

£7,000 has been allocated to the foster carers training program and spend has been reduced by sourcing some training internally from across the service and via partners.

**Marketing budget:**

£72,423 has been allocated to cover the marketing post, the recruitment support post and marketing materials in 2015/16. £3,000 was already built into the recruitment budget for promotional materials.

**PLANNING AHEAD – TEAM PLAN 2015****Recruitment and Assessment targets**

Additional investment and staff mean that each fostering social workers' case load will reduce from @ 18-22 to @ 16-18 carer households as duty tasks are reduced and initial enquiries will be undertaken by the Recruitment Support worker (currently being completed by a temporary agency worker). As such, fostering social workers have capacity to increase the number of fostering assessments per annum- from 4 per annum FTE to 6 assessments. This is dovetailed with a planned change to moving to the BAAF 2 stage assessment processes and an expectation that assessment by the social worker will be completed in 4 months from progression to stage 2 and approval at Fostering Panel.

We need to recruit an additional 41 carer households ( including 10 HIPSS carers) over the next 12 months to also take into account projected retirement or resignations of carers. All social workers will be expected to carry 2 assessments as well as carry out support roles.

(Annual figures for 2014 was a net figure of 11 households after retirement and withdrawals).

**Permanence:**

There are currently 15 single or sibling placements requiring long term or permanent placements. Specific recruitment needs to be part of the 2015 recruitment strategy for 'hard to place or challenging' placements. The CHIPP Permanence Workstream is aimed at earlier planning processes to consolidate planning and prevent drift and will be in place by September 2015.

**Fwi /Audit tools**

The Lac Workflow is ongoing and Fostering also need this in place to supplement current tasks, incorporate SLP work and develop improved audit tools which are currently manual. Updating existing templates and developing Chronologies for foster carers to be in place in readiness for FWi workflow activity is planned for 2015.

Signed: 

Carol Moreton, Fostering Team Manager

Dated: 30/4/15

**Appendix 1**

**Team Structure chart.**

**Appendix 2**

**Family Support Worker Intervention – retention or carers and preventing Disruption.**



## **Herefordshire Foster Carers Charter**

### **What Foster Carers can expect from the Fostering Service:**

#### **Working in partnership**

We recognise that foster carers have skills and expertise and make the biggest difference to the everyday lives of children in care.

We will:

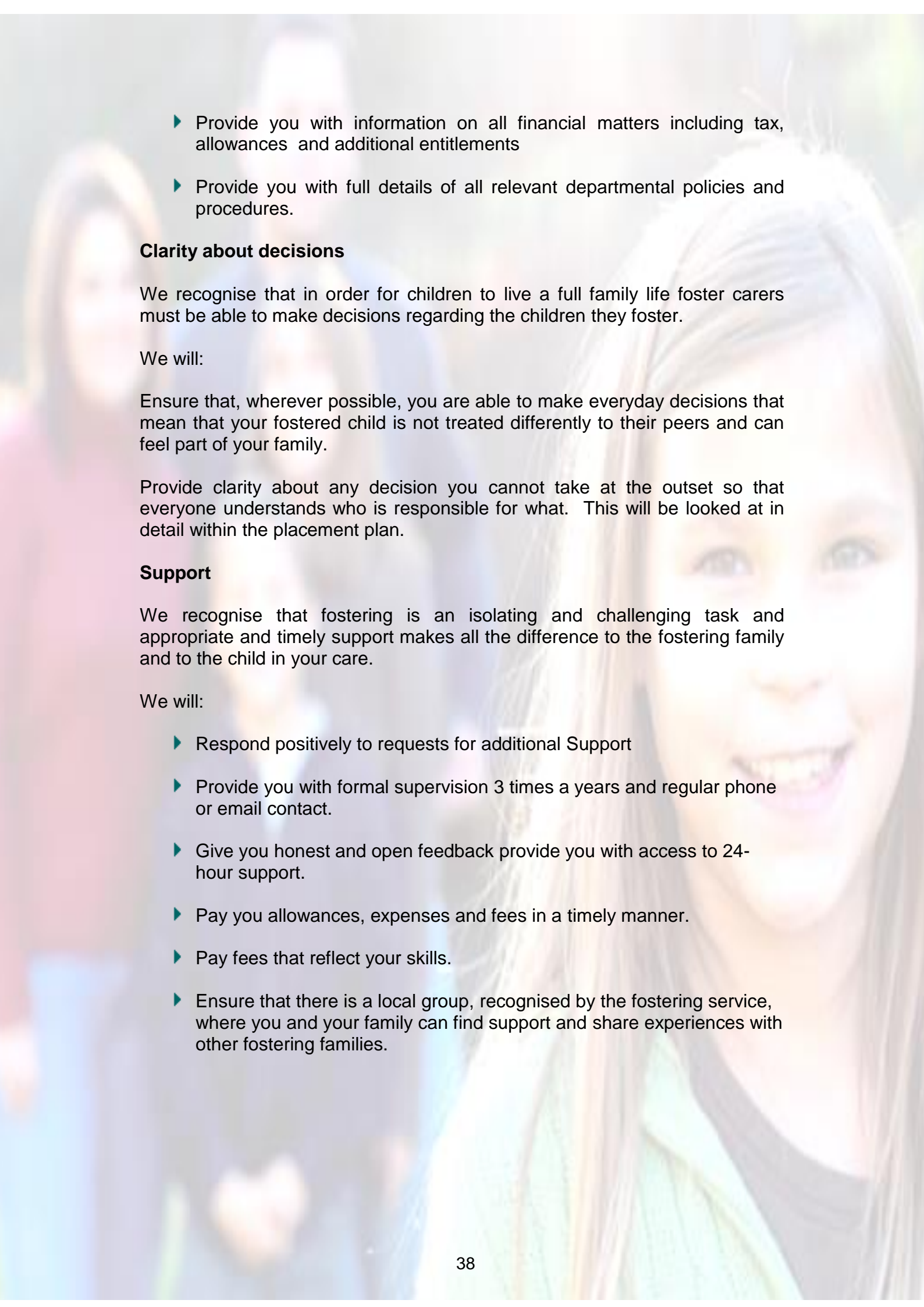
- ▶ Value your skills and expertise equally to those of other professionals.
- ▶ Recognise that you are the people who live with children every day and know them best.
- ▶ Include you in all meetings that affect you and the children you care for.
- ▶ Ensure that our fostering service will meet the standards set out in fostering regulations and guidance.
- ▶ Treat you without discrimination and respect you as a colleague
- ▶ Respect confidentiality.

#### **Information**

We know that information is vital in order for foster carers to provide care that meets the child's need.

We will:

- ▶ Give you all the information you need in order to care safely for the child
- ▶ Provide this information in writing prior to placement (except when there are emergency placements and it is not feasible to do so, when we will provide this information as soon as possible)
- ▶ Ensure that there is a placement plan drawn up in discussion with you and agreed with you in advance of placements (except in emergencies where this will be done as soon as possible).

- 
- ▶ Provide you with information on all financial matters including tax, allowances and additional entitlements
  - ▶ Provide you with full details of all relevant departmental policies and procedures.

### **Clarity about decisions**

We recognise that in order for children to live a full family life foster carers must be able to make decisions regarding the children they foster.

We will:

Ensure that, wherever possible, you are able to make everyday decisions that mean that your fostered child is not treated differently to their peers and can feel part of your family.

Provide clarity about any decision you cannot take at the outset so that everyone understands who is responsible for what. This will be looked at in detail within the placement plan.

### **Support**

We recognise that fostering is an isolating and challenging task and appropriate and timely support makes all the difference to the fostering family and to the child in your care.

We will:

- ▶ Respond positively to requests for additional Support
- ▶ Provide you with formal supervision 3 times a years and regular phone or email contact.
- ▶ Give you honest and open feedback provide you with access to 24-hour support.
- ▶ Pay you allowances, expenses and fees in a timely manner.
- ▶ Pay fees that reflect your skills.
- ▶ Ensure that there is a local group, recognised by the fostering service, where you and your family can find support and share experiences with other fostering families.

## **Learning and development**

We believe that foster carers must be enabled to access learning and development opportunities throughout their fostering career.

This will ensure they have the skills and knowledge they need, and allow them to develop their practice in order that they can help transform the lives of the children they foster.

We will:

- ▶ Provide you and your family with appropriate and relevant training by trainers who understand the fostering task. At appropriate times, including weekends and evenings.
- ▶ Provide you with other development opportunities which make the best use of your skills and expertise, such as mentoring or providing training or support.

## **Fair treatment**

We recognise that foster carers have a right to be treated fairly, no matter what the circumstances.

We will:

- ▶ Consult with you before changing terms and conditions
- ▶ Ensure openness in all of our discussions and communications with you
- ▶ Ensure that you are treated with respect, kept informed and provided with emotional support should you be subject to an allegation
- ▶ Provide a framework for dealing with allegations and adhere to our agreed timescales
- ▶ Ensure that you know the arrangements for the payment of fees and allowances in the event that you are not able to foster while the subject of an allegation.

## **Communication and consultation**

We believe that open and honest dialogue is the key to a good relationship.

We will:

- ▶ Facilitate regular communication between you, councillors and the Director of Children's Services.
- ▶ We will listen to foster carers
- ▶ Ensure that we consult with you in a meaningful way on matters that affect you.
- ▶ Give clear expectations around children's care plans and the foster carers role within that.
- ▶ Give you timely feedback from consultations.



## **What the Fostering Service can expect from Foster Carers:**

### **Working in partnership**

We will demonstrate a high standard of care and conduct.

We will:

- ▶ Demonstrate our expertise and make use of our skills to the best of our ability provide children with an experience of family life
- ▶ Attend meetings about the children and young people we care for
- ▶ Work with the agencies involved with the child such as school, health and religious establishments.
- ▶ Show a willingness to work with birth parents, wider family and people significant in a child's life
- ▶ Meet the standards set out in fostering regulations and guidance and follow
- ▶ departmental policies and procedures respect confidentiality.

### **Respect for the child**

Every child and young person should be respected as an individual and be supported in meeting their needs and achieving their aspirations and potential.

We will:

- ▶ Respect and promote a child's religious, linguistic and cultural heritage afford the same level of protection and care to a child as we would our own child in accordance with the national minimum standards
- ▶ Ensure the child has the right to make decisions regarding their own lives, as appropriate to their age and understanding.

## **Information**

We believe that open and honest dialogue is the key to a good relationship.

We will:

- ▶ Inform our supervising social worker about changes in our household
- ▶ Inform our supervising social worker about any difficulties that arise for us.

## **Learning, development and support**

We must be enabled to access learning and development opportunities throughout our fostering career. This will ensure we have the skills and knowledge we need, and allow us to develop our practice in order that we can help transform the lives of the children we foster.

We will:

- ▶ Be prepared to develop our skills throughout our fostering career
- ▶ Attend relevant training
- ▶ Take up opportunities offered to us
- ▶ Let you know if we are unable to attend and contribute to support groups.

## **Communication and consultation**

We believe that open and honest dialogue is the key to a good relationship.

We will:

- ▶ Respond to local consultations and discussion in order to inform the development of the service. The role of the elected Foster Carer Representatives is available to help support this dialogue.
- ▶ Meet with councillors, service managers and others in order to promote dialogue and a good working relationship.










# All about being in care.

This guide is all about YOU!



# This guide is for **YOU!**

-  We want you to know that you will be:
-  Given the help you need;
-  Protected from harm;
-  Treated with respect and dignity;
-  Consulted on your views and taken seriously;
-  Supported to participate in making decisions about you;
-  Supported to aspire to be the best you can be!





## How will we do this?

We aim to provide you with the best care possible to meet your need.

You may be Looked After for a short time or a long time; but it is our job to work with you and other professionals to create the BEST Plan for your future. We are here to make you happy and have a good life!

Part of your plan will be to decide where you live; it may be that you are the only child in a family or with other foster children in a **foster family**, or that you need other support to get you ready for life after care; but we will work hard to find you a foster family or placement where you are happy and gives you everything that you need.



# Pledge to those children and young people looked after by Herefordshire Council

We know that nobody chooses to be in care and that it isn't always easy.

This is our pledge – those things we promise to do our absolute best to do for you.

## We will:

- ☀ Listen to you
- ☀ Understand who you are and what you want
- ☀ Offer you support when you need it

Director of Children's Wellbeing

Cabinet Member Young People and Children's Wellbeing

Leader of the Council

Chief Executive



Details of what this means are in the Pledge leaflet given to all looked after children and the people who work with them.

 Herefordshire Council

# Who are foster carers?

Foster carers are single people or couples who are chosen to work with and care for children and young people when they are not able to live with their birth families.

Foster carers want to support children and young people; helping them be the best they can be.

Foster carers can live in the country, in a town or a city. We will do our best to make sure your foster carers are one that meets your needs.

Our foster carers will;

Support you to reach your goals

Listen to you

Teach you new skills



Have fun with you



Cook for you



Be there for you



Make sure you have clothes, toiletries, essentials and the little things that re important to you e.g. hair gel for you to feel comfortable in yourself



# Our foster carers will....

"Listen, talk to you, help you through rough patches"

"Look after me and feed me well"

"Let me have fun"



"Befriend you and give you advice"

"Be someone to talk to"

"Help me look to the future"



## Will I be safe?

Everyone who supports you has a duty to protect children and young people. Everyone who supports you has special training to help **YOU** make good decisions to keep yourself safe.



## What about my education?

We will make sure that wherever possible you will stay in the same school. **YOU** will have a plan which will keep track of how well you are doing, what support you need and your goals for the future. This will be your education plan. There are a team of people who know about education who can advise and support you if you need it.



## What about my health?

We will make sure that you are healthy and that you get all the support you need. Some children and young people need special help because they have a disability. Whatever your needs; we will make sure you have access to a doctor, dentist and optician. And are seen regularly by a Looked After Children Nurse.

(What does the LAC nurse do?)



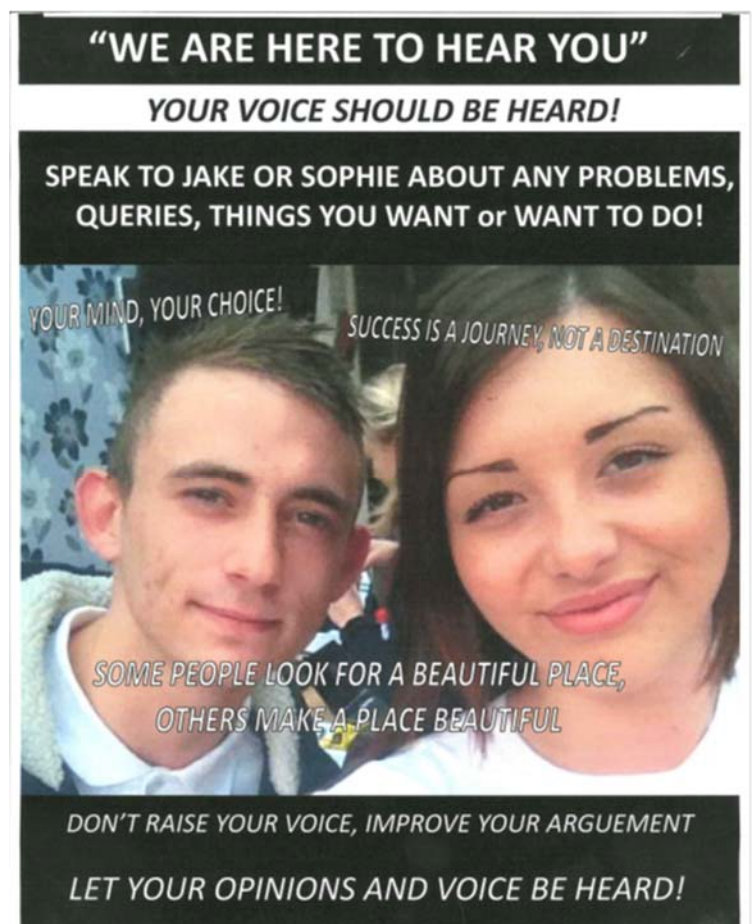
## Having a good time?

We think that it is important for you to enjoy yourself. We will try our best to make sure you continue any clubs or activities that you already do; but also help you try new things.

No4!!

•“We really enjoy everything that they put on here...”

LATCCH and Children in Care Council







**YOU** have a right to be protected from being bullied. Bullying is not just someone threatening to hurt you physically, but being made fun of or being made to feel small in any way. If **YOU** feel that **YOU** are being bullied; we will make sure that you feel listened to and we will support you to make it stop.

## It's Our Turn





**YOU** have a right to be respected and to be treated respectfully. We support you to express your views and we will listen to you and take you seriously. We will work with you to ensure your views are acted upon.



## What can I do if I am not happy?

I will  
be ur  
listening  
ear...



If **YOU** are not happy for any reason in your foster home there are always

people you can talk to. You may be worried about; something you don't like in your care plan, about the foster carers, about school or your birth family.

We need to make sure that you have someone to talk to, this might be; your foster carer, school teacher, advocate, social worker, STEPS worker or someone else who works with you.

Who ever **YOU** choose to speak to, they want to make sure your voice is heard and your rights respected and you are supported to be the best you can be.



If you want to speak to someone independent you can contact:



Children's Rights Director at [www.rights4me.org](http://www.rights4me.org) or on 08005280731,



Ofsted on 030001231231,



NYAS (advocacy) at [help@nyas.net](mailto:help@nyas.net) or on 0808 808 1001,



The Participation Team on 01432 383 326.



Out of Hours duty team on 01905 768 020



Childline on (Free phone) 0800 11 11 (open 24/7)



If you want to make a complaint you can contact 01432 260 535.



Often in life we forget the things  
we should remember and remember  
the things we should forget

© 2012/2013/2014/2015/2016/2017/2018/2019/2020/2021/2022/2023/2024/2025/2026/2027/2028/2029/2030/2031/2032/2033/2034/2035/2036/2037/2038/2039/2040/2041/2042/2043/2044/2045/2046/2047/2048/2049/2050/2051/2052/2053/2054/2055/2056/2057/2058/2059/2060/2061/2062/2063/2064/2065/2066/2067/2068/2069/2070/2071/2072/2073/2074/2075/2076/2077/2078/2079/2080/2081/2082/2083/2084/2085/2086/2087/2088/2089/2090/2091/2092/2093/2094/2095/2096/2097/2098/2099/2100



So here is a space for you to write  
down things to remember....





And some more space.....









# Herefordshire Council Fostering Service 2015

## Statement of Purpose

### OFSTED Registration: URN - SCO56304

#### Contents

1. Introduction
2. What the fostering service aims to do
3. What are the objectives of the fostering service
4. Who makes up the fostering team
5. What types of fostering do we provide
6. Fostering panel and recruitment
7. Principles and standards of care
8. Complaints, Monitoring and Supervision

#### Introduction

This statement has been produced in accordance with the Fostering Services Regulations 2011. The statement outlines the aims and objectives of the Fostering Service and the services and facilities provided by the Fostering Service.

It is made available to staff of the organisation, foster carers, children and young people, parents and other professionals. It is reviewed on an annual basis and revised to reflect any changes as necessary.

#### What the fostering service aims to do (objectives)

Herefordshire council aims to develop and provide a high quality, comprehensive and integrated service that delivers excellent outcomes for children and young people in our care.

- To ensure that children are securely attached to carers capable of providing safe and effective care for the duration of their childhood.
- To ensure children are protected from emotional, physical and sexual abuse and neglect.
- To ensure children receive the education, health and social care they need to maximise their potential.
- To ensure that the services provided are flexible, responsive and supportive of carers.

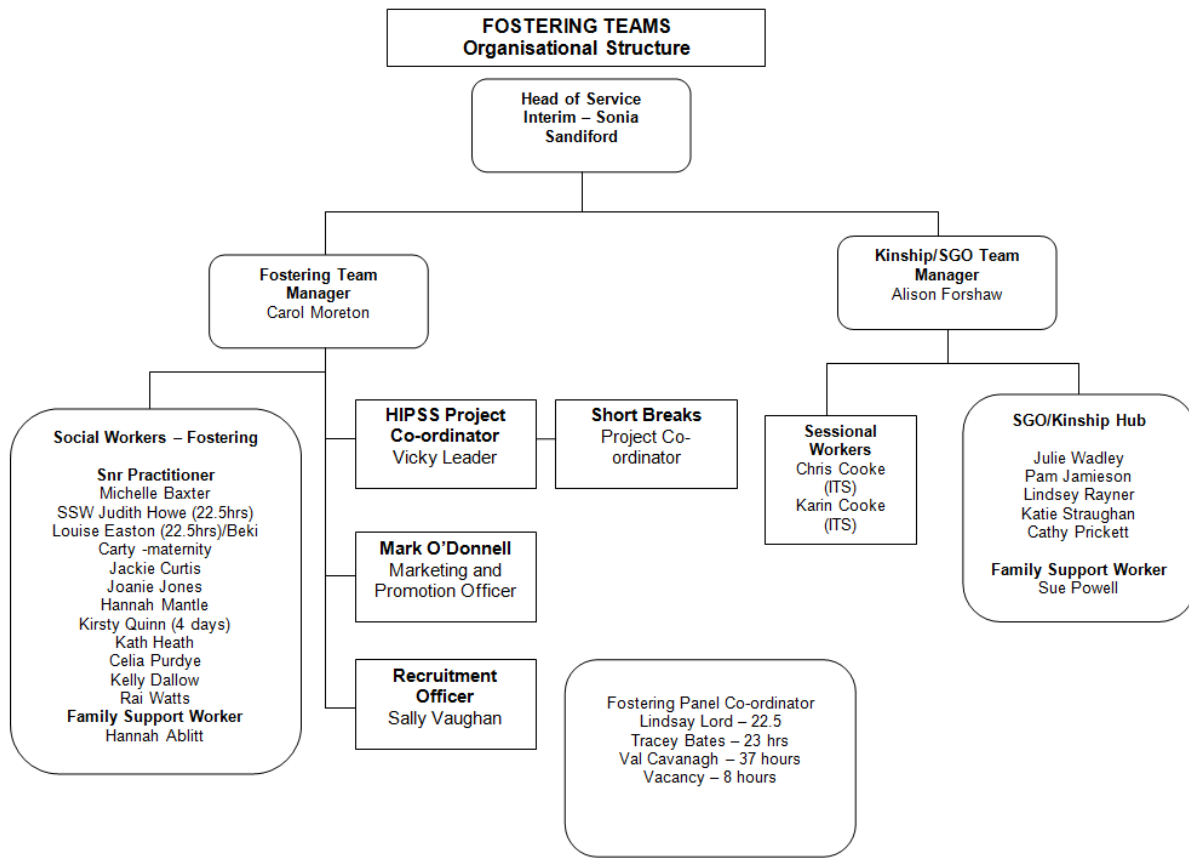
#### What the fostering service aims to do (objectives)

Our aims are underpinned by the National Minimum Standards for fostering to provide Herefordshire looked after children with appropriate foster placement provision primarily in Herefordshire.

- To ensure the views of children, parents and carers are sought and taken into account, having regard for their age and understanding, in the continuous development and improvement of the service.
- To take the wishes and views of children and young people seriously and to enable them to be part of any decision making process that affects them.
- To recognise the importance of and support appropriate levels of contact with family and community as is consistent with their welfare and care plan.
- To recognise and value the diverse nature of the community it serves and proactively engage with the local community to identify potential carers.
- To ensure there is a sufficient range of safe and appropriate placements available for the Looked After Children in Herefordshire.
- To actively monitor and supervise all placements to ensure children are safe, their needs are met and they are making progress to achieve positive outcomes.
- To contribute to and ensure effective multi-disciplinary and partnership working to meet the health, educational and social needs of children within placements.
- The service operates within the framework of equality of opportunity and anti-discriminatory practice. Children will not be discriminated against on the grounds of race, culture, religion, language, age, gender, sexuality, disability or social class in terms of service provision. Wherever possible children are matched within their own cultural, racial, linguistic and religious communities, and where this is not possible, plans must be put in place to keep the child's culture alive for them.
- Children with disabilities are to be placed in an environment that recognises and caters for their disability, and at the same time promotes their social inclusion.
- To ensure staff and carers are well trained and competent in delivering a quality Fostering Service, including opportunities for continued learning and professional development. To ensure all staff and carers have completed safeguarding checks and have a valid CRB.
- To provide all staff and carers support and supervision with clear lines of accountability and management.
- To provide each Foster Carer a named allocated Supervising Social Worker.
- To operate clear administrative records and financial management systems pertinent to the running of the service, including the maintenance of comprehensive and up-to-date records on all children placed.
- To ensure all complaints and allegations against carers/staff are investigated under departmental procedures in a timely fashion and lessons learned filter to improvements in future practice.

- The Fostering Service operates a Fostering Panel that provides a quality assurance role with regards to the recruitment and review of Foster Carers and Foster placements. The panel will ensure the welfare and safety of children is paramount in all decision making.
- Through the recruitment programme, specific training and supervision, foster carers are expected, with support, to give each child placed the best life chances available to them and an opportunity to be safe and secure, achieve in education, health, relationships and transitions to independence or moves back home to birth families.
- To meet the growing need for the fostering service to provide effective and prompt assessments of 'family and friend' as carers a Kinship and SGO Hub has been created in the last 12 months. This will enable children and young people to remain within their family and reduce pressure on existing in-house placements.
- For those children who require external specialist placements (IFA or Residential placement), a referral is made to the commissioning team who aim to source and identify potential placements, working in collaboration with the child's social worker.
- A HIPSS (Herefordshire Intensive Support Scheme) has been commissioned from Action For Children and in-house fostering HIPSS project Co-ordinator to assess and meet regulatory requirements in relation to HIPSS carers to meet the needs of more challenging placements and reduce spend on IFA and Residential costs.
- We have continued to absorb the provision of supported lodgings (16+ placements) into the fostering service and to recruit accordingly to provide placements for those young people who present to social care with needs that are additional to housing accommodation.

**Who makes up the fostering team**



## **What types of fostering do we provide**

### Short term or long term care

A child might come into care because of an illness or accident or a serious incident at home. Whatever the reasons, social services will be working with the family to resolve the issues so that the child can return home as soon as possible.

### Brothers and sisters

Wherever possible siblings should be placed together. For many foster children, the relationship with their brothers and sisters is what they value most when separated from their family and staying together is very important.

### Disabled children

We need carers with experience of caring for children with physical or learning difficulties and other additional needs.

### Parent and child

We need carers who can help to give extra support in their home to new parents and their babies, particularly teenage mums.

### Long term fostering

Some children are unable to return to their families. They will require a stable, long term fostering placement until they reach the age of 18 or beyond.

### Family and friends

Family and friends carers play a key role in allowing children to remain living with adults that they know and trust if, for whatever reason, they cannot live with their birth parents. In such cases Herefordshire Council is committed to ensuring that, where possible, a child or young person can remain living within their own family network.

The support that family and friends carers receive is critical to the success of any placement.

### Herefordshire Intensive Placement Support Service (HIPSS)

Herefordshire Intensive Placement Support Service (HIPSS) is a new therapeutic fostering service to children and young people looked after by Herefordshire Council with the most complex needs that would normally need to be cared for in residential care, away from their local communities and networks.

Therapeutic foster care gives children and young people who have experienced significant trauma in their lives an opportunity to overcome adversity and have the chance to form stable and secure relationships with their carers and live appropriately ordinary lives.

HIPSS is a dedicated friendly, creative team of professionals from psychology, education, social care, fostering and youth work. We work with children and young people aged 7-18 years with complex needs.

### Supported Lodgings Placements

Young people often need support with becoming independent. Especially those people who have lived in care or have been homeless. Supported lodgings provide a safe place for them to become confident and learn about living as an adult: Carers who can inspire and provide them with an environment to help them build independent living skills and help them build a positive future.

### Private fostering

Private fostering is when a child or young person under 16 (or 18 if disabled) goes to live for 28 days or more with someone who is not a:

- Parent (including step parent)
- Legal guardian or person with parental responsibility
- Close relative (like grandparent, brother or sister, aunt or uncle)

### **Fostering Panel and Recruitment**

#### The Fostering Panel

Hereford operates its own Fostering Panel for the approval, review, registration and deregistration of carers.

#### The Fostering Duty Service

A Duty Social Worker is available throughout office hours. The purpose of this service is to identify placements for looked after children and support carers in times of crisis when their own supervising social worker is not available.

#### Fostering Family Support Worker

Herefordshire Fostering service has developed a family support worker role, who is available to provide outcome focused, direct work with children, young people and their carers. Trained in the Solihull Parenting Approach she is able to further equip carers to meet the needs of the children in their care.

#### The Recruitment Service

The Marketing and recruitment officers are responsible for providing a recruitment strategy to respond to service needs and ensure we have sufficient placements for those children in need of Foster placements. This service involves marketing and advertising for foster carers at events and using websites and social media resources. The recruitment officer undertakes initial assessments, checks and references – known as Stage 1 checks - to determine if an applicant meets the criteria required. The fostering social workers complete Form F assessments of those applicants in preparation for presentation to the fostering panel.

16+ placement providers are recruited and are subject to an assessment by the Supported Lodgings social worker that is then verified and approved by the fostering service management team.

#### The Training Service

The fostering team provides training for foster carers both prior to and post their approval.

Preparation training is carried out over three full days and covers basic underpinning knowledge and experiential learning relevant to the task of fostering. The course is underpinned by the seven Training Standards that carers are expected to meet in the first year of their approval, these standards are:

1. Understand Principles and Values
2. Understand your role as a foster carer
3. Health, Safety and Healthy care
4. Know how to communicate effectively
5. Understand the development of children and young people
6. Safeguard children and young people
7. Develop yourself

Carers are expected to meet with their supervising social worker within 6 weeks of approval and develop their Personal Development Plan in line with the Training, Support and Development Standards. It is at this stage that carers will discuss with their supervising social worker what they need to do to meet the standards within the first year of their approval.

There is a programme of training for carers who are engaged in the fee payment scheme and who wish to progress through from level 1 at approval to level 3.

The training programme currently offers the following workshops

- Diversity
- First Aid
- Safeguarding
- Healthy Matters – (age related)
- Education
- Attachment
- Record Keeping and Reflective practices
- Safe Caring
- Behaviour Management
- Working as part of a team
- Life story work and Memory box
- Contact
- Drug awareness
- Foetal Alcohol Syndrome disorder
- ADHD and Autistic Spectrum – when available from partner agencies
- Social Networking
- Parent and Child Placements
- Alcohol Awareness
- Sex Education and relationships (speakeasy)
- Positive Handling
- Impact of Domestic Violence
- Sexual Abuse.
- Pathway planning for older teens
- Attachment in teens
- Appropriate adult training
- Hidden Minorities

Carers are expected to undertake Safeguarding, Diversity and First Aid as Mandatory courses and will be expected to attend a refresher course at least once every three years for safeguarding and first aid.

The fostering service offers carers the opportunity to further their skills and knowledge by accessing Solihull training within the first three years of approval.

Any individual training identified for carers within their supervision will be considered by the fostering service manager and where appropriate to meet the needs of the placement, carers will be given the opportunity to attend individual training events.

Family and Friends carers equally have access to all training events and are actively encouraged to attend. Specific training for kinship carers is to be offered in recognition of the specific issues affecting them and their family.

#### Support Groups for Carers and Birth Children

The fostering team provides carers with the opportunity to attend support groups which is facilitated by a fostering social worker and provides a forum for debate, guest speakers and informal support.

A practice issues Group offers experienced carers a more intensive bi-monthly discussion group.

A Stay and Play group for carers with under fives also meets weekly to enable carers and young children have social interaction.

There is also a support group led by fostering social workers for birth children which is known as FISS, providing birth children with the opportunity to meet with other birth children and share their feelings and views about the impact that fostering has on them.

#### Support to Approved Carers

Approved carers are allocated to a supervising social worker who supports and supervises the carer and their family. This supervision is underpinned by relevant legislation, the standards and the Fostering Regulations.

Carers are supported and assisted by supervising social workers to manage the complexities of caring for a looked after child which includes support to attend any professional meetings, advice and guidance on attachment issues, managing difficult behaviour and placement issues. Supervising social workers will help carers to manage contact issues with birth families and support any contact where appropriate.

Formal supervision will take place with every approved carer at least three times a year and a record will be kept on their file, signed by the carer, social worker and team manager. Regulations require an unannounced visit is undertaken annually and the Fostering service strives to complete 2 per annum to improve Standards.

Throughout the carers' first year reports and progress is recorded: an annual report is prepared by the supervising social worker which is presented to panel for consideration. Subsequent years are undertaken as part of a home review with return to panel every 3-4 years or if areas of concern require Panel scrutiny. In all cases a recommendation is then made by the panel for the carer in relation to their approval status.

#### Children and Adolescent Mental Health Services

A Clinical Psychologist provides advice to foster carers and social work staff on all aspects of behaviour, attachment and mental well-being through the HIPSS team as part of the TISS Service.



Herefordshire Children and Adolescent Mental Health Service may also be available for children in the care of the Herefordshire Fostering Service.

### Education

All children Looked After by Herefordshire Council are encouraged to access educational opportunities and develop to their maximum potential. The Education Liaison Service provides advice, guidance and additional curriculum support to all foster carers and children. All children in foster care should have access to a home computer and relevant educational software. Foster carers have a special link to reading schemes such as 'Letterbox'.

### Health

The physical health needs of children are monitored by the Medical Advisor to the Fostering Service. Each child placed is registered with a General Practitioner. The Wye Valley NHS Trust has employed 2 specialist LAC nurses ( 1.5 fte) to assist in meeting the health needs of Looked After Children.

### Direct works Service

This service manages and supervises contact for many Looked After Children. Intensive support to support re-unification plans and prevent placement breakdown is also being developed.

### STEPS

A number of sessional workers are available for specific pieces of work with a Looked After Child and can be accessed to provide support to young people to assist in maintaining placements.

## **Complaints, Monitoring**

### Complaints, Compliments and Comments

All Local Authorities are required to have complaint procedures under the National Health Service and Community Care Act 1990 and also, where children are involved, under the Children Act 1989.

We want everyone to be satisfied with the service they receive from Herefordshire Fostering Service and the complaints procedure in this authority can be instigated by anyone who is dissatisfied with the service they receive. Young people can also enlist the assistance of the Children's Rights and Advocacy Worker. NYAS

Herefordshire Council has a complaints procedure, which is communicated to all service users and to foster carers, Looked After children and their families.

### Allegations

All allegations of abuse made by children against foster carers or members of a foster carer family will be thoroughly investigated. Hereford's Safeguarding Board procedures for handling allegations are followed in all cases. The investigation of allegations against foster carers will be evidence-based and the decision of how best to proceed will be made in the best interests of the child. An independent Advice and Conciliation worker from Fostering Network is made available to support foster carers throughout the process. All foster carers receive the ongoing support of a Fostering Social Worker. A clear distinction is made between an allegation of harm and a concern regarding standards of care.

### Confidentiality and Conflicts of Interest

Foster carers are provided with information about the children placed with them and expected to observe high standards of confidentiality. As an agency we maintain records on both foster carers

and Looked After Children who are subject to national standards and Data Protection legislation. Staff and foster carers are expected to declare any potential conflicts of interest.

#### Foster Carers Charter

Herefordshire Fostering Service is committed to providing and promoting safe, stable and nurturing placements where the outcomes and life chances are positive for looked after children. In order to achieve this it is important to have a working relationship which is based on trust and respect among all children services that are involved in the care of the child.

The service has worked in partnership with foster carers to achieve the charter which was launched in 2012. The charter explains what the roles and responsibilities of the service and the carers towards each other and the children we care for.

#### Foster Carer Representatives.

Over the last 2 years we have developed the election of Foster carer Representatives to meet with the Team Manager on a monthly basis to liaise over key issues and improve communication between the fostering service and all foster carers – general and kinship. A quarterly Newsletter is produced and support group activities planned.

#### Monitoring

Herefordshire Fostering Service produce quarterly and annual reports. These are presented to the lead member of the Council along with the Senior Management Team at the Corporate Parenting Panel who act for the executive. Quarterly reports are also provided to the Looked After Children Practise Operational Group (LACPOG).

Other monitoring includes staff supervision linked to the appraisal system, 3 formal supervision a year to foster carers, annual reviews, the fostering panel, feedback from training sessions, case recording and practise audits.

#### Evaluating the Service

The information gathered through quarterly and annual reports, audit, inspections and customer feedback is evaluated by the managers of the fostering service, to judge its ongoing effectiveness and make changes where necessary.

The Fostering Service is also subject to formal inspection by Ofsted and inspections usually take place every three years.

#### Bullying

Bullying can disrupt an individual's personal, social and educational achievements. It is recognised that Looked After Children, because of their circumstances, are particularly vulnerable and the Fostering Service requires that steps are taken to prevent bullying by ensuring that foster carers and social workers understand what bullying is and the impact it can have on a child / young person's life. It provides advice and guidance on how best to deal with situations where bullying is occurring in order to help everyone involved with the child / young person remain alert to bullying behaviour both inside and outside the foster home.

#### Behaviour Management

Guidance on managing behaviour is made available to all foster carers through training, ongoing supervision and as part of the 'Discipline Sanctions and Rewards' section. No form of corporal

punishment is permitted to be used on any child placed with a foster parent. No child placed with foster parents is subject to any measure of control, restraint or discipline which is excessive or unreasonable. Physical restraint is used on a child only when it is a last resort and is necessary to prevent likely injury to the child or other persons or likely serious damage to property. If such a risk is identified appropriate training in physical restraint is provided to the foster carer. All carers are to be trained in positive handling, care and control with an emphasis on de-escalation

#### Recruitment, Pre-Approval Training and Support of Prospective Foster Carers

The Fostering Service provides a range of services to local people who enquire about becoming foster carers.

The following is a summary of the recruitment, assessment and approval process:

- Publicity and promotion of foster care to attract new foster carers is continuous throughout the year.
- Prospective carers are provided with information about foster care within 48 hours of making the request.
- Prospective carers who wish to have further information will be visited by a Fostering Social Worker within 10 days. Stage 1 checks are completed and if concerns arise the Team manager must respond within 10 days to inform prospective applicants their application will not progress to Stage2 assessment.
- Full statutory checks and references are undertaken on all applicants and CRB checks on any other adult in the household over the age of 16 years.
- All applicants complete a full medical questionnaire (British Agencies for Adoption and Fostering (BAAF) Form AH), which is made available to the agency Medical Advisor for comment.
- Applicants are enrolled in pre-approval training, which occurs prior to or concurrently with the Form F assessment, whichever provides the timeliest service. This training opportunity is also available to Kinship/family and friends carers. This is now planned for every two months throughout the next 2 years
- Assessments are undertaken by a qualified Social Worker in accordance with fostering service regulations and are completed using BAAF Form F.
- All applicants are invited to attend the Fostering Panel, which makes a recommendation to the Agency Decision Maker on the terms of their approval.

## Support and Supervision

All foster carers are supervised by a Fostering/ supervising Social Worker.

All foster carers have access to support groups. There are currently three support groups in operation as described above. A family and friends support group has been offered and will continue to remain an important feature but has not been taken up – development of the Kinship Representatives role may help to change this.

A Duty Fostering Social Worker is available throughout office hours. This is the first point of contact for all enquiries for fostering and requirements for placements. Outside office hours, foster carers can access the Herefordshire and Worcestershire Emergency Duty Team.

- Foster carers have access to Herefordshire Education Liaison Support Service for advice and support to ensure children's educational opportunities are maximised.
- HALO leisure vouchers can be used for all Looked After Children and a discount service is available for foster carers and their families to use Herefordshire's leisure facilities.
- Foster carers who require respite on a planned basis can access respite services from other foster carers.
- A 'buddying' system is facilitated by Fostering Social Workers between experienced carers and newly approved carers.
- Foster carers are provided with the Foster Carers' Handbook covering all aspects of fostering, together with a diary and the equipment required to record and store confidential records about individual children.
- Annually, a Foster Carer Forum is convened to celebrate and inform the work of Herefordshire foster carers in partnership with elected members, officers and fellow professionals. The forum also provides a multi-disciplinary training event and a social opportunity for carers.

## Ongoing Reviews of Foster Carers

All carers are reviewed annually and their continued registration is considered by the Fostering Panel, which makes recommendation to the agency decision maker as to the terms of their continued registration. Minutes of home reviews are noted at the fostering panel.

## Approval and Review of Statement of Purpose

This Statement of Purpose has been formally reviewed and up dated as of July 2015. It has been distributed to the following agencies/departments:

- OFSTED.
- The Herefordshire Council Website.
- Foster Carers.
- A children's version has been produced for dissemination to all children using the service.

Contact Details of Ofsted:

Piccadilly Gate 4  
Store Street  
Manchester  
M1 2WD

Tel: 0300123 1231

Email: [enquiries@ofsted.gov.uk](mailto:enquiries@ofsted.gov.uk)

## **APPENDIX A : Legislative and Regulatory background:**

### **Principles and Standards of care**

The Fostering Service seeks to ensure that its policies, procedures and practice comply with the following:

- Children Act 2004.
- Children Act 1989.
- National Minimum Standards 2011 (Care Standards Act 2000).
- Fostering Services Regulations 2011
- U.K. National Standards for Foster Care (Fostering Network 1999).
- Care Planning Regulations 2010.
  
- Care Planning, Placement and Case Review and fostering Services (Misc amendments) Regulations 2013
- Code of Practice on the recruitment, training, management and support of foster carers (Fostering Network 1999).
- Training, Support and Development Standards (CWDC)
- Foster Carers Charter

### **Appendix B: Aims and Principles of the Fostering service:**

The Fostering Service:

- Seeks to provide a sufficient choice of placements for all Looked After children wherever possible.
- Seeks to provide or commission placements with foster carers for all Looked After children who require placements in a family setting.
- Respects the ethnic origin, cultural background, religion and language of children and foster carers.

- Seeks to work in partnership with all those involved in the care of Looked After children, including children, their families, foster carers and Social Workers.
- Recognises that children with disabilities may have additional special needs for placement.
- Recognises and seeks resources and specialist provisions for those children who need it.
- The central importance of the child's relationship with their foster carer should be acknowledged and foster carers should be recognised as core members of the team working with the child.
- Children in foster care deserve to be treated as a good parent would treat their own child/ren and to have the opportunity for as full an experience of family life and childhood as possible without unnecessary restrictions.
- Seeks to ensure that the Fostering Service and the 16 plus Team work in partnership to maximise life chances for young people leaving care.
- Seeks the views and opinions of young people and carers when planning and reviewing services.
- Seeks to provide continuity through a placement service, which works in partnership with Herefordshire's Adoption Service.
- Seeks to recruit, train and assess carers to the highest standard in order to meet the needs of local children for local placements.
- Values the child as an individual and give personalised support in line with individual needs and background, in order to develop their identity, self-confidence and self-worth.



<b>Meeting:</b>	<b>Cabinet</b>
<b>Meeting date:</b>	<b>21 January 2016</b>
<b>Title of report:</b>	<b>Adoption report, adoption service statement of purpose and children's guide to adoption</b>
<b>Report by:</b>	<b>Adoption service manager</b>

## Classification

Open

## Key Decision

This is not a key decision.

## Wards Affected

Countywide

## Purpose

To review the effectiveness of the adoption service.

To approve the adoption service statement of purpose and children's guide to adoption.

## Recommendation(s)

**THAT:**

- (a) the performance of the adoption service as outlined at appendices a and b to this report be reviewed, any risks to achievement of objectives noted and relevant mitigating actions approved ;
- (b) the statement of purpose attached at appendix c to this report be approved; and
- (c) the children's guide to adoption attached at appendix d to this report be approved.

## Alternative options

1. Under the National Minimum Standards for Adoption 2014 (NMS), cabinet should receive updates on the management, outcomes and financial state of the adoption service; it is open to cabinet to identify additional or alternative actions to improve performance but in doing so regard must be had to the resource implications of additional actions.

## Reasons for recommendations-

2. The NMS are issued by the Secretary of State under sections 23 and 49 of the Care Standards Act 2000 and are issued for use by Ofsted who take them into account in their inspections.
3. Standard 25.6 states that:
  - The executive side of the local authority
    - receive written reports on the management, outcomes and financial state of the agency every six months;
    - monitor the management and outcomes of the service in order to satisfy themselves that the agency is effective and is achieving good outcomes for children and/or service users;
    - satisfy themselves that the agency is complying with the conditions of registration.
4. Standard 18.3 states that:
  - The executive side of the local authority formally approves the statement of purpose and children's guides and reviews them at least annually.

## Key considerations

5. The adoption service was judged 'Good' by Ofsted in its report of June 2014. Adoption was noted to be promptly considered when children cannot live with their families and court proceedings are rapidly completed so that children can quickly settle into permanent families. People interested in adopting children were judged to be well prepared and supported throughout and following the adoption process.
6. Nationally published adoption scorecards evidence that the adoption service is meeting targets in the timely placement of children and performance against statistical neighbours is good. 13% of children ceased to be looked after through adoption in the last published scorecard (appendix a).
7. Throughout 2014 and early 2015, the potential for combining services with three other local councils to form a West Mercia partnership or single entity for adoption was explored. By April 2015, having considered the detailed business case Herefordshire, Worcestershire, Shropshire and Telford and Wrekin decided not to follow this route, but to maintain commitment to a partnership arrangement with a voluntary agency, After Adoption, to secure adoptive placements for those children who are considered hardest to place. Herefordshire has referred three sibling groups.. Herefordshire continues to

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Further information on the subject of this report is available from  
Hilary Hale, adoption service manager on Tel (01432) 383341



work with Worcestershire to deliver joint training to prospective adopters and to explore joint recruitment of adopters and placements for children in line with the government's manifesto commitment to regional adoption agencies delivering all adopter recruitment, matching and support functions by the end of the current parliament..

8. Nationally the number of children with a plan for adoption is decreasing. In 2014 there was a 46% reduction between quarter 2 and quarter 4 in the numbers of orders made by courts to allow children to be placed for adoption. This is thought to be due to changes in case law as a result of appeals in the courts. However, in Herefordshire the numbers of orders made by the court to allow placement of children in adoptive families increased by 60% between October 2014 and 2015 reflecting excellent joint work by the LAC court hub and adoption team. The number of children placed for adoption also increased by 30% in the same period and 23 children left the care system through adoption orders being granted.
9. Recent court hearings locally suggest that the number of children made subject to orders allowing them to be placed for adoption is likely to decrease over the next reporting period, resulting in fewer children being placed for adoption. Robust and well informed evidence from social workers is required by the courts in respect of the assessment of sibling relationships and the capacity of family members to offer satisfactory permanent care. This work is now undertaken by social workers in the child in need teams.
10. The statement of purpose (appendix C) and children's guide to adoption (appendix D) should clearly set out the aims and objectives of the adoption agency and show how the service will meet outcomes for children. Both should be reviewed at least annually and this has not happened since a change to the process for prospective adopters in July 2013.
11. Feedback from adopters assessed, approved and supported by Herefordshire is actively sought by the independent adoption panel and agency via formal questionnaires and this feedback is shared with the adoption panel which has a role in quality assuring the work of the adoption service and safeguarding and family support service and reporting this to the agency decision maker. The feedback from adopters on the service provided is overwhelmingly positive and their recommendation to others considering adoption is our most valuable recruitment tool.

## **Community impact**

12. The government published an 'Action plan for adoption: tackling delay' in March 2012 and several later initiatives have promoted adoption as the optimum permanence option for children unable to be brought up within their original families. Protecting children and giving them a great start in life and promoting their mental health and emotional wellbeing are priorities for the council. It is accepted that the sooner a child is placed for adoption, the better the outcome, hence the imperative to avoid delay in securing placements for children.

## **Equality duty**

13. The adoption service welcomes applications from those wishing to adopt, from all sectors of the community and is ambitious in seeking adoptive placements for children whatever their level of need. This is reflected in the statement of purpose and recruitment strategy. We have successfully recruited and placed children with single adopters, same sex couples, adopters who are registered disabled and adopters from the BME community. We prioritise applications from those hoping to adopt children who are considered harder

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to place such as sibling groups, older children and children with additional needs.

14. Note: Under Section 149, the "General Duty" on public authorities is set out thus:

- "A public authority must, in the exercise of its functions, have due regard to the need to -
- eliminate discrimination, harassment, victimisation and any other conduct ... prohibited by or under this Act;
- advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
- foster good relations between persons who share a relevant protected characteristic and persons who do not share it."

## **Financial implications**

15. The budget for adoption service remains consistent. Income is generated by fees paid for children from other agencies to be placed with adopters approved by Herefordshire and projected income of £54,000 (the fee for two single placements) was built into the 2015/16 budget. The increased oversupply of adopters nationally has meant that more agencies are able to place their children with their own adopters. In Herefordshire the numbers of approved adopters fell by 15% between 2013/14 and 2014/15 and it has become harder to find placements for them. This creates a potential pressure, which is being monitored.

## **Legal implications**

16. Cabinet must receive reports on the management, outcomes and financial state of the agency every six months to comply with Adoption National Minimum Standards.

## **Risk management**

17. Without an effective adoption service, looked after children would spend longer in the care of the local council. This would be detrimental to their wellbeing and life chances and would not support the objective of 'protecting children and giving them a great start in life'. If the support needs of adoptive families are not met, children may return to the care system. An effective adoption and looked after children's service is important to ensure that we are able to offer a robust and timely approach to securing permanence for children unable to be brought up safely within their families of origin and to ensure access to services that will best support their specialist needs.

18. The recent trend of fewer orders being granted by the court to permit children to be placed for adoption is likely to impact upon the numbers of children leaving the care system via adoption.

19. The adoption service has consistently been judged 'Good' by Ofsted. If the service is not effective, this will affect the overall judgement of children's wellbeing and thus the reputation of the council. We need to ensure that the service maintains this judgement and minimise any reputational risk by ensuring children's social workers are equipped to provide well evidenced assessments and permanence plans that are accepted by the courts and carefully considering how the prospect of regional adoption agencies would impact on outcomes for Herefordshire children and families.

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## **Consultees**

20. Members of Herefordshire's adoption panel which is independently chaired and comprises independent and professional members with experience of adoption.

## **Appendices**

Appendix a: Six monthly report on adoption activity 1 April 2015 to 30 September 2015

Appendix b: Adoption scorecard December 2014

Appendix c: Statement of purpose August 2015.

Appendix d: Children's guide to adoption.

## **Background papers**

- None identified.



**6 MONTHLY REPORT ON ADOPTION AGENCY ACTIVITY**  
**1<sup>st</sup> April 2015 to 30<sup>th</sup> September, 2015**

**Children with a plan for adoption**

10 children were presented to the agency decision maker (ADM) for a decision that adoption should be their care plan, 7 were male and 3 female. Their ages ranged from 14 days to 3 years 7 months.

10 children were matched with prospective adopters and 9 of these have been placed; the remaining child has been matched to her current carers but we do not yet have permission to place her for adoption. The children's ages at placement for adoption ranged from 3 months 7 days to 11 years 8 months, though one baby was placed with her prospective adopters under a fostering to adopt placement when she was one day old. 6 were female and 4 were male.

6 children were made subject to Placement Orders and the parents of 2 children gave consent to their child being placed for adoption.

10 children were matched with prospective adopters:

- 7 children were matched with adopters approved by Herefordshire.
- 1 child was matched with her kinship
- 3 were matched with their foster carers.
- 6 children were female, 4 were male and all were White British
- 2 children were relinquished for adoption by their birth mothers.

**Children with a plan for adoption – not yet matched (As at 30<sup>th</sup> September, 2015)**

13 children with a plan for adoption have not yet been formally matched with adoptive families, this includes two sibling pairs. 5 have matches booked into panel. 6 had a plan for adoption decided within 6 months of coming into care.

Their ages range from 5 months to 6 years 5 months and all are White British.

5 are female and 8 are male.

8 children have been in care for more than 12 months.

Causes of delay:

- One child came into care when 3 days old and his plan for adoption was changed as a family member was identified, but this did not progress and the plan has now reverted to adoption. Further assessments of his developmental progress were required and his foster carers are now being assessed to adopt him.
- Two siblings were previously placed together for adoption, but the placement disrupted within 5 months and prior to an adoption application being made. The children have been receiving therapeutic support and have been referred to a specific project seeking placements for children who might otherwise not be found adoptive placements.

- Assessments are ongoing to assess whether one child might be placed with the adopters of a full sibling.
- We do not yet have permission to place two of these children therefore active family finding outside our own resources cannot progress.

### **Adoption Orders**

12 children left the care system through adoption orders being granted.

16 children are placed for adoption but adoption orders have not yet been granted.

### **Change of care plan from adoption**

2 children had their care plan changed from adoption as placement orders were not granted by the court. In one case the Judge did not want to sever the relationship the child (aged 1 year 5 months at ADM decision for adoption) had with his siblings and parents. It is likely that this child will remain in foster care. Kinship carers were assessed as able to meet the needs of the other child (aged 2 years 1 month at ADM decision for adoption) and they intend seeking a Special Guardianship order in the future.

Currently there are 11 looked after children subject to placement orders whose care plans were changed from adoption some years ago. All are in the process of revocation, but delayed by the court system.

### **Adoption disruption**

No adoptive placements disrupted during this period.

### **Recruitment of prospective adopters**

#### **Adoption enquiries**

20 initial enquiries were received from people interested in adopting, which included 2 sets of foster/kinship carers wishing to adopt children in their care and 2 families who had previously adopted through Herefordshire.

7 enquirers did not respond to a follow up approach.

12 initial visits were undertaken.

#### **Adoptive applicants**

It is intended that stage 1 (which includes statutory checks, references and medicals and information gathering by the prospective adopters) is completed within 2 months.

Stage 2 involves further training and the preparation of the Prospective Adopters Report (PAR) which should be presented to the adoption panel within 4 months.

Prospective adopters may choose to take a break between the two stages or may be advised to do so by the agency.

Registrations of interest were accepted from 4 prospective families for stage 1. 2 of these were not completed within the two month timescale due to prospective adopters not completing their self-assessments and further medical information being required.

7 stage 2 assessments were started.

6 prospective adoptive families are currently in stage 2 undergoing assessment.

8 adoptive households were approved in this period and 3 of these have been matched with children.

### **Adopters Matched**

6 Herefordshire adoptive couples were matched with 7 Herefordshire children. No Herefordshire adopters were matched with children from other authorities.

Adoption orders have been granted to 11 Herefordshire adoptive households in respect of 8 Herefordshire children and 3 children from other local authorities. 10 were joint applications and 1 single.

### **Non agency adoptions**

5 assessments and court reports were completed for adoption applications made by step parents directly to the court.

<b>Comparison of activity</b>	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15</b>	<b>2015/16 6 mths</b>
Children presented to ADM for plan of adoption	23	28	22	11*
Children matched with adoptive families	14	22	26	10
Adopters approved	17	19	16	8

### **Celebrations and challenges**

#### **Adoption support fund (ASF)**

The fund went live on May 1<sup>st</sup> 2015 and will be entirely funded by the Department for Education for the first year; thereafter it will be jointly funded by local authorities and government. The purpose is to extend access to specialist therapeutic support for adoptive families.

The fund is available to children adopted from care in England, or from Wales but now living in England. The ASF will not fund services that local authorities are required to provide under statutory regulation.

We made our first application on May 1<sup>st</sup> and have successfully secured funding for seven families in this period, amounting to approximately £46,500.

### **The national picture**

The number of looked after children placed for adoption at 31 March, which rose from 2011 to 2014, has decreased by 15% in 2015. This is consistent with the decrease in the number of looked after children with a placement order in place at 31 March which has dropped by 24% from 2014. The national Adoption Leadership Board has linked decreases in placement orders to the impact of two relevant court judgments, known as Re B and Re B-S. 24% of reversals of the decision to place a child for adoption were due to courts not granting placement orders, a rise of 8% from 2013/14.

The use of special guardianship orders to secure permanence for children under a year old increased by 64% from 2013 to 2014. The appropriateness of their use is now being considered under a Government consultation as a result of concerns that the original intention of SGOs was to secure established relationships for older children and about the rigour of assessments and support provided to special guardians when compared to that for adopters and foster carers whose children have similar needs.

Nationally the time taken to place children for adoption has improved with 36% placed within a year of entering the care system.

5,330 looked after children were adopted during the year ending 31 March 2015. Whilst numbers continue to increase, the rate of increase in 2015 is lower than in previous years: there was an increase of 5% between 2014 and 2015, compared with an increase of 26% between 2013 and 2014.

Of all looked after children adopted in 2015 the majority (76%) were aged between 1 and 4 years. The average age at adoption was 3 years and 3 months, two months younger than in 2014 and seven months younger than in 2011.

Nationally the number of people approved to adopt has increased and there are now more adopters than children waiting to be matched. The timeliness of approvals for prospective adopters has declined from 50% to 28% being approved within 6 months. Timeliness of matches with children for approved adopters has declined from 80% to 58% within 6 months of approval.

Sources: ALB headline data Q4 2014/15. Department for Education statistics for looked after children, 1<sup>st</sup> October 2015.

### **Regionalising adoption**

In June 2015 the government outlined their intention that all local authorities would become part of regional adoption agencies by the end of this parliament. They believe that this will speed up matching and hence improve the life chances of children; improve adopter recruitment and adoption support; and reduce costs.

Adoption agencies were encouraged to come up with new delivery models to cover all adopter recruitment, matching and support functions and they anticipated models that could deal with around 200 children per year.



Expressions of interest from regions were to be submitted by early September to attract monies to cover project planning and 14 have been successful in the first round.

Herefordshire and Worcestershire have jointly agreed to continue to build on their established partnership arrangements but are aware that more ambitious plans will be required to meet the government's expectations.

### **Lifestory project**

The project set up under the auspices of Early Years and Family Support to clear the backlog of outstanding lifestory books for children placed for adoption has now concluded. There has been positive feedback from adoptive parents on the quality of work produced.

The responsibility for the timely production of lifestory books will now rest with the social work teams.

### **Reorganisation of social work teams**

Planning for adoption and managing the court process, choice of adoptive family and support post placement has been undertaken by the LAC court hub in this period. From October 2015 this work will initially be undertaken in the child in need teams and then transferred to the LAC team when a placement order is granted. Training and familiarisation with the adoption process will be required.

**Hilary Hale adoption service manager  
October 2015**





# 2014 ADOPTION SCORECARD

Local Authority Scorecard

December 2014

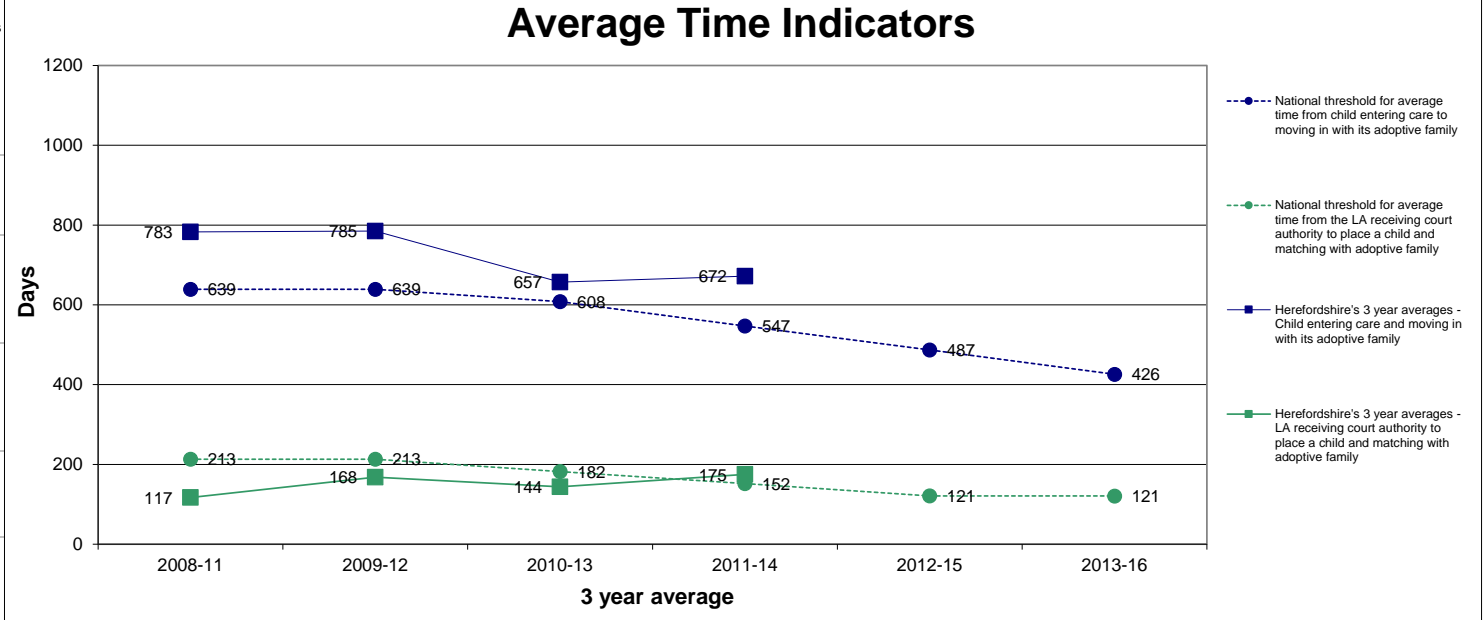
**Children's Services and Departmental Strategy Directorate**

# Adoption Scorecard

Choose Local Authority

## Children

	Average time between a child entering care and moving in with its adoptive family, for children who have been adopted (days)	Average time between a local authority receiving court authority to place a child and the local authority deciding on a match to an adoptive family (days)	Children who wait less than 18 months between entering care and moving in with their adoptive family (number and %)
LA's 3 year average (2011-14)	428	127	45 (67%)
1 year trend - Improvement from 2013 to 2014	Average time in 2014 was shorter than in 2013	Average time in 2014 was longer than in 2013	n/a
3 year trend - Improvement from 2010-13 to 2011-14	Average time in 2011-14 was shorter than in 2010-13	Average time in 2011-14 was longer than in 2010-13	n/a
England 3 year average (2011-14)	628	217	11,360 (51%)
Distance from 2011-14 performance threshold	Threshold met	Threshold met	n/a



## Adopters

	Number of approved adoptive families as at 31 March 2014	Proportion of adoptive families who were matched to a child during 2013-14 who waited more than 3 months from approval to being matched to a child
LA average	20	57
England	5,795	58

## Related Information

	Adoptions from care (number adopted and % leaving care who are adopted)	Number and % of children for whom the permanence decision has changed away from adoption	Average time between a child entering care and moving in with its adoptive family. Where times for children who are adopted by their foster family are stopped at the date the child moved in with the foster family (days)	Adoptions of children from ethnic minority backgrounds (number adopted and % of BME children leaving care who are adopted)	Adoptions of children aged five or over (number adopted and % of children aged 5 or over leaving care who are adopted)	Average length of care proceedings locally (weeks)	Number of children awaiting adoption (as at 31 March 2014)	Number of children awaiting adoption with a placement order (as at 31 March 2014)	Number of applications for approval as an adopter still being assessed (not yet approved or rejected) as at 31 March 2014
LA's 3 year (2011-14)	40 (13%)	10 (13%)	344	x (x%)	x (x%)	39	15	15	10
England 3 year (2011-14)	12,530 (14%)	3,230 (12%)	525	1,910 (8%)	2,790 (5%)	48	6,370	4,680	4,245

## Adoption Scorecard

### Statistical Neighbour Comparisons

			Children			Adopters		Related Information								
			Average time between a child entering care and moving in with its adoptive family, for children who have been adopted (days)	Average time between a local authority receiving court authority to place a child and the local authority deciding on a match to an adoptive family (days)	Children who wait less than 18 months between entering care and moving in with their adoptive family (%)	Number of approved adoptive families as at 31 March 2014	Proportion of adoptive families who were matched to a child during 2013-14 who waited more than 3 months from approval to being matched to a child (%)	Adoptions from care (% leaving care who are adopted)	% of children for whom the permanence decision has changed away from adoption	Average time between a child entering care and moving in with its foster family, for children who have been adopted by their foster parents (days)	Adoptions of children from ethnic minority backgrounds (% of BME children leaving care who are adopted)	Adoptions of children aged five or over (% of children aged 5 or over leaving care who are adopted)	Average length of care proceedings locally (weeks)	Number of children awaiting adoption (as at 31 March 2014)	Number of children awaiting adoption with a placement order (as at 31 March 2014)	Number of applications for approval as an adopter still being assessed (not yet approved or rejected) as at 31 March 2014
884	Herefordshire		428	127	67	20	57	13	13	344	x	x	39	15	15	10
893	Shropshire	Extremely Close	400	62	76	40	46	16	0	398	x	3	35	15	5	35
933	Somerset	Extremely Close	560	156	51	35	59	13	6	454	x	4	51	65	30	60
878	Devon	Very Close	545	153	60	75	70	8	14	485	x	2	43	70	45	45
908	Cornwall	Very Close	449	144	77	35	51	16	7	428	21	6	32	40	40	40
835	Dorset	Very Close	497	132	69	30	50	12	15	343	x	3	37	20	15	25
935	Suffolk	Very Close	515	216	64	65	60	26	3	466	20	9	36	60	55	35
865	Wiltshire	Very Close	637	165	40	45	61	13	4	580	15	4	50	40	15	30
926	Norfolk	Very Close	557	206	65	65	28	16	9	471	13	4	38	90	60	50
916	Gloucestershire	Very Close	593	113	47	45	54	13	10	481	12	5	53	50	35	80
845	East Sussex	Very Close	536	199	54	40	37	20	8	473	12	6	46	85	65	35
	Statistical Neighbours		529	155	60	48	52	15	8	458	16	5	42	54	37	44
970	England		628	217	51	5,795	58	14	12	525	8	5	48	6,370	4,680	4,245



**HEREFORDSHIRE COUNCIL  
ADOPTION AGENCY**

**STATEMENT OF PURPOSE  
August 2015**

**URN: SC057941**

## CONTENTS

1. Aims and objectives of the local authority in relation to the adoption service.
2. Number, qualification and experience of the staff employed to deliver its specialist adoption service.
3. Systems in place to monitor and evaluate provision of services to ensure adoption services are effective and the quality of service provision is of an appropriate standard.
4. The procedures for recruiting, preparing and assessing, approving and supporting prospective adopters.
5. Appendix 1 – Herefordshire Council’s complaints procedure  
**(Full procedures can be accessed through Herefordshire Council’s website)**



## **1. Aims and objectives of the local authority in respect of its adoption service**

The authority aims to provide a service to all its customers that is welcoming, user friendly and non discriminatory.

The adoption service endorses the values underpinning the National Minimum Standards in setting service objectives and strives to promote the following principles within the timescales laid down by regulation:

- All children should be protected from emotional, physical and sexual harm and neglect.
- All looked after and adopted children should be placed as soon as possible with carers who can provide safe and appropriate care.
- In preparing children for an adoptive family we will listen to their views and provide age appropriate information.
- All service provision will be sensitive to the needs and diversity of the individual children, their birth parents and adoptive parents.
- All service provision will be flexible, responsive and supportive of carers and children.
- Adoptive parents require access to specialist preparation and ongoing support to carry out the additional parenting tasks of adoption.
- Adopted children and their parents require additional tools to process their unique histories and to understand their permanent separation from birth families.
- The adoption service will act as a mediator and consultant with universal services to ensure sensitive inclusion.
- We acknowledge that adoption has lifelong implications for those adopted and their families.
- Partnership between all those involved in adoption is essential to deliver the best possible outcomes for children.

Based on these principles Herefordshire Children's Wellbeing directorate aims to provide a comprehensive adoption service to all those who require it. The service is consistent with Adoption Regulations and National Minimum Standards which are reflected in comprehensive policies and procedures.

### **Services provided by Herefordshire adoption service:**

- Recruitment, assessment, preparation and support of a wide range of prospective adoptive parents to meet the placement needs of children locally and nationally.
- Counselling, information and support for birth parents who have lost or are at risk of losing their children to adoption.
- Counselling, information and support for pregnant women and parents who are considering placing their child/ren for adoption.
- Counselling for adopted adults in accordance with Schedule 2 of the Adoption and Children Act 2002. Those wanting intermediary services to trace birth relatives are signposted elsewhere.

- Advice and consultancy for social work practitioners and others who are working with children and families affected by adoption.
- Provision of counselling, assessment and court reports in step parent and other non agency adoption proceedings.
- Preparation of reports and attendance at other local authority panels when a match has been recommended for a Herefordshire approved family.
- Assessment of the support needs of adoptive families and provision of services before and after an adoption order has been made. This will include adoptive families unknown to the agency who reside in the county and request adoption support assessments 3 years post adoption order.
- Signposting, provision or commission of therapeutic services for children and their parents to ameliorate the impact of early trauma and abuse.
- Provision of adoptive families for children identified locally, through AdoptWestMids Consortium and nationally through the Adoption Register.
- Adoption case records and all their contents are kept in secure conditions at all times and appropriate measures are taken to prevent theft, unauthorised disclosure, loss or destruction.

## **2. Adoption service staff**

Hilary Hale has been the registered manager of the adoption service and adoption support services advisor (ASSA) since August 2006. She has extensive experience as a children and families social worker and manager, is an adoptive parent and the professional advisor to the adoption panel.

- In the absence of the registered manager, the adoption team manager Gill Smith will deputise. Responsibility for the service rests with the head of service for looked after children and young people.
- Social workers preparing reports in relation to prospective adopters, adoption placements and other adoption specific reports are required to have three years post qualifying experience in child care social work (including direct experience of adoption work). The 5.84 full time equivalent adoption social workers meet this requirement and are registered with the Health and Care Professions Council.
- Through supervision, annual performance appraisal and development interviews and specialist training Herefordshire Children's Services ensures that staff have the skills and knowledge to work effectively in the complex field of adoption practice whilst keeping up to date with safeguarding and legislative developments.
- The team have a stable core staff group with a wide range of experience in the field of child care and family placement, including a play therapist/child and adolescent psychotherapist who provides

consultations to social workers, carers and parents and works directly with children, young people and adopters.

- Written procedural and practice guidance, including safeguarding procedures are available via the Intranet to staff and this is updated regularly in light of practice and legislative changes.
- The adoption panel co-ordinator and letterbox co-ordinator are an integral part of the team, providing excellent support and a wide range of skills and experience to their roles.
- All members of the adoption service undertake regular safeguarding and data protection training.
- The adoption panel has a rolling programme of training with bi-annual half-day workshops in conjunction with the adoption service staff group.

**3. The systems in place to monitor and evaluate the provision of services to ensure that services provided are effective and the quality of all aspects of service is of an appropriate standard.**

Feedback is regularly sought from service users and used to improve services provided. The adoption panel provides independent quality assurance on practice and reports presented. Six monthly reports on adoption performance are presented to cabinet. Adoption services are inspected and rated by Ofsted as part of their inspections of services for children in need of help and protection, looked after children and care leavers.

**Service planning information**

- The nominated manager of the adoption service is a core member of the legal gateway panel which considers the cases of all children where legal proceedings may be indicated; this ensures early identification of children with a potential plan for adoption.
- The adoption service manager works closely with other managers within the looked after children's service, independent reviewing officers and the performance team to ensure tracking of children's cases where adoption has been identified as a potential plan. Securing permanence for children unable to return to their original families is a key priority.
- The adoption panel takes a proactive role in meeting its obligations to monitor the service's performance against national minimum standards.
- Bi-annual meetings of the adoption panel monitoring group provide a forum for the independent panel chair to bring to the attention of the agency decision maker issues of quality assurance in terms of delay and practice.
- Bi- annual reports of the adoption service's activities, management and performance are presented to the senior management team and executive of the council and to key stakeholders.

- Protecting children and giving them a great start in life is a council priority. The timeliness of permanence planning for children is demonstrated through the numbers of children placed for adoption and the DfE adoption scorecards.
- The adoption service maintains records of its work and ensures that legislative requirements governing the use and retention of information are adhered to. All members of the service undertake data protection training.
- The assistant accountant for children's wellbeing meets regularly with the nominated manager to ensure the financial viability of the service.
- Records are kept of any serious incidents, allegations or complaints about the adoption service and policy and practice are updated to improve the service.
- Adoption service staff actively participate in regional organisations and consortia groups to keep informed about adoption practice development for the benefit of its diverse customers.

#### **Monitoring of recruitment and assessment of prospective adopters**

- All prospective adopters are directed to/given written information about the council's complaints procedure and about their right to apply to the independent review mechanism (IRM).
- All prospective adopters are required to attend 'Preparing to Adopt' training which is provided in partnership with Worcestershire adoption service. Evaluation forms are provided at each session and direct feedback is sought by the adoption panel. Feedback is used to inform course development.
- Timeliness of response to enquirers and throughout the approval process is measured and reported to the adoption panel and executive of the council.
- An evaluation questionnaire about panel attendance and experience is provided to all attendees including social workers and feedback from these is presented to panel to review its practices.
- On the granting of an adoption order all adopters are asked to complete a comprehensive questionnaire on their experience of the service offered by the agency.

#### **Monitoring of child's adoption plan**

- Children with a plan for adoption are monitored through the LAC review system by independent reviewing officers and regular 'rag rating', auditing and tracking.

- Close liaison between children's teams and the professional advisor ensure sufficient time for consideration of adoption plans by the agency decision maker (ADM).
- Should a placement disrupt prior to an adoption order being granted, a meeting is convened to investigate and learn and reports are shared with the adoption panel and agency decision maker.
- The need for birth parents to receive independent counselling and support is emphasised to independent reviewing officers and children's social workers.

Child permanence reports (CPRs) and adoption support plans are prepared by suitably qualified social workers, endorsed by their supervisors and quality assured by the professional advisor to ensure consistent quality.

- Comments on the quality of reports and presentation by panel members are collated and fed back to supervisors to improve practice and feed into staff appraisals.
- Training is periodically undertaken with the looked after children's teams to emphasise the multipurpose and explicit requirements of high quality CPRs and adoption support plans that acknowledge the lifelong impact of early trauma and neglect.

#### **Monitoring of adopter activities**

- Timescales for responding to initial enquirers, accepting registrations of interest and completion of the two stages of the assessment process are collated and reported in nationally published data.
- All approved adopters are referred to the national Adoption Register if no potential match has been identified within three months of approval.
- Where an adopter has been approved for over twelve months and has not been matched with a child, a review of their approval takes place with the adoption service manager. If there is a significant change of circumstance the review report is considered by the adoption panel and the adopter/s invited to attend.
- Monitoring is in place to ensure that DBS checks and medical assessments remain valid for all approved and waiting prospective adopter/s.
- Quality assurance comments by adoption panel members on each case presented are collated and fed back to supervisors.

#### **4. Procedures for recruiting, preparing, assessing, approving and supporting prospective adopters.**

The agreed policies and procedures governing the functioning of the adoption service are available on the Intranet and Internet.

The key features covered by the policies and procedures are highlighted below.

### **Recruitment, assessment and training**

- In accordance with the Children Act 1989 and Adoption and Children Act 2002 the needs of the child throughout their life are paramount when seeking adoptive family placements and the child's welfare, safety and needs are at the centre of the adoption process. The adoption system exists to serve vulnerable children, rather than adults who wish to adopt.
- The main aim of all aspects of preparation is to provide a lifelong family where a child will grow up in a secure and positive environment and reach their potential in all aspects of their lives.
- The needs of children who require adoptive placements are diverse and complex. In order to meet these needs, the adoption service will be creative and flexible and will be willing to consider all enquiries that offer the potential to provide a suitable adoptive home for a child.
- The adoption service will respond positively to applications to become adopters from people of all backgrounds, cultures, disability status, sexuality, marital status and religion in order to provide the maximum opportunity for children to be successfully adopted.
- Our responsibility to maintain a child's safety and confidentiality means that it is often not appropriate to place Herefordshire children for adoption within the county. We therefore welcome prospective applicants from neighbouring authorities to enable us to place Herefordshire children with families assessed and supported by Herefordshire adoption service.
- Where it is supported by the social work teams, applications from foster carers who are already caring for a child whose plan is adoption, will be welcomed. They will be offered counselling and training/information particular to their circumstances and their assessments will be 'fast-tracked' to panel as will those who have adopted previously.
- We recognise that there is a national need for adoptive families and welcome applications from those able to meet the more complex needs of children such as large sibling groups, children with disabilities, older children and those from Black and minority ethnic backgrounds. If we feel unable to prioritise a particular application we will signpost prospective applicants to other agencies.
- Enquirers who are still having investigations or treatment in the hope of achieving a pregnancy will be advised that we will not accept an application until the treatment has ceased and they have come to terms with this. Given the prevalence of loss issues for children where adoption is the plan it is essential that applicants are as emotionally robust as possible and have come to recognise and accept their infertility.
- Information about the particular needs of children requiring adoption will be used to recruit prospective adopters to ensure well prepared adoptive

placements within a timescale that is suitable to the needs of the children waiting.

- Where a placement cannot be identified from within its own resources the adoption service will look to neighbouring authorities, the AdoptWestMids Consortium, the national Adoption Register, other local authorities and voluntary adoption agencies. The payment of an inter agency fee will not be an impediment to the placement of children within the shortest possible timescale appropriate to their needs.
- Approved adopters are encouraged to be proactive in identifying potential matches and to attend regional and national 'exchange days' and adoption activity days.
- Specialist profiling is undertaken at an early stage for children where experience indicates there may be delays in identifying a placement e.g. older children, children with complex needs or sibling groups of 3 or more children.
- Herefordshire welcomes interagency placements with families assessed, approved and supported by other adoption agencies. Efforts are made to place Herefordshire children within two hours travelling distance to minimise difficulties during transitions and ensure support from known social workers. Adoption support service provision is carefully detailed in an adoption support plan when placing children outside the county and multi agency commitment is required. Its provisions are reviewed at each statutory review or at the request of the adoptive parent/s.
- There is a legal requirement that anyone applying to the court for an adoption order must be at least 21 yrs of age. We welcome applications from those with previous parenting experience and those of any age with the physical and emotional energy to care for a child throughout their childhood and beyond.
- Time will be taken at the outset to inform the enquirer about the particular additional needs of children waiting for adoption to ensure they have an understanding of the children's backgrounds and experiences and the implications for their future.
- A decision on whether to accept a registration of interest from an enquirer in the pre assessment stage is made by the adoption team manager within 5 days.
- Within 5 working days of acceptance of the registration of interest and in partnership with a member of the adoption team, applicants will complete a stage 1 agreement to statutory checks, references, medicals and information/training to be provided. This is a 'sifting stage' led by the applicants, but guided by the adoption service. It is expected that stage 1 will be completed within 2 months, though acknowledged that longer may be needed by some applicants to complete their self evaluation.
- If as a result of information provided, the adoption manager considers applicants are unsuitable to proceed to stage 2, they will be informed of this in writing and advised of the complaints procedure.

- Applicants may take up to 6 months to decide whether they wish to proceed to stage 2, which is social worker led but guided by the prospective adopters. A further agreement will be completed with dates of training, assessment visits, and presentation of the prospective adopters report (PAR) to the adoption panel. It is expected that stage 2 will be completed within 4 months, but longer may be needed in some cases. The focus of the assessment will be the analysis of the strengths and capacities of the prospective adopters to meet the needs of children who have experienced trauma and loss and areas that may need development/further training.
- Where any significant concerns arise during assessment, the adoption manager may decide that the social worker should present a brief report to the adoption panel. The applicant/s will be encouraged to attend and make their own representation to panel which will recommend whether the assessment should continue.
- The applicant/s will receive a copy of the PAR and be asked to sign it to confirm its accuracy and provide any comments.
- Applicants are invited to attend the adoption panel in order to address any questions themselves. Not all applicants may wish to attend and they are entitled to waive their right to do so without this affecting the panel's ability to make a recommendation as to their suitability. Applicants will be informed of the panel's recommendation to the agency by the panel chair.
- The agency's decision will be made within 7 working days of receipt of the panel's recommendation and final panel minutes and applicants will be informed orally within 2 working days and in writing within 5 working days.

### **Inter Country Adoption**

- Many people believe they would not be able to adopt a young child in the UK and therefore seek to adopt a child from abroad. All enquirers will be asked whether they have considered adopting a looked after child in the UK and be given information about the children needing adoptive homes locally and nationally.
- The adoption duty social worker will provide initial information to enquirers living in Herefordshire and inform them of the difference between domestic adoption and adoption of a child from overseas and the costs involved. Applicants will be asked to identify from which country they wish to adopt.
- Where the service undertakes an assessment of applicants wishing to adopt a child from outside the United Kingdom a set charge is made for the work involved, half to be paid when an application is accepted and the remainder prior to presentation to the adoption panel. Where a subsequent match and supervision is required the agency will make additional charges to cover the costs to the adoption service.



- Where people are seeking to adopt a child who is a relative from overseas the set fee will usually apply.
- Intercountry adoptive applicants are encouraged to access specialist information relating to their situation but will be required to attend the 'Preparing to adopt' training.
- The process of assessment for those wishing to adopt from overseas is as outlined for prospective adopters above, but applicants will be expected to evidence how they will promote the cultural, racial and religious heritage of their child.

### **Support to placements pre and post adoption order**

- During assessment and approval all prospective adoptive parents will have an allocated adoption social worker. Once a placement has been made the child's social worker will be involved in visiting the child in placement as required by regulations. The focus is to promote secure attachments for the child with guidance being provided from both social workers.
- Children placed for adoption are subject to statutory reviews under the Adoption Agencies Regulations/Care Planning Regulations. Independent reviewing officers ensure that all aspects of the child's welfare and care and support plans for his / her future are progressing satisfactorily.
- The education and achievement of children with a plan for adoption is actively promoted; all children of school age have personal education plans (PEPs) which are reviewed as required and at least 6 monthly. Children's views are sought and achievements recorded. Out of school activities and educational trips are promoted.
- Adopted children are identified as a vulnerable group in the schools admission protocol and thus given priority. Adopters are informed of their child's entitlement to an enhanced pupil premium to support their education.
- It is a requirement that the child's allocated social worker prepares or commissions the preparation for each child of a life story book, and later life letter that includes advice on how to access their adoption file and care records.
- In order to meet a child's needs throughout their life, adoptive parents must have access to the fullest information about the child's pre adoption history. The child's adoption case record will be made available to the adopters' social worker and arrangements will be made for the adopter/s to meet with those able to provide information about the child. This may be done on an individual basis i.e through a meeting with the agency medical advisor and birth family members and/or through a child appreciation event.
- Where an adoption placement ends in an unplanned way or there is imminent danger of it doing so, the service will convene a meeting to consider the circumstances and to help with planning for the future.

Reports of the subsequent disruption meeting are considered by the adoption panel to ensure they inform future service development.

- The agency recognises the need to be flexible in arranging comprehensive support to adoption placements. In order to achieve this an adoption support plan is compiled for each child placed, with details of the support to be provided, including financial support.
- Adoption support plans are routinely reviewed during the pre adoption order period and can be requested to be reviewed at any point by the adoptive parent/s.
- All adoptive parents eligible for adoption support services from Herefordshire who contact the agency requesting a service will be offered the opportunity to talk to an adoption social worker. Advice, information and signposting to other partners will be provided or a 'one-off' service may be provided by the adoption social worker.
- Where on-going specific adoption support is indicated, an assessment will be undertaken in consultation with the family and partner agencies and a draft plan drawn up. Notice of the proposed provision of services will be given in writing to the person assessed and they will be invited to make representations before a final decision is made. In some cases a multi agency adoption support meeting will be convened in order to facilitate and review the plan. The format and content of the review will depend on the circumstances of the case and need not always necessitate direct contact between the local authority and the adoptive parent, but may be limited to an exchange of correspondence.
- Where unexpected challenges arise and adoptive parents request an adoption support assessment every effort will be made to maximise universal service provision through CAFs, Multi Agency Groups and 'Edge of Care' initiatives. The level of needs pathway enables specialist advice and guidance to be drawn in from the adoption service without the need for an additional assessment.
- If specialist therapeutic support is assessed as required and is not available through statutory services, an application for funding from the nationally funded Adoption Support Fund will be considered.
- Sometimes it will be necessary to sensitively support adoptive families in making separate daily living arrangements for their child or young person. Every effort is made to maintain a link between the adopted child or young person and their family.
- Comprehensive guidance and support is provided to assist all parties to engage in effective contact that meets the changing needs of children throughout their childhood and into adulthood.
- There is particular attention to contact arrangement where siblings are placed for adoption separately. Some direct contact arrangements are actively managed but wherever possible once face to face contact is progressing well the agency will withdraw.

- A newsletter is produced twice a year to keep adoptive families informed of adoption related topics or events.
- Opportunities for contact with other adopters and other adoptive children are provided through a range of events e.g. support groups, and family fun days.
- Adoptive families are provided with information and encouraged to access the resources provided by adoption organisations such as Adoption UK; the adoption service will provide free membership to a limited number of adoptive families each year.

### **Services for adopted adults**

- The adoption service has considered the need to provide advice and guidance to young people approaching 18 years, including the opportunity to extend letterbox arrangements. The service has information available for adopted young adults about managing an approach from a birth family member and registering a veto.
- The adoption service provides counselling to adult adoptees who wish to seek information about their birth family in accordance with schedule 2 of the Adoption and Children Act 2002.
- Following initial counselling the adoptee/ adult affected by adoption is signposted to registered adoption support agencies for tracing and intermediary services.
- The adoption service has established processes to register veto requests from adopted adults.

### **Services for birth relatives**

- Children's social workers and the adoption service provide information and counselling to birth family members about the adoption process and its implications for them and their child. Birth parents are encouraged to be involved in planning for their child's adoption through contributing to the child permanence report (CPR), commenting on what is written about them and recording their wishes for their child's upbringing.
- Birth parents are kept informed of the progress of plans for their children and decisions are conveyed to them in a timely and sensitive way.
- Birth parents are encouraged and supported to meet their child's adoptive parents where it is considered appropriate.
- The adoption service actively promotes the exchange of information through Letterbox agreements. Adopters and birth family members are reminded to forward news in a timely way and efforts are made to initiate new arrangements and review historic arrangements to meet the changing circumstances of all users, whilst maintaining the focus on the needs of the adopted child/young person.

- Prompts are in place at every stage of the adoption process to remind birth relatives of available services.

**Contacts:**

**Ofsted**

**Address:** Royal Exchange Buildings, St Ann's Square, Manchester, M2 7LA

**Telephone:** **0300 123 4666**

(if you want to make a complaint or have a concern about any service regulated by Ofsted (8.00am to 6.00pm).

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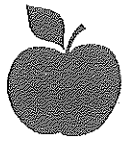
(for calls about children's services or any other aspect of Ofsted's work)

**Email:** enquiries@ofsted.gov.uk

Herefordshire Council Adoption Service  
Moor House  
Widemarsh Common  
Hereford  
HR9 4NA

01432 383240

Adoption support services advisor (ASSA) - Hilary Hale  
hhale@herefordshire.gov.uk



**Herefordshire  
Council**

# **Children's Guide to Adoption**

### The pledge

The councillors on the corporate parenting panel and other people worked with children and young people who are looked after to agree a pledge. This is a promise to make sure that plans for your care include the things that are important to you.

#### The pledge says we will:

- ◇ Listen to you
- ◇ Understand who you are and what you want
- ◇ Offer you support when you need it

We hope this information will help you understand what adoption means.

#### It will tell you

- ◇ What adoption means
- ◇ How long the process of adoption takes
- ◇ What your adoptive family may be like
- ◇ About seeing birth family
- ◇ Who makes decisions
- ◇ About your life story book
- ◇ About the adoption service
- ◇ People you can speak to
- ◇ People who can help you

#### What does adoption mean?

For lots of different reasons, some children can't live with their birth family. If you can't live with your birth family, then another family is found for you. Some children are adopted when they are babies and some when they are older



Adoption is a legal thing. This means the law says it's right and no-one can change it, so the decision about adoption has to be agreed in court.

Adoption means that you will be part of your new family forever

Why do I need a new family?



A lot of the time it's because your birth family have not been able to look after you. Or it may be that they have not kept you safe.

All children need to grow up feeling safe, secure and loved.

### Who makes the decisions about this?

Lots of different people can be involved in making a decision that means you cannot live with your birth family. People like:

- ◇ A judge or magistrate who works in a court, who knows all about what is best and good for children.
- ◇ Your social worker.
- ◇ Your birth family.
- ◇ Yourself if you are old enough to say what you want.
- ◇ A children's guardian (someone who finds out what you want and how you feel and let the court know what they think is best)



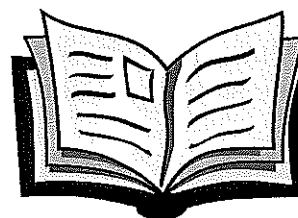
### So how long does it all take?



When you are 'looked after' plans about your future should be made within 4 months. Some of these decisions could be:

- ◇ you will go back home
- ◇ you will go to live with another member of your family
- ◇ you will go to live with a foster family,
- ◇ we will find you an adoptive family

All these things will be discussed at your review meetings. You may be part of the discussions or you can talk to your independent reviewing officer or social worker and your views will be written down.



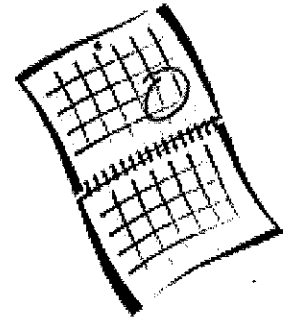
If it is decided that adoption is best for you, then a report is written about all the things that are important about you - your past, your family, your health and culture, race, religion, education, interests and hobbies.



You will be able to read this report if you are old enough to understand it and your views will be included. If you cannot understand it, your social worker will explain it to you.

If adoption is best for you, we try to find a new family to adopt you within 6 months.

Sometimes it is sooner than this and sometimes it can take a little longer, especially if it is important for you to live with your brothers and sisters.



Sometimes it is hard to understand why adoption takes so long, Because it's forever it is very important and needs to be done properly.

You can talk to your social worker or foster carer if you don't understand what is happening.

After the judge agrees to your adoption, you will get a new birth certificate.

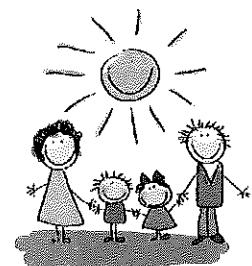
You will usually still have the name your birth family gave you and then have a new last name which will be the same as your new family. This shows that you will always be part of two families.



### What will my new adoptive family be like?

There are many different kinds of families waiting to adopt a child or children. Here are some examples:

- ◇ Some families may be a mum, or a dad, or a mum and a dad.
- ◇ Some families may be 2 mums or 2 dads.
- ◇ Some families may already have children who were born to them or who they have adopted.
- ◇ Some may not have any children.



We try to find the best possible family for you. To do this, we find out all about them.

When you become part of your adoptive family, if there are brothers and sisters, they become your brothers and sisters.

If there are uncles, aunts, cousins and grandparents they will also become part of your adoptive family.







### Will I see my birth family if I am adopted?

This depends on the reasons why you are being adopted. If it is decided it's right for you to continue to see people in your birth family then this will continue.

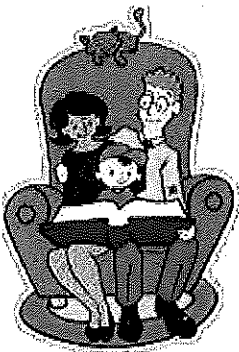
Sometimes it's decided that children should not see relatives face-to-face, but may receive letters, photographs or information from them.

### Your lifestory

Your social worker will make sure that you are given a book that will help you understand who your birth family are and why you cannot live with them.

This book may have photographs and other important things from when you lived with your birth family and your foster carers.

Your social worker, birth family and adoptive family will help make this book and you can help too.



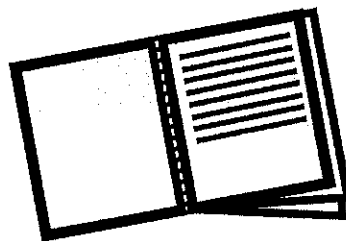
You and your adoptive family will look at your life story book together.



### The national adoption standards and Herefordshire adoption agency's statement of purpose—what are they?

The national adoption standards are rules that make sure you are looked after properly.

The statement of purpose tells you what Herefordshire adoption agency does to make sure that everything happens as it should.



## Who will help in Herefordshire

### **Your Social Worker**

Name:

Tel:

Email:

### **Your Independent Reviewing Officer**

Name:

Tel:

Email:

### **Herefordshire Children's Complaints Officer**

Name: Lin Hltchman

Tel: 01432 383738

Email: Lin.Hitchman@herefordshire.gov.uk

### **Herefordshire Adoption Agency Service Manager**

Name: Hilary Hale

Tel: 01432 383432

Email: hhale@herefordshire.gov.uk

## Other people that can help

### **Contact an Independent Advocate**

You can get help from an independent advocate who can speak up on your behalf. The National Youth Advocacy Service will provide you with an adult (who does not work for the Adoption Agency) to help you.

Telephone: 0808 808 1001 (Freephone number)

Email: help@nyas.net

Website: www.nyas.net

### **Childline**

Need to talk?

Calls are free & confidential

Telephone: 0800 1111

Website: www.childline.org.uk

### **Contact the Children's Rights Director for England**

The Children's Rights Director for England, Roger Morgan, is responsible for listening to the views of children who live away from home. If you wish, you have the right to complain directly to him and he will make sure your complaint is passed onto the right person and taken seriously.

He can be contacted at:

Address: Office of the Children's Rights Director, 33 Kingsway, London, WC2B 6SE

Telephone: 0800 528 0731 (Freephone number)

Website: www.rights4me.org.uk

## Who checks the work of my adoption agency?

### **Ofsted**

This organisation checks the work of adoption agencies in England and Wales.

They can be contacted at:

Address: National Business Unit, Piccadilly Gate, Store Street, Manchester, M1 2WD

Telephone: 0300 123 1231 (Mon-Fri—8 to 6.45 pm (except Bank Holidays))

Email: enquiries@ofsted.gov.uk

Website: www.ofsted.gov.uk

### **Children's Commissioner**

The Children's Commissioner for England, Maggie Atkinson, makes sure that adults in charge listen to your views. She can be contacted at:

Address: The Office of the Children's Commissioner, 33 Greycoat Street, London, SW1P 2QF

Telephone: 020 7783 8330

Email: info.request@childrenscommissioner.gsi.gov.uk

Website: www.childrenscommissioner.gov.uk



<b>Meeting:</b>	<b>Cabinet</b>
<b>Meeting date:</b>	<b>21 January 2016</b>
<b>Title of report:</b>	<b>Childcare sufficiency report</b>
<b>Report by:</b>	<b>Early years policy and strategy manager</b>

## Classification

Open

## Key Decision

This is not a key decision.

## Wards Affected

Countywide

## Purpose

To approve the childcare sufficiency report for 2016–2019

## Recommendations

That

- **Cabinet approve the childcare sufficiency report for 2016-2019.**

## Alternative options

1. There are no alternative options due to this being a statutory requirement. We have a duty to support parents to access employment and training and ensure there is sufficient, flexible childcare across the county to enable them to do this.

## Key considerations

2. Having high quality and accessible childcare supports parents to take part in the local economy and contributes to a key aim of the council in terms of economic improvement and growth.
3. A range of early years outcomes have been identified through the Herefordshire Children and Young People's plan. These include increasing the number of children

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Further information on the subject of this report is available from  
 Julia Stephens early years policy and strategy manager (jstephens@herefordshire.gov.uk)

that are ready for school, improving their health and expanding the number of free pre-school places in line with the national agenda.

4. The Childcare Act 2006 and the statutory guidance '[Early Education and Childcare Guidance for local authorities](#)' require councils to assess the sufficiency of childcare in their local area. The aim of this report is to show how Herefordshire Council is assessing and promoting sufficiency of childcare (refer to the legal implications section)
5. As a result of the findings within the childcare sufficiency assessment Herefordshire Council has identified the following high level actions to be completed to assist towards improving child care sufficiency across Herefordshire.
  - Support for parents in rural areas particularly via the childminding community and aimed at 0-2 year olds and holiday provision
  - Support schools where they have no breakfast and after school provision to consider offering this where there is demand
  - Support all early years providers to deliver flexible 2,3 and 4 year old free nursery education funded places
  - Support early year's providers where appropriate to develop their business and expand in identified areas where there is limited provision and or they are full to capacity eg Ledbury, Ross-on-Wye and Bromyard, to enable more flexible childcare delivery and support for the proposed government extension to deliver 30 hours nursery education funding in the future
  - Support development of expansion across all areas based on proposed housing developments
  - Carry out a more "drilled down" analysis of the childcare needs specifically for parents of children with complex needs and special needs that may be a barrier in enabling them to access employment or training.
  - Support the childcare market to expand where it is feasible and demand dictates to offer holiday playscheme provision
6. The report assesses the availability and attributes of childcare in Herefordshire and makes judgements about whether there is sufficient childcare available to enable parents to work or take up training opportunities which lead to work. It makes judgements and recommendations about areas that need to be developed including places for 2, 3 and 4 year olds. The childcare sufficiency assessment describes the supply of childcare across Herefordshire and compares this to the demand for childcare from parents and carers. This process helps to identify any gaps in the childcare market and makes recommendations for appropriate remedial action.
7. The childcare sufficiency statement and actions will support the local economy and labour market by ensuring there is sufficient childcare places across Herefordshire for working parents wishing to access training and employment. It will support all 3 and 4 year olds to access 15 hours per week of free early education (through the Nursery Education Funding - NEF) and all identified disadvantaged two year olds to take up 15 hours per week of early education.
8. In order to support any increase for additional childcare places in areas of demand, there may be an opportunity to utilise some existing community children's centre

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Julia Stephens early years policy and strategy manager (jstephens@herefordshire.gov.uk)

buildings to procure nursery provision, where it is deemed to be in short supply. This would support our development to increase the number of childcare places offered to meet future demands and generate an income for the council by charging rent, potential business rates and spreading the running costs of council maintained buildings.

## Community impact

9. The core strategy is a key document in the local plan, which provides the strategic planning framework for the county's future development needs up to 2031. This has been considered in relation to the content within this report around potential new housing developments. The actions proposed support the main objectives within the CYPP and forms one of the main priority areas of early years. Childcare sufficiency and the delivery of nursery education funding is one of the main priority areas within early years.
10. In order to inform this childcare sufficiency report the views of parents and their childcare needs were gained across Herefordshire. This was carried out through an online questionnaire marketed at all early years providers, schools, childminders and children with disability organisations. Paper copies of the questionnaire were also distributed to all eight children's centres across Herefordshire. It was also advertised through social media and Herefordshire early educators facebook page. The survey ran from 13 April to 22 May 2015.

## Equality duty

11. Many of the families seeking childcare will have "protected characteristics". Early years providers support families with their children's childcare and educational development. The childcare sufficiency survey highlights gaps in certain types of childcare and also in some of the rurally isolated areas of the county, which the recommendations and action plan will attempt to address. Free nursery education funded places for 2 year olds are aimed at families who are in receipt of certain benefits. Childcare providers across Herefordshire support children with disabilities/special educational needs in a mainstream environment, where the parent requests this and work with families to meet the individual needs of children.

## Financial implications

12. The Dedicated Schools Grant (DSG) fund early years and the 3 and 4 year old free entitlement, this is paid by the Department for Education (DFE) according to the number of children taking up the offer. Two year old funding is set nationally by the DFE and given to local councils for the roll out of this programme. Approximately £5 million per year is received for 3 and 4 year olds (£3,454 per pupil x 1,475 pupils) and an additional £1,712 per 2 year olds.
13. The School Finance (England) Regulations 2012 (S.I.2012/335) set out how local councils must operate their Early Years Single Funding Formula (EYSFF). The regulations require that a local council must consult its schools forum and decide upon the funding formula which informs the hourly rate paid to all providers (Local Authority Nurseries and Private/Voluntary Sector Providers).
14. The schools forum set the hourly rate for 3 and 4 years olds at £3.20 (plus an extra 26p per child for disadvantaged postcodes). A lump sum of £50 per week is paid pro-rata for providers with less than 100 hours. This is slightly lower than our statistical neighbours. The 2 year old funded rate of £4.85 is set nationally by the DFE.

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Further information on the subject of this report is available from  
Julia Stephens early years policy and strategy manager (jstephens@herefordshire.gov.uk)

15. The proposed introduction of the increase to 30 hours of free nursery education funding per week for families with 3 and 4 year olds from September 2016, will result in a review nationally of the funding /grant provided to local councils through the dedicated schools grant. This can only be implemented using the limited capacity that is available.

## Legal implications

16. The Childcare Act 2006 and the statutory guidance '[Early Education and Childcare Guidance for local authorities](#)' requires local councils to assess the sufficiency of childcare in their local area.
17. To secure sufficient childcare places, the local council should:
  - Take into account what is 'reasonably practicable' when assessing what sufficient childcare means in their area and:
  - The state of the local childcare market; including the demand for specific types of providers within particular localities along with the quantity and type of supply that currently exists;
  - The state of the labour market
  - The quality and capacity of childcare providers and childminders registered with an appropriate agency, including their funding, staff, premises, experience and expertise
  - Encourage schools in their area to offer out of hours childcare from 8am to 6pm
  - Encourage existing providers to expand their provision and new providers to enter the local childcare market
  - Report annually to councillors on how the council is meeting its duty to secure sufficient childcare, and make this report available and accessible to parents.

## Risk management

18. The risks of not agreeing to the proposed actions would result in insufficient childcare places to meet parental demands. This would impact on parents ability to access training and employment opportunities and to get parents back into work.
19. A lack of childcare places would impact on families ability to take up the 2 year old funding and the universal offer of free 15 hours per week early education for 3 and 4 year olds.
20. These risks are mitigated by supporting all childcare providers to meet parental childcare demands through flexible opening hours, affordable childcare costs, capacity/expansion and high quality provision. By addressing identified gaps in provision the council can support market development to ensure the supply of childcare available meets parental demand.
21. There is no identified financial resource to undertake market development, so there is limited capacity to support childcare providers/childminders to expand their provision.

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Julia Stephens early years policy and strategy manager (jstephens@herefordshire.gov.uk)

## Consultees

### Parent survey

22. There were a total of 131 responses to the survey, of which 86 (66%) were submitted online and 45 (34%) were completed paper copies. The views of consultees have been analysed against the data and current childcare provision and have contributed to the final recommendations.
23. The childcare provision in Herefordshire survey sought the views and experiences from parents seeking childcare in Herefordshire in order to help identify any gaps or issues and where the council could reasonably improve this support.
24. An online questionnaire was produced and published on the council's website. Paper copies were also distributed to all children's centres across the county to be made available to service users.
25. Promotion and advertising of the childcare survey was carried out through all schools, early years providers, childminders, Herefordshire Carers Support, Crossroads Care, Marches Family Network and special schools. It was also advertised through social media and the Herefordshire early educators Facebook page. The survey ran from 13 April to 22 May.

### Childcare providers survey

26. All registered childcare providers in Herefordshire (including full day, sessional, breakfast, after school and holiday play schemes) were asked to complete an online questionnaire published on the council's website. The audit period ran from 1 May to 30 June and the data obtained from the 87 respondents completed the assessment. 101 Ofsted registered childminders were assessed separately and the results are included in this report.

## Appendices

Appendix 1 Childcare Sufficiency Executive Summary 2016 - 2019

Appendix 2 Childcare Sufficiency Full Report 2016 - 2019

## Background papers

- None identified.





# HEREFORDSHIRE CHILDCARE SUFFICIENCY REPORT January 2016 - January 2019 Executive Summary



## EXECUTIVE SUMMARY

The Childcare Act 2006 and the statutory guidance '[Early Education and Childcare Guidance for local authorities](#)' require local authorities to assess the sufficiency of childcare in their local authority area. The aim of this report is to show how Herefordshire Council is securing Sufficiency of Childcare and to develop a Childcare Strategic Action Plan from the findings of the report.

The report assesses the availability and attributes of childcare in Herefordshire and makes judgements about whether there is sufficient childcare available to enable parents to work or take up training opportunities which lead to work. It will make judgements and recommendations about areas that need to be developed including places for 2, 3 and 4 year old children. The Childcare Sufficiency Assessment describes the supply of childcare across Herefordshire and compares this to the demand for childcare from parents and carers. This process helps to identify any gaps in the childcare market and makes recommendations for appropriate remedial action.

To secure sufficient childcare places, the local authority should:

Take into account what is 'reasonably practicable' when assessing what sufficient childcare means in their area and:

- The state of the local childcare market; including the demand for a specific types of providers in particular locality and the amount and type of supply that currently exists;
- The state of the labour market
- The quality and capacity of childcare providers and childminders registered with a childminder agency, including their funding, staff, premises, experience and expertise
- Encourage schools in their area to offer out of hours childcare from 8.00am to 6.00pm
- Encourage existing providers to expand their provision and new providers to enter the local childcare market
- Report annually to Elected Council Members on how they are meeting their duty to secure sufficient childcare, and make this report available and accessible to parents.

## Summary Of Key Findings

The survey was completed by eighty seven (87) registered early years providers (including full day, sessional, breakfast, after school & holiday clubs) across Herefordshire out of a total of 98. A total of 101 childminders in Herefordshire are included within this sufficiency assessment report.

- The most used type of childcare is full day nurseries at 53%, holiday playschemes 29% and breakfast and after school clubs 20%.
- A large proportion 84% of parents surveyed found all or some of the childcare they were looking for. Only 5% of parents reported that they did not find any of the childcare they were seeking.
- There is a significant gap in holiday playschemes provision and some after school care (extended hours), baby care for 0-2 years and childcare for children aged 5-11 years.
- The main barriers reported to finding the right childcare were hours were not flexible enough, lack of providers in rural isolated areas or the provision was full
- The most sought after childcare type is full day care for 0-4 years.
- 63% of providers can care for children aged 2 years and over while a third can care for children aged less than a year. There is a limited baby care places in some areas of Herefordshire although the parent survey has not suggested that there is a great demand for this in those areas.
- Of the 81 primary schools (including 3 special schools) approximately 60 primary schools operate a breakfast, after school club or both at the school. Only a small number 11, do not have any before or after school provision on site and 5 schools (Lugwardine, Bredenbury, Eastnor, St Pauls & Hampton Dene) are located close by to a private provider which delivers the service or provides transport to one.
- The majority of parents seeking childcare were aged between 26 – 45 years and parents worked full or part time. 14% of parents surveyed that were seeking work or training were due to problems finding childcare.
- 35% of parents surveyed reported an income of less than the regional average of £24,982 per annum. 27% had earnings of between £25,000 - £35,000 and 38% earned over £35,000. Herefordshire has not seen an increase in earnings over the past 3 years.
- Childcare provision in Herefordshire is of high quality with 54% having an Ofsted rating of good 15% outstanding and 17% requiring improvement or awaiting Ofsted Inspection. Of the 101 childminders 18% are Outstanding, 57% are Good, 8% Requiring Improvement, 1% Inadequate, 7% did not meet the Early Years Foundation Stage criteria and 9% still awaiting inspection.



- The cost of childcare varies from £3.20 to £6.00 (most expensive) per hour. The average being approximately £4.03 per hour. Childminding costs vary between £3.00 - £4.50 per hour with the average rate being £3.50
- Children with disabilities or additional needs were able to access good quality childcare with a range of early years providers. Early years providers hold a variety of specialist training to meet the needs of children with additional needs and where they didn't, they work with the family and child to meet needs where possible.
- The parent survey did not highlight a need for "childcare" for disabled children over the age of 11 – 25 years. However we know that there is limited regular holiday playschemes provision and due to the very rural nature of the county, this tends to be located in Hereford City with some provision in Leominster, Bromyard & Ross on Wye. Two parents reported the lack of specific respite care and overnight care for severely disabled children in Herefordshire and lack of school holiday provision (holiday playschemes) in certain areas eg Ross on Wye for this group.
- Childminders across Herefordshire has seen a reduction over the years. In 2013 we had 163 and in 2015 we have 101.
- 93% of 3 and 4 year olds take up the 15 hours free Nursery education Funding in Herefordshire. This is predominantly through private and maintained nurseries, childminders and pre-school playgroups. Generally there is a sufficient supply of childcare across Herefordshire to meet this need, however due to the rural nature of the county, in some areas there is limited choice of provision.
- 63% of eligible 2 year olds were taking up the 15 hours free Nursery Education Funding in (summer 2015) in Good or Outstanding settings. A small number of parents chose to use early years providers that were deemed "Requiring Improvement" by Ofsted and these were authorised due to parental individual circumstances e.g. transportation, consistency for the child or a sufficiency issue. All early years providers deemed as "Requiring Improvement" by Ofsted work closely with the Local Authorities Quality Improvement Team to ensure standards are raised and high quality childcare is provided.
- A small proportion of parents surveyed reported a need for longer before and after school care hours to enable them to work both typical office hours or atypical hours
- According to the latest Ofsted care and education ratings, overall the childcare available within Herefordshire is of good quality.
- Changes to how families receive welfare benefits may place an added pressure on demand for childcare due to a potential increase in the number of parents who are supported back into work. The potential increase from 15 hours to 30 hours for 3 & 4 years olds will impact on early years providers if it is not funded appropriately.
- Over half of the parents surveyed sought childcare through families and friends. Only 15% used the Herefordshire Family Information Service and most said that the FIS website and helpline wasn't very useful. It is essential that parents know how to access impartial, specialist, tailored information to help secure childcare that meets their needs.
- Most parents who answered the parent survey were 'working part time', which accounted for 54% of responses and the most common working arrangement for spouse/partner was 'working full time' accounting for 82% of responses.

## Progress since the last Childcare Sufficiency Report (2011-2015)

It is not possible to maintain that there are no gaps within the childcare market, but Herefordshire Council will assure parents that it takes account of the gaps it has mapped and is doing what is reasonably practical to close them. In Herefordshire some of the gaps in the market identified from the childcare sufficiency assessment in 2011-2015 have improved, these include:

- A large number of our primary schools now offer either a breakfast club, after school club or both which support working parents, parents accessing training and in some circumstances shift patterns e.g. early mornings.
- Herefordshire has a high proportion of Nurseries that deliver Nursery Education Funding for 2 year olds and this is still being developed to ensure our “requiring improvement “ settings are supported to be “Good” and therefore can accept 2 year funded children.
- 8 childminders through the community childminding network within the past 3 years have had additional support and training to accommodate children with specific needs and disabilities. The supply of childminders has reduced across Herefordshire and this is an area for further marketing to recruit, train and sustain this sector of the market.
- Work to extend provision of flexible care arrangements within the sector to support working parents is on-going. Supporting the market to be sustainable through growth and a review of the amount paid to providers for Nursery Education Funding will need to be considered with the proposed increase in free childcare from 15 hours to 30 hours for 3 & 4 year olds. Some early years providers are reporting to us that the current funded hourly rate for 3 & 4 year Old’s is not sustainable or covers costs and if this increases to 30 hours per week at the current rate that they could not deliver a service and or they would have to close.
- Quality improvement is being focused on areas that Ofsted have deemed “requiring improvement” or “inadequate”. This will assist in the development of more 2 year old funded places and the proposed increase of 3 & 4 year old nursery education funding from 15 hours to 30 hours.

## Identified Gaps & Action Plan

As a result of these surveys Herefordshire Council have identified the following high-level actions to be completed to assist towards improving Child Care Sufficiency across Herefordshire.

- Support for parents in rural areas particularly via the childminding community and aimed at 0-2 years and holiday provision
- Support schools where they have no breakfast and after school provision to consider offering this where there is demand
- Support all early years providers to deliver flexible 2,3 & 4 year old free nursery education funded places
- Support early year's providers to expand in identified areas where there is limited provision and or full eg Ledbury, Ross on Wye & Bromyard to enable more flexible childcare delivery and support the proposed government extension to deliver 30 hours nursery education funding in the future.
- Support development of expansion across all areas based on housing proposed and supporting workless people and those wishing to get back into training and or employment
- Carry out a more "drilled down" analysis of the childcare needs specifically for parents of children with complex needs and special needs that may be a barrier in enabling them to access employment or training.
- Support the childcare market to expand where it is feasible and demand dictates to offer holiday playscheme provision for all children and specialist playschemes for disabled children

# Herefordshire Council Childcare Sufficiency Assessment Report January 2016 – January 2019





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## Introduction

The Childcare Act 2006 and the statutory guidance '[Early Education and Childcare Guidance for local authorities](#)' requires local authorities to assess the sufficiency of childcare in their local authority area. The aim of this report is to show how Herefordshire Council is securing Sufficiency of Childcare and to develop a Childcare Strategic Action Plan from the findings of the report.

The report assesses the availability and attributes of childcare in Herefordshire and makes judgments about whether there is sufficient childcare available to enable parents to work or take up training opportunities which lead to work. It will make judgements and recommendations about areas that need to be developed including places for 2,3 and 4 year old children. The Childcare Sufficiency Assessment describes the supply of childcare across Herefordshire and compares this to the demand for childcare from parents and carers. This process helps to identify any gaps in the childcare market and makes recommendations for closing these gaps.

To secure sufficient childcare places, the local authority should:

Take into account what is 'reasonably practicable' when assessing what sufficient childcare means in their area and:

- The state of the local childcare market; including the demand for a specific types of providers within particular localities along with the quantity and type of supply that currently exists;
- The state of the labour market
- The quality and capacity of childcare providers and childminders registered with an appropriate agency, including their funding, staff, premises, experience and expertise
- Encourage schools in their area to offer out of hours childcare from 8.00am to 6.00pm
- Encourage existing providers to expand their provision and new providers to enter the local Childcare market
- Report annually to Elected Council Members on how they are meeting their duty to secure sufficient childcare, and make this report available and accessible to parents.

Eighty seven (87) registered early years providers (including full day, sessional, breakfast, after school & holiday clubs) across Herefordshire completed the assessment survey out of a possible 98. In addition 101 childminders are included within this sufficiency assessment report.

## Herefordshire Geography & Infrastructure

Herefordshire covers a land area of 2,180 square kilometres (842 square miles) (excluding inland water), and is a predominantly rural county (95 per cent of land area classified as such), with the 4<sup>th</sup> lowest population density in England (85 persons per square kilometre).

Herefordshire is situated in the south-west of the West Midlands region bordering Wales. The city of Hereford, in the middle of the county, is the centre for most facilities, and other principal locations are the five market towns of Leominster, Ross-on-Wye, Ledbury, Bromyard and Kington.

Herefordshire has beautiful unspoilt countryside; distinctive heritage, remote valleys and rivers. The River Wye divides the county, flowing east from the Welsh border through Hereford city before turning south into the Wye Valley Area of Outstanding Natural Beauty. The Malvern Hills rising to 400m, borders the east of county, and the south-west is dominated by the western reaches of the Black Mountains with altitudes of more than 600m.

The transport network is mainly comprised of rural 'C' or unclassified roads leading off single carriageway 'A' roads, and four railway stations (Hereford, Leominster, Ledbury and Colwall).

The main road links, which pass through Hereford, are the A49 trunk road (running from the north via Leominster to Ross-on-Wye in the south), the A438 (entering the county near Hay-on-Wye in the west and running east via Ledbury to Malvern) and the A4103 towards Worcester. The A44 also provides a west to east route through the north of the county entering the county at Kington in the west, running via Leominster and then Bromyard and onto Worcester in the east.

The M50 and A40 trunk routes across the southern edge of the county link with the A49T at Ross on Wye. The A417 also provides a route from the M50 in the south near Ledbury, north to Leominster.

## Population Of children & Young People In Herefordshire

According to 2014-Mid-year estimates, the total number of 0-5 year olds are 11,915.

By children centre reach area	All Usual Residents	Age					
		Under 1	Age 1	Age 2	Age 3	Age 4	Age 5
Broadlands	26,648	241	241	248	242	284	250
Coningsby/Leominster	24,816	243	229	215	245	242	254
Golden Valley	12,441	113	105	119	126	120	141
HOPE/Bromyard	10,349	102	77	91	98	90	100
Kington	13,482	108	120	108	139	125	119
Ledbury	18,379	152	161	168	171	189	177
Ryefield/Ross on Wye	27,183	262	221	223	236	242	226
South Hereford City	24,572	473	393	405	364	320	295

Widemarsh 25,607 326 332 313 279 279 251

**By children centre reach area**

	All Usual Residents	Age 6	Age 7	Age 8	Age 9	Age 10
Broadlands	26,648	242	267	253	281	279
Coningsby/Leominster	24,816	266	262	212	250	275
Golden Valley	12,441	112	139	125	145	126
HOPE/Bromyard	10,349	96	77	93	106	123
Kington	13,482	133	133	142	142	140
Ledbury	18,379	187	161	169	180	201
Ryefield/Ross on Wye	27,183	241	259	261	257	252
South Hereford City	24,572	307	322	289	269	248
Widemarsh	25,607	266	267	221	235	239

**By children centre reach area**

	All Usual Residents	Age 11	Age 12	Age 13	Age 14	Age 15
Broadlands	26,648	320	328	340	301	330
Coningsby/Leominster	24,816	302	265	286	303	299
Golden Valley	12,441	148	151	172	152	155
HOPE/Bromyard	10,349	104	109	131	98	120
Kington	13,482	131	164	169	144	186
Ledbury	18,379	225	251	253	183	230
Ryefield/Ross	27,183	288	338	350	317	330
South Hereford City	24,572	289	319	278	327	282
Widemarsh	25,607	264	240	287	284	329

**Predicted Housing Developments**

Predicated Housing Development – Source: Core Strategy Document (estimated only for 3 years 2016, 2017 & 2018)

County Data Future Development

COUNTY: Number of proposed estimated houses	2016, 2017, 2018 (3 years)
NORTH HEREFORD	595
SOUTH HEREFORD	280
LEOMINSTER	345
ROSS	135
LEDBURY	120
BROMYARD	75
KINGTON	30
GOLDEN VALLEY	0

## Economic Activity Of Households

The economic make-up of Herefordshire's working age households is fairly similar to England as a whole. The largest proportion of households in the county are those where all members are working (52% of the 54,700 households) in calendar year 2012. Mixed households (employed and unemployed or inactive) make up the next greatest proportion (32%). Workless households, where every member of the household is either unemployed or inactive, make up 16% of all households. Across England there were 53% in working households, 29% in mixed households and 18% in workless households.

The most notable difference between Herefordshire and elsewhere is in the makeup of mixed households. Herefordshire has a smaller proportion of households with 'employed and unemployed' (3% compared to 5% across England) and a greater proportion with 'employed and inactive' (27% compared to 24% across England).

Looking at the number of dependent children resident in the different household groups above shows that they are disproportionately represented in mixed households in the county i.e. the proportion of dependent children that live in mixed households (47%) is greater than the proportion of households that are mixed (32%). This is as you might expect given that adult members of a household are likely to be inactive for a period of time in order to care for children. The degree of over representation of dependent children in mixed households is greater in Herefordshire than across England.

*Source: Annual Population Survey, ONS*

### Earnings & hours of work

This analysis looks at median gross weekly pay (£/week) of full time employees on a workplace basis. The reason for focusing on full-time rather than part-time is because the difference within the part-time category can be very large, as it includes those who work for anything up to 35 hours. The proportion of part-time workers also varies across different authorities, making it difficult to compare earnings in a meaningful way. The median is used here in preference to the mean as a measure of the average, as the mean can be skewed by a small number of very high value earners.

In 2014, the median **weekly earnings for people who work in Herefordshire were £405.80** (± £51.70) significantly lower than those in the West Midlands region £479.10 (± £9.39) and England £523.30 (± £2.05). Annualised<sup>1</sup> earnings were £21,160 (± £2,696) also significantly lower than the West Midlands, £24,982 (± £490) and England £27,286 (± £107). Weekly earnings for residents was higher in comparison (£426.40 ±37.60) although the difference with workplace earnings was not significant. The median weekly earnings have increased compared to 2013, however the apparent change is not significant.

HMRC data for taxpayers puts median income from employment at £19,600 in 2012-13 compared to £19,900 across the West Midlands. This statistic is residence based and doesn't account for the number of hours people work. However, earnings from self-

employment are higher at £10,600 compared to the average £10,400 across the West Midlands. The gap between Herefordshire's earnings and those of the West Midlands region and England widened between 2006 and 2013, largely as a result of wages in Herefordshire not increasing at the same rate. However, previously in 2014 the gap has narrowed; Herefordshire's earnings were 15% lower than the West Midlands and 22% lower than England's.

Herefordshire had the lowest median earnings of all 14 West Midlands authorities as has been the case for the past three years. Since 2009, it has been lower than Monmouthshire, Powys and Gloucestershire and is the lowest out of the nearest neighbour grouping of local authorities. Furthermore Herefordshire had the lowest median earnings out of all upper tier authorities in England in 2014.

In 2014 Herefordshire had one of the largest gender pay gaps (women's earnings were 17% lower than men's), which is similar to West Midland and England.

### **Hours worked**

The median of total hours worked (including overtime) by those working in Herefordshire was 39.0 hours per week, higher than the number of basic hours. Both The West Midlands and England's median total hours worked are equal to the basic hours worked (37.5 hours).

Annual salaries are provided by ASHE but they only include earnings of those who are employed in the same job for a year whereas weekly earnings include all workers. Therefore annualised salaries were calculated using median weekly earnings, which includes more employees

## **Support With Childcare costs**

### **Childcare element of Working Tax Credits**

If parents claim working tax credits they could also currently claim up to 70% childcare costs. The childcare must be with an Ofsted registered childcare provider. Please see the HM Revenue and Customs website for more information.

### **Childcare Vouchers**

For parents on higher incomes vouchers may be offered by employers, but this is not compulsory. A 'salary sacrifice' is made as a pre-tax deduction from pay. The employee then receives the same value as the deduction in childcare vouchers, effectively saving tax and national insurance contributions.

### **Universal Credit**

These will replace tax credits. In families where the lone parent or both earners in a couple pay income tax, support will be up to 85% of their childcare costs.

### **Tax Free Childcare**

New support for families working and paying tax launching in autumn 2015. The Government will top-up the parents online account with 20% of childcare costs up to a total of £10,000 – the equivalent of up to £2,000 support per child per year.

## Quality Improvement

Herefordshire Council Early Years Quality Improvement Team provides information, advice, support and training to the early years and childcare workforce.

Information, Advice and Support includes the following:

- Provision of information, advice and training for childcare and education providers to ensure they meet the requirement of the Early Years Foundation Stage
- Safeguarding concerns
- Ofsted registration and inspection training
- Advice and training for childcare workers who are judged less than “good” by Ofsted and for newly registered providers yet to be inspected
- Statutory moderation of the Early Years Foundation Stage (EYFS) Profile at the end of reception year across all schools.
- Staff have a generic role to support settings to improve, close attainment gaps and ensure duties are met under legislation including the Equality Act 2010, section 13 of the Childcare Act 2006 and The Early Years Foundation Stage (Learning and Development Requirements) order 2007
- Moderators for the Early Years Foundation Stage Profile in schools.

## Childcare Survey

### Methodology

All registered childcare providers in Herefordshire (includes full day, sessional, breakfast, after school, holiday play schemes) were asked to complete an online tool containing the assessment questionnaire published on Herefordshire Council’s website. The audit period ran from 1<sup>st</sup> May to 30<sup>th</sup> June. The data obtained from the 87 respondents completed the assessment. 101 Ofsted registered childminders were assessed separately and the results are included in this report.

The sample base for the number of respondents (or responded organisations) to the question and is the base from which percentages are calculated. The sample base used is specified for each question. Percentages are presented rounded to the nearest whole number in the tables; however the charts are based on the unrounded percentages.

Note that if respondents could select more than one answer to a particular question, the percentages may add up to more than 100 per cent.

Where comments have been provided these are listed in full but have been anonymised and corrected for spelling where appropriate.

A total of 87 early years providers out of 99 (full day, sessional, breakfast, after school and holiday play schemes) completed the assessment. All 101 Ofsted Registered Childminders were analysed and included in the analysis and referred to separately under “Childminders”. All of the respondents are referred as ‘respondents’ or ‘organisations’ in this report.

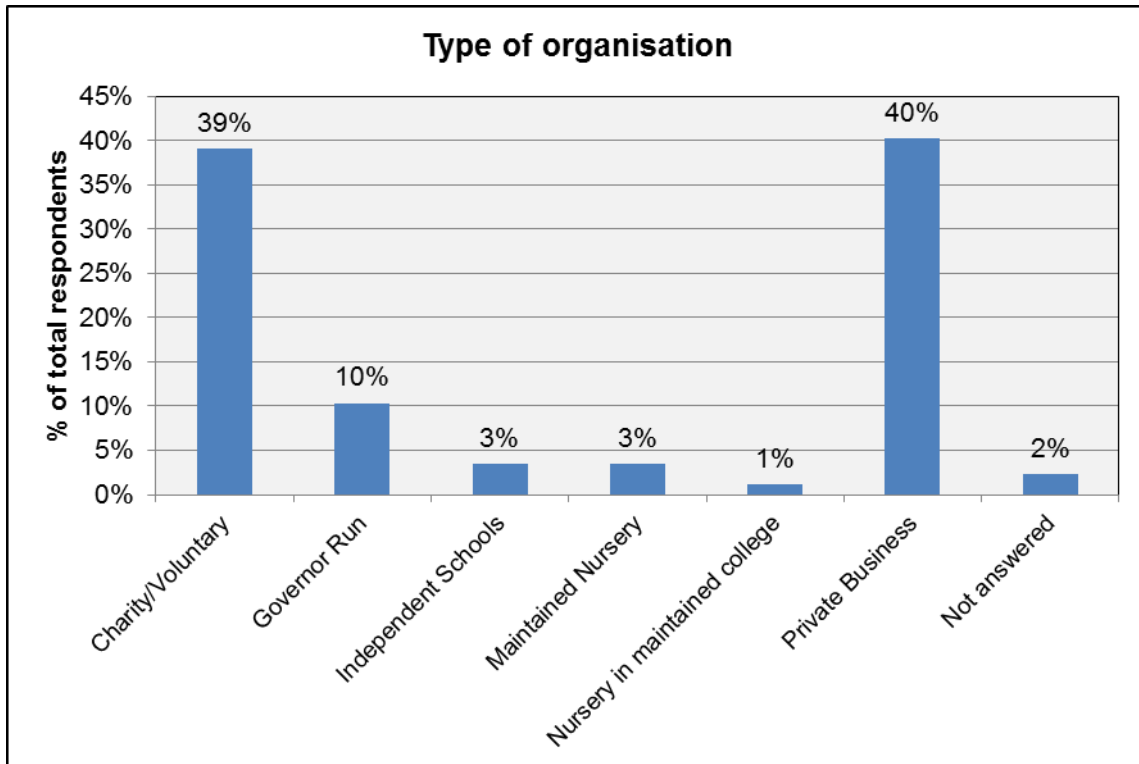
## Type of organisation

*(refers to full day, sessional, after school, breakfast and holiday playschemes)*

Herefordshire has a childcare market which is made of both the private and voluntary sector. A high response to the question was achieved (98 per cent). 41per cent of organisations responded to the assessment are ‘private businesses’ and similar proportion are ‘charity/voluntary’ organisations.

	Number of respondents	Percentage of total respondents
Charity/Voluntary	34	39%
Governor Run	9	10%
Independent Schools	3	3%
Maintained Nursery	3	3%
Nursery in maintained college	1	1%
Private Business	35	40%
not answered	2	2%
Total answered	85	98%
Total survey respondents	87	100%

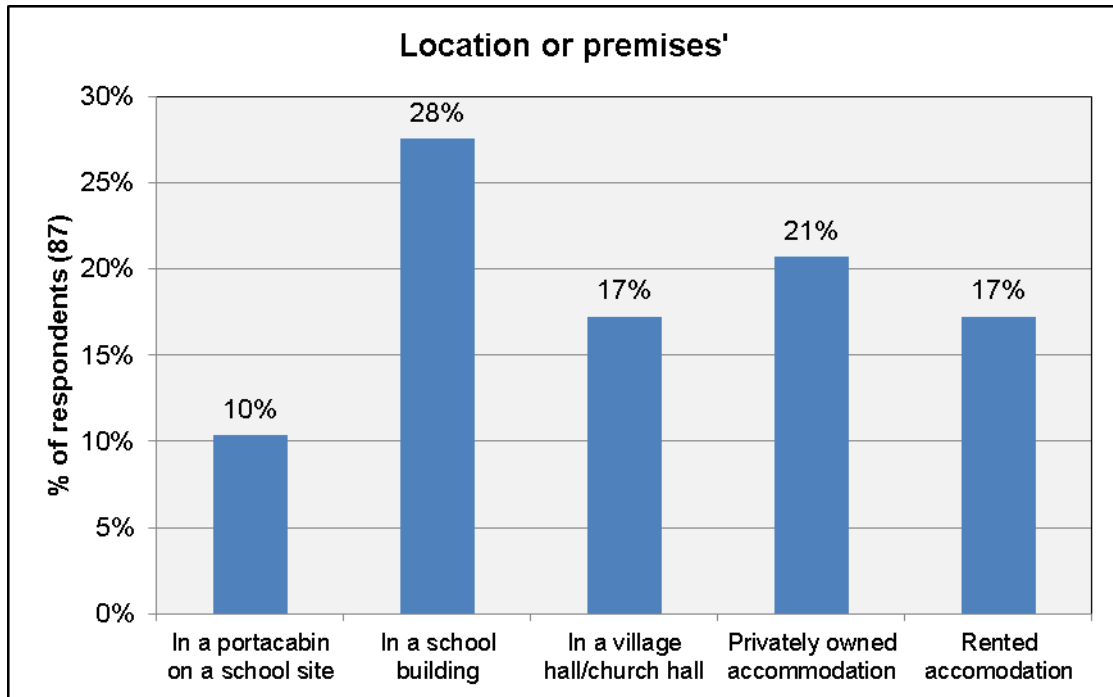




**Premises:**

Herefordshire’s childcare suppliers are based in various types of premises across the country. Just over a quarter of respondents (28 per cent) established in a school building while a fifth in a privately owned accommodation (21 per cent).

	Number of respondents	Percentage of respondents
In a porta cabin on a school site	9	10%
In a school building	24	28%
In a village hall/church hall	15	17%
Privately owned accommodation	18	21%
Rented accommodation	15	17%
Total respondents	87	100%

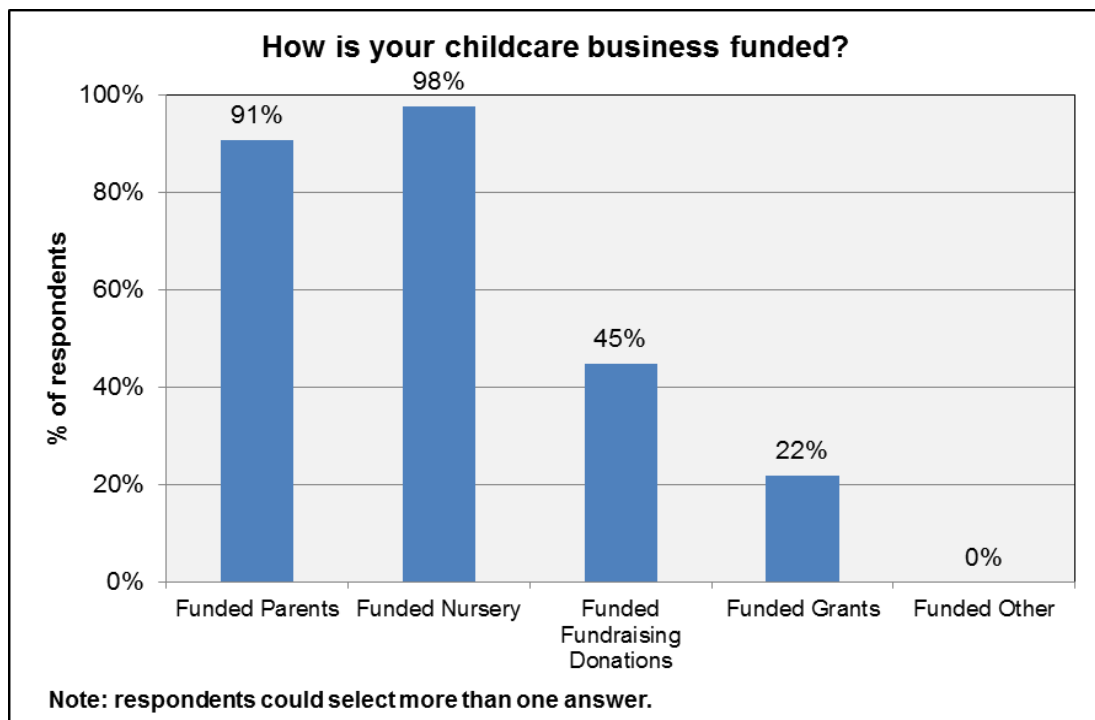


**Childcare business funding:**

A large majority of childcare providers declared that their business is funded by either parents (91 per cent) or parent & Nursery Education Funding (98 per cent). Just under half (45 per cent) are also funded by fundraising donations, and 22 per cent are grant funded.

	Number of respondents	Percentage of respondents
Funded Parents	79	91%
Nursery Education Funded (NEF)	85	98%
Funded Fundraising Donations	39	45%
Funded Grants	19	22%
Funded Other	0	0%
Total respondents	87	100%

Note: respondents could select more than one answer



### Ofsted - Office for Standard Education information

Over half of the organizations 55% (excludes childminders) were inspected with in the last two years (2013-2015).

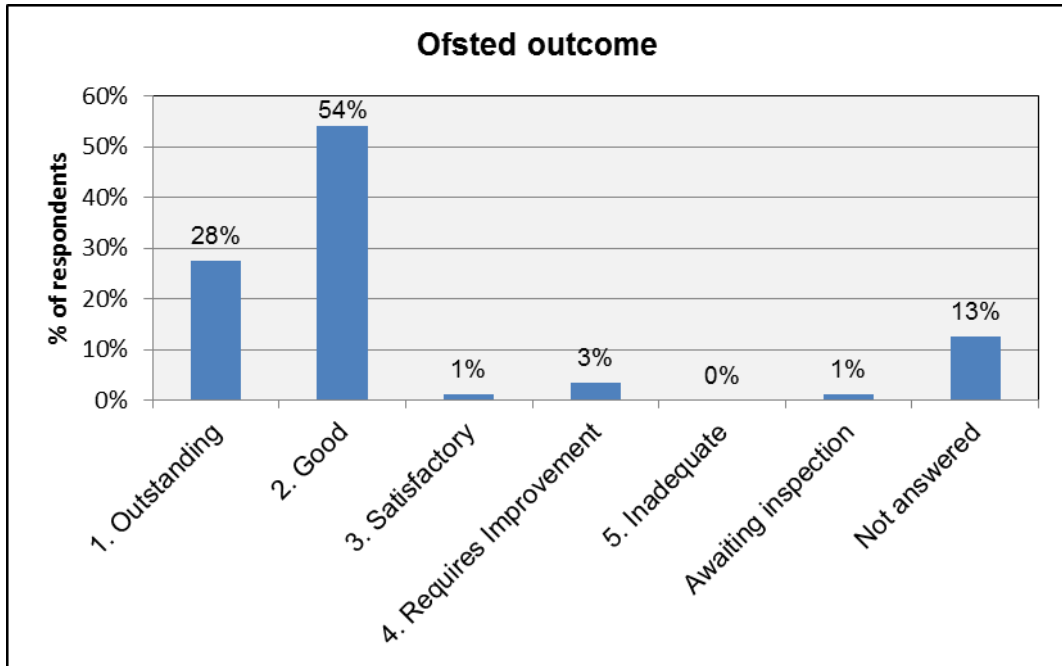
Last inspected year	Number of respondents	Percentage of respondents
2008	1	1%
2009	7	9%
2010	4	5%
2011	12	16%
2012	10	13%
2013	17	23%
2014	19	25%
2015	5	7%
Total respondents	75	100%
Not answered	12	

Over half (54%) of Herefordshire childminders are rated Good by Ofsted with 17% Outstanding

<b>CHILDMINDERS OFSTED RATINGS</b>	<b>Number of respondents</b>	<b>Percentage of respondents</b>
Outstanding	16	17%
Good	56	54%
Requires Improvement	8	8%
Inadequate	0	0
Awaiting inspection	14	13%
Not met	2	2%
Met	6	6%

The survey showed that just over four fifth of childcare providers (full day, sessional, breakfast, after school & holiday play schemes) were certified as 'Outstanding' (28 per cent) or 'Good' (54 per cent). One organisation is awaiting the inspection and another three need improvement.

<b>EARLY YEARS PROVIDERS OFSTED RATINGS</b>	<b>Number of respondents</b>	<b>Percentage of respondents</b>
Outstanding	24	28%
Good	47	54%
Satisfactory	1	1%
Requires Improvement	3	3%
Inadequate	0	0%
Awaiting inspection	1	1%
Not answered	11	13%
Total respondents	87	100%



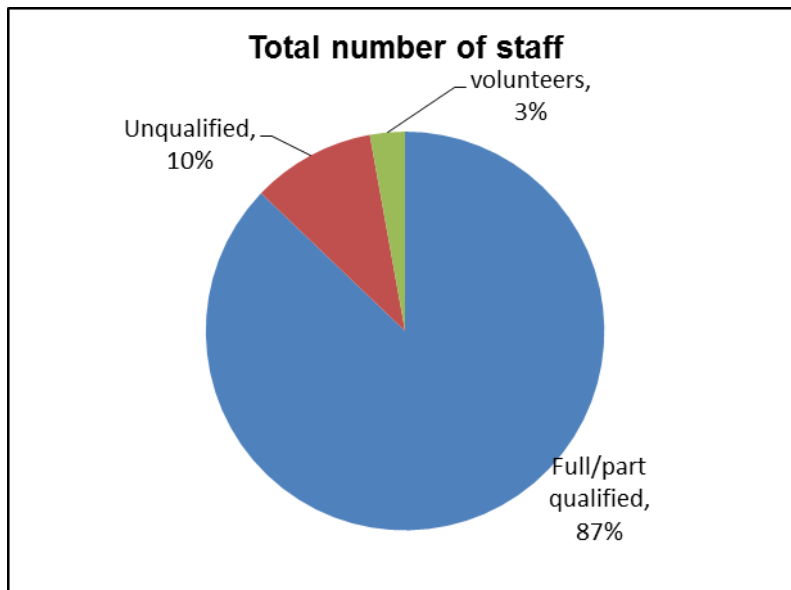
### Qualifications:

Across 87 full days, sessional, breakfast, after school clubs & holiday playscheme organisations that completed this assessment, a total of 918 staff are employed. Of these 800 are fully or part qualified, 92 are unqualified and 26 are volunteers. Of all qualified staff employed, over half (60 per cent) are qualified with 'Full Relevant Level 3'.

### Childminders:

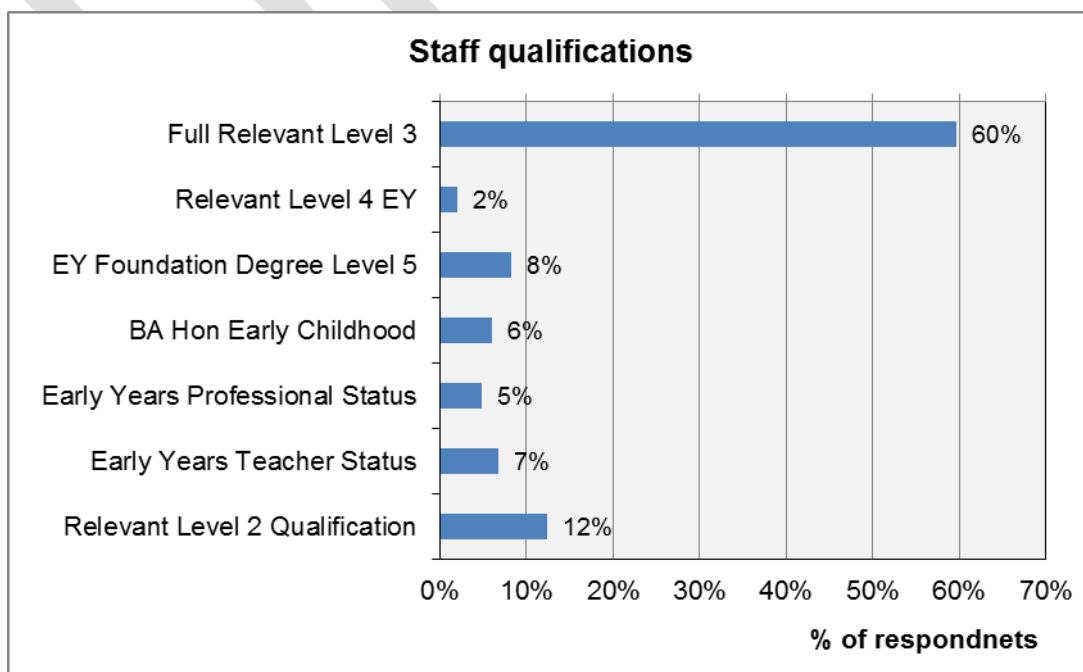
The majority of childminders in Herefordshire are well qualified. A large proportion is qualified to Level 3 with some holding Foundation Degree, Early Years Teacher Status and or a degree or certificate in education.

	Number of staff	Percentage of staff
Full/part qualified	800	87%
Unqualified	92	10%
Volunteers	26	3%
Total staff	918	100%



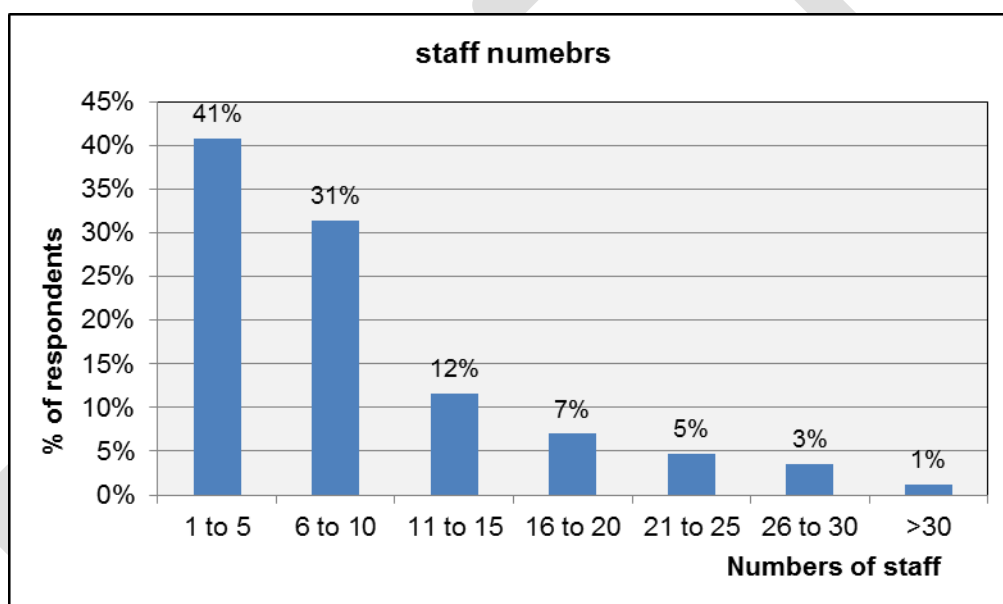
	Number of fully/part qualified staff	Percentage of fully/part qualified staff
Full Relevant Level 3	478	60%
Relevant Level 4 EY	16	2%
EY Foundation Degree Level 5	66	8%
BA Hon Early Childhood	48	6%
Early Years Professional Status	39	5%
Early Years Teacher Status	54	7%
Relevant Level 2 Qualification	99	12%
Total number of qualified staff	800	100%

Key: EY-early years



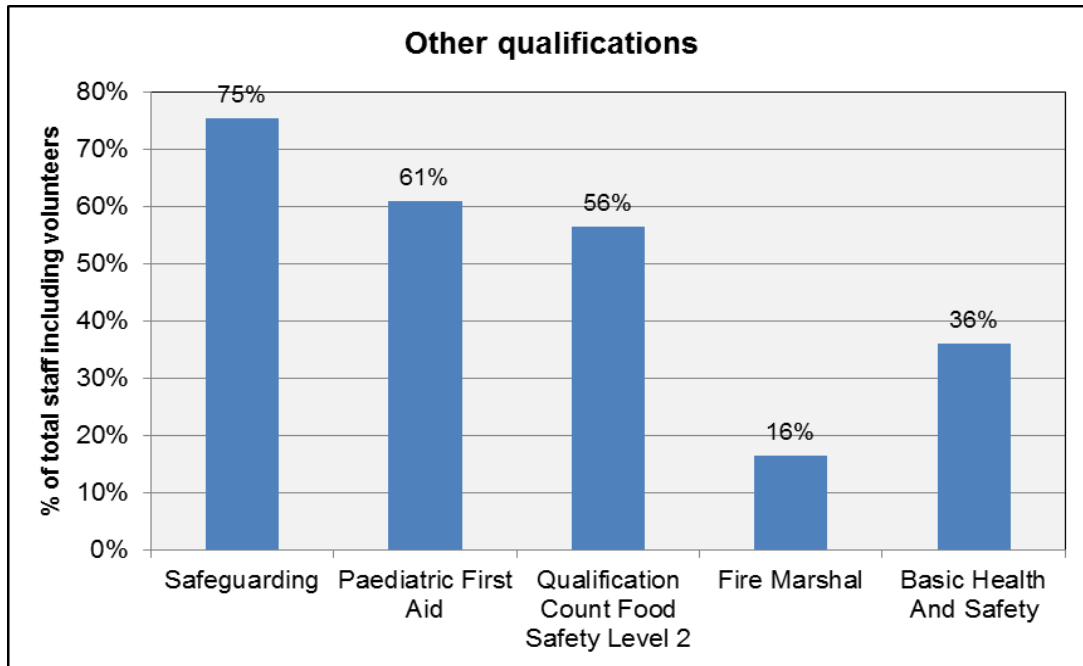
Based on number of qualified staff employed (fully or part qualified), there are 62 organisations (excludes childminders) that employ ten or less staff, while there are 23 organisations (employing 11-30 staff) and one organisation which employ more than 30 staff.

Number of staff employed	Number of respondents	Percentage of respondents
1 to 5	35	41%
6 to 10	27	31%
11 to 15	10	12%
16 to 20	6	7%
21 to 25	4	5%
26 to 30	3	3%
>30	1	1%
Total respondents	86	100%



### Other qualifications

Other qualification	Number of staff	Percentage of staff
Safeguarding	692	75%
Paediatric First Aid	560	61%
Qualification Count Food Safety Level 2	518	56%
Fire Marshal	151	16%
Basic Health And Safety	331	36%
All staff including volunteers	918	100%



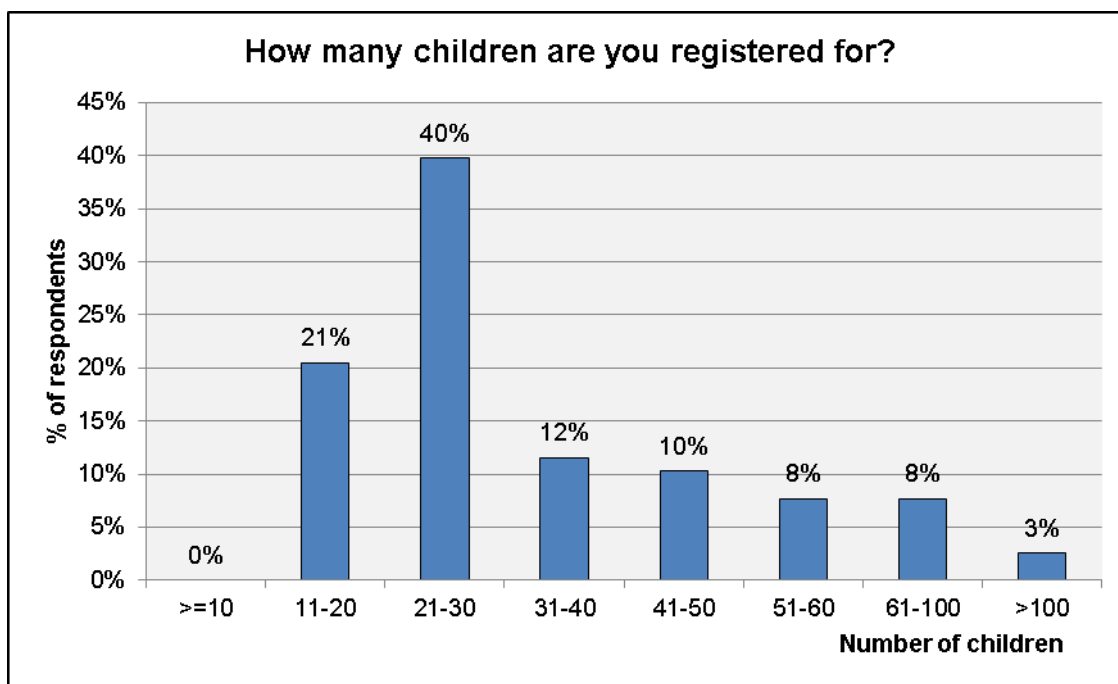
### Capacity:

Of those surveyed, around 2800 children are registered with full day, sessional, after school, breakfast and holiday playscheme organisations. The largest proportion of organisations (40 per cent) is registered for 21-30 children and 16 organisations (21 per cent) are registered for up to 20 children. There are two organisations (3 per cent) registered for more than 100 children.

Of the 101 childminders in Herefordshire there are approximately 508 childcare places (subject to ages of children at any one time) with a minimum registration of 3-6 children each.

Number of children registered for	Number of respondents	Percentage of respondents
>=10	0	0%
11-20	16	21%
21-30	31	40%
31-40	9	12%
41-50	8	10%
51-60	6	8%
61-100	6	8%
>100	2	3%
Total respondents	78	100%
Not answered	9	





### Free Part-time Early Education and Childcare Places for 2-Year-Olds

Since September 2014, the Local Authority has had a statutory duty to provide free early education and childcare places for the most vulnerable 2-year-olds in the county based on economic deprivation and other vulnerability criteria. Families are eligible for places if they receive certain non-working benefits or are claiming Working Tax Credit and have a gross household income of £16,190 or less per annum.

Local Authorities are required by legislation to secure Early Education places offering 570 hours a year over no fewer than 38 weeks of the year. Currently 68% of 2 year olds access Nursery Education funding (as at summer term 2015).

The majority of respondents (89%) agreed to take funded 2 years olds. 38 of 103 childminders are registered to take 2 year funding.

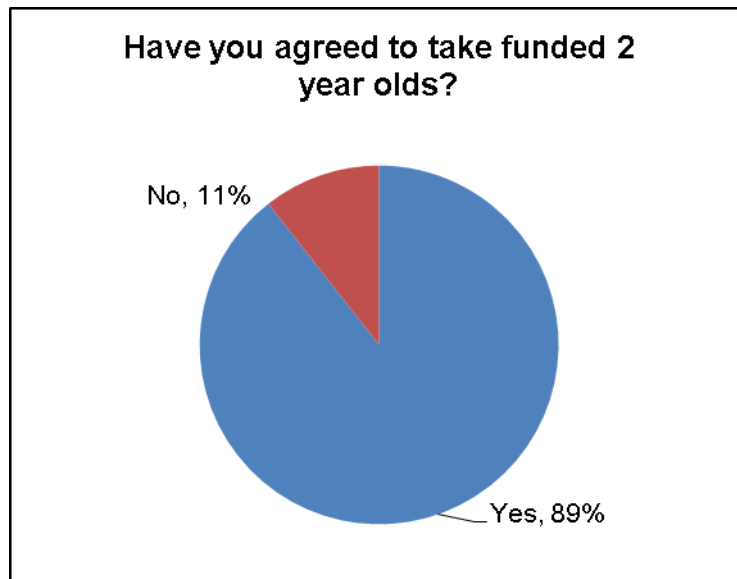
### Free Part-time Early Education Places for 3 and 4-Year-Olds

The rate of take-up of free Early Education places by 3 and 4-year-olds in Herefordshire is 98%.

54 of the 103 childminders are registered for Nursery Education Funding for 3 & 4 year olds.

*(applies to full day, sessional , after school, breakfast and holiday play schemes).*

	Number of respondents	Percentage of respondents
Yes	76	89%
No	9	11%
Total respondents	85	100%
Not answered	2	



**Minimum age of children cared for (in years) excludes childminders**

When considering the maximum age of children that respondents can care for, just under two thirds of respondents (63%) can care for children aged 2 years and over while a third can care for children aged less than a year. The minimum age childminders take children is from birth.

Minimum age (in years)	Number of respondents	Percentage of respondents
<1	29	34%
1	0	0%
1.5	3	3%
2	42	49%
2.5	2	2%
3	8	9%
3.5	1	1%
4	1	1%
Total respondents	86	100%
Not answered	1	

## Maximum age of children cared for (in years)

When considering the maximum age of children that respondents can care for, a quarter of respondents can care for children aged four years while 69% can care for aged between five and eleven years, further 6 per cent can care for children aged 11-14 years. A proportion of childminders reported taking children up to the age of 17 years.

Maximum age (in years)	Number of respondents	Percentage of respondents
4	21	25%
5	36	43%
6	0	0%
7	1	1%
8	6	7%
9	0	0%
10	0	0%
11	15	18%
12	3	4%
13	1	1%
14	1	1%
Total	84	100%
Not answered	3	

## Breakfast and afterschool sessions

Of all respondents (full daycare, sessional, breakfast, after school & holiday playschemes) childcare is provided Monday to Friday. Of these, three organisations open at 7am for breakfast, and among them 131 childcare places are available, which is equivalent to 5% of total childcare places among all organisations who responded. A further nine organisations provide breakfast at 7:30 am for which 505 childcare places are available (18% of total childcare places).

15 organisations open until 17:30 (547 childcare places available equivalent to 20% of total available places) and further 14 organisations open until 18:00, among them 773 childcare places available (28%).

Of the 81 primary schools (including 3 special schools) approximately 60 primary schools operate a breakfast, after school club or both at the school. Only a small number 11, do not have any before or after school provision on site and 5 schools (Lugwardine, Bredenbury, Eastnor, St Pauls & Hampton Dene) are located close by to a private provider which delivers the service or provides transport to a provision.

Clubs are based on school premises (privately run or run by the school) and others are at another location, sometimes a nursery or a standalone club, who will deliver and/or collect children from schools. Some parents may use traditional school activity clubs for childcare but they often are not consistent in that they do not cover all term time weeks/days and can sometimes be cancelled. In some schools the clubs cannot be used until a child reaches a particular age or year group. A good majority of childminders are also available to take children to school, pick them up and also care for children in the school holidays.

## Home childcarers (nannies)

There are 6 home childcarers (nannies) in Herefordshire. Nannies care for children in the child's own home. Home childcarers often register with Ofsted as this enables parents to use the childcare element of the working tax credits and to take advantage of the employer tax-free childcare vouchers.

### Vacant places:

There were 78 respondents from full, sessional, breakfast, after school & holiday playschemes that provided some form of answer for this question, of these 60 (77%) respondents have a few vacancies in their settings.

### Average length of time on waiting list before a childcare place is offered (Days)

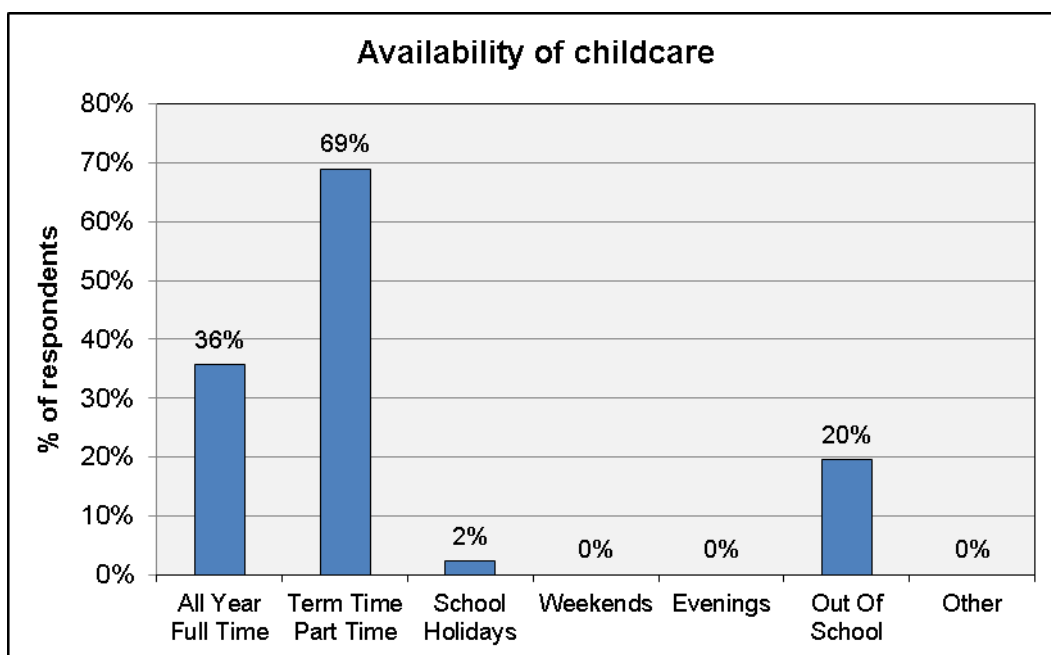
Of the respondents who provided an answer, 25 respondents (32%) do not have any waiting time in their organisation. However, 16 organisations have 60 days or more waiting times. 11 out of 103 childminders had immediate vacancies

### Availability:

In 36 percent of organisations (full day, sessional, after school, breakfast & holiday playschemes) childcare is available all year on a full time basis and in 69 percent offered term time, -part time childcare. A fifth of the responded organisations that responded provided childcare during out of school hours.

Of the 101 Childminders only 14 do weekend care, 7 overnight care, 47 available at short notice for emergency cover

	Number of respondents	Percentage of respondents
All Year Full Time	31	36%
Term Time Part Time	60	69%
School Holidays	2	2%
Weekends	0	0%
Evenings	0	0%
Out Of School	17	20%
Other	0	0%
Total respondents	87	100%



## Opening hours

The school holiday period is a time that parents continue to find a struggle to find care or activities for their children to take part in – especially for older children. It can also be an expensive time for parents and many use their annual leave during the school holidays.

	Number of organisations	Number of places available	
Breakfast club			
From 7.00am	3	131	5%
From 07:30am	9	505	18%
After school club			
Up to 17:30:00	15	547	20%
Up to 18	14	773	28%
Total number of childcare places registered		2792	100%

### Regular morning and afternoon sessions (Nurseries and pre-schools)

Regular morning sessions starts between 8am-8:30am for 19 organisations where 832 children are cared for (30%). A further 40 organisations starts their morning sessions between 8:45am and 9am (1070 childcare places equating to 38% of all available places).

Regular afternoon sessions start between 11:45am -12:30pm in 33 organisations where 998 childcare places are available (35%) while another 13 organisations start their afternoon session between 12:45pm-1:30pm (544 child care places, 19% of total).

	Number of organisations	Number of places available	
Morning session			
From 8:00am-8.30am	19	832	30%
From 8:45am-9:00am	40	1070	38%
Afternoon session			
From 11.45am-12.30pm	33	988	35%
From 12.45pm-13:30pm	15	544	19%
Total number of childcare places registered		2792	100%

**Cost of childcare** (*Full daycare, sessional, breakfast, after school clubs & holiday playschemes*)

Average hourly cost for childcare varies between £3.20 and £6.00 among 63 respondents. Of the provided figures, the calculated average is £4.03 per hour. Nearly half of respondents stated that their average hourly childcare fee was between £3.51 and £4.00.

Average hourly cost	Number of respondents	Percentage of respondents
£3.00-£3.50	12	19%
£3.51-£4.00	29	46%
£4.01-£4.50	15	24%
£4.51-£5.00	4	6%
£5.01-£5.50	1	2%
£5.51-£6.00	2	3%
Total respondents	63	100%
Not answered	24	

Average day cost varies between £19.20 and £51.00 among 51 respondents. Of the provided figures, the calculated average is £30.05. Nearly three fifths of respondents' average daily cost varies between £21.00 and £30.00. However, the average day cost depends on number of factors such as number of hours opened in the day, cost for crèche/nursery or pre-school and if breakfast/lunch is included or not.

## Average cost of childminders

Average costs for a childminder vary between £3.00 and £4.50 per hour. The cheapest is £3.00 per hour with the average costs being £3.50 and the most expensive being £4.50 per hour.

Average day cost	Number of respondents	Percentage of respondents
£20.00 or less	2	4%
£21.00-£30.00	30	59%
£31.00-£40.00	11	22%
£41.00-£50.00	7	14%
More than £50.00	1	2%
Total respondents	51	
Not answered	36	

Average cost per week varies between £35.00 and £220.00, and clearly this depends on the number of hours and sessions carried out during a week. The calculated average cost is £132.52 per week from the figures provided by 38 respondents. Please note that, it is not accurate to make like-for-like comparison using the weekly average costs provided because of the variations due to the number of sessions, inclusion of lunch and cost of breakfast and afterschool clubs.

Average cost per session varies between £7.00 and £51.00, which is dependent on the number of hours in a childcare day and provision of breakfast/lunch.

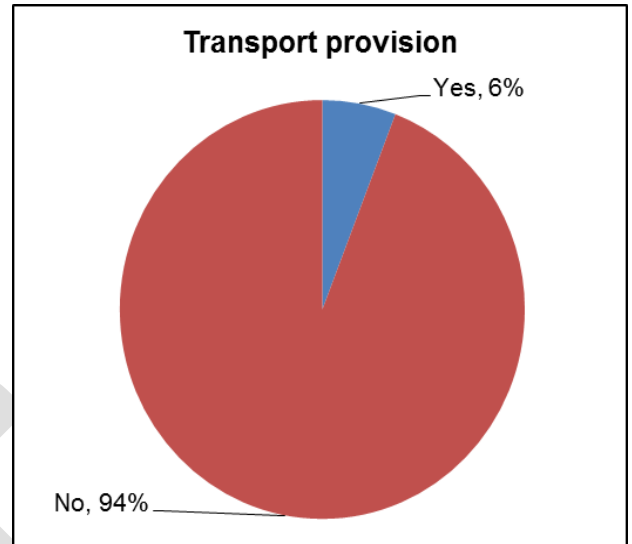
Cost for breakfast club varies between £1.50 and £6.00, which depends on the start time and whether breakfast is provided or not. Average calculated cost for breakfast club is £4.11. The cost of afterschool club varies between £2.25 and £7.00, which depends on the collection/pick up time.

## Transport

### Do you provide transport? (excludes childminders)

Five organisations (6%) provide transport (to and from home to the nursery/preschool).

	Number of respondents	Percentage of respondents
Yes	5	6%
No	80	94%
Total respondents	85	100%
Not answered	2	

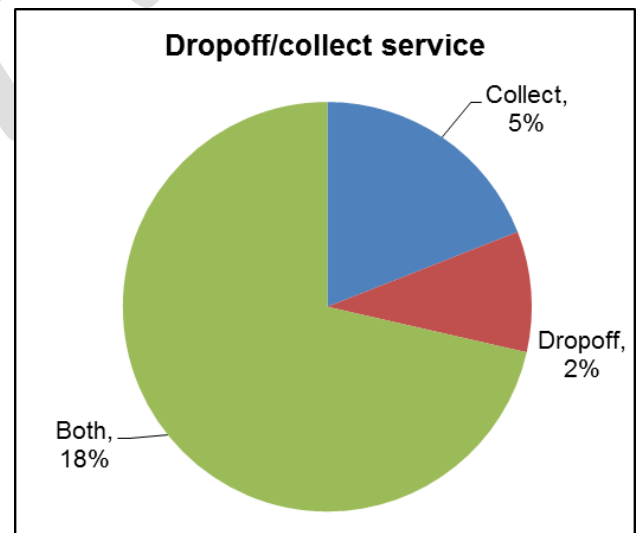


Please note: 'transport' mentioned in this question means transport from **home** to the nursery/preschool and vice versa.

### Do you drop off at/collect from any schools in the area?

Twenty one organisations drop off / collect children from any school in the area. Of these, four only collect children from schools, two only drop off to schools while 15 provide both services.

Drop off/collect service	Number of respondents	Percentage of respondents
Collect	4	5%
Drop off	2	2%
Both	15	18%
None	62	75%
Total answered	83	100%
Not answered	4	5%



**Childminders:** 45 out of 103 childminders provide transport



## Accessibility

**Please give details of languages spoken by yourself, your assistants or your staff, other than English.**

When looking at languages spoken within childcare providers 14 organisations (excludes childminders) employ staff who can either speak Polish, Lithuanian or Portuguese. 16 organisations employ staff who speak other languages such as French, Spanish, Welsh. There are five organisations that employ staff who speak Polish/Lithuanian or Portuguese as well as one or more of other languages. Of the 101 Childminders 3 speak French, 2 Spanish & 1 Welsh.

Languages other than English	Number of respondents	Percentage of respondents
Polish	13	15%
Lithuanian	4	5%
Portuguese	5	6%
Other languages only	16	18%
Polish/Lithuanian/Portuguese and one or more other languages	5	6%
Total respondents	87	100%

**What is the average length of time on the waiting list before you are able to offer a place? (Days)**

The average length of time parents had to wait for a place to become was variable across the country. About a quarter of the childcare providers had places available throughout the year without having to wait, although this tended to be provision in rural isolated areas. In other areas the waiting time was very variable from a 7 day wait to up to a possible 6 month/12 month wait. This is very variable depending on the time of the year, age of child.

## Children With Special Educational Needs/Disabilities

### Children with Special Educational Needs (SEN) and Disabilities

In Herefordshire there are approximately 4,253 identified children aged 0-25 years identified as Special Educational Needs.

In Herefordshire we know that of the 2632 (2-4yr old) children who take up Nursery Education Funding, 71 (2.7%) were indicated as having SEND (January 2015 EY census). Early Years Improvement Advisors support 105 children (children who have been referred for inclusion support by their early years childcare provision)

In Herefordshire all mainstream early years providers include children with SEND (special educational needs) in their settings and are supported to do so by the local authority's Early Years team. Herefordshire has one specialist childcare provision for children with severe and complex needs in a nursery attached to one primary age special school (Blackmarston, Hereford) with one other special school nursery (Westfield, Leominster) due to open Jan 2016).

There are also specialist groups provided by the Child Development Centre (CDC) run jointly by health and education. This offers specialist interventions rather than childcare. Admission is by referral and/or assessment. There is no charge to parents for this and most of these children also attend mainstream early years provision with outreach from the CDC and financial support, if appropriate, from the Local Authority.

Children's centres also offer intervention groups for referred children – Language Steps/Nurture groups – there is no charge to parents for these groups.

Additional funding is available through the Early Years Grant to enable early year's providers to support children who are SEND to access provision.

Of the 86 Childcare organisations surveyed, 90% had wheel chair access and 15 out of 103 childminders had wheelchair access in their homes.

Appendix 1: Details of special needs/disabilities childcare providers have experience in supporting parents with.

Appendix 2: Specialist equipment childcare providers have to support children with disabilities

Appendix 3: Specialist training & knowledge childcare providers have in working with children with disabilities:

Appendix 4: Early Years providers that drop off and collect from schools (excludes childminders)

# Map Of The Spread Of Childminders Across Herefordshire



# Map Of The Spread Of Nurseries/Pre-Schools/Breakfast/After School Clubs/Holiday Playschemes Across Herefordshire



Day/sessional care providers responded to childcare sufficiency assessment – September 2015

Group Name	Group code	Group Name	Group code	Group Name	Group code
Herefordshire & Ludlow College Nursery (HCT)	1	Steiner Academy	31	Daisy Chain Pre-School	61
Broadlands Bright Sparks Playgroup	2	Down on the Farm	32	Pembridge Pre-School	62
St Paul's Church Childcare Services	3	St Leonards Pre-School	33	Kingsland Pre-School	63
Beech House Nursery School	4	Garway Pre-School	34	Wigmore Nursery	64
St Thomas Cantlupé Playgroup	5	Bridges Childcare Limited	35	Pencombe Under Fives	65
Hereford Cathedral Junior School	6	Little Acorns Day Nursery Ltd	36	St Richards School	66
Wysside Day Nursery (Fourways)	7	Madley Pre-School	37	Playstation Day Nursery LTD	67
Rainbow Nursery	8	Busy Bees Nursery & Pre-School	38	Jack in the Box Nursery School	68
'abc' Childcare Centre Ltd	9	Whitney Crocodiles Pre-School	39	Busy Bees@LPS	69
Marden Pre-school	10	Bizzie Lizzie's	40	Much Marcle Nursery	70
St Michaels Nursery Bodenham	11	Whitecross Day Nursery	41	The Townsend Nursery	71
Burley Gate Pre-School	12	Trinity Treetots	42	Abacus 2000 Nursery School	72
Sutton Seedlings	13	Norton Daycare Ltd	43	Ashfield Park Primary School Nursery Class	73
Gateway (Education and Childcare) Trust Limited	14	<name removed>	44	Walford Pre-School Playgroup	74
Mordford Dragons Playgroup	15	Field House Kindergarten	45	Tiny Beginnings	75
St Marys Pre-School	16	Staunton-On-Wye Pre-School	46	Llangrove Leapfrogs	76
Ewyas Harold Pre-School	17	Dilwyn Playgroup	47	Goodrich C E Primary School	77
Longtown Pre-School	18	Pippins Pre-School and Kids Club	48	Oak House Nursery School	78
Michaelchurch Preschool	19	Chill Stay and Play	49	Lea C E Primary School	79
Golden Valley Pre-School	20	Weobley Primary School Nursery Class	50	Tiny Beginnings @ Weston-Under-Penyard	80
Cut and Paste Childcare	21	Noah's Ark Pre-School	51	Ross Pre-School Playgroup	81
<name removed>	22	Highmore Hedgehogs Nursery	52	The Red House Nursery School	82
Lake View Nursery Ltd	23	Holmer Pre-School	53	Fun-2-Sea Nursery	83
Hunderton Neighbourhood Nursery & Kids Club Ltd	24	Little Orchard Day Nursery	54	Cradley Nursery	84
Merry Go Round Nursery @ Riverside	25	Luston Nursery	55	The Elms School	85
Riverside Primary School Nursery Class	26	Kimbolton Nursery Group	56	Colwall Pre-school	86
Merry Go Round @ Green Croft	27	Ivington Early Days CIC	57	Tiblands Nursery School	87
The Wye Nursery School	28	Wise Owls Nursery (Honey Bees Day Nursery @ LLC)	58		
Play and Learn Nurseries Ltd	29	Honey Bees Day Nursery	59		
Merry Go Round Pre-School @ Our Lady's	30	Bargates Nursery	60		



## Parent Survey Results (July 2015)

The Council has a statutory obligation to provide support to parents who are in employment, education or training to find suitable childcare. The childcare provision in Herefordshire survey sought the views and experiences from parents seeking childcare in Herefordshire in order to improve this support. It also serves to identify any gaps in provision.

### Methodology

An online questionnaire was produced and published on Herefordshire Council's website. Paper copies were distributed to all 8 children's centres across the county to be made available for service users.

Promotion and advertising of the childcare survey was carried out through all schools, early years providers, childminders, Hereford Carers Support, Crossroads care, Marches Family Network and Special Schools. It was also advertised through social media and Herefordshire Early Educators Facebook page.

The survey ran from 13<sup>th</sup> April to 22<sup>nd</sup> May, however responses received up to and including 29<sup>th</sup> May were included in this report.

The sample base is the number of respondents to the question and is the base from which percentages are calculated. The sample base used is specified for each question. Percentages are presented rounded to the nearest whole number in the tables; however the charts are based on the unrounded percentages.

Note that if respondents could select more than one answer to a particular question, the percentages may add up to more than 100 per cent.

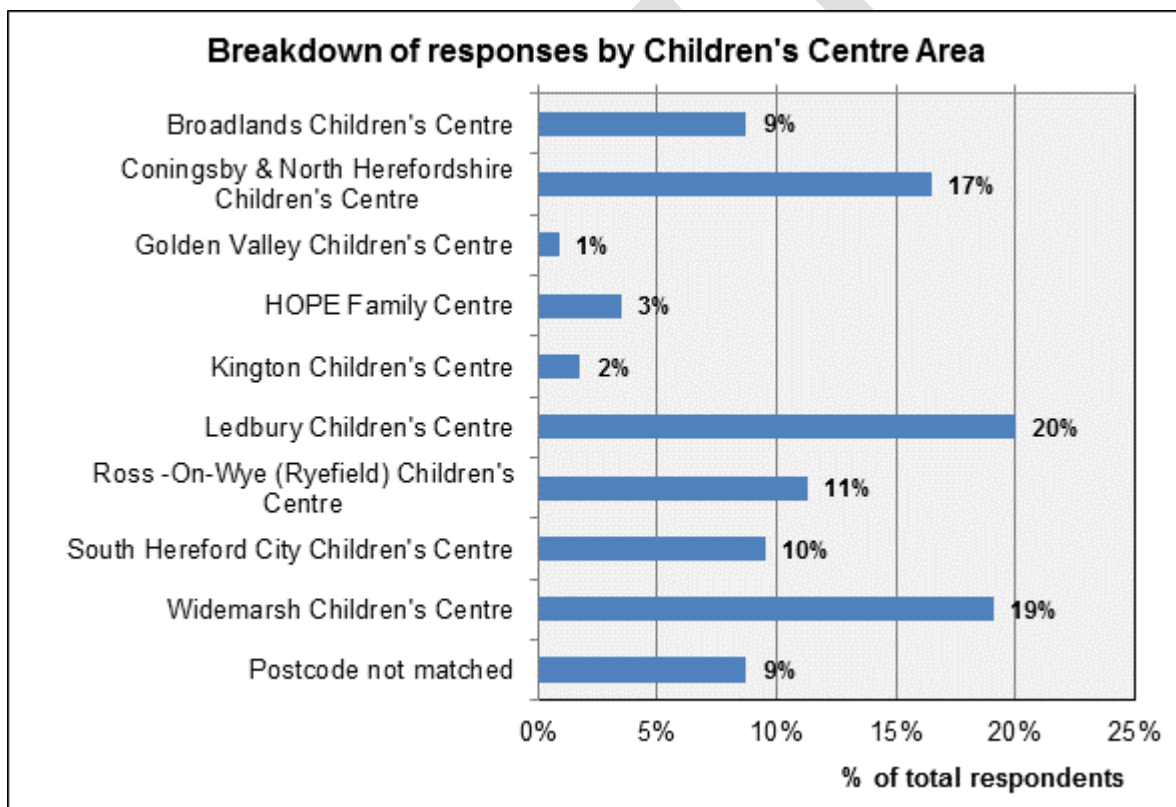
Where comments have been provided these are listed in full but have been anonymised and corrected for spelling where appropriate.

### Results

There were a total of 131 responses to the survey, of which 86 (66%) were submitted online and 45 (34%) were completed paper copies.

The largest proportions of respondents, who provided a valid postcode, were located within the Ledbury (20%), Widemarsh (19%) and Coningsby & North Herefordshire (17%) children's centre areas, nearly a tenth of respondents either did not provide their postcode or did not provide a complete postcode that could be matched to one of the Children's Centre Areas. A breakdown of responses by Children's Centre areas is provided in the table and chart below.

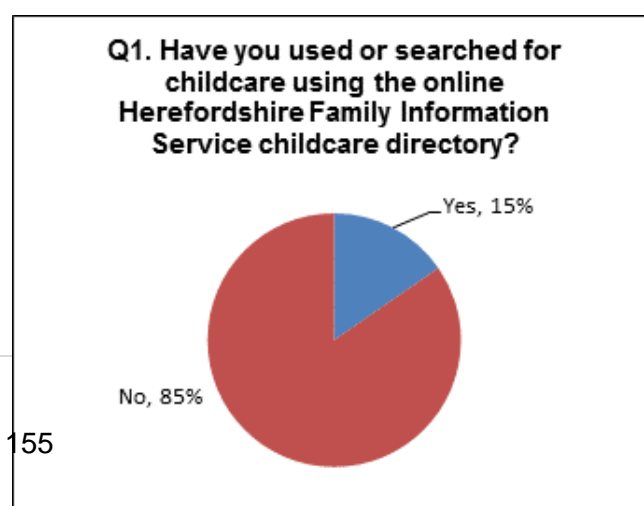
	No.	%
Broadlands Children's Centre	10	9%
Coningsby & North Herefordshire Children's Centre	19	17%
Golden Valley Children's Centre	1	1%
HOPE Family Centre	4	3%
Kington Children's Centre	2	2%
Ledbury Children's Centre	23	20%
Ross -On-Wye (Ryefield) Children's Centre	13	11%
South Hereford City Children's Centre	11	10%
Widemarsh Children's Centre	22	19%
Postcode not matched	10	9%
Total respondents	115	100%
Total survey respondents	131	
Not answered	16	



**Q1. Have you used or searched for childcare using the online Herefordshire Family Information Service childcare directory?**

A large proportion of respondents (85%) have not used or searched for childcare using online Herefordshire Family Information service childcare directory to find childcare.

	No.	%
Yes	20	15%
No	110	85%



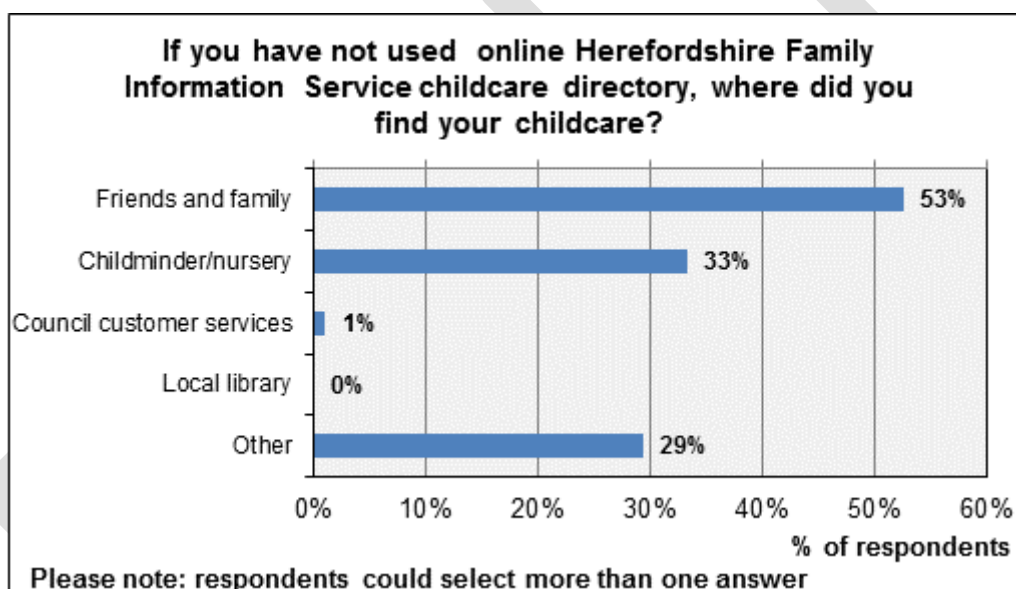
Total respondents	130	100%
Not answered	1	

### Q1a. If No, where did you find your childcare?

Just over half of respondents found information on childcare from friends and family (53%) while a third found it from a childminder/nursery, and 29% used other sources (see the table overleaf for other sources stated).

	No.	%
Friends and family	52	53%
Childminder/nursery	33	33%
Council customer services	1	1%
Local library	0	0%
Other (see table overleaf)	29	29%
Total respondents	99	

Please note: respondents could select more than one answer.



### Q2. What formal childcare services are you looking for?

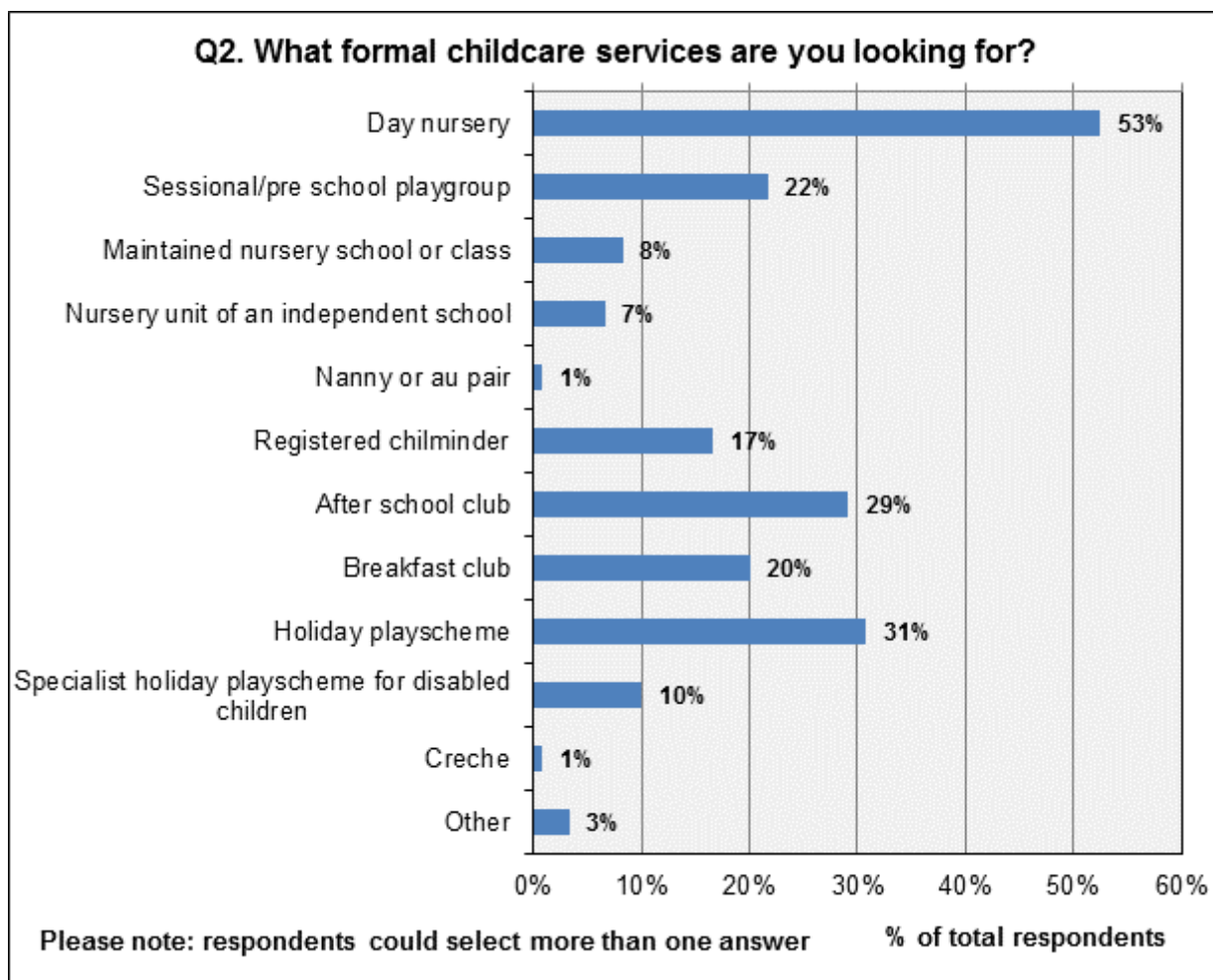
The majority of respondents are looking for 'day nursery' as their formal childcare while 'holiday play schemes' (31%) and 'after school club' (29%) are next in demand.

	No.	%
Day nursery	63	53%
Sessional/preschool playgroup	26	22%
Maintained nursery school or class	10	8%
Nursery unit of an independent school	8	7%
Nanny or au pair	1	1%
Registered childminder	20	17%
After school club	35	29%
Breakfast club	24	20%
Holiday play scheme	37	31%



Specialist holiday play scheme for disabled children	12	10%
Creche	1	1%
Other (see table overleaf)	4	3%
Total respondents	120	100%
Not answered	11	

Please note: respondents could select more than one answer.



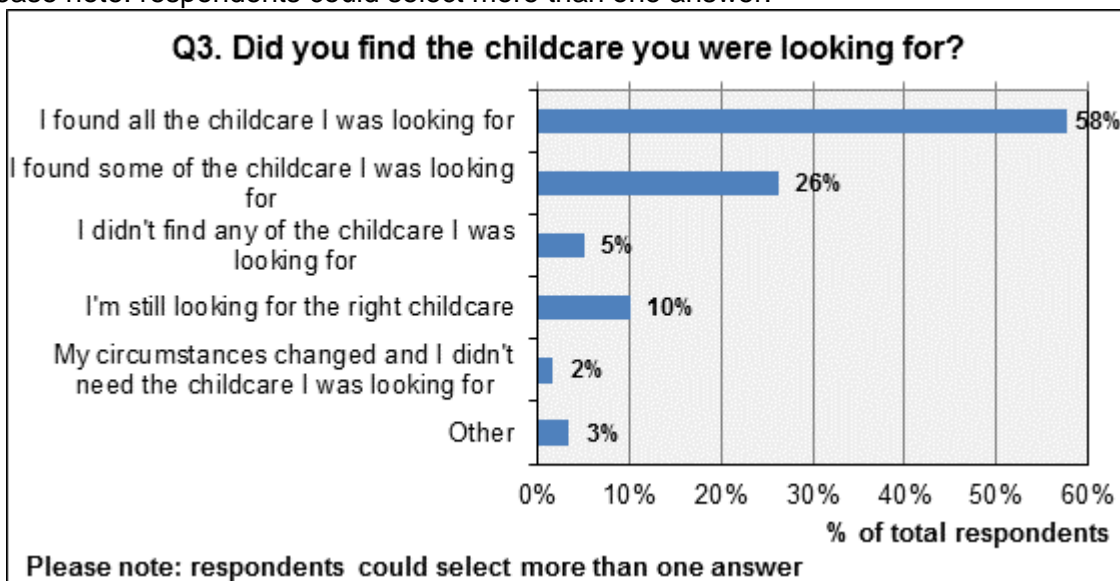
### Q3. Did you find the childcare you were looking for?

A large majority of respondents (84%) found all or some of the childcare that were looking for while 5% did not find any childcare and a tenth still looking for it.

	No.	%
I found all the childcare I was looking for	68	58%
I found some of the childcare I was looking for	31	26%
I didn't find any of the childcare I was looking for	6	5%
I'm still looking for the right childcare	12	10%
My circumstances changed and I didn't need the childcare I was looking for	2	2%
Other (see table overleaf)	4	3%

Total respondents	118	100%
Not answered	13	

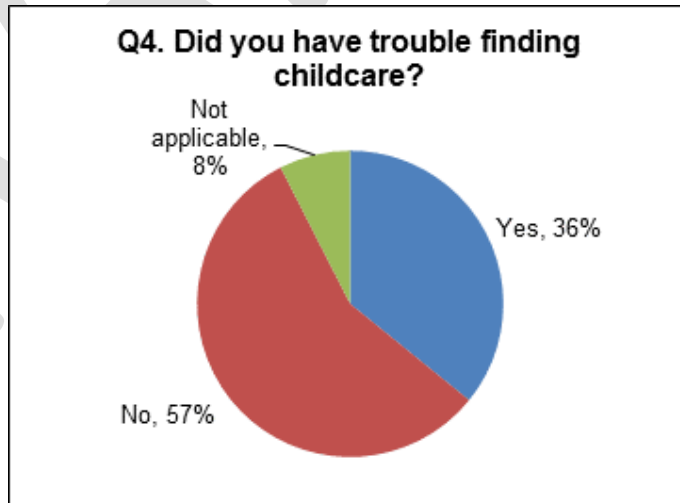
Please note: respondents could select more than one answer.



**Q4. Did you have trouble finding childcare?**

Just over a third of respondents (36%) had trouble finding childcare.

	No.	%
Yes	43	36%
No	68	57%
Not applicable	9	8%
Total respondents	120	100%
Not answered	11	



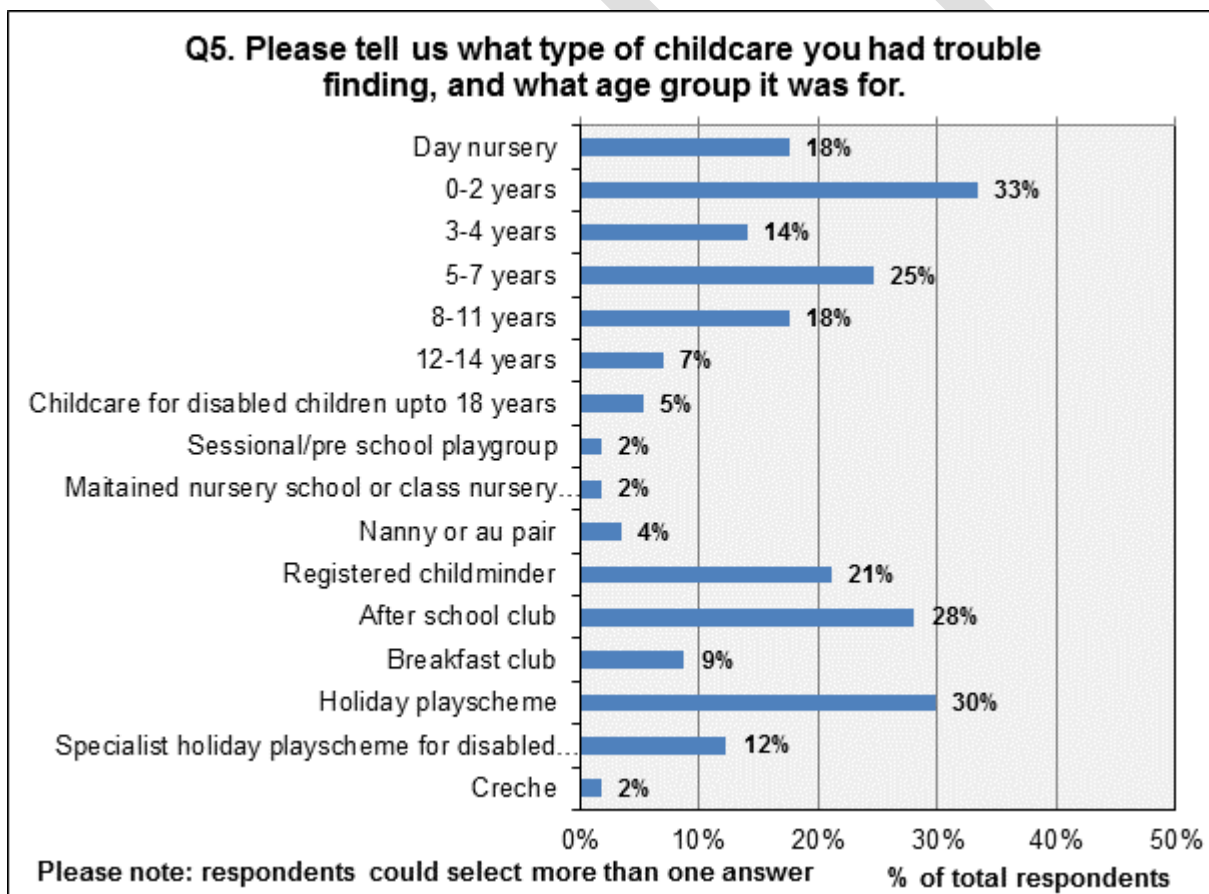
**Q5. Please tell us what type of childcare you had trouble finding, and what age group it was for.**

The most common types of childcare that respondents had trouble finding were, childcare for ages 0-2 years (33%), holiday play schemes (30%) and after school clubs (28%).

	No.	%
Day nursery	10	18%

0-2 years	19	33%
3-4 years	8	14%
5-7 years	14	25%
8-11 years	10	18%
12-14 years	4	7%
Childcare for disabled children up to 18 years	3	5%
Sessional/preschool playgroup	1	2%
Maintained nursery school or class nursery unit of an independent school	1	2%
Nanny or au pair	2	4%
Registered childminder	12	21%
After school club	16	28%
Breakfast club	5	9%
Holiday play scheme	17	30%
Specialist holiday play scheme for disabled children	7	12%
Creche	1	2%
Total respondents	57	100%

Please note: respondents could select more than one answer.



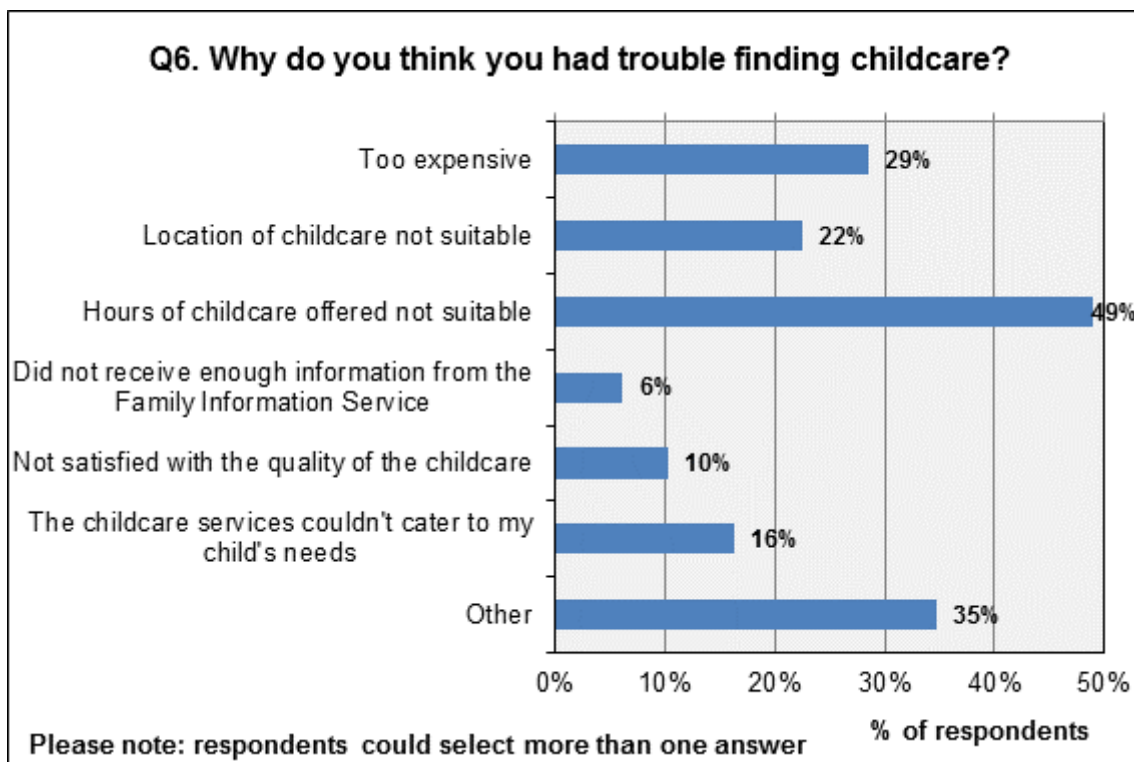
**Q6. Why do you think you had trouble finding childcare?**

Nearly a half of respondents found that 'hours of childcare offered not suitable' while 29% found it 'too expensive' or 'location of childcare not suitable' (22%).

	No.	%
Too expensive	14	29%

Location of childcare not suitable	11	22%
Hours of childcare offered not suitable	24	49%
Did not receive enough information from the Family Information Service	3	6%
Not satisfied with the quality of the childcare	5	10%
The childcare services couldn't cater to my child's needs	8	16%
Other (see table overleaf)	17	35%
Total respondents	49	100%

Please note: respondents could select more than one answer.



Other, please specify below:

There were 26 responses to this question; the comments received were as follows:

Comments
<i>A lack of providers in Ledbury which provide holiday play schemes. I am a single parent and am employed so it is vital that I secure dependable childcare during the holidays. It is a worry that a service provider suddenly decides to close - giving about three weeks' notice and there is no alternative in Ledbury! Also, OFSTED registered childminders who I know of in Ledbury do not provide holiday cover for the entire holiday period due to their own holidays! It is something that I am very anxious about for the future; my daughter is 4 years old so I will need holiday childcare for many years to come. I do honestly worry that this lack of provision may put an end to me being employed if a real, dependable alternative for childcare during all of the school holidays is not put into place soon.</i>

<b>Comments</b>
<i>A club in ledbury closed over Easter despite it being the holiday club. The head teacher of the school coordinated a club on hearing this information for 1 week of the holidays, however for parents that work full time holiday clubs need to cover the full working day (8-5.30 min) and not just school hours. The provider gave parents only 2 weeks notice that they were unable to provide childcare.</i>
<i>Childminders are few and far between, very hard to find one with vacancies.</i>
<i>I didn't have trouble finding childcare but there were waiting lists at the nurseries I looked at. If a day nursery has a good Ofsted rating I found that they were very crowded. I think more quality and flexible childcare is needed, particularly in Hereford city because more and more children have parents who work and the unemployment rate is very low in Herefordshire at the moment.</i>
<i>I don't have transport of my own and think there is not enough variety around my area for younger children</i>
<i>I previously worked some evenings and still work Saturdays for the council. It is very difficult to find reasonably priced care from 8am to 6pm and Saturday's. I used to start at 8.30 and finish at 5.30 and work to 7.30 one night. My husband travels home from Worcester and doesn't get back until 6.15. I have had to reduce my hours because I couldn't find childcare. There must be many like me working retail hours or struggling as a single parent because of this gap in provision.</i>
<i>Lack of availability</i>
<i>lack of information by hand or on internet</i>
<i>local authority's unwillingness to support disabled children in south Herefordshire. Only interested in north and the city of Hereford itself. LA employees too ignorant and arrogant to want to understand the problems that parents have.</i>
<i>Marches Family Network changed their summer playscheme to Thurs/Fri which doesn't help this year as it has previously always been a Mon/Tues in Leominster</i>
<i>No hours of childcare available when I need it.</i>
<i>No one ever told us about it</i>
<i>No other option in Ledbury - only 1 available giving them the monopoly and removing any choice I have, meaning they can charge what they like and I had to change my working hours to fit in with them - OK for me, but many parents would not have this luxury with their employer</i>
<i>No provision in Ledbury</i>
<i>No specialized disabled child care in local area. Plus seeking good respite care when 1 Ledbury road closes as it is disgraceful that there is no suitable alternative on offer as foster respite is not suitable in all cases.</i>
<i>none available in ross on wye</i>
<i>not enough places in nursery/childminder for month of June/July in Ledbury area</i>
<i>Nowhere to easily look at a list of all registered childminders WITH their ousted rating and date. Also struggled to find mums who could/would recommend someone.</i>
<i>registered after school club was closed in favour for unregistered after school club leaving me unable to claim tax credit help towards childcare due to it not being ofsted registered, no local ofsted registered after school clubs available</i>
<i>Service wasn't working so I couldn't find out about anything</i>
<i>Space not available. Currently on waiting list and looking for alternatives</i>
<i>The search function on the council website link didn't let you search by location</i>
<i>There is not any flexible childcare provision in my local area. (That I am aware of) We have an excellent term time only nursery and after school club which finishes at 5.30pm. This is too early, I commute to Hereford. We have no family support therefore one of us has had to stay off work for three years now to care for the children.</i>

<b>Comments</b>
<i>Too young for holiday clubs, and preschool only offered two days of activities in the Easter hols</i>
<i>Unwilling to accept 2 children with disabilities in one setting</i>
<i>When I had a temp job where I worked full time. There wasn't many places available at the local nursery and I was told on a Friday that I had a job by Monday so we didn't have much time. Now we mainly have problems with child care in the holidays. I just found out that the local nursery does have some spaces available, but there aren't many and we can't always tell a long time before when we need it.</i>

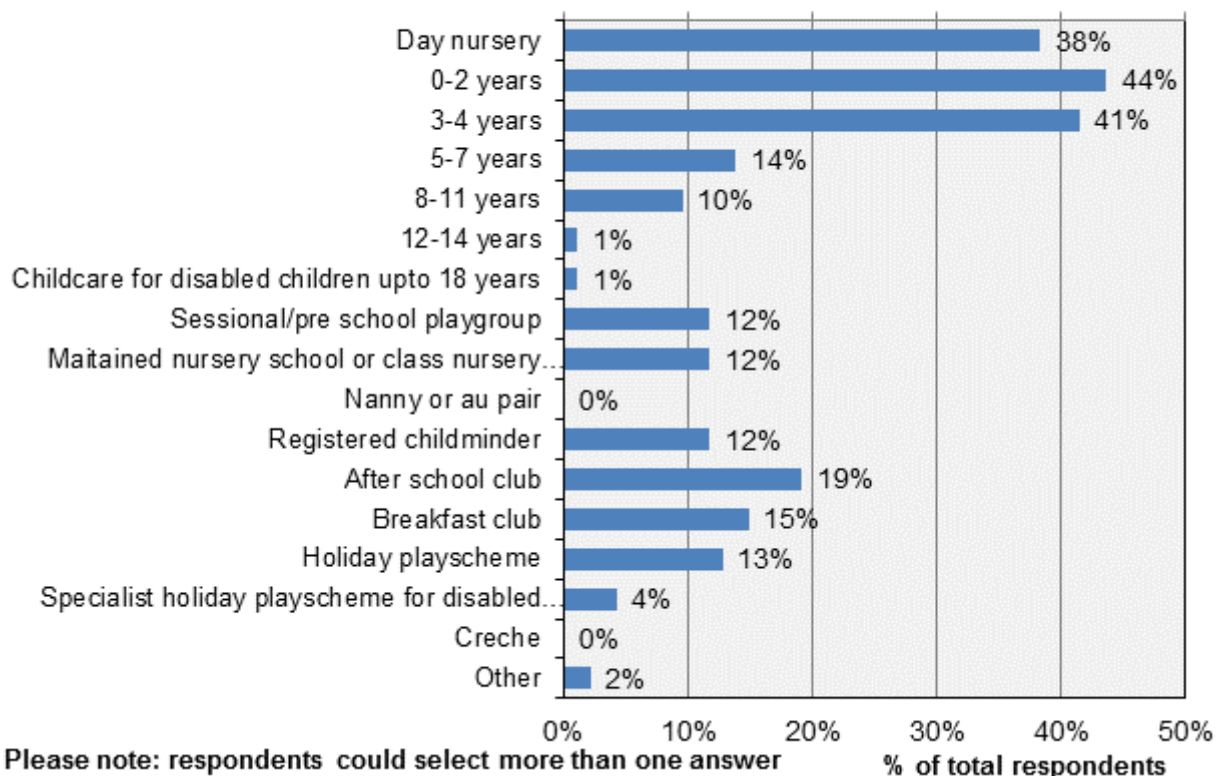
**Q7. If you did find any of the formal childcare you were looking for, please tell us what kind of childcare it was and for what age group.**

Around two fifths of respondents found formal childcare that they were looking for; 44% found childcare for '0-2 years', 41% for '3-4 years' and 38% for 'day nursery'.

	<b>No.</b>	<b>%</b>
Day nursery	36	38%
0-2 years	41	44%
3-4 years	39	41%
5-7 years	13	14%
8-11 years	9	10%
12-14 years	1	1%
Childcare for disabled children up to 18 years	1	1%
Sessional/preschool playgroup	11	12%
Maintained nursery school or class nursery unit of an independent school	11	12%
Nanny or au pair	0	0%
Registered childminder	11	12%
After school club	18	19%
Breakfast club	14	15%
Holiday playscheme	12	13%
Specialist holiday playscheme for disabled children	4	4%
Creche	0	0%
Other (see table overleaf)	2	2%
Total respondents	94	100%

Please note: respondents could select more than one answer.

**Q7. If you did find any of the formal childcare you were looking for, please tell us what kind of childcare it was and for what age group.**



Other, please specify below:

There were five responses to this question; the comments received were as follows:

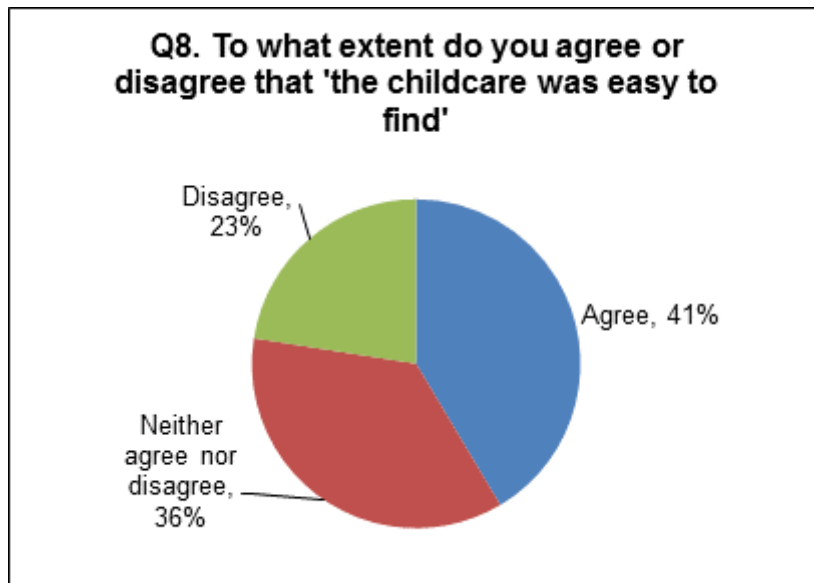
Comments:
<i>After changing hours</i>
<i>No we have not</i>
<i>NONE</i>
<i>preschool for ages 2-4 years old Day nursery.</i>
<i>Used an excellent childminder when children were little once weekly. Now use breakfast club approx. twice a month and after school occasionally (if spaces) holiday club once weekly during holidays(short day -as I struggle to pay)</i>

**Q8. To what extent do you agree or disagree that 'the childcare was easy to find'.**

Nearly a quarter of respondents disagree that the childcare was easy to find.

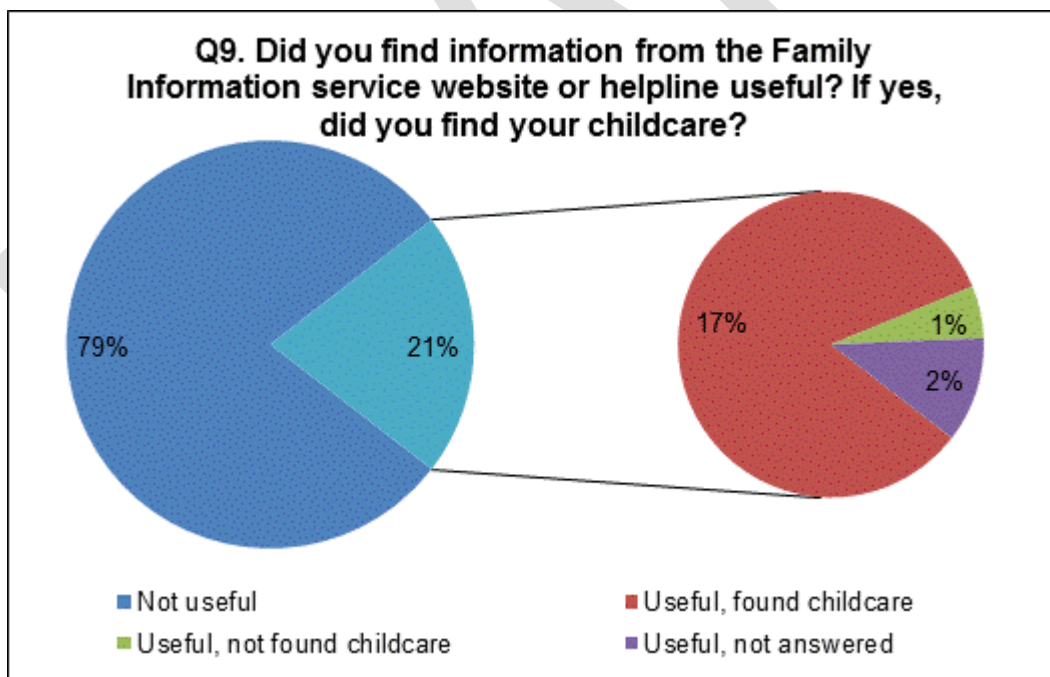
	No.	%
Agree	46	41%
Neither agree nor disagree	40	36%
Disagree	25	23%
Total respondents	111	100%





**Q9. Did you find information from the Family Information service website or helpline useful? If yes, did you find your childcare?**

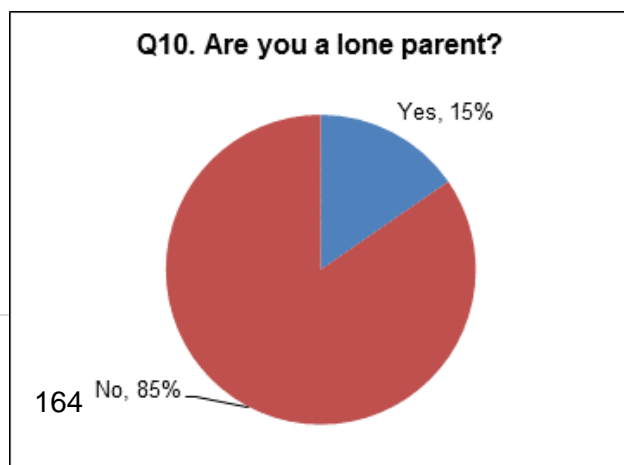
Of the 18 respondents who found Family Information Service website/helpline useful, 15 respondents found childcare, 1 did not and 2 did not answered.



**About you**

**Q10. Are you a lone parent?**

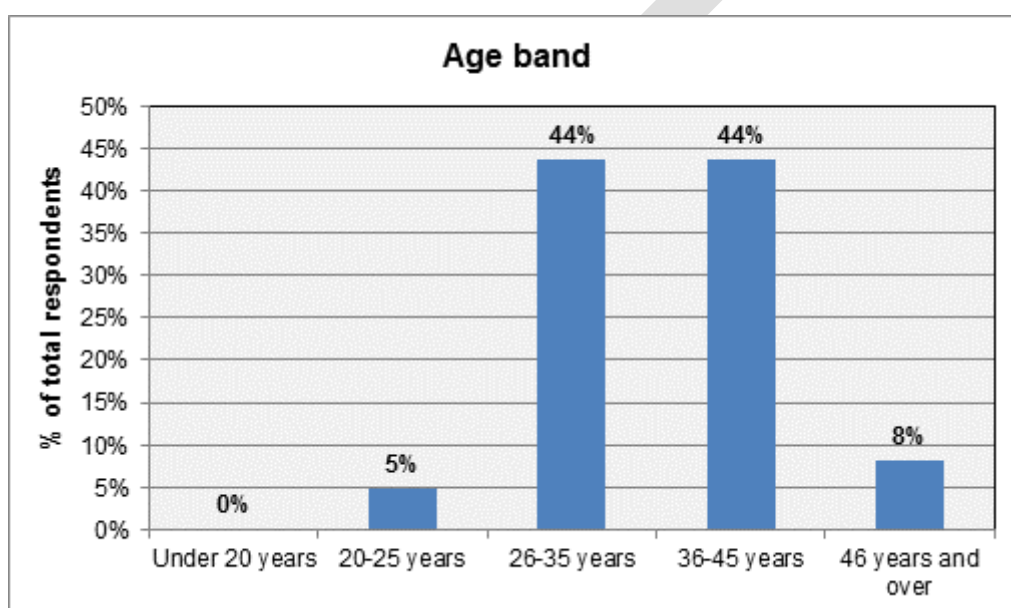
	No.	%
Yes	18	15%
No	99	85%
Total respondents	117	100%





**Q11. Please tell us your age**

	No.	%
Under 20 years	0	0%
20-25 years	6	5%
26-35 years	54	44%
36-45 years	54	44%
46 years and over	10	8%
Total respondents	124	100%
Not answered	7	

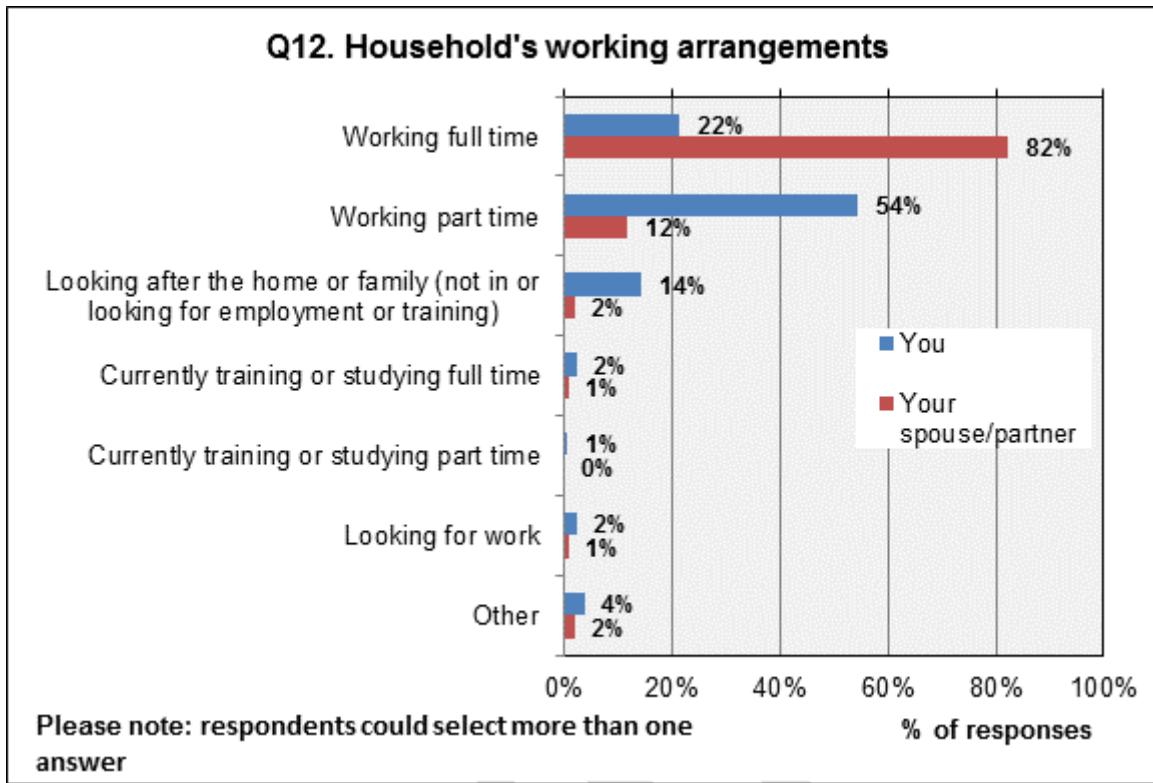


**Q12. Please tell us about your household's working arrangements. If you or your spouse/partner are on maternity leave, please tick your planned working arrangements.**

By far the most common circumstance for respondents was 'working part time', which accounted for 54% of responses and the most common working arrangement for spouse/partner was 'working full time' accounting for 82% of responses.

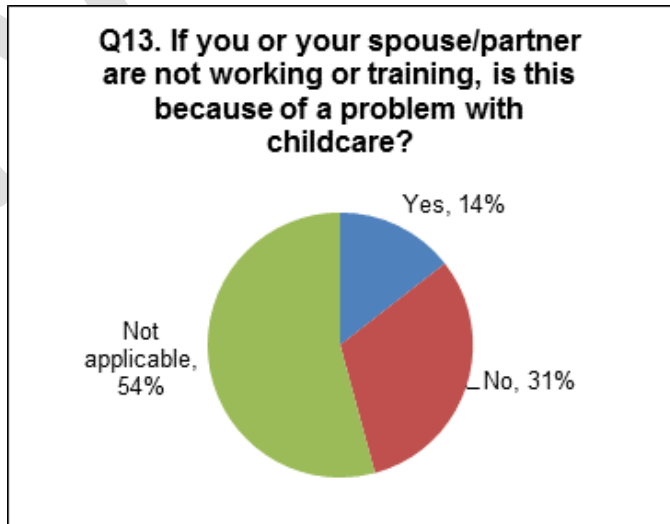
	You		Your spouse/partner	
	No.	%	No.	%
Working full time	27	22%	83	82%
Working part time	68	54%	12	12%
Looking after the home or family (not in or looking for employment or training)	18	14%	2	2%
Currently training or studying full time	3	2%	1	1%
Currently training or studying part time	1	1%	0	0%
Looking for work	3	2%	1	1%
Other	5	4%	2	2%
Total responses*	125	100%	101	100%

Not answered	6	30
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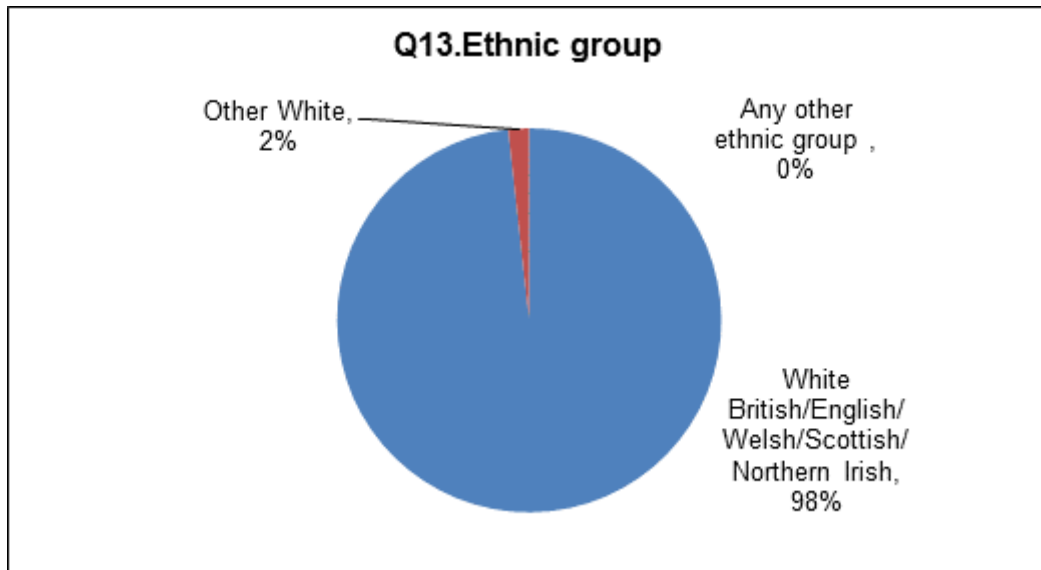
**Q13. If you or your spouse/partner are not working or training, is this because of a problem with childcare?**

	No.	%
Yes	12	14%
No	26	31%
Not applicable	45	54%
Total respondents	83	100%
Not answered	48	



**Q14. How would you describe your ethnic group?**

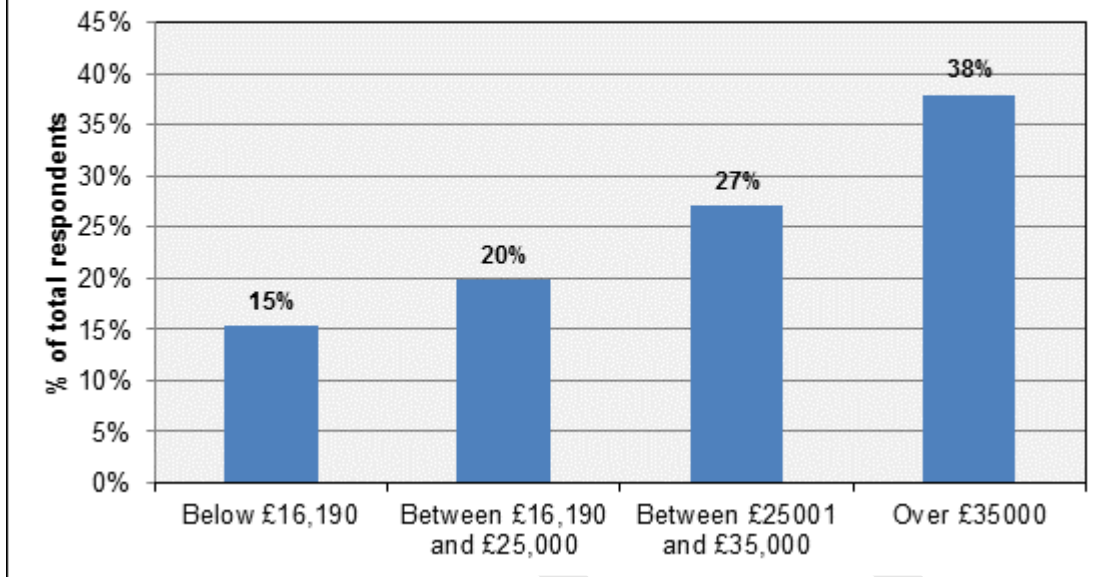
	No.	%
White British/English/Welsh/Scottish/Northern Irish	113	98%
Other White	2	2%
Any other ethnic group	0	0%
Total respondents	115	100%
Not answered	16	



**Q15. Please tell us your approximate annual household income, before tax and national insurance deductions.**

	No.	%
Below £16,190	17	15%
Between £16,190 and £25,000	22	20%
Between £25001 and £35,000	30	27%
Over £35000	42	38%
Total respondents	111	100%
Not answered	20	

**Q15. Annual household income before tax and national insurance deductions**



DRAFT

## Childcare Supply And Demand By Children Centre Reach Area

### North Hereford City (Widemarsh & Broadlands)

Private/Voluntary early years Providers = 26  
Number of childcare places across the reach area approximately: 1180  
Childminders registered to take Nursery Education Funding = 14  
Childminders not registered to take Nursery Education Funding = 18  
Primary Schools – 18 plus 1 x independent plus 1 x special school  
School breakfast Club only:  
School after school clubs only:  
School Breakfast & After school club: 1 1 1 1 1  
Holiday playscheme: 4 includes (1 specialist for children with disabilities)  
Number of predicted houses planned on allocated sites (2016 -2018): 595  
Predicted primary generated children (2016 – 2018):

#### Gaps & Areas for development:

- Support for parents in rural areas particularly via the childminding community and aimed at 0-2 years and holiday provision
- Support schools where they have no breakfast and after school provision to consider offering this where there is demand
- Support all early years providers to deliver flexible 2,3 & 4 year old free nursery education funded places
- Support development of expansion across all areas based on housing proposed
- Support the childcare market to expand where it is feasible and demand dictates to offer holiday playscheme provision

### Leominster & North Herefordshire

Private/Voluntary early years Providers = 14  
Number of childcare places across the reach area approximately: 438  
Childminders Registered to take Nursery Education Funding = 4  
Childminders not registered to take Nursery Education Funding =2  
Primary Schools: 14 , plus 1 x independent, plus 1x special school  
School breakfast Club only: 1  
School after school clubs only: 2  
School Breakfast & After school club: 6  
Holiday playscheme: 2 (1 specialist for children with disabilities)

Number of predicted houses planned on allocated sites (2016 – 2018): 345

**Gaps & Areas for development:**

- Support for parents in rural areas particularly via the childminding community and aimed at 0-2 years and holiday provision
- Support schools where they have no breakfast and after school provision to consider offering this where there is demand
- Support all early years providers to deliver flexible 2,3 & 4 year old free nursery education funded places
- Support development of expansion across all areas based on housing proposed
- Support the childcare market to expand where it is feasible and demand dictates to offer holiday playscheme provision

**Golden Valley**

Private/Voluntary early years Providers: 11

Number of childcare places across the reach area approximately: 308

Childminders registered to take Nursery Education Funding: 3

Childminders not registered to take Nursery Education Funding: 1

Primary Schools : 9

School breakfast Club only: 1

School after school clubs only: 2

School Breakfast & After school club: 1

Holiday Playschemes: 2

Number of predicted houses planned on allocated sites (2016-2018): 0

**Gaps & Areas for development:**

- Support for parents in rural areas particularly via the childminding community and aimed at 0-2 years and holiday provision
- Support schools where they have no breakfast and after school provision to consider offering this where there is demand
- Support all early years providers to deliver flexible 2,3 & 4 year old free nursery education funded places
- Support the childcare market to expand where it is feasible and demand dictates to offer holiday playscheme provision

## Bromyard

Private/Voluntary early years Providers = 5  
Number of childcare places approximately: 192  
Childminders registered to take nursery education funding: 0  
Childminders not registered to take Nursery Education Funding: 1  
Primary Schools – 5 & 1 x Independent  
School breakfast Club only: 0  
School after school clubs only: 0  
School Breakfast & After school club: 4  
Holiday Playscheme: 2  
Number of predicted houses planned on allocated sites (2016-2018): 75

### Gaps & Areas for development:

- Limited baby care places
- Support for parents in rural areas particularly via the childminding community and aimed at 0-2 years and holiday provision
- Support schools where they have no breakfast and after school provision to consider offering this where there is demand
- Support all early years providers to deliver flexible 2,3 & 4 year old free nursery education funded places
- Support early year's providers to expand in identified areas where there is limited provision and e.g Bromyard to enable more flexible childcare delivery and support the proposed government extension to deliver 30 hours nursery education funding in the future.
- Support development of expansion across all areas based on housing proposed
- Support the childcare market to expand where it is feasible and demand dictates to offer holiday playscheme provision

## Kington

Private/Voluntary early years Providers = 8  
Number of childcare places approximately: 238  
Childminders registered to take Nursery Education Funding = 1  
Childminders not registered to take Nursery Education Funding = 1  
Primary Schools: 7  
School breakfast Club only: 2  
School after school clubs only: 0  
School Breakfast & After school club: 4

Holiday Playscheme: 0

Number of predicted houses planned on allocated sites (2016-2018): 30

**Gaps & Areas for development:**

- Support for parents in rural areas particularly via the childminding community and aimed at 0-2 years and holiday provision
- Support schools where they have no breakfast and after school provision to consider offering this where there is demand
- Support all early years providers to deliver flexible 2,3 & 4 year old free nursery education funded places
- Support the childcare market to expand where it is feasible and demand dictates to offer holiday playscheme provision

**Ledbury**

Private/Voluntary early years Providers = 8

Number of childcare places approximately: 248

Childminders registered to take nursery education funding = 2

Childminders not registered to take Nursery Education Funding = 3

Primary Schools = 6 & 1 x Independent

School breakfast Club only: 1

School after school clubs only: 0

School Breakfast & After school club: 4

Holiday Playscheme: 1

Number of predicted houses planned on allocated sites (2016 – 2018): 120

**Gaps & Areas for development:**

- Support for parents in rural areas particularly via the childminding community and aimed at 0-2 years and holiday provision
- Support schools where they have no breakfast and after school provision to consider offering this where there is demand
- Support all early years providers to deliver flexible 2,3 & 4 year old free nursery education funded places
- Support early year's providers to expand in identified areas where there is limited provision and or full eg Ledbury to enable more flexible childcare delivery and support the proposed government extension to deliver 30 hours nursery education funding in the future.
- Support development of expansion across all areas based on housing proposed



- Support the childcare market to expand where it is feasible and demand dictates to offer holiday play scheme provision

## Ross On Wye

Private/Voluntary early years Providers = 15  
 Number of childcare places approximately: 493  
 Childminders registered to take Nursery Education Funding = 5  
 Childminders not registered to take Nursery Education Funding = 5  
 Primary Schools = 14  
 School breakfast Club only: 1  
 School after school clubs only: 1  
 School Breakfast & After school club: 11  
 Holiday Playscheme: 3  
 Number of predicted houses planned on allocated sites (2016-2018): 135

### Gaps & Areas for development:

- Support for parents in rural areas particularly via the childminding community and aimed at 0-2 years and holiday provision
- Support schools where they have no breakfast and after school provision to consider offering this where there is demand
- Support all early years providers to deliver flexible 2,3 & 4 year old free nursery education funded places
- Support early year's providers to expand in identified areas where there is limited provision and or full eg Ross On Wye to enable more flexible childcare delivery and support the proposed government extension to deliver 30 hours nursery education funding in the future.
- Support development of expansion across all areas based on housing proposed
- Support the childcare market to expand where it is feasible and demand dictates to offer holiday playscheme provision

## South Hereford City

Private/Voluntary early years Providers = 10  
Number of childcare places approximately: 382  
Childminders registered to take Nursery Education Funding = 2  
Childminders not registered to take Nursery Education Funding = 6  
Primary Schools = 6 plus 1 x special school  
School breakfast Club only: 0  
School after school clubs only: 0  
School Breakfast & After school club: 3  
Holiday Playscheme: 3  
Number of predicted houses planned on allocated sites (2016 – 2018): 280

### Gaps & Areas for development:

- Support for parents in rural areas particularly via the childminding community and aimed at 0-2 years and holiday provision
- Support schools where they have no breakfast and after school provision to consider offering this where there is demand
- Support all early years providers to deliver flexible 2,3 & 4 year old free nursery education funded places
- Support development of expansion across all areas based on housing proposed
- Support the childcare market to expand where it is feasible and demand dictates to offer holiday playscheme provision

## Appendix

### Appendix 1: Details of special needs/disabilities childcare providers have experience in supporting parents with.

Group Name	Comments
Trinity Treetots, Hereford City	Speech & Language difficulties, Behaviour difficulties, Oro Motor Difficulties
Weobley Primary School Nursery Class	As a school we are accessible for both physical and education needs.
Ewyas Harold Pre-School, Golden Valley	Autism, dyspraxia, speech and language delay
Busy Bees@LPS, Ledbury	Autism, Global Development Delay Speech and Language
Wise Owls Nursery (Honey Bees Day Nursery @ LLC)	Autism, Speech delay, Stuttering English as an additional Language Hearing Impairment Challenging Behaviour Heart Condition Global Developmental Delay Medical conditions relating to specific children-varied. Allergies, Asthma, Eczema
Mordiford Dragons Playgroup, Mordiford, Hereford	Autism, Speech impairment, Hearing loss Cerebral Palsy, Epilepsy
Oak House Nursery School, Ross on Wye	Autism, Cerebral Palsy, Down's Syndrome, Delayed Speech and Delayed Walking.
Marden Pre-school, Marden, Hereford	Autism, food advertions, ADHD
Bridges Childcare Limited, Golden Valley	Autism, hearing loss, down syndrome, speech & language
Chill Stay and Play, Weobley, Herefordshire	Autism, Speech & Language, EAL
Cut and Paste Childcare, Herefordshire	Behaviour, physical needs, emotional needs, autism, spina bifida
Jack in the Box Nursery School, Bosbury, Nr Ledbury	Behaviour, Speech and Language
St Marys Pre-School, Fownhope, Hereford	C+L have got a 1:1 support for child with communication and language problems
Noah`s Ark Pre-School, Hereford	Children with ASD, Cerebral Palsy, Visual Impaired, EAL Emotional & Behaviour Support
Holmer Pre-School, Hereford	Global development delays and autism
Ashfield Park Primary School Nursery Class, Ross on Wye	Communication & Language Delay ESBD

Group Name	Comments
Pippins Pre-School and Kids Club, Canyon Pyon, Hereford	Communication and Language needs. Worked alongside professionals such as health visitors, speech therapists, physiotherapists to provide and plan activities to support children with communication and fine/gross motor difficulties. Experience of applying for and carrying out an EHC plan and providing Inclusion support with funding from the Local Authority.
Longtown Pre-School, Golden Valley, Herefordshire	Communication and language, Social and emotional
Daisy Chain Pre-School, Leominster	Cystic Fibrosis, Speech and Language Delay hearing Impairment/ Deafness, Visual Impairment Tip Toe Walking, Noonan Syndrome, Cerebral Palsy, Epilepsy, Tube Feeding, Physical Disability, Hypotonia, Hypertonia, Autism, Cleft Palate Dysphasic, Dysphagia
Hereford Cathedral Junior School, Hereford	cystic fibrosis, speech & Language, eyesight, hearing loss, various medical conditions
Rainbow Nursery, Hereford	diabetes, language delays, life threatening allergies, English as additional language, autism, physical difficulties, diabetes and severe food allergies, asthma
Ivington Early Days CIC, Leominster	Downes Syndrome
Kingsland Pre-School, Leominster	Downs Syndrome, Cystic Fibrosis, child who was unable to walk.
Pencombe Under Fives, Nr Leominster	EAL, Speech and language, Hearing impairment Elective mutism
Honey Bees Day Nursery, Leominster	Epilepsy, Speech Delay, Heart Conditions Global Developmental Delay, Selective Mutism Dwarfism, Vision Impairment, Hearing Impairment Stuttering, Autism, Sensory Processing Disorder Foetal Alcohol syndrome, Physical Disability Acrophobia, Anxiety
Broadlands Bright Sparks Playgroup, Hereford	Hearing & Vision Impairments, Congenital Amputation & Stoma Care. Autism, ADHD, Aspergers, ODD, Dyspraxia & Stickler syndrome.
Wyeside Day Nursery (Fourways) Hereford	Hirschsprungs disease, Diabetes, Stoma care/colostomy bags, cerebral palsy, Blindness Deafness
Sutton Seedlings, Sutton St Nicholas, Hereford	Learning difficulties and stay and play opportunities for less mobile children.
Tiny Beginnings @ Weston-Under-Penyard, Ross on Wye	Cerebral palsy
Little Orchard Day Nursery, Kington, Herefordshire	Partially sighted parents, Foetal Alcohol syndrome Support with speech and language, Challenging behaviour

Group Name	Comments
Herefordshire & Ludlow College Nursery (HCT)	Muscular dystrophy, albinism and visual impairment, speech and language delay, developmental and physical delay, behaviour issues, severe allergies
St Thomas Cantilupe Playgroup, Hereford	Providing 1:1 support for children with a range of learning disabilities / challenging behaviour.
Madley Pre-School, Madley, Hereford	Selective mutism, autistic spectrum, speech and language delay, global learning delay partial deafness
Cradley Nursery, Cradley, Nr Malvern	Speech and Language
Luston Nursery, Leominster	Speech and Language
The Townsend Nursery, Stretton Grandison, Herefordshire	Speech and language global developmental delay hermaphrodite
Golden Valley Pre-School, Peterchurch, Herefordshire	Speech and language delay
Little Acorns Day Nursery, Kington, Herefordshire	Speech and Language delay, Autism Downs Syndrome, Global development delay, English as an additional language
St Michaels Nursery, Bodenham, Leominster	Speech and language delay. Supporting a child on 1:1 basis for communication and interaction with others.
Wigmore Nursery, Wigmore, leominster	Speech and language delays/needs; child with sensory delay
Gateway (Education and Childcare) Trust Limited, Bartestree Hereford	Speech and language development, Autism Behaviour Management
Much Marcle Nursery, Nr Ledbury, Herefordshire	Speech and language development Down Syndrome, Duchene Muscular dystrophy Autism
Tiny Beginnings, Whitchurch, Ross on Wye	Speech and Language difficulties, (and hearing difficulties), behaviour difficulties
Whitney Crocodiles Pre-School, Whitney on Wye, Herefordshire	Speech and Language, Emotional and Mental Health, Downs Syndrome Cerebral Palsy, Food and Environmental Allergies, Celiac, Epilepsy Asthma
Play and Learn Nurseries Ltd, Hereford	Speech and language, deafness, blindness, mental health, learning difficulties and disabilities, physical disabilities, illiteracy,
The Red House Nursery School, Upton Bishop, Ross On Wye	Speech problems, Autism, Hearing problems
Staunton-On-Wye Pre-School, Nr Leominster	Speech Therapy, Diabetes, Learning disabilities Fits / epilepsy/ febrile convulsions, Sight, Physiotherapy Asthma
Burley Gate Pre-School, Burley Gate, Herefordshire	Speech/ Hearing/ Visual impairment/
Bargates Nursery, Leominster	The setting has catered for children with mild learning difficulties and disabilities to Severe learning difficulties and disabilities.

Group Name	Comments
St Paul's Church Childcare Services, Hereford	Visual impairment, Mild cerebral palsy, Autism
Merry Go Round @ Green Croft, Hereford	We are a fully inclusive setting and have supported children with all types of special needs/disabilities. Parents are invited to discuss their child's individual needs and we work together in partnership to ensure the child is happy and comfortable whilst at nursery
Merry Go Round Nursery @ Riverside, Hereford	We are a fully inclusive setting and have supported children with all types of special needs/disabilities. Parents are invited to discuss their child's individual needs and we work together in partnership to ensure the child is happy and comfortable whilst at nursery
Merry Go Round Pre-School @ Our Lady`s, Hereford	We are a fully inclusive setting and have supported children with all types of special needs/disabilities. Parents are invited to discuss their child's individual needs and we work together in partnership to ensure the child is happy and comfortable whilst at nursery
Abacus 2000 Nursery School, Ross on Wye	Children who cannot walk so uses a frame in the nursery, speech and language and physiotherapist.
White cross Day Nursery, Hereford	We have an assigned Senco that supports parents children and the families with any additional support that they may need. All floors are ground level with accessible areas, this helped for a parent that we have recently had in a wheelchair. We helped a child's parent who had sight difficulties. We have attended meetings and conferences regarding several children on a CAF.
Kimbolton Nursery Group, Nr Leominster	We have funding set aside to develop wheelchair access. Speech and Language, EAL
`abc` Childcare Centre Ltd, Hereford	We have liaised with Social Care, Child Development Centre and others in supporting the parents of children with special needs.
Busy Bees Nursery & Pre-School (Clifford), Nr Hay on Wye	We have supported children with speech and language difficulties and reflex anoxic seizures
Hunderton Neighbourhood Nursery & Kids Club Ltd, Hereford	We have supported parents with children with various needs/disabilities including those with speech and language delay, behaviour issues and general developmental delay. We have also supported children with autism, diabetes, downs syndrome, hurschsprungs disease and cerebral palsy.
Highmore Hedgehogs Nursery, Holmer, Hereford	We have supported several children and their families with wide ranging needs and disabilities. In some situations when a specific need has been identified we will provide 1:1 support to ensure a child's needs can be better supported and encouraged. We share information with our parents to ensure that we can work together and with other professionals when needed to ensure children can reach their full potential, and parents feel fully involved, listened to and supported.
Lake View Nursery Ltd, Rotherwas, Hereford	We support all special needs/disabilities and have a SEND team that supports children and families during their time with us.

Group Name	Comments
Bizzie Lizzie`s, Eardisley, Leominster	We support parents as and when they need us. e.g. one parent is wheelchair bound, so we collect child from the car. Supported parents with mental health issues, financial issues, hearing loss, physical disabilities, dyslexia, language issues, Support daily with issues regarding parenting, and the emotional rollercoaster that is life with young children.
Lea C E Primary School, Lea, Ross On Wye	We meet the needs of children and their families as they arise.

## Appendix 2: Specialist equipment childcare providers have to support children with disabilities

Group Name	Comments
Highmore Hedgehogs Nursery, Hereford	Building all on one level with no steps or stairs, wide access doors, hearing loop, and slope outside for access onto grassed area. Disabled toilet and changing facilities
St Thomas Cantilupe Playgroup, Hereford	A range of sensory play resources. Any equipment required to accommodate individual children's needs is requested from the relevant agencies prior to the child attending nursery.
Wyeside Day Nursery (Fourways), Hereford	Accessible changing table wheelchair access
Wigmore Nursery, Nr Leominster	Age related resources; member of staff for 1:1 Dark tent and sensory lights
Hunderton Neighbourhood Nursery & Kids Club Ltd, Hereford	All resources are stored at low level so are accessible for all children. All rooms are on one level and are easily accessible for wheelchair users with wide door frames and ramps. We also have a disabled toilet.
Mordiford Dragons Playgroup, Mordiford, Hereford	Any necessary
`abc` Childcare Centre Ltd, Hereford	Dedicated Sensory Room with equipment and software to assist children with disabilities to cope and progress their development.
Whitney Crocodiles Pre-School, Whitney on wye, Herefordshire	Disabled access and equipment
Pencombe Under Fives, Pencombe, Nr Leominster	Disabled access Disabled toilets Staff training
Madley Pre-School, Madley, Hereford	Disabled toileting facilities. Disabled access in/out of building. Hand rails on steps
Bargates Nursery, Leominster	Equipment is sourced and provided to meet the children's individual requirements. This might include equipment purchased by the setting or on loan from Occupational therapy or the Physiotherapy team.
Golden Valley Pre-School, Herefordshire	for wheelchair access - ramp, wide doors, disable toilet. We arrange the hire of specialist equipment as needed.

Group Name	Comments
Weobley Primary School Nursery Class, Weobley, Nr Leominster	Fully accessible for wheelchair users. Hygiene room available with fixed hoist and bed.
Riverside Primary School Nursery Class, Hereford	Fully compliant
Herefordshire & Ludlow College Nursery (HCT) Hereford	<p>Have wheelchair access, and specialist equipment previously brought in from children's centres to work with children's individual need after initial IEP assessment.</p> <p>We accommodate depending on children's individual needs and we have our own various sensory and specialist equipment.</p>
The Townsend Nursery, Stretton Grandison, Herefordshire	lots of sensory equipment specialist materials for supporting language development listening games underfloor hating for floor books games
Kingsland Pre-School, Nr Leominster	Each case is individual and meetings are held with parents prior to joining Pre-School with regard to the child's needs.
St Michaels Nursery Bodenham, Nr Leominster	Review as necessary.
Broadlands Bright Sparks Playgroup, Hereford	Assess requirements of the child needed for them to attend.
Jack in the Box Nursery School, Bosbury, Nr Ledbury	we would endeavour to accommodate any child with a disability after consultation with their parents
Sutton Seedlings, Sutton St Nicholas, Hereford	None, pertained specific to child
Trinity Treetots, Hereford	Nothing specific but we alter our environment to accommodate children's individual needs.
Bridges Childcare Limited, Wormbridge, Herefordshire	Obtained as required depending on the needs of the child
Merry Go Round Pre-School @ Our Lady`s, Hereford	<p>Once a child's needs have been discussed with parents, we will seek funding to provide any additional or specialist equipment needed to ensure the child is accommodated fully.</p> <p>We will also adapt play spaces to ensure children can access all areas of the setting with ease.</p>
Merry Go Round @ Green Croft, Hereford	Once a child's needs have been discussed with parents, we will seek funding to provide any additional or specialist equipment needed to ensure the child is accommodated fully. We will also adapt play spaces to ensure children can access all areas of the setting with ease.
Merry Go Round Nursery @ Riverside, Hereford	Once a child's needs have been discussed with parents, we will seek funding to provide any additional or specialist equipment needed to ensure the child is accommodated fully. We will also adapt play spaces to ensure children can access all areas of the setting with ease.
Gateway (Education and Childcare) Trust Limited, Bartestree, Hereford	<p>One level access with ramps where appropriate. disabled toilet facility.</p> <p>Well-padded and protected soft play area on two levels.</p> <p>Wide door access.</p>



Group Name	Comments
Play and Learn Nurseries Ltd, Hereford	purpose built building
Garway Pre-School, Garway, Golden Valley	Ramp for access
Ewyas Harold Pre-School, Golden Valley	Ramp disabled toilets
Ross Pre-School Playgroup, Ross on Wye	Ramps Safety arm chair
Daisy Chain Pre-School, Leominster	Riftan Chair, Adjustable Height tables Specialist Cutlery and drinking cups
Wise Owls Nursery (Honey Bees Day Nursery @ LLC), Leominster	Riftan chair Specialist cutlery, and anti slip mats
Honey Bees Day Nursery, Leominster	Riftan Chair Specialist Cutlery/ drinking cups Non Slip Mat
Oak House Nursery School, Ross on Wye	Sensory Room and would be advised depending on child's needs.
Noah`s Ark Pre-School, Hereford	Specialist chairs to enable children to sit at the dining table Sensory Tent Disabled Toilets Low Level Sinks Level outside area for play
Kimbolton Nursery Group, Nr Leominster	Speech and Language resources and activities passed on from SALT.
Cut and Paste Childcare, Hereford	staff have adapted the learning environment to help support children so all children an inclusive learning experience
Field House Kindergarten, Credenhill, Hereford	This would be assessed and provided for based on the individual child's needs.
Luston Nursery, Nr Leominster	visual materials
Bizzie Lizzie`s, Eardisley,	We adapt our equipment as and when needed. We endeavour to make all activities accessible to all children, whatever their special need.
Down on the Farm, Hereford	We have a disabled toilet but whatever we would need we would put in place to support each child and meet there needs,
Whitecross Day Nursery, Hereford	We have a room that we use especially to promote sensory play.
Busy Bees Nursery & Pre-School (Clifford), Nr Hay On Wye	We have wheelchair access
Much Marcle Nursery, Nr Ledbury	We have wheelchair access to both entrances to the nursery All door are wide enough to fit wheelchair through. we have added handles and aids in the toilets
Marden Pre-school, Marden, Herefordshire	We would endeavour to access any specialist equipment needed to support any child.

Group Name	Comments
Lake View Nursery Ltd, Rotherwas, Hereford	Wheel Chair access / disabled toilet / trained staff
Burley Gate Pre-School, Nr Bromyard	Wheelchair access and a disabled toilet
Chill Stay and Play, Weobley, Herefordshire	Wide access doors.

### Appendix 3: Specialist training & knowledge childcare providers have in working with children with disabilities:

Administering specialist drugs
Mappa Training (Multi Agency Public Protection Arrangement – safeguarding)
Elklan (speech and language support for under 5 years)
Team Teach - De-escalation behaviour management including safe restraint
Solihull Training - Understand your child's behaviour –training for parents and professionals
Epilepsy rescue medication
Sign A Long – Using sign language
Pecs - Picture Exchange Communication – using pictures to communicate for non-verbal children (usually with autism)
Brain Gym - Movement/exercises
Every Child A Talker - DfE programme 2008/9
Physio for Cystic Fibrosis
Physio and OT programs for supporting individual children.
Tube Feeding - For children fed through stomach tube (gastrostomy) or nasal tube (nasogastric)
Autism awareness
Behaviour Needs
Haemophilia

### Appendix 4: Early Years providers that drop off and collect from schools (excludes childminders)

21 respondents have specified the named Herefordshire schools that drop off at or collect children from.

Group Name	Drop Collect Schools
Abacus 2000 Nursery School, Ross On Wye	Ashfield Park and St Josephs, Ross On Wye
Jack in the Box Nursery School, Bosbury	Bosbury Primary School, Ledbury
Fun-2-Sea Nursery, Ross On Wye	Brampton Abbots, Ross On Wye
Tiblands Nursery School, Nr Bromyard	Brockhampton, St Richards, Bromyard
Burley Gate Pre-School, Burley Gate, Herefordshire	Burley Gate Primary school, Nr Bromyard
Merry Go Round @ Green Croft, Hereford	Collect at 11:30 am from Marlbrook Primary, South Hereford City

<b>Group Name</b>	<b>Drop Collect Schools</b>
	Drop off at 12:30 pm at Marlbrook Primary, South Hereford City (Marlbrook staff collect)
Bargates Nursery, Leominster	Collect from Leominster Primary at 15.15pm
Merry Go Round Nursery @ Riverside, Hereford	Collect from Riverside School Nursery, South Hereford City
Bizzie Lizzie`s, Eardisley, Nr leominster	Eardisley, Nr Leominster
Wyeside Day Nursery (Fourways)-6 months, Hereford	Hereford city
Busy Bees@LPS, Ledbury,	Ledbury Primary School
Llangrove Leapfrogs, Llangrove, Ross On Wye	Llangrove CE Primary, Nr Ross On Wye
Madley Pre-School, Madley, Herefordshire	Madley School, Golden Valley, Hereford
Marden Pre-school	Marden Primary academy, Golden Valley, Herefordshire
Golden Valley Pre-School, Peterchurch	Peterchurch Primary School, Golden Valley, Herefordshire
Hunderton Neighbourhood Nursery & Kids Club Ltd, Hereford	Riverside primary school, South Hereford City (for after school club only)
Field House Kindergarten, Credenhill, Hereford	St Mary's C of E Primary School, Hereford
St Paul's Church Childcare Services, Tupsley, Hereford	St Paul's Primary School, Hereford Hampton Dene Primary School, Hereford
`abc` Childcare Centre Ltd, Hereford	St Paul's School. Hampton Bishop School. Holmer School, St Francis Xaviour School. Broadlands School. Mordiford School
Gateway (Education and Childcare) Trust Limited, Lugwardine, Hereford	St Pauls, Hampton Dene, St Francis Xavier, Mordiford, Stretton Sugwas, Lugwardine, St Marys RC High, Bishop of Hereford Bluecoat, possibility of others, by arrangement.
Staunton-On-Wye Pre-School, Staunton, Nr leominster	Staunton on why primary school, Nr Leominster, Herefordshire





<b>Meeting:</b>	<b>Cabinet</b>
<b>Meeting date:</b>	<b>21 January 2016</b>
<b>Title of report:</b>	<b>Provision of short breaks and respite care services for children with disabilities</b>
<b>Report by:</b>	<b>Director for children's wellbeing</b>

## Classification

Open

## Key Decision

This is a key decision because it is likely to result in the council incurring expenditure which is, or the making of savings which are, significant having regard to the council's budget for the service or function to which the decision relates.

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

## Wards Affected

Countywide

## Purpose

To:

- provide the executive response to the report from the health and social care overview and scrutiny's task and finish group report on 'Short breaks and respite services for children with disabilities'; and
- to approve in principle the proposals in relation to the provision of short breaks and overnight respite care.

## Recommendation(s)

THAT:

- a) the executive's response to health and social care overview and scrutiny committee's recommendations regarding the provision of short breaks and respite services for children with disabilities, as attached at appendix 2 to this report is approved;

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- b) the council takes on the role of lead commissioner on behalf of the council and Herefordshire Clinical Commissioning Group (CCG) and awards a contract to Wye Valley NHS Trust at 1 Ledbury Road, with effect from 1 April 2016;
- c) authority be delegated to the director of children's wellbeing, following consultation with the director of resources and cabinet member young people and children's wellbeing, and subject to the outcome of consultation and ongoing funding from the CCG; to conclude contract negotiations within the financial envelope as set out in this report and enter into a contract with Wye Valley NHS Trust, to ensure the continued availability of overnight short breaks at 1 Ledbury Road for up to 12 months, through an alternative delivery model;
- d) the council budget for 2016/17 for short break services is , subject to Council approval, increased by £600k to cover the transitional cost; and
- e) by virtue of this decision, an exemption to paragraph 4.6.13.2 of the council's contract procedure rules be granted to enable the direct award of a contract for the services provided at 1 Ledbury Road for the reasons set out in paragraph 10 and 22 .

## Alternative options

- 1 Some of the assessed overnight respite care needs of children currently using 1 Ledbury Road, cannot be met locally other than through direct payments, with parents and young people choosing to meet need in different ways. The council could opt to meet need through direct payments; however, this currently is under-developed and could put the council at risk of not meeting its statutory duties.
- 2 Purchase overnight provision from other providers operating outside of Herefordshire. Whilst there is some provision in other counties and this is made use of by some families, it is not considered appropriate to use provision at a significant distance from the family home in Herefordshire. The nature of short breaks provision is that it can be regular and easily accessible or is provided in such a way, for example as blocks of , that is practical for the children and families. This can be provided by some provision in other counties, but not if it is too far away to be of practical use.
- 3 An alternate medium term option is to maintain the facility at 1 Ledbury Road as it currently stands. However, this is a relatively high cost provision due to the health model of support which is not required to meet the whole range of assessed respite care needs in the families concerned. It is considered that this would represent a disproportionately large expense having regard to the provision generally in the county of children's services. This option is not recommended.
- 4 To enable another provider to take over the operation of 1 Ledbury Road and to develop an alternative service model. This option will be explored with the cooperation of the current provider, Wye Valley NHS Trust; however at this point in time no alternative provider has been identified; families and staff require some degree of assurance that their needs will be met in the short to medium term. Consequently, for the time being at least, this option is not recommended.
- 5 For the council to take over the management and direct delivery of the provision from Wye Valley NHS Trust. The council has no current expertise in directly running a facility such as this. It currently commissions all its residential and short break provision. This option, if agreed by Wye Valley NHS Trust, would transfer responsibility for staff and buildings to the council. This could bring significant practical and financial challenges in

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terms of the state of the facility. Redundancy costs should the service be closed would also have to be borne as TUPE would apply. The costs could be prohibitively high and difficult to predict. In addition this course of action may set a precedent should other commissioned facilities such as privately managed care homes, cease to trade. This option is not recommended.

## Reasons for recommendations

- 6 To provide a response to the recommendations from the health and social care overview and scrutiny committee.
- 7 To secure the availability of the facility at 1 Ledbury Road for up to 12 months to meet the assessed respite care needs of some children currently accessing 1 Ledbury Road, pending availability of suitable alternative support and to help fulfil the council's statutory duty.

## Key considerations

### Scrutiny Report

- 8 The health and social care overview and scrutiny committee met on 12 December 2015 and considered the task and finish group report on short breaks and respite services for children with disabilities. The report of the task and finish group is attached at appendix 1.
- 9 The committee agreed a number of recommendations; these are contained in appendix 2 along with the proposed responses; where actions have already been progressed an update is also included.

### Short breaks respite provision in the short term

- 10 The council is acting with partners to put in place overnight respite provision that will meet the needs of some families currently using 1 Ledbury Rd short breaks facilities. It is regrettable that for some families the work to put in place a range of short breaks has proved to be difficult, raised anxiety and created challenges for them.
- 11 In 2013 the council, in partnership with the CCG, undertook a recommissioning of short breaks services to secure a range of support to meet family needs and fulfil statutory duties. One of the options put out to tender was to recommission residential short breaks, but a contract was not awarded.
- 12 Wye Valley NHS Trust (WVT) continued to provide residential respite care at 1 Ledbury Road despite not winning a new contract. This was done to ensure continuity of provision for families using the service, pending alternative solutions being found. A number of families have relied on 1 Ledbury Rd to provide valuable short break respite.
- 13 1 Ledbury Road is operated by Wye Valley NHS Trust (WVT) and is currently commissioned by the CCG with the council providing funding for a small amount of top up provision. This is an anomalous historic situation as the statutory duty to provide short breaks primarily sits with the council, with the Clinical Commissioning Group responsible for meeting assessed medical needs. However, both bodies have access to the Better Care Fund which is administered under the provisions of a Framework Partnership Agreement made between the council and the CCG under which the CCG may perform certain "health-related functions" of the council (which include short break

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provision for children in need). In addition, the facility is classed as a hospital ward although, according to the CCG, not all of the children meet continuing health care criteria.

- 14 1 Ledbury Road consisted of three units, which at the start of this financial year was supporting 40 children who had a variety of day and night time support. During this year the numbers have reduced as the young people have moved to adult services, or have their needs met in other ways.
- 15 There are currently 25 children making use of the provision. Other local providers include Acorns and Martha Trust. There is a gap in the local market to provide alternative residential respite, particularly for a small number of children with autism and challenging behaviour. At present, the council is planning for 15 children to require this provision from April 2016. This figure may change as the local market develops and options such as direct payments are taken up by families.
- 16 In recent discussions with the current service provider (WVT) they have indicated that they would be prepared to continue to operate the service at the current level (six beds), or at a three beds basis. They have further confirmed that they would be prepared to explore the possibility of securing the re-designation of 1 Ledbury Road from “hospital” to “respite centre/short breaks facility” to facilitate, alongside other initiatives, the recruitment of appropriately qualified staff. They have provided a range of financial cost projections which are outlined in the financial implications section below. They have indicated that in order for this to be secured they would need a contract with a minimum length of 12 months (from April 2016) and ideally 18 months.
- 17 During this financial year, Wye Valley NHS Trust has struggled to maintain a consistent level of staffing and has had to reduce services. It is agreed by Wye Valley NHS Trust, the CCG and the council that in view of the current gap in the market, a practical solution pending longer term developments, is for the council to become the lead commissioner on behalf of itself and the CCG, to commission a facility at 1 Ledbury Road for up to a further 12 months, subject to the ongoing financial contribution of the CCG.
- 18 The new contract would not be a replica of the service at 1 Ledbury Road as it was. It would be for a social care focused model, supporting up to 15 children and young people. The council and partners have recognised that this would be more appropriate to meet child and family needs. It is also important that the service is more resilient than the current arrangements, including the provision of high quality staffing to provide a safe and effective service. This would in part be contingent on the Wye Valley NHS Trust changing the registration to an Ofsted model and the ongoing availability of funding from the CCG as set out in the financial section below.
- 19 The final decision whether to award the contract or not will take place as soon as possible following the close of the consultation period and completed impact assessment. Cabinet will be updated accordingly.
- 20 In order to reduce any potential delay, negotiations have also begun in principle with Wye Valley NHS Trust on the nature of the contract, on a without prejudice basis.

### **Short breaks respite provision in the longer term**

- 21 It is recognised that the majority of respite needs fall within the statutory duties of the local council. There may be some health needs which should be met through local services or through continuing healthcare and healthcare assessments are due to be

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completed to determine this.

- 22 Assessed needs can be met in a variety of different ways, and the council's aim is to have a range of provision available. There are a number of children currently using 1 Ledbury Road whose needs could be met through the range of short breaks already available, and some that could access overnight short break provision in a family setting.
- 23 Having tested the market and found that there were currently no private providers available to meet some of the needs identified, the council's fostering service is currently developing and enhancing the in-house fostering service to provide overnight short breaks in a family setting. Current indications are that by July 2016 four carers should be in place to offer this service. When fully operational by March 2017, six carers should be in place, providing approximately 1,200 nights of support per annum. This would support between 12 and 18 children depending on assessed need.
- 24 Domiciliary care support is used at present in limited circumstances, but there are opportunities to develop this aspect of the market so that parents can receive respite care in their own homes, either commissioned by the local council on their behalf, or commissioned by themselves if they have chosen to have a direct payment. This market is in its infancy and requires development and market testing with the local provider market.
- 25 Direct payments are also a provision the council is keen to develop. Some parents in the county are interested in developing local commissioning arrangements using direct payments and other parents are considering imaginative use of funding to meet assessed need.
- 26 Notwithstanding the developments set out above, assessed needs indicate that there continues to be a need to commission residential respite services. A local provider which currently operates in the adult learning disability market has expressed an interest in developing a separate small respite facility for young people as part of its development plans. This could offer a modern purpose built alternative to 1 Ledbury Road in the medium term. Discussions are at a very early stage but will be explored further to assess viability, timescales and financial implications.
- 27 A charity associated with the current facility has also expressed an interest in taking on and developing the service as a self-sustaining facility. Discussions are again at a very early stage but will be explored further to assess viability, timescales, potential longer term risks and financial implications as well as the potential for linking with the proposal mentioned in paragraph 25 above.
- 28 Any changes in the long term provision of overnight respite care at 1 Ledbury Road will require consultation and engagement with users, parents and partner organisations, and equality impact assessment.
- 29 Historically some children have received a level of support which is in excess of their assessed needs, and there is a parental expectation that this should be maintained. A higher level of support than required is not necessarily in the best interests of the development of the child as it creates a level of dependency which will not be sustainable when the young person transitions into adulthood. There will be a comprehensive transition assessment and plan in place as a young person moves into adulthood to ensure that there are no gaps in service. There will also be a greater focus on meeting outcomes which promote independence and in turn, reduce long term care and support.

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## Community impact

- 30 Herefordshire's Children and Young People's Plan 2015 – 2018 has been agreed by the CCG and Herefordshire Council as well as other partners. It contains the collective goal to enable all children and young people in Herefordshire to have the best start in life, grow up healthy, happy and safe within supportive family environments. Specifically for children with disabilities one of the aims is to enhance local support for families, including family based respite services by retaining budgets and reinvesting resources. The work contained in these recommendations enables the council and the clinical commissioning group to support children with disabilities and their families through local provision whilst also continuing to develop a breadth of short breaks provision.
- 31 Work undertaken with families has evidenced the need to have a range of short breaks provision, including overnight respite. Short breaks play an important part in enabling some families with children with disabilities to enjoy and maintain a family life. Some families have been very clear that they value 1 Ledbury Road, whilst others have welcomed the option to make use of a variety of other short breaks. The work with families has identified that there are gaps in the market which will be addressed through further work, including the promotion of personal budgets and work with potential providers to establish local services in Herefordshire.

## Equality duty

- 32 As the provision of short breaks and overnight respite services continue to be developed over the next 12 months, the council will pay due regard to our public sector equality duty under Section 149, General Duty whereby:

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

- eliminate discrimination, harassment, victimisation and any other conduct ... prohibited by or under this Act;
- advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
- foster good relations between persons who share a relevant protected characteristic and persons who do not share it."

Having due regard to the need to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to—

- (a) remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic;
- (b) take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it;
- (c) encourage persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low. "Protected characteristic" includes disability and all the child and young persons accessing 1 Ledbury Road are likely to fall within this definition.

## Financial implications

- 33 The overall spend on short breaks provision by the council is £1m in 2015/16. This includes a range of short breaks and also the current council spend on independent providers and 1 Ledbury Rd. In 2015/16 the CCG provided approximately £880k to fund the facility at 1 Ledbury Road. There has also been a £60k contribution from the council's children's services, included in the above figure.
- 34 For 2016/17 the CCG has confirmed (subject to the decision of its governing body) that it will continue to invest the £427K of the carers grant within the better care fund to support service provision but will withdraw its remaining short breaks funding as part of its budget reductions. The council has identified ongoing budgets of £180k to fund a range of respite provision, including family based overnight foster care.
- 35 Wye Valley NHS Trust has proposed a series of costings to maintain the service, ranging from a minimum of £540k (three beds) to £775k (to maintain six beds). The trust has indicated it would take until July 2016 for the three bed model at £540k to be available.
- 36 This cost will leave a one-off funding gap of £600k in 2016/17. This funding has been included in the Cabinet's budget proposals for 2016/17. This sum will support a range of short breaks to enable the council to meet its statutory duties and to enable transition to other service arrangements.

## Legal implications

- 37 The primary duty to provide short breaks is set out paragraph 6 of Schedule 2 to the Children Act 1989. Paragraph 6 is contained in Part 1 of the schedule and accordingly relates to the local authority's duties under section 17(1) of the Act in relation to children "in need". Under section 17(10) a "disabled" child falls within that description. Section 17(1) describes a "general duty" of every local authority to "(a) to safeguard and promote the welfare of children within their area who are in need; and (b) so far as is consistent with that duty, to promote the upbringing of such children by their families", and the manner in which this is achieved, namely by "providing a range and level of services appropriate to those children's needs." Other relevant duties are contained in section 11 of the Children Act 2004.
- 38 As detailed within the report, the proposal is designed to meet the above mentioned duties in light of identified need. A failure to provide such services would be unlawful and a breach of statutory duty.
- 39 The Care Act 2014 and the Children and Families Act 2014 creates a new legal framework which has an emphasis on personalisation and outcomes. It builds a degree of flexibility so that personalised approaches to care can be developed and embedded between the ages of 14-25. The framework also ensures that there is continuity of care as children transition into adulthood so that there are no gaps in service at age 18. The Care Act 2014 specifically places a duty on the local authority to conduct a transition assessment for a young person or carer, in order to help them plan, if they are likely to have needs once they (or the child they care for) turn 18.
- 40 The recommendations put forward within this report are to be the subject of public consultation which accords with the Council's general duty to act fairly in the exercise of its functions. The nature and impact of the decision on those who use the services provided at 1 Ledbury Road also supports the requirement of consultation. The Council

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has a broad discretion as to how a consultation exercise should be carried out, and in this case, the length of the consultation (approximately 6 weeks), will allow enough time for steps to be taken to implement the recommendations should that be the decision taken following consultation”.

## **Risk management**

- 41 If there is no local residential provision then the council may not be able to meet some of the assessed needs of some of the children currently using 1 Ledbury Road and their families in terms of offering short breaks locally. At the very least other means of meeting needs would have to be sourced and there are no local providers currently identified for a number of children. This situation will be mitigated through the revised service offer that will be provided by 1 Ledbury Road.

## **Consultees**

- 42 The recommendations of the scrutiny committee were informed by the views of some parents and stakeholders as detailed in the report.
- 43 The development of short breaks provision in Herefordshire has been carried out in consultation with groups of parents over a number of years and continues to be informed by parent views.
- 44 As the council is proposing a change in provision at 1 Ledbury Road from the current arrangements, these proposals are required to be consulted upon with the families that are both actually and potentially affected. In the interests of openness and fairness, the consultation will be conducted with those families currently assessed as eligible for short breaks regardless of their eligibility to use 1 Ledbury Road.
- 45 Due to the tight timescales involved, as Wye Valley NHS Trust currently have no contract past the 31 March 2016, the consultation commenced in the week of 11 January 2016 and will conclude on the 19 February 2016. It began with a letter being sent to each family inviting their views and enclosing a consultation document. In addition the consultation comprises of publication of proposals and meetings with families. Mechanisms are in place in the form of a dedicated email address for views to be sent to.

## **Appendices**

Appendix 1 – Task and finish group report on the ‘Provision of short breaks and respite services for children with disabilities’.

Appendix 2 – Summary of recommendations from the task and finish group, Health and Social Care Overview and Scrutiny Committee and executive responses: Provision of short breaks and respite services for children with disabilities.

## **Background papers**

None identified.

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# **Task & Finish Group Report**

**Review of provision of short break  
and respite services for children  
with disabilities**





## **Review of provision of short break and respite services for children with disabilities - review Report**

### **Chairman's foreword**

- 1.1 The health and social care overview and scrutiny undertook to do a short, spotlight review of the short break and respite service provision for children with disabilities in the county. This was intended to help determine whether it was meeting the needs of children and families, as well as to review the communications and plans for services in the light of the changes taking place at No. 1 Ledbury Road.
- 1.2 In carrying out the review, the task and finish group conducted face to face interviews and also visited No. 1 Ledbury Road. Whilst the group understands that the council is currently assessing whether there are any gaps in the service provision in respect of the available short break options, it is apparent that parents of service users are concerned as to what alternative services will be available. Effective communication is key in this regard and it is therefore imperative that information is not only shared with parents and service users in respect of the potential different models of service provision, but also that their needs and concerns are included as part of the commissioning.
- 1.3 It is hoped that this review will provide essential information to help inform the future plans for these essential services. These recommendations are hopefully self-evident and in many cases already in the process of being implemented by the executive. There may be other recommendations that could be suggested and Herefordshire Council, Wye Valley NHS Trust and Herefordshire Clinical Commissioning Group should look to consider these and where appropriate implement them in the coming months.
- 1.4 I would like to thank my elected member colleagues who made up the group, for their assistance and support in the completion of this task. Thanks also to the people we interviewed in undertaking this review including officers from Herefordshire Council, Wye Valley NHS Trust, Herefordshire Clinical Commissioning Group and Crossroads Care short breaks. I would particularly like to thank parents of service users for all of their inputs. The candour of all these contributors to our thoughts and questions has proved to be very helpful in coming to our conclusions.
- 1.5 Finally, our sincerest thanks go to both David Penrose and Steve Hodges for their support in undertaking this task and finish review.

Councillor John Stone, December 2015  
Chairman of the Task and Finish Group

## **2 Executive Summary**

- 2.1 The task and finish group (the 'group') has considered a significant amount of evidence and this report summarises and focuses on those matters identified in the scoping statement for the review.
- 2.2 Short breaks are part of a continuum of services which support disabled children and their families. They include the provision of day, evening, overnight and weekend activities for the child or young person, and can take place in the child's own home, the home of an approved carer, or in a residential or community setting.

## **3. Composition of the Group**

- 3.1 Members of the group were councillors:  
J Stone, Chairman & Vice-Chair of Health and Social Care Overview and Scrutiny Committee  
M Lloyd-Hayes  
ACR Chappell  
PE Crockett
- 3.2 Lead officer, Steve Hodges
- 3.3 Democratic services officer, David Penrose

## **4 Context**

### Why did we set up the group?

- 4.1 The group was set up as a direct result of concerns raised by the parents of service users to members about short break provision and the possibility of the closure of the facility at No. 1 Ledbury Road at a meeting of the health and social care overview and scrutiny committee on 22 July 2015. It was agreed at that meeting that a task and finish group be commissioned.
- 4.2 The group was established to review the current short breaks provision and determine whether this was meeting the needs of children and families as intended as well as reviewing the communications and plans for services in the light of the changes taking place at No. 1 Ledbury Road.
- 4.3 At the meeting of Council held on 25 September 2015, it had been resolved that in view of the vision contained within the children and young people's plan that children and young people grow up healthy, happy and safe within supportive families and carers, the executive be asked to:
- a) commit to the retention of the option for families and young people to access professionally staffed respite care in Herefordshire and beyond;
  - b) honour its obligations to actively involve parents/carers and children at all stages of any change programme; and
  - c) consider the recommendations from the task and finish group.

### What were we looking at?

- 4.4 The health and social care overview and scrutiny committee considered and adopted a scoping statement for the group. The scoping statement is attached as appendix a.

### Who did we speak to?

4.5 During September and October 2015, the group convened meetings and visits to gather as much background information and to seek as many views as possible. In doing this, the group spoke to the following people:

- Parents of service users using No. 1 Ledbury Road (who are also involved in the Save No. 1 Ledbury Rd Campaign Group):
  - Parent A
  - Parents B & C
  - Parents D & E
- Parent of a child using the buddying service:
  - Parent F
- Clare Smeeth, Crossroads Care short breaks provider: buddying service
- Alison Talbot-Smith (head of clinical outcomes and service transformation), Herefordshire Clinical Commissioning Group
- Integrated Family Health Services, Wye Valley NHS Trust:
  - Vanessa Lewis (service unit director)
  - Dr Sally Stucke (consultant paediatrician)
  - Emma Allen (interim business manager)
- Staff within children's wellbeing directorate, Herefordshire Council
  - Jo Davidson (director for children's wellbeing)
  - Chris Baird (assistant director, education and commissioning)
  - Paul Meredith (assistant director, safeguarding and family support)
  - Deb Owen (head of service for children with disabilities)
  - Sue Rogers (service manager for children with disabilities)
  - Philippa Granthier (head of service for commissioning)
  - Richard Watson (commissioning lead)
- Cllr J Lester (cabinet member, young people & children's wellbeing)
- Mr Richard Aird OBE, headteacher of Barrs Court Special School and Mrs Karen Aird, assistant head (circa 2003-13)

### What did we read?

4.6 The group was provided with background information to undertake this review.

### How did we engage with people?

4.7 The group conducted face to face interviews and also visited No. 1 Ledbury Road and met with staff and clients.

## 5. **Key themes**

5.1 The following key questions were identified:

- What is the statutory basis for the council and other partners to provide short breaks and respite service?
- What is the local policy position on the provision of short breaks and respite services?
- What are the resources available for the provision of support to children with disabilities?
- What has gone well in the provision of short breaks and respite services?
- What could be improved?
- What engagement activity has taken place, including in relation to the future of No. 1 Ledbury Road, and what could be improved?
- What assurance is there that suitable alternative provision will be available for families that currently access No. 1 Ledbury Road?
- In the light of recent short term closures, what is the current position of No. 1 Ledbury Road?

What is the statutory basis for the council and other partners to provide short breaks and respite service?

### 5.2 **Investment in short breaks – Aiming High for Disabled Children (AHDC)**

In October 2006, parliamentary hearings on services to disabled children found evidence for the positive impact of short breaks for families with disabled children and identified a lack of access to these services as the main cause of unhappiness with service provision for families with disabled children. The government responded to these findings with the Aiming High for Disabled Children: Better Support for Families report, part of the 2007 Comprehensive Spending Review. This committed £340 million revenue funding between 2008-11 to transform Local Authority services for disabled children, with £280 million specifically allocated to expand the types of short break service available and increase accessibility to disabled children, young people and their families. This grant was intended to make provision for an additional 40,000 short breaks between 2008-11.

#### **The short breaks statutory duty**

The Children and Young Persons Act 2008 inserted a new sub-paragraph into paragraph 6(1) of Schedule 2 to the Children Act 1989, so that this paragraph now reads:

‘Every local authority shall provide services designed— (a) to minimise the effect on disabled children within their area of their disabilities; (b) to give such children the opportunity to lead lives which are as normal as possible; and (c) to assist individuals who provide care for such children to continue to do so, or to do so more effectively, by giving them breaks from caring.’ The duty on Local Authorities to provide breaks from caring is to provide breaks intended not only to avoid crises but to support parents to care ‘more effectively’.

This dual purpose for short breaks is expanded on in the regulations made under the new duty, being the Breaks for Carers of Disabled Children Regulations 2011. The central aspects of the 2011 Regulations include:

Local authorities must not only consider the needs of parent carers who are at crisis point, but must also ‘have regard to the needs of those carers who would be able to provide care for their disabled child more effectively if breaks from caring were given to them to allow them to undertake education, training or any regular leisure activity, meet

the needs of other children in the family more effectively, or carry out day to day tasks which they must perform in order to run their household' (regulation 3).

Local authorities must provide, 'a range of services which is sufficient to assist carers to continue to provide care or to do so more effectively' (regulation 4). These services must include a range of:

- day-time care
- overnight care
- educational or leisure activities for disabled children outside their homes, and
- services available to assist carers in the evenings, at weekends and during the school holidays

Local authorities are required to publish a short breaks services statement (regulation 5), which must set out details of:

- the range of services provided in accordance with regulation
- any criteria by which eligibility for those services will be assessed, and
- how the range of services is designed to meet the needs of carers in their area.

The short breaks duty requires provision of a range of short breaks which give disabled children the same opportunities to play and socialise that other children experience, while allowing their parents to provide care more effectively through having a break from caring. *Although the duty under regulation 4 is to provide the range of services 'so far as is reasonably practicable', this means that a local authority is not free to reduce funding for short breaks and prioritise other services without having regard to due process.*

### **The short breaks duty – contained in para 6(1)(c) of the Children Act 1989 and the Breaks for Carers of Disabled Children Regulations 2011**

This duty requires the provision of a wide range of short breaks that is sufficient to meet local need. To comply with the duty local authorities will need to know how many disabled children live in their area, what their level of need for short breaks is likely to be and what services are available and will then need to assess whether the available services are sufficient to meet the anticipated need. Many Local Authorities have chosen to comply with the short breaks duty by providing breaks on a 'non-assessed' basis – i.e. a certain level of break is available when a minimum level of need is shown without any detailed assessment. This is good practice though not required by law; what is required is that any eligibility criteria governing access to any type of short break are published so that families can understand them. The new SEND Code of Practice (at para 4.44) requires that these criteria, which must be included within the Short Breaks Services Statement, are published alongside the 'Local Offer' which is a central plank of the reforms introduced by the Children and Families Act 2014.

### **Section 2 of the Chronically Sick and Disabled Persons Act ('CSDPA') 1970**

The CSDPA 1970 is the legal duty which creates the individual right to short break services for some disabled children. Although the CSDPA 1970 duty is complex, its essence is that it requires local authorities to provide services (or direct payments) to meet needs where it is 'necessary' to do so. In deciding whether it is 'necessary' to meet a disabled child's needs, a local authority is entitled to take account of its resources, which means the threshold for when it is 'necessary' to provide a service may be higher when there is less funding available to the local authority. However once it is accepted that it is necessary to meet a child's needs by providing (for example) a short break service, then that service must be provided, but it is not regardless of cost. *The local authority has duties to consider the efficient use of resources in all of its considerations. The issue is balancing how to meet eligible, assessed need, within the resources available.*

The way in which a local authority should determine whether it is necessary to meet a disabled child's needs through the provision of short break services is by undertaking an assessment pursuant to section 17 of the Children Act 1989 and the Working Together to Safeguard Children statutory guidance. Disabled children are all children 'in need' under Children Act 1989 section 17(10)(c) and (11) and so are entitled to a social work assessment under the Working Together guidance on request.

### **Section 27 of the Children and Families Act 2014**

This new duty, in force from September 2014, requires every local authority to consider the extent to which the social care (and educational) provision is sufficient to meet the needs of children and young people in its area. Much like the short breaks duty discussed above, this requires the local authority to know: (1) what the level of need for short breaks is in its area; and (2) whether these needs are being met through the provision of sufficient short breaks.

### **Article 8 of the European Convention on Human Rights (ECHR)**

The provision of short breaks is a central way in which the state fulfils its obligation to respect the family and private life rights of disabled children and their family members under Article 8 of the European Convention on Human Rights. These rights are informed by the other relevant international conventions, including the UN Convention on the Rights of the Child (UNCRC) and the UN Convention on the Rights of Persons with Disabilities (UNCRPD). In particular, article 19(b) of the UNCRPD requires a range of community support to be provided to disabled children (and adults) and Article 23 of the UNCRC calls for 'special care' for disabled children. Most powerfully, Article 3 of the UNCRC requires the best interests of children (including disabled children) to be 'a primary consideration' in all decisions taken affecting them. This means that disabled children's interests must be considered first and can only be overridden if all other factors outweigh them.

### **Equality Act 2010**

Firstly, Local Authorities and providers of short break services are required to make 'reasonable adjustments' to their policies, procedures and practices to promote access to short break services for all disabled children. While cost is a relevant factor in deciding whether it is 'reasonable' to make an adjustment, if it is 'reasonable' to change the way a short break service is provided then the cost of doing so cannot be passed on to the family. Secondly, the Public Sector Equality Duty under section 149 of the Equality Act 2010 requires Local Authorities to have 'due regard' to a series of specified needs relating to disabled children (amongst other protected groups) when carrying out their functions. The need which is most relevant to short breaks is the need to advance equality of opportunity for disabled children. Local Authorities must take this need into account in all their decision making, including decisions about how much funding to allocate to short break services.

*In addition to the above, there may be other statutory duties that are relevant to health and therefore to the Wye Valley NHS Trust (WVT) and Herefordshire Clinical Commissioning Group (CCG)*

**Recommendation 1: That a communication is sent to all elected members reiterating that all councillors have a duty of care**

What is the local policy position on the provision of short breaks and respite services?

- 5.3 The council has a duty to secure and provide a range of short breaks and the commissioning prospectus and activity from 2012 secured a wider range of options than was previously available. The council and its partners recognises that short breaks or respite care can be offered in a variety of ways and different settings.
- 5.4 As regards fostering, the group noted that there was a recruitment drive in place to recruit specialist foster carers due to the fact that specialist skills would be required to deal with the needs of some children with disabilities for overnight respite care. It is the intention of the council to have 6 foster carers available.
- 5.5 *The group is very concerned about the difficulties of not only recruiting potential foster carers, but also ensuring that they receive appropriate, continuous training. The Group is also concerned about the potential high costs of making necessary amendments and alterations to family homes, for example, wet rooms, hoists, door widening.*

**Recommendation 2: That specialist foster carers are made aware of the potentially refundable cost involved in adapting their properties were they to cease foster caring.**

What are the resources available for the provision of support to children with disabilities?

- 5.6 The policy of the council and of the CCG is to support the most vulnerable people and is focused around partnership working with service users and providers and making the best use of resources across the diverse communities in Herefordshire. Priorities that would help deliver these aims included the improve user and carer choice and control about how their needs are met, and a collaborative commissioning process to stimulate a diverse local market and ensure services were developed and improved in response to local needs. A commissioned continuum of short breaks provision was at the heart of this, together with a pooling of resources across partner agencies to prevent overlap and support best value.
- 5.7 The council's has a budgeted commitment of £450k pa for short-breaks, care packages, overnight respite at Ledbury Road and overnight fostering which is set out below.

	£ 000
<b>Daytime short breaks</b>	
Playdays and 1:1 buddying contracts	240
<b>Care packages</b>	
Individual care packages	30
<b>Overnight Respite</b>	
Ledbury Road	60
<b>Respite Fostering</b>	
Short breaks overnight fostering	120
<b>Total committed spend</b>	<b>450</b>

The council commitment to No. 1 Ledbury road is £60k pa which is supplemented by funds from the CCG.

**Recommendation 3: That appropriate outcomes and measures regarding short breaks and respite services are incorporated into Herefordshire Council's corporate plan under the priority: Keep children and young people safe and give them a great start in life.**

### What has gone well in the provision of short breaks and respite services?

- 5.8 *In visiting No. 1 Ledbury Road, the group noted the expert level of care being provided and witnessed at first hand the high levels of interaction between clients, families and staff. The group acknowledge the complexities of the care being provided and the difficulties that this may present in a domestic or foster care setting.*
- 5.9 The group found that the short breaks packages offered by Crossroads care had been well received by service users and the parents of service users. The company was a not for profit wellbeing care provider and offered a buddying service for children up to the age of 18, including those with complex needs. Clients were referred to Crossroads by GP's and social workers.
- 5.10 The group received evidence from Parent F, the parent of a service user who is accessing services provided by Crossroads care. It was explained that the buddying system had enabled their child to access facilities in the community which they would have otherwise been unable to do on their own. Examples included craft clubs, the cinema and even bowling. Parent F has two other children and as well as providing their child with a fun support session, buddying also provided family members with respite. Their only criticism of the service was that staff shift patterns meant that there was not always the continuity of care that would be preferred.

**Recommendation 4: That the council looks to increase the use of buddying, also giving consideration to whether an in-house buddying care model might be more suitable than the present arrangements.**

### What could be improved?

- 5.11 The group found that the future of No. 1 Ledbury Road could have been better explained to the parents of service users in 2012/13. However, the social care service had not been operating effectively for some time and as a result there needed to be up to date assessments and plans for all children in the county, which was dependent on having sufficient staff of the right skills. This had been a challenge for Herefordshire for a while, but recent investment and work had strengthened the team. Assessments were now being carried out and were due to have been completed by the end of October 2015. These assessments would inform what services should be discussed with parents to meet their needs, as well as the needs of their child.
- 5.12 Concerns were raised about the anomaly of No. 1 Ledbury Road functioning as a short break facility when it was actually registered as a children's hospital and managed as an extension of the Children's Ward at Herefordshire County hospital. It was therefore registered under the CQC, not Ofsted. Mr Aird felt that its registration sent the wrong message regarding the care that was required by these children. Children did not go to No. 1 Ledbury Road because of their health needs, but in order to provide a respite break for their families. The facility should provide a social experience for these children, but struggles to do so as a children's hospital.

**Recommendation 5: That consideration be given to re-designating No. 1 Ledbury Road as a short breaks facility, rather than as a children's hospital. This may afford No. 1 Ledbury Road more flexibility in that they could employ social care rather than medical staff.**

**Recommendation 6: That the council, the CCG and the WVT ensure that No. 1 Ledbury Road remains open and jointly funded whilst the re-designation process is undertaken.**



What engagement activity has taken place, including in relation to the future of No. 1 Ledbury Road, and what could be improved?

- 5.13 The group believed that the council, the CCG and the WVT had not fulfilled their obligations to involve the parents and carers of services users from the outset of the process, and expressed concern over the nature of the consultation that had been undertaken with parents and carers regarding the proposed changes of service. The date on which the last child was referred to No. 1 Ledbury Road was in November 2013 and referrals were suspended in February 2014. Those children already accessing No. 1 Ledbury Road continued to do so with their needs being reviewed as part of ongoing social care and medical assessments, as appropriate. The group considered that the engagement process had been flawed and the way that consultation had been undertaken had been ineffective. *The group is not satisfied with the explanations as to why the parents were not better informed by the council, the CCG and the WVT.*
- 5.14 The group received evidence which showed that from summer 2015 onwards, much work had been undertaken by all three partner organisations to ensure that communications were much more joined up. For example, the FAQs on the council's website were being regularly updated with input from all three partners. Regular meetings had also taken place with the Save No. 1 Ledbury Rd group and with the Friends of No. 1 Ledbury Rd. Meetings had also taken place with staff at No. 1 Ledbury Road as well as with social care staff.
- 5.15 However, officers from all three partners acknowledged and agreed that it had been a systems mistake not to fully engage with all service users before any announcement had been made in July. Since then the council, the CCG and the WVT had created the opportunity to meet jointly with the parents of users, and whilst some were content to consider alternative provision, a number were supportive of the Save No. 1 Ledbury Road campaign. The WVT had been open and transparent about the reduction in service provision and had made clear the difficulties of retaining staff in a service which at present decisions have yet to be made by all parties with regard to the nature of a contract from April 2016.
- 5.16 It was noted that parent carers had been written to on a number of occasions as part of the procurement process, and that Herefordshire Carers Support and Parent Carers Voice had both been involved in this process. It was understood that most families of service users were registered with these organisations. Engagement was ongoing as of October 2015, but as the process that was underway was, by its nature slow, there had been little new to say to parents who were getting frustrated as a result.
- 5.17 The communication process prior to summer 2015 had not been effective. Parents of service users were clear that they had only found out about the proposed closure of No. 1 Ledbury Road in July, although they had been aware of ongoing discussions regarding service redesign. No mention had been made to parents of the possibility of closure.

**Recommendation 7: That regular assurance is provided to the health and social care overview and scrutiny committee and Healthwatch in respect of the provision of short breaks and respite services across the county.**

**Recommendation 8: That the reinstatement of referrals to No. 1 Ledbury Road is implemented with immediate effect.**

**Recommendation 9: That monthly meetings continue to be held by the council, the CCG and the WVT in order to keep the children and parents presently accessing the service appraised of future plans for the service.**

**Recommendation 10: That a councillor be appointed to sit on the board of the WVT as a Non-Executive director in order to help improve communications between partner organisations.**

**Recommendation 11: That an action plan is agreed between all partners in respect of the implications and potential closure of No. 1 Ledbury Road.**

What assurance is there that suitable alternative provision will be available for families that currently access No. 1 Ledbury Road?

- 5.18 The group had been informed by both the CCG and WVT that a service would be maintained until the end of the financial year. However, it had been made clear that the service would cease at some time thereafter. *The group is concerned that it has received no details of a 'Plan B'.* It was acknowledged that the timescales would present individual difficulties for families as some were dependent on the No. 1 Ledbury Road service, having received it for many years. It was suggested that families would need to take active responsibility to fully engage with new ways to receive care and be willing to accept alternative services.
- 5.19 The group learnt of concerns of parents of service users that the proposed fostering service would neither meet the needs of all children and nor would it provide the social experience of meeting others that No. 1 Ledbury Road did. It was pointed out to the group that these were very vulnerable children who were not able to speak for themselves. *The group felt that No. 1 Ledbury Road offered security, as well as peace of mind for service users and parents that a foster carer would be unable to.*
- 5.20 The group has been told that the council is assessing whether there are any gaps in the service provision in respect of a range of short break options that are already available, and should that be the case, further provision will be identified and consulted on to ensure it meets statutory requirements prior to contracting and commissioning new services.

**Recommendation 12: That information is communicated effectively to parents and service users in respect of the potential different models of service provision.**

**Recommendation 13: That the needs and concerns of parents and service users are included as part of the commissioning of any new services.**

**Recommendation 14: That consideration is given to whether there are other suitable residential facility settings within Herefordshire that could provide respite care.**

In the light of recent short term closures, what is the current position of No. 1 Ledbury Road?

- 5.21 It is hoped that new arrangements put in place will help ensure that WVT has the right staff to manage the service safely. The group were also informed that a service would be maintained until the end of the financial year.
- 5.22 WVT considered No. 1 Ledbury Road to be an expensive and outmoded model of care, but one that could be remodelled. The strength of the service lay in its staff, who had the required skills to operate as foster carers should they be prepared to do so. The foster care model could be more appropriate for some children, creating an environment alternative to a residential building and better preparing children for adult life.

**Recommendation 15: That for each action, a clear timeline is agreed and produced by the council, the CCG and the WVT. The associated impacts upon current service users should also be considered. This information should also be shared with Healthwatch.**

**Recommendation 16: That a more entrepreneurial approach is taken at No. 1 Ledbury Road to offer a wider range of chargeable services, thus improving its financial viability.**

Fostering Service

- 5.23 In Herefordshire Council's published answers to FAQs regarding No. 1 Ledbury Road, it was stated that: The council is investing £190k in the family-based respite carer service, which from January 2016 is expected to deliver respite care to provide 1,200 nights a year for 16 local families. The group noted that this would mean each of the 6 respite carers would need to be able to provide care for at least 2, in some cases 3, children with complex needs. If each child maintained their current allocation for short breaks (one night in the week and one weekend a month) a respite carer providing care for 3 separate children would be providing care for 3 nights during the week in addition to 2 nights (and days) of the weekend i.e. 5 nights and 2 days a week for three weeks out of four and 3 nights for the fourth week.
- 5.24 In furthering its proposal to provide alternative respite arrangements for children who currently attend No. 1 Ledbury Road, the council's advert for short breaks carers suggests that 'anyone' can be a short breaks carer; subject to assessment for suitability, training and development. They could be single; have no upper age limit and could continue to hold down a job whilst providing care to all these children with complex needs and disabilities. *The group felt that the council needed to gain a better understanding of exactly what can be involved in caring for the most vulnerable and complex children, which might provide a clearer understanding of why residential overnight respite provision such as No. 1 Ledbury Road was so important to the parents of service users.*

**Recommendation 17: That foster carers interested in providing short break respite care for disabled children receive their training in No. 1 Ledbury Road, in order to fully appreciate the demands and responsibilities they would be taking on.**

6 Summary of Recommendations

<b>Recommendation</b>	<b>Details</b>
1	That a communication is sent to all elected members reiterating that all councillors have a duty of care.
2	That specialist foster carers are made aware of the potentially refundable cost involved in adapting their properties were they to cease foster caring.
3	That appropriate outcomes and measures regarding short breaks and respite services are incorporated into Herefordshire Council's Corporate Plan under the priority: Keep children and young people safe and give them a great start in life.
4	That the council looks to increase the use of buddying, also giving consideration to whether an in-house buddying care model might be more suitable than the present arrangements.
5	That consideration be given to redesignating No. 1 Ledbury Road as a short breaks facility, rather than as a Children's Hospital. This may afford No. 1 Ledbury Road more flexibility in that they could employ social care rather than medical staff.
6	That the council, the CCG and the WVT ensure that No. 1 Ledbury Road remains open and jointly funded whilst the redesignation process is undertaken.
7	That regular assurance is provided to the Health and Social Care Overview and Scrutiny Committee and Healthwatch in respect of the provision of short breaks and respite services across the county.
8	That the reinstatement of referrals to No. 1 Ledbury Road is implemented with immediate effect.
9	That monthly meetings continue to be held by the council, the CCG and the WVT in order to keep the children and parents presently accessing the service apprised of future plans for the service.
10	That a Councillor be appointed to sit on the Board of the WVT as a Non-Executive Director in order to help improve communications between partner organisations.
11	That an action plan is agreed between all partners in respect of the implications and potential closure of No. 1 Ledbury Road.
12	That information is communicated effectively to parents and service users in respect of the potential different models of service provision.
13	That the needs and concerns of parents and service users are included as part of the commissioning of any new services.
14	That consideration is given to whether there are other suitable residential facility settings within Herefordshire that could provide respite care.
15	That for each action, a clear timeline is agreed and produced by the council, the CCG and the WVT. The associated impacts upon current service users should also be considered. This information should also be shared with Healthwatch.
16	That a more entrepreneurial approach is taken at No. 1 Ledbury Road to offer a wider range of chargeable services, thus improving its financial viability.
17	That foster carers interested in providing short break respite care for disabled children receive their training in No. 1 Ledbury Road, in order to fully appreciate the demands and responsibilities they would be taking on.

## Appendix A

### Health and Social Care Overview and Scrutiny Committee

#### Task and Finish Group – Review of provision of short break and respite services for children with disabilities

Title of review	<b>Review of provision of short break and respite services for children with disabilities</b>
Scope	
Reason for enquiry	<p>Following concerns raised to members about short break provision the enquiry is established:</p> <p>To review the current short breaks provision and determine whether it is meeting the needs of children and families as intended.</p> <p>To review the communications and plans for services in the light of the changes taking place at No. 1 Ledbury Road.</p>
Links to the corporate plan	<p>The review contributes to the following objective's contained in the Herefordshire corporate plan and other key plans and strategies:</p> <p><b>The services covered by this review directly contribute to the council's corporate priorities with particular relevance to those underlined below:</b></p> <p><b>Our vision</b></p> <p>Herefordshire - a place where people, organisations and businesses work together within an outstanding natural environment, bringing about sustainable prosperity and wellbeing for all.</p> <p>Our priorities are to:</p> <ul style="list-style-type: none"> <li>• <u>Keep children and young people safe and give them a great start in life</u></li> <li>• <u>Enable residents to live safe, healthy and independent lives</u></li> <li>• Invest in projects to improve roads, create jobs and build more homes</li> </ul> <p>and to achieve our priorities we need to:</p> <ul style="list-style-type: none"> <li>• <u>Encourage individuals, communities and organisations to do more for themselves and for their local area</u></li> <li>• <u>Radically reduce the costs, breadth and level of services we provide</u></li> <li>• <u>Ensure the services that we do provide are cost effective</u></li> </ul> <p>Specifically, the corporate plan objectives pertinent to this review are:</p> <ul style="list-style-type: none"> <li>• People are physically and mentally healthy and stay healthy for longer</li> <li>• Outcomes for children and young people improve</li> <li>• There is increased equality of opportunity and access, to reduce inequality in health &amp; wellbeing outcomes</li> <li>• People are able to take more responsibility for themselves (includes making healthy choices &amp; focus on prevention)</li> <li>• People are active in their communities and look out for the more vulnerable so they can live independently</li> <li>• Public services are prioritised to support those in need of services to maintain their independence or stay safe</li> </ul> <p>In addition the new Children and Young People's Plan 2015-2018 includes a specific priority to improve outcomes for children with a disability and this will be achieved through the children with disabilities transformation programme.</p>

Summary of the review and terms of reference	<p>Summary: This review is to consider the:</p> <ul style="list-style-type: none"> <li>• current provision of short break and respite care in the county.</li> <li>• proposed closure of No. 1 Ledbury Road</li> <li>• issues surrounding the consultation process that had been undertaken with parents of service users and other stakeholders to inform the provision of services.</li> </ul> <p>Terms of Reference:</p> <ul style="list-style-type: none"> <li>• This Task and Finish Group is made up of councillors from the Health and Social Care Overview and Scrutiny Committee.</li> <li>• It will focus on the provision of short breaks and respite for children with disabilities at No. 1 Ledbury Road.</li> <li>• The Group will consider the specific questions detailed below and hear evidence from witnesses.</li> <li>• The findings and recommendations of the Group will be written in a report to be presented back to the main Committee</li> <li>• The council, Herefordshire Clinical Commissioning Group and Wye Valley NHS Trust will consider the recommendations at their review meeting in December 2015</li> </ul>
What will NOT be included	<ul style="list-style-type: none"> <li>• Individual cases or details of children currently using 1 Ledbury Road services</li> </ul>
Potential outcomes	<ul style="list-style-type: none"> <li>• Greater understanding of the decision taken by different parties to establish the range of short break and respite services available.</li> <li>• Recommendations to improve the engagement and communication with parents and children and young people</li> <li>• Reassurance that the needs of children and their families have been fully considered</li> </ul>
Key Questions	<p>To consider:</p> <ul style="list-style-type: none"> <li>• What are the resources available for the provision of support to children with disabilities?</li> <li>• What has gone well in the provision of short breaks and respite services?</li> <li>• What could be improved?</li> <li>• What engagement activity has taken place, including in relation to the future of 1 Ledbury Road, and what could be improved?</li> <li>• What assurance is there that suitable alternative provision will be available for families that currently access 1 Ledbury Road?</li> </ul>
Cabinet Member	Cllr J Lester (Children's and Young Peoples Wellbeing)
Key stakeholders / Consultees	<p>Herefordshire Clinical Commissioning Group Wye Valley NHS Trust Herefordshire Council Parents of children who access short break and respite services Children and young people who access short break and respite services Councillors Providers of short break and respite services including schools, particularly special schools</p>
Potential witnesses	<p><b>Parents of service users</b> Parent A, a parent of a child currently using Ledbury Road and also a parent representative Parents using a range of short breaks and respite services</p> <p><b>Herefordshire Clinical Commissioning Group</b> Dr Alison Talbot Smith</p> <p><b>Providers of services:</b></p> <ul style="list-style-type: none"> <li>• <b>Wye Valley NHS Trust</b> Emma Allen (Business Manager, Integrated Family Health Service)</li> </ul>

	<ul style="list-style-type: none"> <li><b>Other provider services.</b> Crossroads Buddying Service</li> </ul> <p><b>Herefordshire Council</b> Jo Davidson, Director of Children's Wellbeing Chris Baird, Assistant Director Education and Commissioning, Children's Wellbeing Directorate (CWB) Paul Meredith, Assistant Director, Safeguarding and Family Support, CWB Deb Owen, Head of Service for Children with Disabilities, CWB Sue Rogers, Service Manager for Children with Disabilities, CWB Philippa Granthier, Head of Service for Commissioning, CWB Richard Watson, Commissioning Lead, CWB</p>
Research Required	<p>Historical context of services for children with disabilities and short breaks and respite care Commissioning activity documentation Decision reports by the council, WVT and CCG Implementation plans Equality impact assessments and reviews Engagement and consultation evidence, including requirements for statutory consultation on any change to a service Financial information</p>
Potential Visits	<p>Visit to 1 Ledbury Road – WVT to provide suitable dates. Visit to another short breaks provider – details TBC</p>
Meetings	Meetings to be held in private
Publicity Requirements	Publication of Review and its Recommendations

Outline Timetable (following decision by the Committee to commission the Review)	
<i>Activity</i>	<i>Timescale</i>
Confirm approach, Terms of Reference, programme of consultation/research/provisional witnesses/meeting dates	14 August 2015
Collect current data available for circulation to Group for first meeting of the Group	3 September 2015
First Task and Finish Group meeting	10 Sept 2015
Site Visits	17 Sept 2015
Additional meetings	Late September
Present final report to Overview & Scrutiny Committee	17 November 2015
Present options/recommendation to Cabinet Member (to inform the December review with CCG /WVT)	3 December 2015
Cabinet Member response/decision	January 2016
Monitoring of implementation of agreed recommendations: Report to Overview and Scrutiny Committee	21 March 2016
Further report to Overview and Scrutiny Committee	Summer 2016

Group Members	
<b>Chair</b>	Cllr J Stone
<b>Support Members</b>	Cllr M Lloyd-Hayes
	Cllr ACR Chappell
	Cllr PE Crockett
<b>Support Officers</b>	Steve Hodges
	David Penrose





Appendix 1 – Executive Response to recommendations from health and social care overview and scrutiny committee review of short break and respite services for children with disabilities

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<b>Recommendation No. 1</b>	That a communication is sent to all elected members reiterating that all councillors have a duty of care			
<b>Executive Response</b>	Accepted in part. Whilst the principle of ensuring members are aware of their responsibilities and duties a single communication is not necessarily the most effective way of embedding that understanding. Assuming that this recommendation relates to the statutory duties which elected members have in relation to children overall and children with disabilities specifically, the training which all members have participated in has included reference to those duties. Those training materials, together with summaries of the responsibilities of each service and key contacts for further advice or information remain available for all members to reference on the dedicated 'councillors handbook' website. Periodic briefings are sent to members via the weekly ward members update and all reports informing decisions set out the legal duties of the council. The matter will be considered by the member development and training working group to ensure future training and development activities meet the need.			
<b>Action</b>	<b>Owner</b>	<b>By When</b>	<b>Target/Success Criteria</b>	<b>Progress</b>
Refer the recommendation to the member development and training group to inform future training and development activity.	Governance manager	Ongoing	Members are confident in their understanding of their duties in relation to children.	
<b>Recommendation No. 2</b>	That specialist foster carers are made aware of the potentially refundable cost involved in adapting their properties were they to cease foster caring			
<b>Executive Response</b>	Accepted. This will be included in the work that the fostering team undertake with individual families and will be informed by legal services.			
<b>Action</b>	<b>Owner</b>	<b>By When</b>	<b>Target/Success Criteria</b>	<b>Progress</b>
Information for potential specialist foster carers includes expectations for refundable costs in relation to adaptations	Team manager, SGO & Kinship hub	March 2016	Prospective foster carers are aware of the expectations and sign up to them when they become specialist foster carers	
<b>Recommendation No. 3</b>	That appropriate outcomes and measures regarding short breaks and respite services are incorporated into Herefordshire Council's Corporate Plan under the priority: Keep children safe and give them a great start in life			
<b>Executive Response</b>	Accepted in part. This is an area of focus in the Herefordshire Children and Young People's Plan 2015-18 which the Council has signed up to. Health and social care overview and scrutiny committee could receive an update on outcomes in this area as part of the report on the Plan.			
<b>Action</b>	<b>Owner</b>	<b>By When</b>	<b>Target/Success Criteria</b>	<b>Progress</b>
Provide updates on the provision of short breaks as part of the report on the progress of Herefordshire's Children and Young People's Plan	Assistant director education and commissioning	In line with reporting timetable to HSOSC	HSOSC informed of performance of short break provision	

Appendix 1 – Executive Response to recommendations from health and social care overview and scrutiny committee review of short break and respite services for children with disabilities

<b>Recommendation No. 4</b>	That the council looks to increase the use of buddying, also giving consideration to whether an in-house buddying care model might be more suitable than the present arrangements			
<b>Executive Response</b>	Accepted. The buddying service is due to be recommissioned by March 2017 and these considerations will form part of the recommissioning exercise			
<b>Action</b>	<b>Owner</b>	<b>By When</b>	<b>Target/Success Criteria</b>	<b>Progress</b>
Recommission a range of short breaks by March 2017	Commissioning lead, children & families	March 2017	A range of short breaks are in place from March 2017 and are highly valued by families	
<b>Recommendation No. 5</b>	That consideration be given to re-designating No.1 Ledbury Road as a short breaks facility, rather than as a Children's Hospital. This may afford No.1 Ledbury Road more flexibility in that they could employ social care rather than medical staff			
<b>Executive Response</b>	Accepted in part that it is for the provider (Wye Valley Trust) to determine this. The proposal being made to Cabinet on 21 <sup>st</sup> January includes the requirement to re-designate No 1 Ledbury Road as a condition of contract. This is subject to consultation and agreement by Wye Valley NHS Trust.			
<b>Action</b>	<b>Owner</b>	<b>By When</b>	<b>Target/Success Criteria</b>	<b>Progress</b>
Cabinet approval of the way forward	Director for children's wellbeing	21 January 2015	Cabinet approve the way forward and enable contract negotiations to take place.	
<b>Recommendation No. 6</b>	That the council, the CCG and WVT ensure that No.1 Ledbury Road remains open and jointly funded whilst the re-designation process is undertaken as a matter of urgency			
<b>Executive Response</b>	Accepted in part as Wye Valley Trust is not a funder of the service, but a provider. The Clinical Commissioning Group, the Council and Wye Valley Trust are committed to keeping 1 Ledbury Road open as far as is practically possible for 2016/17. By seeking to have a contract for a further 12 months for a model of provision Wye Valley Trust have indicated that this will better enable them to staff the unit to reduce the likelihood of closure. The future is in part dependent upon continued funding from the CCG.			
<b>Action</b>	<b>Owner</b>	<b>By When</b>	<b>Target/Success Criteria</b>	<b>Progress</b>
Cabinet approval of the way forward	Director for children's wellbeing	21 January 2015	Cabinet approve the way forward and enable contract negotiations to take place.	
<b>Recommendation No. 7</b>	That regular assurance is provided to the Health and Social Care Overview and Scrutiny Committee and Healthwatch in respect of the provision of short breaks and respite services across the county.			
<b>Executive Response</b>	Accepted. The health and social care overview committee (HOSC) is responsible for its own work programme and can therefore determine how and when it wishes to receive assurance. The HOSC may wish to task the task and finish group in recommendation 18 to fulfil this responsibility and involve Healthwatch in its work.			
<b>Action</b>	<b>Owner</b>	<b>By When</b>	<b>Target/Success Criteria</b>	<b>Progress</b>

Appendix 1 – Executive Response to recommendations from health and social care overview and scrutiny committee review of short break and respite services for children with disabilities

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For HOSC to determine				
<b>Recommendation No. 8</b>	That the reinstatements of referrals to No.1 Ledbury Road is implemented with immediate effect			
<b>Executive Response</b>	Not accepted. The current provision at 1 Ledbury Road is unable to meet all the provision it is contracted for. It is not therefore considered appropriate to extend referrals at the current time.			
<b>Action</b>	<b>Owner</b>	<b>By When</b>	<b>Target/Success Criteria</b>	<b>Progress</b>
No action proposed				
<b>Recommendation No. 9</b>	That monthly meetings continue to be held by the council, the CCG and the WVT in order to keep the children and parents presently accessing the service, and the task and finish group appraised of future plans of the service			
<b>Executive Response</b>	Accepted. Meetings between the three agencies have been taking place on a weekly basis and will continue to be held regularly this year. The meetings are currently held with families representing the Save No 1 Ledbury Road group. Future consultation arrangements will include all families with an interest in the matter.			
<b>Action</b>	<b>Owner</b>	<b>By When</b>	<b>Target/Success Criteria</b>	<b>Progress</b>
Meetings continue to be held between Council, CCG and Wye Valley	Assistant director education and commissioning	Through 2016	Service provision is developed through a joint approach.	
Consultation takes place on the future provision at 1 Ledbury Rd	Assistant director education and commissioning	Feb 2016	Provision at 1 Ledbury Rd from 1 April 2016 is informed by consultation with children and parents/carers.	
<b>Recommendation No. 10</b>	That a lead member is identified to help improve communications between partner organisations			
<b>Executive Response</b>	This is for HOSC to determine.			
<b>Action</b>	<b>Owner</b>	<b>By When</b>	<b>Target/Success Criteria</b>	<b>Progress</b>
For HOSC to clarify				
<b>Recommendation No. 11</b>	That an action plan be agreed for the delivery of the executive's requirement from the meeting of the council on the 25 September to retain options for access to professionally staffed respite care in Herefordshire and beyond			
<b>Executive Response</b>	Agreed. The report going to Cabinet on 21 <sup>st</sup> January sets out the timescale for continuing the option for a further 12 months. Subsequent developments will be the subject of a plan as set out below.			
<b>Action</b>	<b>Owner</b>	<b>By When</b>	<b>Target/Success Criteria</b>	<b>Progress</b>
Cabinet approval of the way forward	Director for children's wellbeing	21 January 2015	Cabinet approve the way forward and enable contract negotiations to take place.	

Appendix 1 – Executive Response to recommendations from health and social care overview and scrutiny committee review of short break and respite services for children with disabilities

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<b>Recommendation No. 12</b>	That information is communicated effectively to parents and service users in respect of the potential different models of service provision			
<b>Executive Response</b>	Agreed. Working with parents and organisations such as Herefordshire Carers should enable communications to be more effectively developed. Children’s Wellbeing staff have also been working with parents and carers in the Ross area to communicate in a different way. This is alongside working with parents and carers through Herefordshire Carers Support.			
<b>Action</b>	<b>Owner</b>	<b>By When</b>	<b>Target/Success Criteria</b>	<b>Progress</b>
Consultation takes place with parents and carers and children on the potential new service model at 1 Ledbury Rd	Assistant director education and commissioning	Feb 2016	Parents, carers and children are able to provide their views	
Consultation takes place with parents and carers and children on the recommissioning of short breaks provision.	Commissioning lead, children & families	2016-2017	Parents, carers and children are able to provide their views	
<b>Recommendation No. 13</b>	That the needs and concerns of parents and service users are included as part of the commissioning of any new services			
<b>Executive Response</b>	Agreed. This is encompassed in the response to recommendation 12			
<b>Action</b>	<b>Owner</b>	<b>By When</b>	<b>Target/Success Criteria</b>	<b>Progress</b>
This is encompassed in the response to recommendation 12				
<b>Recommendation No. 14</b>	That consideration is given to whether there are other suitable residential facility settings within Herefordshire that could provide respite care			
<b>Executive Response</b>	Agreed. This has been carried out and are being used. Officers are continuing to work with other providers to see if further services can be offered in Herefordshire.			
<b>Action</b>	<b>Owner</b>	<b>By When</b>	<b>Target/Success Criteria</b>	<b>Progress</b>
Continue to work with a range of potential short breaks providers to widen the offer in Herefordshire	Commissioning lead, children & families	March 2017	Families are able to have their needs met by a range of short breaks providers	
<b>Recommendation No. 15</b>	That for each action, a clear timeline is agreed and produced by the council, the CCG and the WVT. The associated impacts upon current service users should also be considered. This information should also be shared with Healthwatch			
<b>Executive Response</b>	Agreed and covered by the response to recommendation 11.			
<b>Action</b>	<b>Owner</b>	<b>By When</b>	<b>Target/Success Criteria</b>	<b>Progress</b>
Covered by the response to				

Appendix 1 – Executive Response to recommendations from health and social care overview and scrutiny committee review of short break and respite services for children with disabilities

recommendation 11				
<b>Recommendation No. 16</b>	That a more entrepreneurial approach is taken at No.1 Ledbury Road to offer a wide range of chargeable services, thus improving its financial viability.			
<b>Executive Response</b>	Accepted in part in that this is something for the provider of 1 Ledbury Road to consider. As part of the overall approach to short breaks provision, the executive supports a model where providers recognise that funding does not just have to come from the council or the clinical commissioning group. As set out in the cabinet report there are some providers and charities who the council will be discussing future models with, taking a more entrepreneurial approach. By awarding a contract for 2016/17 this would give the provider scope to move forward.			
<b>Action</b>	<b>Owner</b>	<b>By When</b>	<b>Target/Success Criteria</b>	<b>Progress</b>
Covered in other responses.				
<b>Recommendation No. 17</b>	That foster carers interested in providing short break respite care for disabled children receive their training at No.1 Ledbury Road, in order to fully appreciate the demands and responsibilities they would be taking on			
<b>Executive Response</b>	Accepted in part. Where practical this will be done, but foster carers will also receive a wider range of training than mentioned in the recommendation to support their development, some of which will take place elsewhere.			
<b>Action</b>	<b>Owner</b>	<b>By When</b>	<b>Target/Success Criteria</b>	<b>Progress</b>
Training of prospective foster carers to appreciate the needs of children taken place at 1 Ledbury Rd	Team manager, SGO & Kinship hub	Ongoing once carers have been identified	Prospective carers are aware of the needs of children that might be in their care.	
<b>Recommendation No. 18</b>	That the task and finish group remains in place for scrutiny as and when required			
<b>Executive Response</b>	For scrutiny to decide and determine the action required			
<b>Action</b>	<b>Owner</b>	<b>By When</b>	<b>Target/Success Criteria</b>	<b>Progress</b>
For HOSC to determine				





<b>MEETING:</b>	<b>Cabinet</b>
<b>MEETING DATE:</b>	<b>21 January 2016</b>
<b>TITLE OF REPORT:</b>	<b>Corporate plan 2016-2020</b>
<b>REPORT BY:</b>	<b>Assistant director commissioning</b>

## Classification

Open

## Key decision

This is not a key decision.

## Wards affected

County-wide

## Purpose

To agree proposals for the council's corporate plan 2016-20 for recommendation to Council.

## Recommendation(s)

THAT:

- (a) authority be delegated to the director of economy, communities and corporate, in consultation with the leader of the council, to make any amendments necessary arising from the discussion at cabinet, prior to consideration by Council; and
- (b) subject to the above, the draft corporate plan 2016-2020, as set out at appendix A to this report, be recommended to Council.

## Alternative options

1. To amend the proposals. It is open to cabinet to recommend alternatives to the vision, priorities and outcomes to those proposed. However, any alternatives should be informed by the evidence base available and the prevailing financial and policy context.

## Reasons for recommendations

2. The council's constitution requires cabinet to make recommendations to council in

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Further information on the subject of this report is available from Richard Ball, assistant director commissioning on (01432) 260965

respect of the budget & policy framework; the corporate plan forms part of this framework.

## Key considerations

3. The corporate plan does not seek to set out everything that the council will do; however, alongside the medium term financial strategy, it does provide the overarching policy framework within which decisions will be taken and resources allocated.
4. The new corporate plan builds on the existing plans and priorities. The proposals within the plan are informed by our current performance, our evidence base, [Understanding Herefordshire](#), and the views of residents and the community which were captured as part of the priorities and budget consultation which ran throughout the summer.
5. Notable achievements over the period of the council's existing corporate plan 2013-2016 are contained within the proposed corporate plan at appendix A.

## Community impact

6. The corporate plan provides the council's vision for the people of Herefordshire, drawing on the evidence base of [Understanding Herefordshire](#).
7. Amongst the key considerations identified in [Understanding Herefordshire](#) were:
  - the need to provide opportunities and support to children from disadvantaged and socially isolated communities;
  - reducing health inequalities for people living in poorer areas of the county;
  - the need for the population to partake in healthier lifestyles, with the NHS Health Checks scheme making a valuable contribution;
  - a need to support and develop educational institutions to deliver lifelong learning, which may help retain and attract young people within and to the county and help to deliver and maintain the higher skill levels needed; and
  - the provision of subsidised housing.

## Equality duty

8. The Public Sector Equality Duty (specific duty) requires us to consider how we can positively contribute to the advancement of equality and good relations, and demonstrate that we are paying "due regard" in our decision making in the design of policies and in the delivery of services.
9. Increasing equality of opportunity and access, and reducing inequalities, underpin the corporate plan. Individual elements of activity within the delivery plan will undergo equality impact assessments as an integral part of their planning and implementation.

## Financial implications

10. There are no direct financial implications arising from this report. The corporate plan, once approved, provides the overarching strategic framework within which decisions regarding the allocation of resources will be taken.



## **Legal implications**

11. There are no legal implications arising directly from this report.

## **Risk management**

12. There are risks associated with the production of any strategic plan at a time of significant change. However, without a clear indication of the strategic priorities, there is a greater risk that resources may not be directed to areas of greatest needs. Risk assessment of activities planned to implement the corporate plan will be assessed as an integral element of the delivery planning process.
13. Many of the risks in the corporate risk register will be further mitigated as the corporate plan evolves and the delivery plans are developed to address the key issues, which will demonstrate how the aims of the corporate plan will be achieved.

## **Consultees**

14. The views of residents and the community have been captured as part of the recent priorities and budget consultation which ran throughout the summer.
15. A draft of the corporate plan was considered by the general overview & scrutiny committee and the health & social care overview and scrutiny committee on 17 November 2015. The plan was noted without comment.

## **Appendices**

Appendix A Draft corporate plan 2016-2020

## **Background papers**

None.



# Herefordshire Council


## Corporate Plan 2016-2020



# Foreword

Welcome to Herefordshire Council's Corporate Plan for the period 2016 – 2020. The plan records our progress to date, reaffirms our priorities and sets out our ambitions for the next four years.

## The priorities




Enable residents to live safe, healthy and independent lives



Keep children and young people safe and give them a great start in life



Support the growth of our economy



Secure better services, quality of life and value for money

Herefordshire Council continues to deliver against bold and ambitious plans and, by working with our local and national partners, we will continue to improve the quality of life for the county's residents.

By the end of the decade we will:

- Be even more focused on delivering good core services across the children's wellbeing, adults and wellbeing, and economy, communities and corporate directorates.
- Have encouraged and supported even more local services to be run by communities themselves, thereby enhancing community resilience and reduced demand on statutory services.
- Have improved skills and educational attainment within our communities to address the problem of low wages in the county.
- Have enabled the development of new economic activity and external investment to introduce better and better-paid jobs.
- Have delivered new infrastructure to support economic growth and the provision of more good quality affordable homes across the county.
- Have delivered high speed broadband to all who need it.
- Have worked closely with central government as it transforms the ways in which local authorities are funded.
- Have developed and be well on the way to implementing a county wide Economic Masterplan prepared in partnership with business and communities.
- Have further embraced digital technology to save costs, to improve mobile-working and to offer residents 24/7 access to always on services.

In common with local authorities across the country, Herefordshire Council is facing significant financial challenges as central government strives to balance its budget. We are at the 6 year point of a 10 year 'austerity period' during which the council will face increasing demands on the services it provides whilst simultaneously making savings totalling £91 million. This means that the council needs to significantly change how it operates and the services it runs to focus on greatest need.

Despite this, over the last five years the council's performance has improved across a wide range of services.

Building the foundations for a successful economy has been, and will continue to be, a key priority. We have enabled major improvements including the delivery of flood relief schemes; a new livestock market; a privately funded retail and leisure development on the site of the old livestock market; access to superfast broadband; an Enterprise Zone in Rotherwas, Hereford; improved leisure facilities across the county and improvements to the highway network. We have also put in place a Core Strategy that will provide a blueprint for developing the county over the period to 2031.

The council recognises that it is in the unique position of acting as a hub for the public sector, the private sector and the 3rd sector and accepts the responsibility to work with our partners and to provide leadership through the essential process of change in these most challenging of times.

Alongside delivering essential services, we will continue to build the infrastructure, encourage inward investment and create a business friendly environment to enable the economic growth that will ensure Herefordshire prospers in the future.

These are challenging times, but the council will meet the challenges whilst continuing to build bold and ambitious plans for the future.



# Herefordshire an introduction

Herefordshire Council provides a wide range of services that combine to make a difference to residents' lives on a daily basis, including education, social care, highways and transport, planning, culture, waste management, environmental health and trading standards.

The council is funded by a combination of grants from central government, local council tax, local business rates and charges for some council provided services. The economic downturn has led to significant reductions in the funding we receive from central government. At the same time, there has been increased demand for some of our most important services, in particular those that protect vulnerable children and adults. We have been proactive in meeting that challenge, recognising that we need to radically change the way we work, in order that we can continue to deliver high quality services to the residents of the county.

This plan outlines our strategy for the next four years. It sets out how we will reshape services and become more efficient.

The plan focuses on the following four strategic priorities:

- Enable residents to live safe, healthy and independent lives
- Keep children and young people safe and give them a great start in life
- Support the growth of our economy
- Secure better services, quality of life and value for money



## Setting the scene

Herefordshire's population is about 186,100, having grown by six per cent (10,000 people) since 2001 (compared to nine per cent in England and Wales overall). About one-third of the population lives in Hereford city, a third in the market towns and a third in rural areas.

Herefordshire is a popular destination for visitors, those with holiday homes and second homes and, in some areas, for out-of-county commuters.

The county's population has a considerably older age profile than that for England and Wales, with 23 per cent of the population aged 65 years or above, compared with 17 per cent nationally. This includes 5,700 people aged 85 years or above. There are 25 per cent more people aged 65 years or over than there were in 2001, compared with a 19 per cent increase nationally. There is a similar proportion of under-16s as nationally (17 compared to 19 per cent).

Herefordshire has a lower proportion of younger working age adults (aged 16 to early forties) compared with England and Wales as a whole, but has a higher proportion of older working age adults (mid-forties to 64).

As a whole, Herefordshire has relatively low levels of multiple deprivation. In general people are healthy, live longer compared with nationally, and have positive experiences of the things that affect their lives and well-being. However, some areas of south Hereford, Leominster and Ross-on-Wye are amongst the 25 per cent most deprived in England. Although the government's 2010 Index of Multiple Deprivation ranks Herefordshire 145th out of 326 local authorities, there are areas of significant poverty and deprivation within the county.

Average wages in the county are significantly below both the regional and national averages. Average house prices are high compared with elsewhere in the region. The affordable housing ratio is the worst in the West Midlands, with houses at the lower end of the market, costing around 8.6 times the annual wage of the lowest earners.

Unemployment in the county is low. Both agriculture and tourism are a more important source of jobs in the county than elsewhere in the West Midlands. Self-employment is more common in Herefordshire than in the rest of the UK.

Herefordshire has improved its performance at GCSE level over the past two years. However, vulnerable groups continue to perform significantly below their peers at all ages. Herefordshire has some very high performing sixth forms with some outstanding results but there is net migration of young adults out of the county in search of wider opportunities for employment and higher education. There are relatively few people in the workforce with higher education-level qualifications. There is limited higher education provision, and knowledge-based industries are under represented in the county.



# Key achievements

**This section highlights some of our notable achievements over the lifetime of our previous corporate plan (2013-2016).**

# Economy - create and maintain a successful economy:

## What we said we would do

Support economic growth & connectivity (includes broadband, local infrastructure, transport and economic development)

Make Herefordshire more attractive to younger age groups for a more balanced age profile

Have good quality housing to meet everyone's needs

Support the improvement in quality of our natural and built environment

Embrace new ways of responding to changing pressures (includes sustainable & more local water, fuel and food supplies)

Have vibrant town centres with shops, restaurants and leisure facilities that keep people spending locally

## What we did

Worked with the private sector to support the development of the Old Market retail centre, bringing £90 million of private investment into the county and creating over 1,000 jobs, whilst building a new livestock market which is now one of the leading markets in the country;

Made fibre broadband available to over 65 per cent of premises in the county, and over 300 businesses supported to improve digital skills;

Developed the enterprise zone – 45 per cent of available land let or under offer;

Built the Connect 2 cycleway and foot bridge;

Secured £43 million through the Local Enterprise Partnership (LEP), made up of £16m for the City Centre Transport Package and £27m for the South Wye Transport Package

Implemented a multi-million pound programme to improve the quality of Herefordshire's roads;

Adopted the Herefordshire Local Plan Core Strategy, which will provide the basis for planning and development in the county to 2031;

Secured £10.42 million through the European Social Fund (ESF) to contribute to sustainable economic growth and social inclusion by extending employment opportunities and developing a skills and adaptable workforce in Herefordshire.

Secured £2 million through the European Regional Development Fund (ERDF) to finance the construction of the Business Solution Centre in Rotherwas.

Facilitated development of 331 houses, of which 116 were 'affordable'; and

Invested £9 million in modernising and improving Halo Leisure run leisure facilities across the county.

# People - enable residents to be independent and lead fulfilling lives:

## What we said we would do

Improve outcomes for children and young people

There is access to excellent education and learning opportunities at all levels (includes early years/schools/ FE/HE/ adult learning)

People are physically and mentally healthy and stay healthy for longer

There is increased equality of opportunity and access, to reduce inequality in health & wellbeing outcomes

## What we did

Exceeded the UK average for GCSE and A-level results in 2014 and 2015;

Provided nursery placements for nearly all 3 to 4 year olds, and increased the number of places for 2 year olds, giving children a great start in life;

Supported families to achieve better education results and better paid employment opportunities;

Successfully participated in national developments that improved the lives of children and families in Herefordshire: the New Belongings Project, significantly enhancing and improving planning, opportunities and outcomes for care leavers; SEN Direct, a new brokerage and information service for children and families with disabilities; Families First (Troubled Families);

Increased the proportion of 16 year olds leaving statutory education that go in to further education, employment or training;

Improved public health outcomes for children;

Provided support to 2500 of the most vulnerable people in our communities, including 750 people living in residential or nursing care homes;

Refreshed our direct payments policy, updated our direct payment fact sheets and produced easy to read literature to make it easier for people to have choice and control with a direct payment;

Worked closely with colleagues in the NHS, and introduced an integrated urgent care team that works to assess and put in place care and support at home to help people avoid going into long-term care or hospital. This team also helps to get people back home quickly following hospital admission;

Redesigned the organisation to focus on prevention. This brings together a number of services that enable people to stay at home, such as Telecare and housing adaptations, and leads our efforts to act as a catalyst to the development of strong and resilient communities that are able to support people through the difficult times in life;

Used a grant from Sports UK to enable a project to work with those people who are currently not engaged in physical activity;

## What we said we would do

## What we did

People are able to take more responsibility for themselves (includes making healthy choices & focus on prevention)

People are active in their communities and look out for the more vulnerable so they can live independently

Public services are prioritised to support those in need of services to maintain their independence or stay safe

People stay safe

Implemented a new information service that enables people to remain independent through signposting to relevant support and offering the ability to self-assess their needs;

Delivered our homelessness and prevention service which helps families and individuals seeking new housing to secure stable living arrangements, which provides the foundation for good health and wellbeing. We helped 1883 families and individuals avoid becoming homeless; offered advice to a further 1995; and made 642 homelessness decisions;

Improved our safeguarding services by implementing a person-centred approach through Making Safeguarding Personal, and reviewed and launched a new Herefordshire Safeguarding Adults Board which provides oversight of safeguarding issues across partner organisations. We responded to 821 instances where safeguarding concerns were raised;

Improved our approach to personalisation and involved more service users and providers in developing our services by improving the Making it Real Board and appointing an engagement lead to lead this work; and

Continued to work on our public health initiatives such that we are amongst the best performing local authorities in the West Midlands for the delivery of NHS Health Checks.

## Efficient and effective services

### What we said we would do

Build on our strengths to develop our culture, capability, capacity and effectiveness to deliver excellence, fairness and value for all our communities

Create an engaged, agile, flexible and responsive workforce that is resilient into the future

Develop a strong, integrated performance management culture and process that is effective in managing risk, maximising opportunity and promoting continuous improvement (includes linking performance outcomes to cost, risk management, corporate governance systems, lean systems thinking)

Ensure HR resources are aligned to priorities

Manage our finances effectively to secure value for money and deliver a balanced budget

Develop a robust commissioning framework and capability (includes evidence-based planning & commissioning, clear decommissioning strategies, development of markets to drive down costs, improve quality and generate inward investment)

### What we did

Balanced the budget - cutting waste, rationalising buildings, and being innovative;

Council Tax has risen by no more than 2 per cent per annum over the duration of the current corporate plan;

Key frontline services have been protected;

The responsibility for public health has been integrated into the council;

Customer Service call response rates have improved through different ways of working and an increasing shift to the use of on-line services;

Reviewed the council's website to enable residents and businesses to access services, make applications and make a payment;

Increased the number of libraries run by the community;

Piloted a Well Being function in Kington Library as a model of combining services important to local people;

Implemented a programme of health and wellbeing initiatives for council staff, which has led to reduced levels of absence;

Improved waste disposal and waste collection services through investing £40 million in a new energy-from-waste plant, which is expected to be operational from 2017, saving taxpayers £45 million over the lifetime of the plant.

Saved £500,000 annually by introducing a fortnightly refuse collection, and increased the recycling rate.

## Efficient and effective services:

### What we said we would do

Making best use of the resources available to us in order to meet the council's priorities (includes money, buildings, IT, information)

Ensuring we make the best use of funding opportunities both at national and regional level

Being transparent about our resources

Involving, engaging and influencing others at as local a level as possible (includes enhancing local democracy, partnership working, locality working, customer engagement, lobbying)

Ensuring that all council and partner delivery services are responsive to customer needs, engage customers effectively, and enable access to services at as local a level as possible and information through the most appropriate channel

Maximising self-help where possible, focussing on prevention and demand management, and diverting unnecessary demand on services.

Continually looking for improvement and remaining open to challenge

Being focused on delivery and impact ensuring that benefits are realised and resources are linked to outcomes

### What we did

Reprocured the public realm contract;

Rationalised and modernised the residual estate;

Built the Herefordshire Archive and Records Centre, a cost efficient and purpose built records facility which now houses the county's archive records, archaeology unit, historic environment record, and the biological records centre;

Devolved a range of services to parish and community groups;

Utilised information technology and council premises to support better ways of working for our workforce;

Vacated 53 operational properties with consequential savings of £0.9m per annum and capital receipts of £4m;

Reduction in management costs; and

Introduced a new way of issuing Blue Badges, providing a better experience for customers whilst reducing the opportunity of fraud.

# The priorities

- Enable residents to live safe, healthy and independent lives
- Keep children and young people safe and give them a great start in life
- Support the growth of our economy
- Secure better services, quality of life and value for money

The council, as with any other organisation, works towards an agreed set of priorities. We have consulted widely with residents and stakeholders as we have developed this plan to ensure that we are providing appropriate services to the residents who need them. We remain committed to efficiently maximising the use of resources in order to secure better services, quality of life and value for money whilst complying with our legal duties and corporate priorities.

The corporate plan does not seek to cover everything the council does but instead focuses upon those issues and services that we have identified, with the help of residents and service users, to be the most important. From this we have developed our four priorities. We will include the detail of the actions the council will take to deliver against those priorities in our annual delivery plan, and within directorate and service plans.

The delivery plan will identify key measures to enable us to track our progress in delivering the corporate plan priorities. The council will report quarterly and annually, as appropriate, on the progress being made.



# Enable residents to live safe, healthy and independent lives

Our approach is to be proactive in helping and encouraging people to live healthier lifestyles and developing resources that offer more choice and control in remaining independent, therefore reducing or delaying the need for formal social care.



## In the next four years we will:

Improve the provision of good information and signposting to enable people to support themselves and each other, getting the right help at the right time as needs change.

Build supportive relationships and resilient communities, acting as a catalyst for communities to become stronger.

Build services that help people get back on track after setback or illness and support disabled people to be independent, including through ensuring the provision of good quality housing.

Ensure that care and support is personalised, of good quality, that it addresses mental, physical, and other forms of wellbeing and is better joined-up around individual needs and those of their carers.


Work with the community to devolve services and assets where quality can be improved through local delivery.

Combine the use of facilities to create a network of Health and Wellbeing hubs, shaped by and serving local communities.



### Measures:

- Improve the overall satisfaction of people who use services with their care and support.
- Improve the quality of life for people with care and support needs.
- Reduce the number of younger adults needing permanent placements in residential and nursing care homes (aged 18-64).
- Reduce the number of older people needing permanent placements in residential and nursing care homes (aged 65+).
- Reduce the number of delayed transfers of care from hospital which are attributable to adult social care.
- Increase the proportion of older people who are still at home 91 days after discharge from hospital into reablement/rehabilitation services.
- Improve the proportion of safeguarding enquiries which are concluded within 28 days of the decision to investigate.
- Improve the proportion of completed safeguarding enquiries where the clients' safeguarding outcomes are met.
- Increase the proportion of people using social care services who receive a direct payment.
- Improve the proportion of known carers in receipt of support.
- Improve the proportion of cases where a service is delivered within 28 days of referral.
- Increase the proportion of clients in receipt of long term care that are reviewed or reassessed against Care Act eligibility.
- Increase the number of affordable housing units delivered.
- Reduce the number of households in temporary accommodation.
- Increase the take up of the NHS Health Check programme.
- Reduce anti-social behaviour.



Ensure safe and secure neighbourhood environments, with attractive, safe surroundings, and good quality local amenities which enable people to enjoy life where they live.

Help create a strong sense of community where people feel they belong and have the confidence to get involved

# Keep children and young people safe and give them a great start in life

We want children and young people to grow up healthy, happy and safe with supportive families and carers.



## In the next four years we will:

Provide early help to 600 families to help them to improve education, health and employment outcome.

Reconfigure £3.5 million to deliver early years services including children centre services, health visiting and school nursing to improve the health, well-being, developmental and educational outcomes of children aged 0-5 years.

Make improvements so that the estimated 8,620 children and young people that require support with their mental health or emotional resilience are identified and supported to access help in a timely manner.

Measures:

- Increase the proportion of pupils attending a school and or setting that is good or outstanding.
- Increase the proportion of pupils attaining 5 GCSEs A-C including English and Maths.
- Reduce the number of families being referred to a higher level of need services.
- Improve education and health outcomes at age 5.
- Improve the proportion of contacts progressed within 24 hours.
- Reduce the attainment gap at age 16 between free school meal pupils and their peers.



Continue to develop a range of provision that can effectively identify and respond to safeguarding risks and needs; from the initial signs of the call for early help to a range of evidence-based interventions for a variety of complex situations.

Develop better evidence based approaches to support young people in adolescence to ensure a more successful transition to adulthood.

Promote and enable access to universal opportunities and services for children with disabilities and their families and ensure a range of provision to meet identified need.

# Support the growth of our economy

We believe it is important to have a strong local economy. We want Herefordshire to be a place where businesses want to settle and can flourish. We also want our city and town centres to be vibrant and successful and our neighbourhoods to be attractive and sustainable.

The county is already home to a wide range of businesses and we will continue to support and encourage the growth of our high value business sector and our small enterprises.

At the same time, we want to encourage a broad mix of businesses that will offer employment to local people. We also want to make sure residents, particularly young people, have the right skills needed for local employers. In doing this we want to achieve a sustainable infrastructure that protects and promotes nature, communities and the county's economy. The council will look to provide the infrastructure needed to promote and sustain growth and prosperity, including the Hereford City Link Road, Hereford Southern Link Road and the development of a Hereford Relief Road Scheme, enabling jobs to be created and houses to be built.



## In the next four years we will:

Develop and start implementation of a countywide Economic Masterplan.

Support economic growth and connectivity (including broadband, local infrastructure, transport and economic development).

Finalise and implement plans that strengthen and diversify the economy of Herefordshire.

Make the best use of existing land and identify new opportunities to enable existing businesses to stay and expand, and for new businesses to locate to the area

Make Herefordshire more attractive to younger age groups for a more balanced age profile, improving local access to skills training so that everyone can benefit from economic prosperity.

Continue to work with further and higher education and we will support the development of a new university for Hereford, identifying buildings for teaching and student accommodation.

## Measures

- Overall satisfaction with the condition of highways.
- Reduce the number of people killed and seriously injured in road traffic collisions.
- Less traffic congestion; increased levels of cycling; and improved bus punctuality.
- Reduction in residual waste per household.
- Reduction in the Council's energy consumption and carbon footprint
- Greater number of premises with the potential to access superfast broadband services.
- Higher median workplace based earnings with a reduced gap between Herefordshire and the West Midlands; and a higher overall employment rate.
- Increased number of businesses supported to meet their potential.
- Fewer 16-19 year olds not in education, employment or training.
- Improve processing rates for planning applications.
- Increase the net new business rates received.
- Increase the number of jobs created through targeted interventions (such as the Enterprise Zone).



Have good quality housing to meet everyone's needs.

Support the improvement in quality of our natural and built environment, bringing about quality development to enable sustainable growth, addressing the need for better business space, affordable homes and student accommodation across the county.

Improve the county's energy efficiency and reduce the carbon footprint.

Ensure that the infrastructure is in place to prevent and improve community resilience to flooding.

Continue to work with the LEP and government with a focus on: employment creation and business support; skills; health transformation; transport; broadband; property and finance; and governance.

Have vibrant town centres with shops, restaurants and leisure facilities that keep people spending locally.




# Secure better services, quality of life and value for money

We will continue to directly deliver services where we are the best organisation to do so, as well as arranging for others to deliver services on our behalf. We will make our online services simpler, ensuring they cover the things people contact us about most.

The outcomes we want to achieve are to get the maximum benefit from public money; achieve cost savings through the use of shared services, outsourcing opportunities and a reduction in the use of consultants; delivery of value for money services; with a modern diverse workforce.

## In the next four years we will:



Secure the highest possible levels of efficiency savings and value for money to maximise investment in front-line services and minimise council tax increases.

Ensure our essential assets, including schools, other buildings, roads and ICT, are in the right condition for the long-term, cost-effective delivery of services.

Review management of our assets in order to generate on-going revenue savings, focusing on reducing the cost of ownership of the operational property estate by rationalising the estate and by improving the quality of the buildings that are retained.

Apply appropriate regulatory controls.

Design services and policies that support positive engagement and interaction with residents, including the use of information technology, to improve customer experience and ability to access a range of services on-line.

Further improve commissioning and procurement to deliver greater revenue efficiencies and savings.

Measures:

- Increase in self-serve web transactions.
- Improved collection rates for Council Tax and Business Rates.
- Reduce sickness absence and cost of workforce.
- Improve the processing of housing benefit claims.
- Increase the number of new council tax registrations.
- Reduce the gross internal area of buildings in operational use and their average running cost
- Reduce the maintenance backlog of our estate.
- Spend within the council's overall budget.
- Achieve £32 million savings during the period 2016-20.



Recruit, retain and motivate high quality staff, ensuring that they are trained and developed so as to maximise their ability and performance.

Be open, transparent and accountable about our performance.

Work in partnership to make better use of resources, including sharing premise costs through co-location of services and local solutions for community used facilities such as libraries.

# Financial Strategy

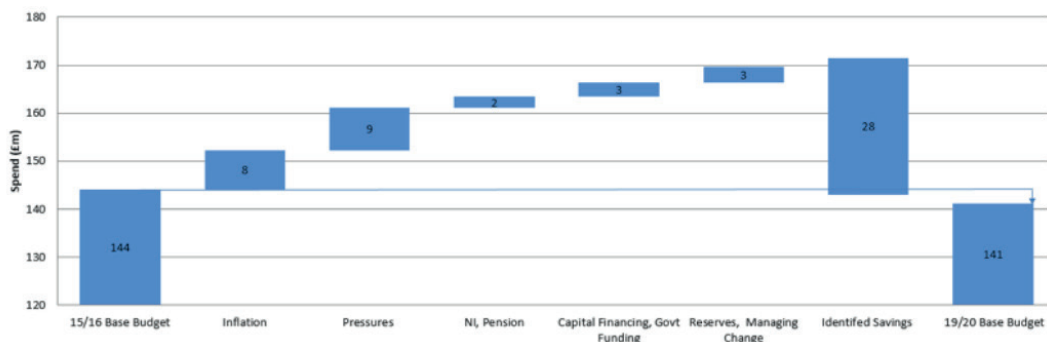
The Medium Term Financial Strategy (MTFS) is a key part of the council’s integrated corporate, service and financial planning cycle, which ensures that this plan has been developed in the context of available resources.

The MTFS presents the financial position showing how the council intends to maintain financial stability, deliver efficiencies, and support investment in priority services, whilst demonstrating value for money and maintaining service quality.

All local authorities are reducing services as the Government continues to significantly reduce the funding it provides to local government across England. We are at the six year point of a 10 year ‘austerity period’ in which the council needs to make savings totalling £87 million. The council is on schedule to have matched up to those challenges, delivering savings of £59m by the end of 2015/16.

The demand for services continue to grow with the council providing care for more people, particularly in essential areas such as children’s safeguarding and adult social care.

The anticipated reduction in funding compounded by additional service pressures have resulted in a funding gap of £28 million for the period 2016/17 to 2019/20 with savings of £10.9 million needed in 2016/17.





## **Value for Money**

Using cost benchmarking data we are able to focus on areas where spend varies from other authorities with similar characteristics and challenges such as providing adult social care services to a sparsely dispersed aging population. National benchmarking data is currently available to 2014/15. This shows that overall Herefordshire Council is ranked third against its thirteen statistical comparator neighbours; this is the same position as was reported in 2013/14 and an improvement of three places compared to the sixth position reported in 2012/13.

Herefordshire's external auditors, Grant Thornton annually review the financial resilience, value for money and statement of accounts of the council. They do this by looking at key indicators of financial performance, its approach to strategic financial planning, its approach to financial governance and its approach to financial control. For 2014/15 they rated all areas as green.

## **The national financial context**

### **2015 Comprehensive Spending Review**

The 2015 Comprehensive Spending Review set out the overall spending for the public sector and how the Government will remove the budget deficit by 2019/20 which includes significant reductions in public spending.

These are challenging times, but the council is continuing to meet those challenges whilst building bold and ambitious plans for the future.

## **The local financial context**

Council finances are influenced significantly by the national economy and government policy on the share of public spending for local government and how that is then distributed to individual councils.

Herefordshire is not a well-resourced council. Government grant systems attempt to make allowance for the additional cost and complexity of delivering services in a sparsely populated area but Herefordshire suffers, where its sparse population is more evenly distributed throughout the county.

Herefordshire Council has consistently argued that the costs associated with delivering services in rural areas are not adequately reflected in the current formulae. The Rural Services Network (SPARSE), a body representing rural councils in England, established that an urban area on average receives 50 per cent greater central government assistance than a rural area. Government has confirmed additional rural grant funding will be distributed to bridge this funding gap.

The 2015/16 budget figures show that:

- a) The Government Funding Allocation per dwelling is £675, 24 per cent below the national average of £885; and
- b) Dedicated Schools (DSG) Grant per pupil is £4,447, 4 per cent below the average for education authorities of £4,612.

## **Funding**

Local authorities will be almost entirely funded locally through council tax and business rates from 2019/20; from 2016/17 funding from central government will reduce annually. A four year indicative settlement has been shared and this has been used to determine the funding levels and savings required. The council tax referendum threshold has been held at 2 per cent per annum. In addition Herefordshire can levy an additional precept of 2 per cent to fund social care costs. To fund increasing demographic pressures Herefordshire is therefore able to increase council tax by up to 4 per cent per annum over the period. The actual annual increase will be determined each year.

## **Local Government Settlement 2016/17**

The local government settlement was announced on 17 December 2015. The settlement showed steeper front loaded revenue support grant reductions in support of the government's aim to reduce the budget deficit to zero by 2019/20 whilst protecting health budgets. Individual grants are yet to be confirmed for both revenue and capital spend. The final settlement will be shared in February 2016.

## **Council Tax**

The MTFs includes a council tax increase of 1.9 per cent per annum alongside a 2 per cent precept to replace additional lost central government funding in 2016/17. The council has had to deal with very significant reductions in government funding coupled with increases in demand. Over the past four years Herefordshire has delivered budget reductions of over £50 million with another £10.9 million in 2015/16 on a net budget of £142 million.

As a direct result of how the government grant allocation system works Herefordshire, and other rural authorities, do not receive the same level of grant as some other councils, particularly London boroughs, despite the fact that in many instances our geography means some services, such as road maintenance and social care cost more to deliver. Rural authorities also have less ability to benefit from additional incentives offered by government such as business rate localisation.

Herefordshire Council has managed the challenge facing the public sector through focusing its resources on the services most essential to ensure the health and wellbeing of the county's residents, in particular the most vulnerable, and to promote economic growth. We have increased council tax and intend to do so again to continue this work, having already significantly reduced 'back office' operating costs and non-essential service delivery.

## **Capital Programme**

The council's capital programme will invest £177 million between 2016/17 and 2019/20 in driving economic growth in the county to support the delivery of more jobs and homes. The programme will focus on key infrastructure such as broadband, roads and schools all of which will deliver the conditions required to enable the provision of new

housing and for businesses to thrive, to help them create new and better paid jobs for the county's residents.

Funding of the programme will be through grants, capital receipts, borrowing and revenue saving. All schemes funded by borrowing are included in the Treasury Management Strategy and Prudential Borrowing Indicators within the MTFs.



<b>MEETING:</b>	<b>Cabinet</b>
<b>MEETING DATE:</b>	<b>21 January 2016</b>
<b>TITLE OF REPORT:</b>	<b>2016-17 budget and medium term financial strategy (MTFS)</b>
<b>REPORT BY:</b>	<b>Director of resources</b>

## Classification

Open

## Key decision

This is a key decision because it is likely to result in the council incurring expenditure which is, or the making of savings which are, significant having regard to the council's budget for the service or function to which the decision relates.

And

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

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

## Wards affected

County-wide

## Purpose

To agree the draft 2016-17 budget and medium term financial strategy (MTFS) 2016-20 for recommendation to Council on 5 February.

## Recommendation(s)

**THAT:**

- (a) the following be recommended to Council:
- i. approval of a 1.9% increase in council tax in 2016-17;
  - ii. subject to meeting the eligibility criteria for levying the adult care precept, approval of an additional 2.0% increase in council tax in 2016-17. This will result in a total council tax increase of 3.9% increasing a total band D charge from £1,275.10 to £1,324.83 for

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Peter Robinson, director of resources on tel (01432) 383519

- Herefordshire Council in 2016/17;
- iii. approval of the draft 2016-17 revenue budget (at appendix 1 to this report);
  - iv. approval of the draft medium term financial strategy (MTFS) which incorporates the capital programme approved by Council on 18 December (at appendix 2 to this report);
  - v. approval of the draft treasury management strategy (TMS) (at appendix 3 to this report); and
  - vi. in the event of final central government funding allocations being above or below the provisional settlement level and/or the adult care precept eligibility criteria not being met that variation be managed by an adjustment to general reserves.

## Alternative options

- 1 It is open to cabinet to recommend alternative spending proposals or strategies; however given the legal requirement to set a balanced budget should additional expenditure be proposed compensatory savings proposals must also be identified.
- 2 It is open to cabinet to take account of different assumptions regarding adoption of the 2% adult care levy in future years of the medium term financial strategy. This is not recommended because of the known adult care pressures and funding reductions over the strategy period. The assumptions will be reviewed annually to ensure local taxation is at the minimum level necessary to meet local need.

## Reasons for recommendations

- 3 The council has a legal obligation to set a balanced budget and Council is responsible for approving a budget following recommendations from cabinet in line with the budget and policy framework rules within the constitution.

## Key considerations

### Background

- 4 Central government has reiterated its commitment to achieve a budget surplus by 2020, as a result of this Herefordshire Council is having to address challenging financial conditions, entering year seven of a ten year 'austerity period'. The council is on schedule to meet these challenges, delivering savings of £59m by the end of 2015/16.
- 5 Whilst focused on delivering services to residents it has been necessary to reduce the size of the council, demonstrate efficiency and ensure good use of resources by:
  - Reducing the workforce.
  - Rationalising buildings we owned in order to centralise in fewer business centres.
  - Making stronger connections across public sector organisations – making resources go further.
  - Reducing wasted expenditure on paper, and shifting as a first choice to digital, in our offices.
  - Supporting the shift of staff to mobile working, rather than from fixed locations.

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- 6 Council will be asked to approve the 2016-17 budget on 5 February 2016. It will also approve the medium term financial strategy and the corporate plan to 2019-20.

### **Autumn statement**

- 7 The Chancellors autumn statement on 25 November included the following specific announcements that impact Herefordshire:

- Support (as yet unquantified) to secure launch funding to create a new university in Hereford, focused on engineering, in 2016.
- Provision of £250m nationally over the next five years to tackle potholes, details awaited.
- The introduction of a national funding formula for schools, high needs and early years; detailed consultation will be launched in 2016 and the new formulae will be implemented from 2017/18.
- Better care fund to increase nationally by £1,500m by 2019-20, starting in 2017/18. This will include increased disabled facilities grant funding and will be funded by reform to the existing new homes bonus scheme. Consultation on the method of redistributing new homes bonus grant funding has begun.
- The introduction of a new apprenticeship levy at 0.5% of employer wage bill from 2017/18, £200k for Herefordshire plus a further £200k for schools.
- Reductions to the education support grant by 75%, 10% in 2016/17. Herefordshire receives £1.5m. The local authority role in running schools is expected to be reduced and a number of statutory duties will be removed. However, Herefordshire has already reduced or removed a number of activities covered by the current non-ring fenced grant. Consultation on the policy and funding proposals will start in 2016.
- The public health grant will remain ring-fenced until 2017/18 but there will be a real terms cut of 3.9% per annum.
- Higher costs for rural areas to be recognised by quadrupling the current sparsity grant by 2020.

### **Provisional funding settlement**

- 8 The provisional local government settlement 2016/17 – 2019/20 was announced on 17 December 2015 and included additional reductions in revenue support grant (RSG). It was subsequently updated by the department for communities and local government (DCLG) on 23 December 2015 and for Herefordshire:

- Reduces RSG by £25.9m (98%) in 2015/16 to just £0.6m in 2019/20.
- A standalone sparsity grant of £1.3m in 2016/17 rising to £4.1m in 2019/20.
- Care act funding (£1.7m in 2015/16) is no longer a grant but included in the reducing RSG.

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- 9 RSG reductions have been higher than expected in Herefordshire, due to government re-distribution of overall grant to metropolitan and London authorities.
- 10 The rural delivery services grant has been removed from the revenue support grant (£1m in 2015/16) and allocated as specific grant funding (£1.3m in 2016/17) in recognition of the additional costs incurred when providing services in sparse areas such as Herefordshire.
- 11 Other grant allocations are expected to be announced in January including the better care fund, public health, independent living fund and capital grants.
- 12 The settlement confirmed the council tax referendum threshold at 2%.
- 13 For Herefordshire this means that funding of the net budget requirement for 2016/17 has moved from the 2015/16 position as follows:

<b>Funding changes 2015/16 – 2016/17</b>	<b>£m</b>
Revenue Support Grant (RSG) reduction	(9.0)
New sparsity grant	1.3
1.9% council tax increase	1.6
2% council tax precept	1.7
<b>Overall loss in funding</b>	<b>(4.4)</b>

#### **Settlement funding compared to the November scrutiny report**

- 14 The indicative budget considered by the council's scrutiny committees on 17 November 2015 has been updated for the settlement changes as shown in the table below:

<b>Variance compared to November 2015 assumptions</b>	<b>2016/17 £m</b>	<b>2017/18 £m</b>	<b>2018/19 £m</b>	<b>2019/20 £m</b>
November shortfall	-	-	-	4.0
Cumulative net loss	0.5	2.3	3.0	3.2
<b>Revised shortfall</b>	<b>0.5</b>	<b>2.3</b>	<b>3.0</b>	<b>7.2</b>

- 15 The final settlement will be confirmed in February. Although there is not expected to be any significant variation, because this confirmation may not be received before the Council meeting, it is recommended that if final funding allocations are different to those in this report then the changes are managed by a proportionate adjustment to general reserves in 2016/17.

#### **Adult care precept**

- 16 Council debated whether it should levy the additional 2% precept at its meeting on 18 December 2015. It resolved that council should strongly consider the 2% precept in respect of adult social care and requires the Executive to consider how this money can

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be best used to protect services, continue to further transform our local health and social care system, reduce demand and ensure improved services for some of the most vulnerable citizens now and in the future.

- 17 The council has a number of cost pressures in adult social care, including care act changes from April 2015, and cost pressures in the adult social care market including legislative changes. Therefore it is proposed that the 2% increase will be applied for in 2016/17 and be specifically ring-fenced to support existing and anticipated cost pressures within services for vulnerable adults and older people, including increasing demand. This is not an indication of future year's council tax decisions. Increases in the adults and wellbeing budget are shown below:

<b>Adults and wellbeing pressures and inflation</b>	<b>2016/17 £000</b>
Demographic growth	888
Preventative measures (including Care Act)	800
Other Care Act legislative pressures	190
Legislative changes	610
Children transitioning to adults	100
Inflation	724
<b>Total</b>	<b>3,312</b>

- 18 The 2% will increase a band D council tax charge by a further £25 per annum and provide £1.7m of additional funding in 2016/17 as a contribution to the £3.3m of additional costs set out above and will become part of the base budget for future years.
- 19 The revenue support grant is now deemed to include Care Act funding that was previously provided through a separate grant. The loss of this grant funding, £1.7m in 2015/16, has resulted in net budget pressures of £0.2m to fund ongoing care review and assessment requirements. The budget has been updated to reflect this pressure.
- 20 The council agreed a better care fund (BCF) arrangement with the Herefordshire clinical commissioning group (CCG) in 2015/16 in order to improve integration across health and social care. A key component of this is funding received from the Department of Health to support activities and programmes that are jointly agreed and have joint benefits. Confirmation of 2016/17 funding has not yet been received but is estimated to be approximately £4.5m which has been included within the adult and wellbeing budget.

## Base budget 2016-17

- 21 A draft of directorate base budgets for 2016-17 is set out below this is detailed in appendix 1. This reflects increases in inflation and pensions, pressures, savings and other adjustments.

### Draft revenue budget summary 2016-17

Directorate	Base budget 2015/16 £000	Net changes £000	Draft budget 2016/17 £000
Adults and wellbeing	53,244	(755)	52,489
Children's wellbeing	22,137	585	22,722
Economies, communities and corporate	50,635	(1,388)	49,247
<b>Total Directorates</b>	<b>126,016</b>	<b>(1,558)</b>	<b>124,458</b>
Capital financing - debt repayments	10,183	140	10,323
Capital financing – interest	6,233	540	6,773
Change management	1,908	(1,180)	728
Government grants	(2,562)	416	(2,146)
Central and one-off budgets	2,658	735	3,393
Transfer to general balances	928	(928)	-
<b>Total net spend (budget requirement)</b>	<b>145,364</b>	<b>(1,835)</b>	<b>143,529</b>
<b>Financed by</b>			
Council tax	83,963	4,632	88,595
Locally retained business rates	23,289	69	23,358
Business rates top up	6,814	56	6,870
Collection fund	(439)	439	-
Revenue support grant	26,461	(8,991)	17,470
New homes bonus	3,591	967	4,558
Sparsity grant	-	1,259	1,259
Reserves	1,685	(266)	1,419
	<b>145,364</b>	<b>(1,835)</b>	<b>143,529</b>

### Financing

- 22 The base budget financing includes new homes bonus and the new sparsity grant funding in 2016/17. The new homes bonus grant funding of £3.6m in 2015/16 and in previous years was treated as a government grant, reducing net expenditure. It has now been included as financing, as has the sparsity grant. This revision follows central government guidance setting out their view of core local authority spending power which includes both grants as financing income.

23 Council tax income increases by £4.6m, this reflects the following:

	£m
• Council tax increase	1.6
• Adult care precept	1.7
• Increase in number of properties	0.8
• Improved collection rate	0.3
• Changes to council tax reduction scheme	<u>0.2</u>
<b>Total</b>	<b>4.6</b>

24 The provisional funding settlement has been used to update the expected financing of the net budget requirement over the MTFS period. This excludes specific grant allocations which are expected to be confirmed in January. Financing from reserves is used as one-off funding to pump prime spend to save initiatives.

### 2015/16 budget monitoring

25 The budget for 2016/17 has been updated in recognition of spending to November 2015. It is anticipated that the council will spend within its overall 2015/16 budget however there are continuing pressures in children's safeguarding, currently a projected overspend of £2.2m, mitigated by underspend in ECC, corporate budgets and contingency. This is set out in appendix 4

### 2016/17 pressures

26 Pressures have been reviewed as part of the budget process and revisions made, these are summarised in the table below.

	2016-17 £000
Legislative changes	686
Adults demographic pressures	888
Adults preventative measures (including care act)	800
Children's safeguarding	1,000
Contract and pay inflation and other pressures	2,253
<b>Total</b>	<b>5,627</b>

27 The government will introduce a national living wage from April 2016 of £7.20 per hour at age 25 and above, rising annually so that by 2020 it is 60% of median UK earnings per hour which, based on data available, is likely to be around £9.30 per hour, an indicative impact is included in the pressures above.

28 Adult demographic pressures were anticipated in the previous medium term financial strategy (MTFS) and continue to be a pressure being faced from the increasingly older population in Herefordshire and are based on the office for national statistics data.

29 The MTFS approved in February 2015 assumed savings of £1m in children's safeguarding in 2016-17. However this budget is overspending by £2.2m in 2015-16, as such the budget has been re-based and savings reviewed with the safeguarding team up to 2019-20.

## Summary

	<b>2016/17</b>
	<b>£m</b>
Loss of funding	4.4
Pressures, including inflation	5.6
NI and pension	2.3
Capital financing	0.7
Reserves and managing change	<u>(2.1)</u>
<b>Total, savings required</b>	<b>10.9</b>

### 2016/17 savings

- 30 Savings have been reviewed as part of the budget process and revisions made, these are attached as appendix 4 and are summarised in the table below.

<b>Directorate</b>	<b>2016-17</b>
	<b>£m</b>
Adults and wellbeing	4.1
Children's wellbeing	1.6
Economy, communities and corporate (ECC)	5.2
<b>Total</b>	<b>10.9</b>

- 31 For adults and wellbeing the savings plans cover the following areas:

- Re-commissioning care contracts and supported living agreements, implementation of policy and pricing changes for nursing placements, carers respite and transport services.
- Introduction of outcomes based assessments and reviews, focussing on high cost care packages and reductions in domiciliary care hours.
- Increased income from applying the new guidance in the Care Act, including joint assessments and minimum income guarantees.
- Reduction in staffing will be delivered through a review of the commissioning and contracts team and minor changes to the staffing structures within operational locality teams.

- 32 For children's wellbeing the savings plans cover the following areas:

- Managing contract inflation and secure contract efficiencies.
- Re-unifying children with their families or an alternative family based permanent home including adoption where appropriate. 2016/17 increase reflects spending in 2015/16 as well as reductions in spending.
- Developing appropriate housing arrangements and options for 17 year olds to promote independent living which removes the need for young people to be in the care of the local authority.
- Review of allowances paid to families providing homes for other people's children on a permanent basis, including special guardianship, adoption and child arrangements.
- Accessing government grant to focus early help on the most vulnerable families to reduce the need for higher cost services.

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- Continuing the social worker recruitment and retention strategy (grow our own, cap agency rates, specific recruitment, overseas recruitment and alternative contracts) to increase the number of permanent social workers and reduce agency staff.
- Reduce numbers of managers, overheads and a reduction in contribution to the Youth Offending Service (YOS) contract.

33 For ECC the savings plans cover the following areas:

- Efficiency savings
- Increased fees in crematoriums and car parks
- Withdrawal of subsidies to Cultural Services partners
- Full year effect of waste and sustainability savings
- Council tax reduction scheme changes
- The council tax reduction scheme funding passed to parish councils is withdrawn in 2016/17. Cabinet on 3 December recommended this to Council for approval and for five parishes: Bromyard and Winslow Town; Kentchurch; Kington Town; Ledbury Town; and Leominster Town parish councils, where the impact of withdrawal would result in an increase in the annual council tax charge of 0.4% or more in any one year the withdrawal be phased over a period of up to three years.

34 The implementation of individual savings proposals will be subject to specific consultation as necessary, prior to their implementation.

#### **2016/17 – 2019/20 medium term financial strategy (MTFS)**

35 The MTFS, attached at appendix 2, has been updated to reflect current spending, a review of savings plans, contingencies, demographic pressures and the indicative settlement. This will be reviewed annually as part of the budget setting process. Initial proposals were discussed by both overview and scrutiny committees on 17 November, no alternative options were proposed by either committee.

36 Overall changes are summarised in the table below:

	<b>2016/17 £m</b>	<b>2017/18 £m</b>	<b>2018/19 £m</b>	<b>2019/20 £m</b>	<b>Total £m</b>
Net funding loss / (gain)	4.4	2.0	1.2	(0.5)	7.1
Pressures	5.6	2.7	3.6	3.8	15.7
Other	0.9	2.3	0.7	1.7	5.6
<b>Total, saving requirement</b>	<b>10.9</b>	<b>7.0</b>	<b>5.5</b>	<b>5.0</b>	<b>28.4</b>

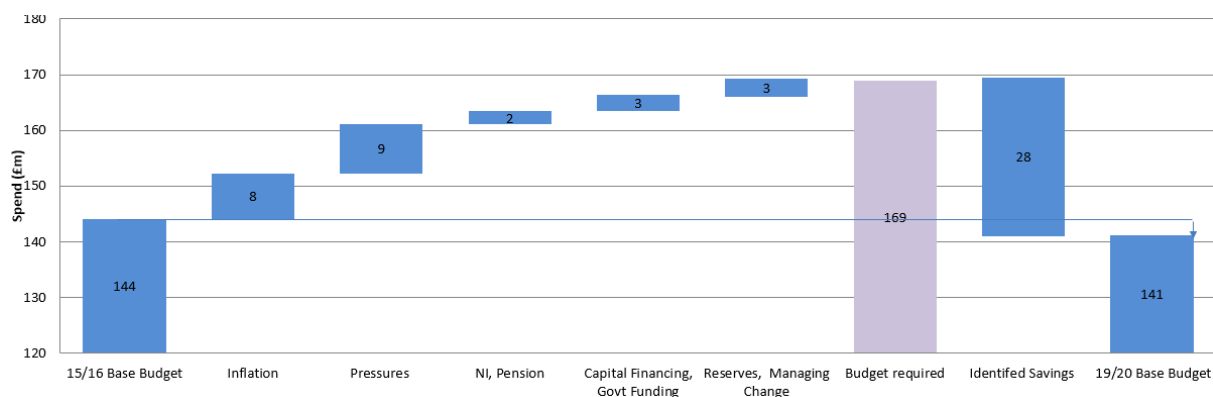
#### **Savings plan 2016-17 to 2019-20**

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37 The council delivered £59m of savings in the financial years 2010-11 to 2015-16.

38 An additional £28m of savings in the financial period 2016-17 to 2019-20 have been identified. This gives total savings for the financial period 2010-11 to 2019-20 of £87m.



39 Savings have been reviewed as part of the budget process and revisions made, these are attached as appendix 4 and are summarised in the table below.

Directorate	2016-17 £m	2017-18 £m	2018-19 £m	2019-20 £m	Total 16-20 £m
Adults and wellbeing	4.1	2.3	1.8	1.7	9.9
Children's wellbeing	1.6	1.3	1.4	1.0	5.3
Economy, communities and corporate (ECC)	5.2	3.4	2.3	2.3	13.2
<b>Total</b>	<b>10.9</b>	<b>7.0</b>	<b>5.5</b>	<b>5.0</b>	<b>28.4</b>

#### Pressures included in draft budget

40 Pressures have been reviewed and are set out below:

	2016-17 £000	2017-18 £000	2018-19 £000	2019-20 £000	Total £000
Legislative changes	686	618	491	539	2,334
Adults demographic pressures	888	874	926	945	3,633
Adults preventative measures (including care act)	800	(600)			200
Children's safeguarding	1,000				1,000
Contract and pay inflation and other pressures	2,253	1,867	2,154	2,277	8,551
<b>Total</b>	<b>5,627</b>	<b>2,759</b>	<b>3,571</b>	<b>3,761</b>	<b>15,718</b>

41 The government has stated that it will give cash protection to schools based on pupil numbers in the plan period. This means that the pressures effecting the council, pay-awards, national insurance and pension increases and the living wage implementation will have to be within schools cash-limited budgets. This is estimated to result in savings of 15% in schools over the period, the majority of which will have to come from

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staffing reductions. These savings will also have an impact in children's wellbeing and council and Hoople services, not only having to provide support to schools in financial difficulties but the knock on impact where schools may reduce what services they purchase from the council. The children's wellbeing directorate, council and Hoople services will also have to reduce spending proportionately for schools that become academies.

### Reserves and balances

42 Included in the 2016/17 is one off funding from reserves for the following:

	2016/17 £000
Respite care for children	600
Children's wellbeing getting to good investment	384
Hereford relief road	200
Education support grant - academies reduction	135
Other one-off funding	100
<b>Overall use of reserve funding in 2016/17</b>	<b>1,419</b>

43 The projected general fund working balance is as follows being in excess of the policy requirement to retain a balance of 3% of the net budget (approximately £4.3m).

Year ending	£m
31.3.14	5.1
31.3.15	7.1
31.3.16 (estimate)	6.9
31.3.17 (estimate)	5.5
31.3.18 (estimate)	5.5
31.3.19 (estimate)	5.5
31.3.20 (estimate)	5.5

44 In addition the council has a number of revenue reserves which are earmarked for specific purposes, for example specific grant funding. The council cannot use schools balances. Including these reserves total reserves going forward are estimated to be as follows:

Balance as at:	General fund £m	Specific reserves		Total £m
		Schools	Other	
31.03.14	5.1	6.3	17.6	29.0
31.03.15	7.1	6.2	20.5	33.8
31.03.16 estimate	6.9	5.5	19.5	31.9

45 The level of general reserves has been held at a higher than minimum level in recognition of the possibility of increased difficulty in achieving the savings plans going forward and to provide a more prudent level of contingency for risk.

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## Pension deficit

- 46 The pension deficit on Herefordshire's fund valued as at 31 March 2015 totalled £211m, representing the shortfall between the estimated value of obligations and the assets held in the pension fund. This proportionate level of deficit, 42%, is normal for local authority pension funds and relates to falling returns on investments and employees living significantly longer than anticipated when the scheme was initially set-up.
- 47 The council ensures that funding is set aside by the time the benefits come to be paid with revised contribution rates bringing the fund into balance over a period of 21 years. Although the benefits will not actually be payable until employees retire, the council has a commitment to make the payments and this needs to be disclosed at the time the employees earn their future entitlement. In 2016/17 the council will pay £5m to repay the deficit as agreed with the pensions fund's actuaries. This amount will be reviewed after the next full valuation (due 31 March 2016) which is based on assumptions about mortality rates, salary levels, inflation and asset growth. It is currently estimated that the deficit will decrease to between £150m - £200m over the planning period. The schemes deficit history is summarised below and shows the deficit fluctuates and is currently anticipated to return to the position seen previously.

	2010/11	2011/12	2012/13	2013/14	2014/15
	£m	£m	£m	£m	£m
Present value of liabilities	(361.0)	(367.6)	(422.8)	(419.6)	(500.0)
Value of Scheme assets	229.2	208.3	235.4	260.2	288.6
<b>Surplus/(Deficit)</b>	<b>(131.8)</b>	<b>(159.3)</b>	<b>(187.4)</b>	<b>(159.4)</b>	<b>(211.4)</b>

## Community impact

- 48 The MTFs and budget demonstrate how the council is using its financial resources to deliver its priorities which are to be reconsidered with the approval of the draft corporate plan.

## Equality duty

- 49 The public sector equality duty (specific duty) requires us to consider how we can positively contribute to the advancement of equality and good relations, and demonstrate that we are paying "due regard" in our decision making in the design of policies and in the delivery of services.
- 50 A number of service specific equality impact assessments are being completed for the service specific budget proposals to assess the impact on the protected characteristic as set out in the Equality Act 2010. Individual equality impact assessments will be prepared prior to consultation and delivery of each specific saving initiative.
- 51 The duty means that the potential impact of a decision on people with different protected characteristics is always taken into account when these assessments have been completed then we will consider mitigating against any adverse impact identified. A cumulative equality impact assessment is shown in Appendix 6.



## Financial implications

52 As set out in the report.

## Legal implications

53 When setting the budget it is important that councillors are aware of the legal requirements and obligations. Councillors are required to act prudently when setting the budget and council tax so that they act in a way that considers local taxpayers. This also covers the impact on future taxpayers.

54 The Local Government Finance Act 1992 requires a council to set a balanced budget. To do this the council must prepare a budget that covers not only the expenditure but also the funding to meet the proposed budget. The budget has to be fully funded and the income from all sources must meet the expenditure. The act also covers the legal issues around council tax setting.

55 Best estimates have to be employed so that all anticipated expenditure and resources are identified. If the budget includes unallocated savings or unidentified income then these have to be carefully handled to demonstrate that these do not create a deficit budget. An intention to set a deficit budget is not permitted under local government legislation.

56 Local authorities must decide every year how much they are going to raise from council tax. They base their decision on a budget that sets out estimates of what they plan to spend on services. Because they decide on the council tax before the year begins and can't increase it during the year, they have to consider risks and uncertainties that might force them to spend more on their services than they planned. Allowance is made for these risks by: making prudent allowance in the estimates for services; and ensuring that there are adequate reserves to draw on if the service estimates turn out to be insufficient.

57 Section 25 of the Local Government Act 2003 requires an authority's chief finance officer (the director of resources) to make a report to the authority when it is considering its budget and council tax. The report must deal with the robustness of the estimates and the adequacy of the reserves allowed for in the budget proposals (the statement is contained within the risk management section of this report). This is done so that members will have authoritative advice available to them when they make their decisions. As part of the Local Government Act 2003 members have a duty to determine whether they agree with the chief finance officer's statutory report. If they do not they must provide clear reasons for not following the professional advice put forward by the chief finance officer.

58 Legal challenges to local authority budget setting processes have tended to turn on whether the authority has complied with its obligations under the Equalities Act 2010 - the public sector equality duty (PSED). This duty imposes a positive obligation on local authorities to promote equality and to reduce discrimination in relation to any of the nine 'protected characteristics' (age; disability; gender reassignment; pregnancy and

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maternity; marriage and civil partnership; race; religion or belief; sex; and sexual orientation). In particular, the council must have 'due regard' to the PSED when taking any decisions on service changes. However, the courts also recognise that local authorities have a legal duty to set a balanced budget and that council resources are being reduced by central government.

- 59 Where a decision is likely to result in detrimental impact on any group sharing a protected characteristic it must be justified objectively. This means that attempts to mitigate the harm need to be explored. If the harm cannot be avoided, the decision maker must balance this detrimental impact against the strength of legitimate public need to pursue the service remodelling to deliver savings. The more serious the residual detrimental impact, the greater the financial savings must be to justify the decision. The harm can only be justified if it is proportionate to the financial benefit and if there have been reasonable efforts to mitigate the harm.
- 60 The committee should give careful and reasoned consideration to the results of the consultation as set out in appendix 7 to this report.

## **Risk management**

- 61 Section 25 of the Local Government Act 2003 requires the chief finance officer to report to Council when it is setting the budget and precept (council tax). Council is required to take this report into account when making its budget and precept decision. The report must deal with the robustness of the estimates included in the budget and the adequacy of reserves.
- 62 The budget has been updated using the best available information, current spending, anticipated pressures and the draft financial settlement.
- 63 The most substantial risks have been identified, referred to within this report, outlined below and considered as part of the budget process. Reasonable mitigation has been made where possible. Risks will continue to be monitored through the year and reported to cabinet as part of the budget monitoring process.
- 64 There are additional risks to delivery of future budgets including government policy changes and unplanned pressures. A general fund reserve balance above the minimum requirement, a risk mitigation reserve of £4.5m and an annual contingency budget of £0.7m, 0.5% of net budget, has been set aside to manage these risks.
- 65 Demand management in social care continues to be a key issue, against a backdrop of a demographic of older people that is rising faster than the national average and some specific areas of inequalities amongst families and young people. Focusing public health commissioning and strategy on growth management through disease prevention and behaviour change in communities is critical for medium term change.
- 66 Re-commissioning of services is dependent upon successful contract negotiations and an appetite within the marketplace for change and the management of delivering to proposed timescales.

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- 67 There is risk to the budget for the emergency costs in response to severe weather conditions, such as flooding or harsh winter conditions. Whilst DCLG assist in the funding of these costs through the Bellwin scheme, the council would have to fund the remainder within current budgets or reserves.
- 68 The inability to dispose of surplus assets when anticipated would incur additional running costs and impact on borrowing costs.
- 69 Herefordshire CCG are projecting a £5m overspend in 2015/16 and are going to have to make savings in 2016/17 which may have an impact on council services and budgets depending on how the CCG intend to bridge the funding gap.
- 70 There is a risk of on-going litigation claims which may result in one off costs falling due.

### **Care Act**

- 71 The previously identified risks associated with the implementation of the Care Act (phase 2) have been significantly reduced as a result of the summer decision to delay the introduction of the care cap and other changes until 2020 but not eliminated completely. There remain financial risks for all local authorities arising from the requirement introduced in the Care Act for local authorities to pay a fair price for care.

### **Better care fund (BCF)**

- 72 The council and CCG pooled more than the minimum requirement for the BCF for 2015-16. The additional pooled funds relate to residential and nursing placements including residential based continuing health care (CHC) placements in the county. The CCG has notified the council of pressures arising from a sharp increase in CHC placements in year. Actions are underway to mitigate and reduce this pressure and re-base the pooled budget in 2016-17.

### **Independent living fund (ILF)**

- 73 Central government closed the ILF and transferred funding for current service users (less 5% attrition factor) in July 2015. Councils have been advised that ongoing funding will be considered as part of the CSR. The annual cost of services transferred is circa £1.3m. The council is reviewing client needs to ensure the correct level of financial support is offered and assessing financial contributions made by clients which is likely to reduce the total cost of the service provision but there remains a material financial pressure if funding is not identified for councils to maintain this support.

### **Children's wellbeing**

- 74 The care placement strategy step down approach requires children to be identified and the care placements and foster carers to be available. Demand pressures have been included in the budget, and the strategy includes prevention, however, demand is a risk.
- 75 Social work recruitment within children's services remains a risk with a national shortage of social workers. The recruitment and retention strategy of growing our own,

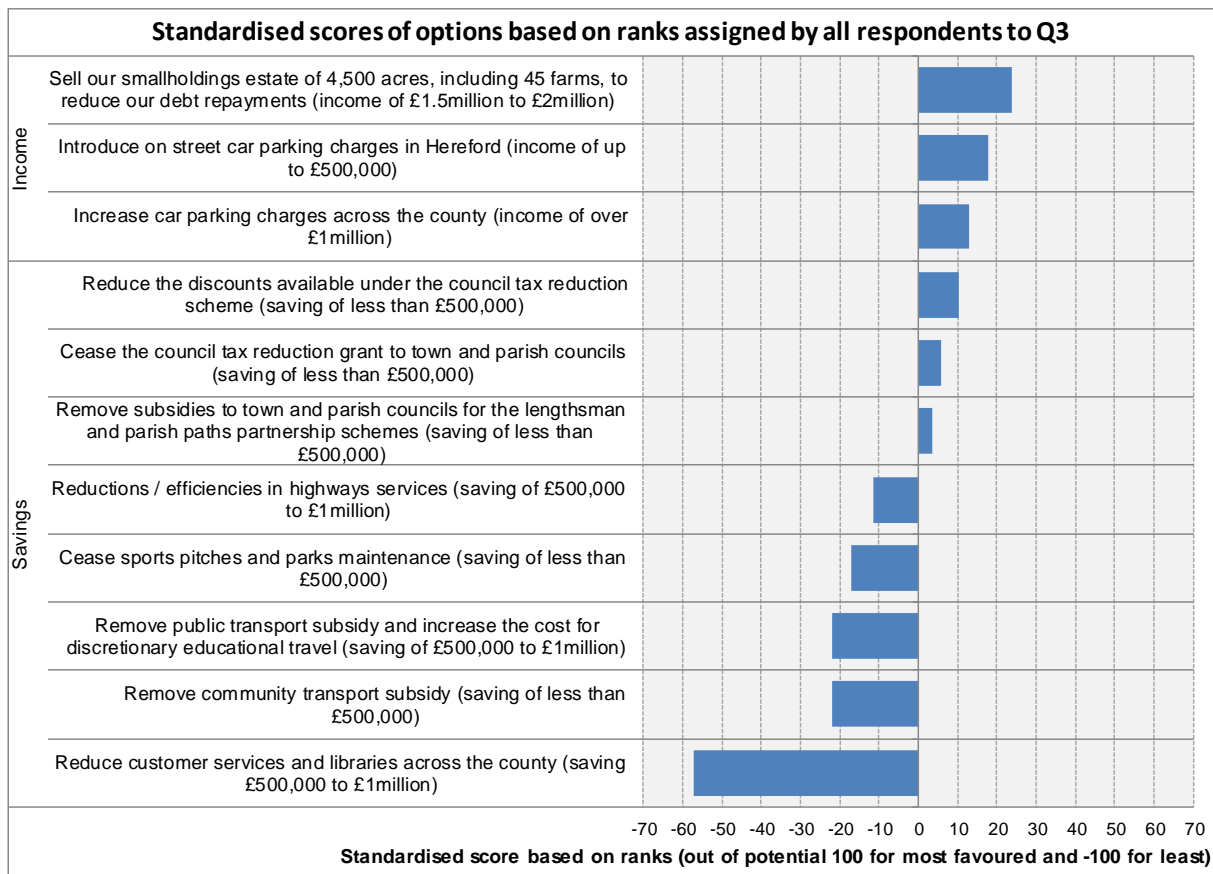
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maintaining low caseloads, offering retention benefits, managing the quality and cost of agency staff and a review of employment models all support a sustainable workforce.

## Consultation

- 76 Consultation on the budget proposals commenced on 23 July and ended on 9 October. The consultation sought views on priorities, savings and income proposals and included how we could do things differently. The outcome of the consultation, attached in appendix 7 will inform and guide decisions within a balanced budget.
- 77 The ranking below is based on responses received and analysed. There were a total of 1,979 standard responses to the consultation, of which 784 submitted online and 1,195 completed paper copies. 61% of responses supported a council tax increase above 2% to protect services and defer savings.
- 78 The draft responses show some clear messages, as shown in the diagram below. There was a general preference for savings that would generate income:
- 37 per cent of respondents ranked 'selling our smallholdings estate' as their first or second preference
  - 'Increase car parking charges across the county' received the next highest number of first choices (22 per cent) and was the second choice of a further 10 per cent; but 'introduce on street car parking charges in Hereford' received more first and second choices combined (35 per cent)
  - Altogether, these three options were ranked as most preferred by 70 per cent of respondents and no other option received more first choices than any of them individually.
- 79 There was less preference for the other savings options, with 'reduce customer services and libraries across the county' being by far the least preferred option, ranked as least preferred by over half (52 per cent) of respondents.
- 80 Initial proposals have been reviewed and re-phased following the consultation feedback, particularly areas seen as a higher priority by the public, libraries, community and public transport. The updated proposals are detailed in appendix 4.



## Appendices

Appendix 1 – Draft 2016/17 budget

Appendix 2 – 2016/17 – 2019/20 medium term financial strategy (MTFS)

Appendix 3 – 2016/17 treasury management strategy (TMS)

Appendix 4 – 2016/17 – 2019/20 savings plans by directorate

Appendix 5 – 2015/16 budget monitoring

Appendix 6 - Cumulative equality impact assessment

Appendix 7 - Summary of budget consultation

## Background Papers

- None identified.

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## APPENDIX 1

### Draft revenue budget summary 2016-17

Directorate	Base budget 2015/16 £000	Net changes £000	Draft budget 2016/17 £000
Adults and wellbeing	53,244	(755)	52,489
Children's wellbeing	22,137	585	22,722
Economies, communities and corporate	50,635	(1,388)	49,247
<b>Total Directorates</b>	<b>126,016</b>	<b>(1,558)</b>	<b>124,458</b>
Capital financing - debt repayments	10,183	140	10,323
Capital financing - interest	6,233	540	6,773
Change management	1,908	(1,180)	728
Government grants	(2,562)	416	(2,146)
Central and one-off budgets	2,658	735	3,393
Transfer to general balances	928	(928)	-
<b>Total net spend (budget requirement)</b>	<b>145,364</b>	<b>(1,835)</b>	<b>143,529</b>
<b>Financed by</b>			
Council tax	83,963	4,632	88,595
Locally retained business rates	23,289	69	23,358
Business rates top up	6,814	56	6,870
Revenue support grant	26,461	(8,991)	17,470
New homes bonus	3,591	967	4,558
Sparsity grant	-	1,259	1,259
Collection fund	(439)	439	-
Reserves	1,685	(266)	1,419
	<b>145,364</b>	<b>(1,835)</b>	<b>143,529</b>

**DRAFT REVENUE BUDGET 2016/17**

Service	Base Budget 2015/16	Pensions, pay and Inflation	Pressures	Savings	Other Adjusts	2016/17 Draft Budget
	£000	£000	£000	£000	£000	£000
<b>Adults Wellbeing</b>						
Commissioned Care	43,896	14	1,788	(3,080)	476	<b>43,094</b>
Adults Operations	13,161	466	0	(820)	336	<b>13,143</b>
Director and Management	(3,814)	244	800	(218)	(761)	<b>(3,749)</b>
<b>Total Adults Wellbeing</b>	<b>53,244</b>	<b>724</b>	<b>2,588</b>	<b>(4,118)</b>	<b>51</b>	<b>52,489</b>
<b>Children's Wellbeing</b>						
Children's Safeguarding & Early Help	17,139	557	1,076	(1,120)	144	<b>17,796</b>
Statutory Education Services	5,582	158	0	(50)	0	<b>5,690</b>
Directorate Management and Grant Income	(584)	309	0	(489)	0	<b>(764)</b>
<b>Total Children's Wellbeing</b>	<b>22,137</b>	<b>1,024</b>	<b>1,076</b>	<b>(1,659)</b>	<b>144</b>	<b>22,722</b>
<b>Economy, Communities &amp; Corporate</b>						
Highways, Planning, Waste, and Parking	27,907	1,221	30	(2,178)	134	<b>27,114</b>
Customer, Cultural and Legal Services	7,026	408	0	(883)	334	<b>6,885</b>
Economic Development and Housing Growth	1,999	69	0	0	119	<b>2,187</b>
Directorate Management	2,103	233	0	(953)	(729)	<b>654</b>
Corporate Resources (Finance, IT, Property and HR)	11,600	74	76	(690)	1,347	<b>12,407</b>
<b>Total Economy, Community &amp; Corporate</b>	<b>50,635</b>	<b>2,005</b>	<b>106</b>	<b>(4,704)</b>	<b>1,205</b>	<b>49,247</b>
Central Corporate Costs	19,348	354	0	(447)	(184)	<b>19,071</b>
<b>Total Herefordshire Council</b>	<b>145,364</b>	<b>4,107</b>	<b>3,770</b>	<b>(10,928)</b>	<b>1,216</b>	<b>143,529</b>



**Revenue Budget 2016/17**
**Adults Wellbeing**

<b>Service</b>	<b>Current Budget 2015/16</b>	<b>Pensions and Inflation</b>	<b>Pressures</b>	<b>Savings</b>	<b>Other Adjusts</b>	<b>Total Budget</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Commissioned Care</b>						
Learning Disabilities	15,181	0	386	(980)	1,272	<b>15,859</b>
Mental Health	3,227	14	321	(322)	381	<b>3,621</b>
Physical Disabilities	19,755	0	1,007	(1,595)	(210)	<b>18,958</b>
Memory & Cognition	5,051	0	49	(144)	(916)	<b>4,040</b>
Sensory Support	682	0	25	(39)	(51)	<b>616</b>
<b>Total Commissioned Care</b>	<b>43,896</b>	<b>14</b>	<b>1,788</b>	<b>(3,080)</b>	<b>476</b>	<b>43,094</b>
<b>Adults Operations</b>						
Adult Social Care Staffing	8,176	421	0	(720)	(141)	<b>7,735</b>
Contracts	4,306	0	0	(100)	477	<b>4,683</b>
Housing Services	680	45	0	0	0	<b>725</b>
<b>Total Adults Operations</b>	<b>13,161</b>	<b>466</b>	<b>0</b>	<b>(820)</b>	<b>336</b>	<b>13,143</b>
<b>Director and Management</b>						
Director and Management	(733)	204	800	(88)	(383)	<b>(199)</b>
Protection of Social Care Grant	(4,520)	0	0	0	0	<b>(4,520)</b>
Transformation	1,320	32	0	(130)	(378)	<b>844</b>
Total Public Health	119	8	0	0	0	<b>127</b>
<b>Total Director and Management</b>	<b>(3,814)</b>	<b>244</b>	<b>800</b>	<b>(218)</b>	<b>(761)</b>	<b>(3,749)</b>
<b>Total Adults Wellbeing</b>	<b>53,244</b>	<b>724</b>	<b>2,588</b>	<b>(4,118)</b>	<b>51</b>	<b>52,489</b>

**Revenue Budget 2016/17**
**Childrens Wellbeing**

<b>Service</b>	<b>Base Budget 2015/16</b>	<b>Pensions and Inflation</b>	<b>Pressures</b>	<b>Savings</b>	<b>Other Adjusts</b>	<b>Total Budget</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Safeguarding and Early Help</b>						
Safeguarding Board and Independent Review	684	38	0	0	100	<b>822</b>
Early Help and Family Support	1,915	126	0	(270)	0	<b>1,771</b>
Front Line Social Workers	2,881	140	76	(300)	0	<b>2,797</b>
Looked After Children - Fostering and Adoption	6,969	155	0	(500)	0	<b>6,624</b>
Looked After Children External Placements	2,877	0	1,000	0	0	<b>3,877</b>
Social Care Training and Development	782	35	0	0	0	<b>817</b>
Safeguarding and Early Help Management	1,031	63	0	(50)	44	<b>1,088</b>
<b>Total Safeguarding and Early Help</b>	<b>17,139</b>	<b>557</b>	<b>1,076</b>	<b>(1,120)</b>	<b>144</b>	<b>17,796</b>
<b>Statutory Education Services</b>						
Special Educational Needs	2,380	55	0	0	0	<b>2,435</b>
Contracts and Commissioning	1,602	47	0	(50)	0	<b>1,599</b>
Educational Development	1,438	47	0	0	0	<b>1,485</b>
Statutory Education Improvement Services	162	9	0	0	0	<b>171</b>
<b>Total Statutory Education Services</b>	<b>5,582</b>	<b>158</b>	<b>0</b>	<b>(50)</b>	<b>0</b>	<b>5,690</b>
<b>Directorate</b>						
Directorate Grant Income	(1,447)	0	0	0	0	<b>(1,447)</b>
Directors Office	271	292	0	(459)	0	<b>104</b>
Performance and transformation	335	11	0	0	0	<b>346</b>
Youth Offending Service	257	5	0	(30)	0	<b>232</b>
<b>Total Directorate</b>	<b>(584)</b>	<b>309</b>	<b>0</b>	<b>(489)</b>	<b>0</b>	<b>(764)</b>
<b>Total Children's and Wellbeing</b>	<b>22,137</b>	<b>1,024</b>	<b>1,076</b>	<b>(1,659)</b>	<b>144</b>	<b>22,722</b>

**Revenue Budget 2016/17**
**ECC**

Service	Base Budget 2015/16 £000	Pensions and Inflation £000	Pressures £000	Savings £000	Other Adjusts £000	Total Budget £000
<b>Highways, Planning, Waste and Parking</b>						
Commercial Services	493	20	0	0	(89)	424
Directorate Services	359	25	0	0	123	507
Environment and Waste	14,828	492	0	(475)	(105)	14,740
Environmental Health and Development Management	554	23	0	(75)	205	707
Highways and Community Services	6,074	113	0	(460)	108	5,835
Parks and Countryside	1,731	10	0	(60)	118	1,799
Technical and Parking Services	(4,487)	195	30	(958)	(203)	(5,423)
Trading Standards and Licensing	462	140	0	0	32	634
Transport and Access Services	7,893	203	0	(150)	(55)	7,891
<b>Total Highways, Planning, Waste and Parking</b>	<b>27,907</b>	<b>1,221</b>	<b>30</b>	<b>(2,178)</b>	<b>134</b>	<b>27,114</b>
<b>Customer, Cultural and Legal Services</b>						
Collections and Archives	500	31	0	0	76	607
Communications and Web	526	14	0	0	(203)	337
Cultural Services	795	6	0	(863)	228	166
Customer and Library Services	1,660	107	0	0	139	1,906
Economic Projects	252	15	0	0	9	276
Equality, Information and Records	458	23	0	(10)	14	485
Governance	1,530	149	0	(10)	32	1,701
Legal Services	1,305	63	0	0	39	1,407
<b>Total Customer, Cultural and Legal Services</b>	<b>7,026</b>	<b>408</b>	<b>0</b>	<b>(883)</b>	<b>334</b>	<b>6,885</b>
<b>Economic Development and Housing Growth</b>						
Community Regeneration	384	11	0	0	(115)	280
Economic Development	653	21	0	0	213	887
Neighbourhood Planning	152	7	0	0	4	163
Regeneration	278	16	0	0	10	304
Strategic Planning	531	14	0	0	8	553
Sustainable Communities	1	0	0	0	(1)	0
<b>Total Economic Development and Housing Growth</b>	<b>1,999</b>	<b>69</b>	<b>0</b>	<b>0</b>	<b>119</b>	<b>2,187</b>
<b>Directorate Management</b>						
Directors	423	23	0	0	15	461
Management	1,680	210	0	(953)	(744)	193
<b>Total Directorate Management</b>	<b>2,103</b>	<b>233</b>	<b>0</b>	<b>(953)</b>	<b>(729)</b>	<b>654</b>
<b>Corporate Resources</b>						
Finance	2,026	(104)	0	(160)	0	1,762
Insurance	1,064	0	35	0	100	1,199
Local Tax, Revenues and Benefits	90	0	0	(100)	207	197
Internal Audit Services	225	0	0	0	0	225
HR, Payroll, Recruitment and Organisational Development	831	11	0	(50)	80	872
Corporate Asset Management	(692)	108	41	0	7	(536)
Facilities Management	935	6	0	(90)	152	1,003
Property Maintenance	2,300	12	0	0	421	2,733
Corporate Management	1,151	0	0	0	151	1,302
ICT	3,670	41	0	(290)	229	3,650
<b>Total Corporate Resources</b>	<b>11,600</b>	<b>74</b>	<b>76</b>	<b>(690)</b>	<b>1,347</b>	<b>12,407</b>
<b>Total Economy, Communities &amp; Corporate</b>	<b>50,635</b>	<b>2,005</b>	<b>106</b>	<b>(4,704)</b>	<b>1,205</b>	<b>49,247</b>



# Medium Term Financial Strategy

## 2016/17 – 2019/20



*“Herefordshire - a place where people, organisations and businesses work together within an outstanding natural environment, bringing about sustainable prosperity and wellbeing for all.”*

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# 1. Introduction

1.1 This Medium Term Financial Strategy (MTFS) covers the financial years 2016/17 – 2019/20 and demonstrates how the council will maintain financial stability, deliver efficiencies, support investment in priority services, whilst demonstrating value for money and maintaining service quality.

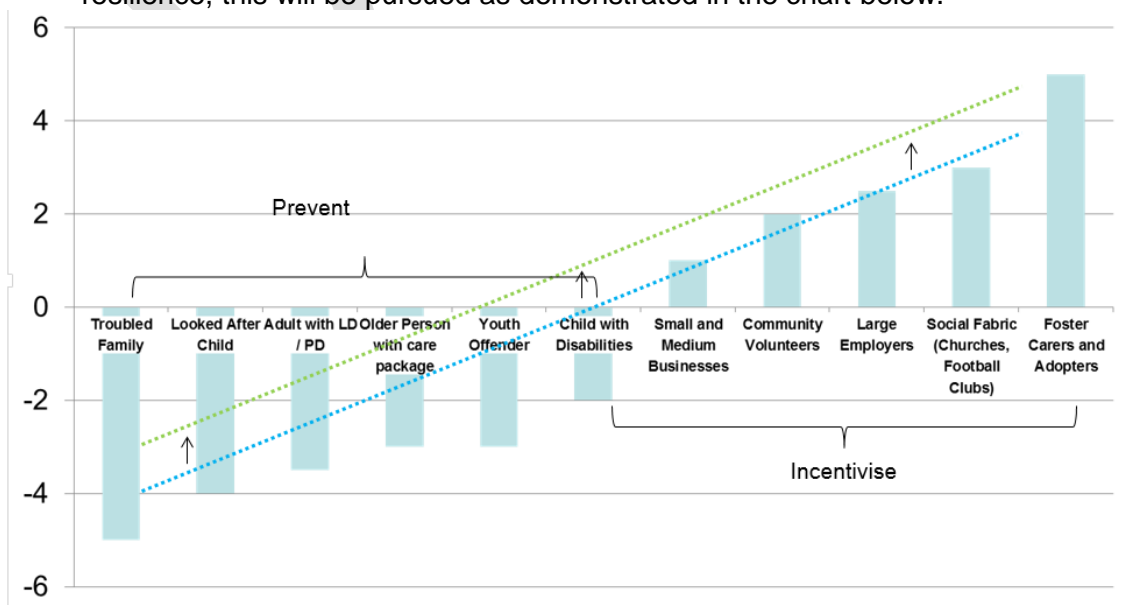
1.2 The MTFS is a key part of the council’s integrated corporate, service and financial planning cycle. This cycle is designed to ensure that corporate and service plans are developed in the context of available resources and that those resources are allocated in line with corporate priorities set out in the Corporate Plan. Herefordshire’s key priority areas are:

- to keep children and young people safe and give them a great start in life
- enable residents to live safe, healthy and independent lives
- invest in projects to improve roads, create jobs and build more homes.

1.3 All local authorities are reducing services as the government continues to significantly reduce the funding it provides to local government across England. We are seeing a significant change in the way councils are funded, back in 2010 80% of council spend was funded by grant, by 2020 all council spend will be funded locally. We are at the six year point of a ten year ‘austerity period’ in which the council has identified savings totaling £87m. The council is on schedule to have matched up to the challenge, delivering savings of £59m by the end of 2015/16.

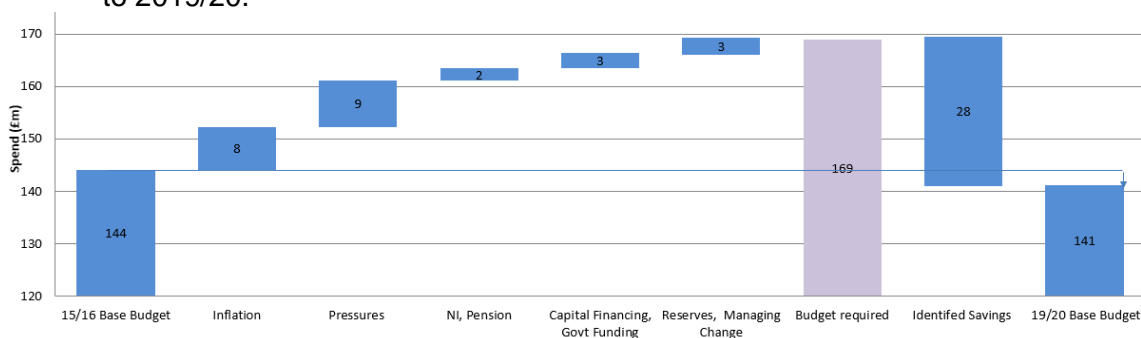
1.4 The indicative financial settlement was announced on 17 December 2015, which sets out the indicative spending power for local authorities up to 2019/20. This MTFS reflects the indicative settlement. Herefordshire’s Revenue Support Grant (RSG) totaled £26.5m in 2015/16, providing 18% of the council’s net budget requirement. This will reduce annually until 2019/20 when the council will be almost entirely funded locally through council tax and business rates. This change will include additional responsibilities to remain fiscally neutral.

1.5 The demand for services continue to grow with the council providing care for more people, particularly in essential areas such as children’s safeguarding and adult social care. Cost pressures have been reflected in this MTFS and residual risks will be constantly monitored. Demand management will be key to financial resilience, this will be pursued as demonstrated in the chart below.





1.6 The longer term budget has been set with regard to known funding reductions, additional cost pressures and identified savings of £28m for the period 2016/17 to 2019/20.



1.7 This strategy will be updated each year to reflect cabinet and council's decisions following the review of the level of efficiencies achieved, demographic pressures, potential new burdens from government and the resultant impact on services.

## 2. Herefordshire's Characteristics

### 2.1 Rural Pressures

2.1.1 Herefordshire Council has consistently argued that the costs associated with delivering services in rural areas are not adequately funded through the national funding formula. Herefordshire is the most sparsely populated county in England, with residents dispersed across its 842 square miles. Areas of poverty and deprivation exist in Herefordshire and there are crucial economic, geographic and demographic factors, relating to distance, population sparsity, ageing, social inclusion and market structure. The impact of a rural county include:

- domiciliary care in rural parts of the county, approximately £1 per hour above those in urban areas, £450k per year
- transportation – subsidies, maintenance, downtime
- higher fuel costs
- difficulties in providing and accessing services
- difficulties in achieving broadband coverage
- lower earnings.

2.1.2 When comparing costs between urban and rural authorities using the latest data available, 2014/15, costs per head for highway structural maintenance are higher in rural authorities.

	<b>Structural Maintenance</b>
	<b>£ / head</b>
<b>Rural</b>	
Herefordshire	25.22
Cornwall	21.59
Shropshire	24.38
Wiltshire	20.40
<b>Urban</b>	
Bristol	10.04
Reading	11.89



Middlesbrough	14.76
Nottingham City	1.89

2.1.3 Social isolation is a growing concern, not least because of the disproportionately increasing number of older people living in Herefordshire, but also due to poverty and deprivation. The cost of living in rural areas, for example transport and domestic fuel costs, can be higher than in urban areas. There is also recognition that it is often the most vulnerable members of the community, such as frail elderly people and deprived families who suffer most from the loss of local services and the high cost of living.

2.1.4 54% of Herefordshire's population live in rural areas; 42% in the most rural locations. Providing services to a dispersed population across a large geographic area is a challenge and additional resources are required for professionals that need to visit clients across the county. Some health services such as a dentist and GP are difficult to access for some of Herefordshire's residents, along with other services such as public transport or having a local post office.

2.1.5 The historic under funding of rural areas means that the range and level of services provided in rural areas was much lower than in urban areas before the introduction of the austerity measures. The impact of the austerity measures has therefore been much greater in rural areas.

2.1.6 The indicative settlement has partially recognised these additional pressures by increasing support for the most sparsely populated rural areas by more than quadrupling the Rural Services Delivery Grant from £15.5m in 2015/16, to £65m in 2019/20, £1.3m in 2016/17 rising to £4.1m in 2019/20 for Herefordshire.

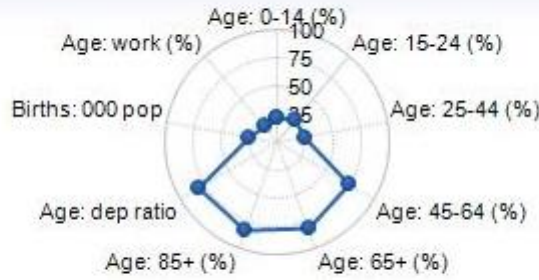
## 2.2 Adult Social Care

2.2.1 Demographic characteristics have a fundamental influence on the social and economic development of an area, as well as demand for local services. The age distribution of residents has implications for long-term economic activity rates, future service provision and the associated demand led budgets of the council.

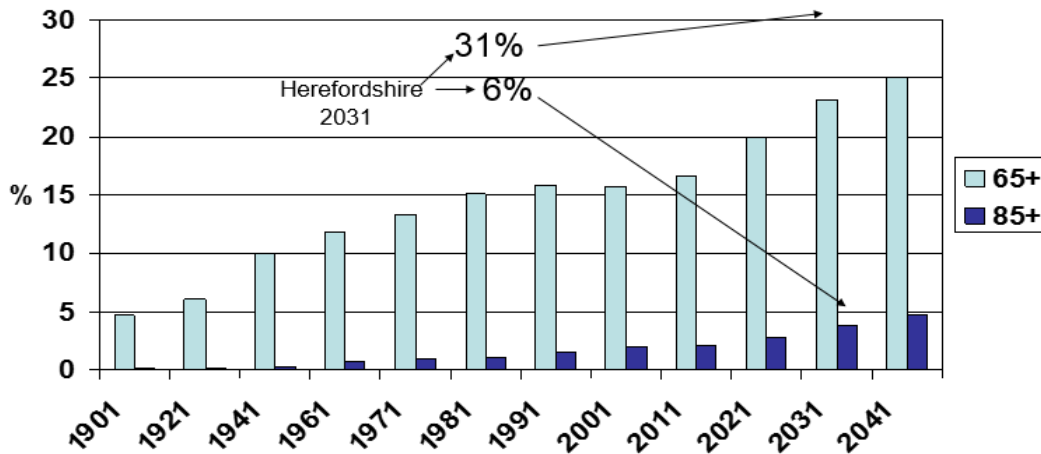
2.2.2 Demand management in social care continues to be a key issue for Herefordshire, against a backdrop of a demographic of older people that is rising faster than the national average and some specific areas of inequalities amongst families and young people. Focusing public health commissioning and strategy on growth management through disease prevention and behaviour change in communities, is critical for medium term change.

2.2.3 In Herefordshire the proportion of the resident population in 2014 aged between 0-14 was 15.8% and aged 15-24 was 10.6%, both low by national standards of 17.8% and 17.6%.

2.2.4 Those aged over 65 were 22.6% and 3.1% were over 85, which is very high by national standards. This demographic adds additional pressure to the demand and cost of providing services in a rural county. The chart below demonstrates the age demographic of the population of Herefordshire in comparison to the national average, which would be half-way from the centre at 50 for all areas.



2.2.5 Adult social care faces significant future pressures due to increased life expectancy and future demand due to an aging population. Currently 23% of Herefordshire residents are over 65, compared to 19% nationally. This is expected to increase to 31% by 2031, compared to 23% nationally.



Source: ONS Population Trends and Population Projections (selected volumes).

2.2.6 In Herefordshire many people over 65 years old are active and well. However, there is a sizeable and growing group of over 65s living with chronic health conditions; dementia and increasing frailty, and it has been reported that Herefordshire has one of the lowest rates for diagnosis of dementia in England. The full extent of the implications of managing the increase in dementia is therefore likely to be underestimated.

2.2.7 The indicative settlement recognised the demographic pressures being faced by granting authorities with adult social care responsibility with the ability to raise council tax by a 2% levy to fund adult social care. Due to the loss of central government funding and the expected increases in cost pressures, this MTFs has been prepared based on the council levying this precept which will require approving on an annual basis.

2.2.8 The Better Care Fund (BCF) pooled budget first created in 2015/16 aimed to improve the integration of health and care services. Funding was allocated from within NHS budgets pooled with social care capital grants. This has significant implications for the future design and development of services across Herefordshire. The council and the Clinical Commissioning Group (CCG) have published plans on how this funding will be spent, and continue to actively work

on the implications for the county. The Comprehensive Spending Review announced in November 2015 reinforced and accelerated the timetable for integration by including the requirement for all councils and CCG's to have developed plans for the integration of health and social care by 2017, and for these to be implemented by 2020.

- 2.2.9 The indicative settlement recognised the pressures being faced and confirmed the increase in BCF funding of £1,500m by 2019/20, from which Herefordshire may receive up to £5.1m if current funding ratios are maintained. £800m of this increase is to be funded from changes to the current new homes bonus grant funding which is currently worth £3.5m, giving a potential net increase in funding of only £1.6m for Herefordshire, of which £1.1m may be tied in to an increased disabled facilities grant (capital funding not revenue).

## 2.3 Children

- 2.3.1 The numbers of looked after children increased during 2015/16, and stands at 298 as at 31 October 15, an increase of 9% compared with 31 March 13.
- 2.3.2 The numbers of referrals and children in need remain at very high levels. This combined with the council's commitment to lower caseloads for social workers and the ongoing cost of agency staff mean that the cost of the safeguarding workforce remains high. The planned reduction of the use of agency staff is based on the ongoing positive impact of the social work academy on the recruitment and retention of newly qualified social workers, and a robust Recruitment Strategy for recruiting and retaining experienced social workers. In addition, the new West Midlands agency social worker protocol came into effect on 1 January 2015, which is addressing the significant cost increase in this area over the past two years.
- 2.3.3 The number of children with complex needs cases continues to rise and indications show an increase in average cost per placement.

## 2.4 Schools



- 2.4.1 Based on provisional October 2015 pupil numbers, primary school numbers (including nursery classes) are predicted to increase in 2015/16 to 13,361, 2.2%. Secondary school numbers are predicted to be 9,434. Since the establishment of Herefordshire Council in 1998, primary school numbers have fallen by 869 from a high of 14,230 in 1998, a reduction equivalent to 6.1%. From a high point in January 2005, secondary numbers have fallen from 10,511 to 9,434, a reduction of 1,077, 10.2%, and are expected to continue to fall until 2017. School funding is based upon pupil numbers in October each year, and the schools block of Dedicated Schools Grant in 2016/17 will be funded on 21,617 pupils (excluding sixth form pupils) at £4,447 per pupil.
- 2.4.2 Herefordshire schools are funded according to formula factors set nationally by the Department for Education (DfE) with limited local discretion as all schools move towards the expected national school funding formula. In February 2016, the DfE is to consult on a national formula for all schools for implementation from April 2017. Schools Forum will be considering the national proposals in detail and responding. Further proposals from the DfE in February 2016 will set out the future of the Education Services Grant which is expected to be cut by 75% for 2017/18, equivalent to a reduction of £1m in the grant received by the council. It is expected there will be an equivalent reduction for academy schools in Herefordshire. The additional fairer funding increase of £2.7m in 2015/16 has been consolidated into Herefordshire's school funding for 2016/17. Whilst

school funding is protected in cash terms by government, schools in Herefordshire will face increasing cost pressures arising from increased pension contributions, national insurance rises and unfunded pay awards which will add at least 15% to school costs over the next five years. Financial viability, particularly for smaller schools, will become increasingly more significant.

## 2.5 Value for Money

- 2.5.1 Alongside this MTF5, the council's strategic and corporate plans sets out its vision for Herefordshire to support a strong, diverse and enterprising business base, operating in an exceptional and connected environment where the transfer of technology and skills foster innovation, investment and economic growth. The council's ambitious plans will accelerate growth and provide opportunities for all who live and work in Herefordshire through strong stewardship and strong partnerships with the private sector.
- 2.5.2 Over the last five years the council's performance has improved across a wide range of services. Building the foundations for a successful economy has been, and will continue to be a key priority. The council has enabled major improvements including the delivery of; flood relief schemes, a new livestock market, a privately funded retail and leisure development on the site of the old livestock market, access to superfast broadband, an Enterprise Zone in Rotherwas, improved leisure facilities across the county and improvements to the highway network. A Core Strategy has been implemented that will provide a blueprint for developing the county over the period to 2031, including the delivery of a relief road.
- 2.5.3 The council recognises that it is in the unique position of acting as a hub for the public sector, the private sector and the third sector. It also accepts the responsibility to work with our partners and to provide leadership through the essential process of change in these challenging financial times, ensuring value for money will be key.
- 2.5.4 Using cost benchmarking data, the council is able to focus on areas where spend varies from other authorities with similar characteristics and challenges, such as providing adult social care services to a sparsely dispersed aging population. National benchmarking data is currently available to 2014/15. This shows that overall Herefordshire Council is ranked third against its thirteen statistical comparator neighbours, this is the same position as was reported in 2013/14 and an improvement of three places compared to the sixth position reported in 2012/13. The relative performance by service is summarised below.

	Net Spend (£'m)	2012/13 Ranking	2013/14 Ranking	2014/15 Ranking	Direction of Travel
Adult Social Care	51.9	13	11	7	↑
Children's Services	42.7	7	10	10	→
Education		4	3	3	→
Environment and Regulatory	17.6	10	11	5	↑
Cultural and Related Services	6.9	5	2	7	↓
Planning Services	4.4	10	11	7	↑
Highways and	9.4	9	7	3	↑

Transportation Services					
Housing Services	3.4	6	6	4	
<b>Total / Overall</b>	<b>136.3</b>	<b>6</b>	<b>3</b>	<b>3</b>	

2.5.5 The comparative reduction in adult social care spending while all authorities are implementing efficiencies, is the most positive improvement from the most expensive of our statistical neighbours in 2012/13 to seventh in 2014/15, with more improvements anticipated in 2015/16.

2.5.6 The savings set out in the MTFs to 2019/20 reflect areas of comparatively high spending and are intended to bring spend down comparatively with statistical neighbours over the period. Particularly in children's safeguarding where costs are still comparatively high.

2.5.7 Cultural and related services shows an increase in spend per head of population, this is due to a reclassification of open space and verge grass cutting. A compensating improvement is shown in highways and transportation services for the same reason. Without this highways and transportation services would still show a ranking of fifth.

2.5.8 Planning services have improved due to increased planning fee income alongside changes in grant funded community development and social inclusion activities in Herefordshire.

2.5.9 Herefordshire's external auditors, Grant Thornton annually review the financial resilience, value for money and statement of accounts of the council. They do this by looking at key indicators of financial performance, its approach to strategic financial planning, its approach to financial governance and its approach to financial control. For 2014/15 they rated all areas as green and concluded that the council has:

- proper arrangements for challenging how it secures economy, efficiency and effectiveness - the council is prioritising its resources within tighter budgets, for example by achieving cost reductions and by improving efficiency and productivity
- a robust Corporate Strategy, Medium Term Financial Strategy and savings plan are in place
- delivered its overall savings target
- arrangements for governance processes including risk management and the production of the Annual Governance Statement are satisfactory
- financial management is sound with effective reporting of variances from plans.

### 3. National Financial Context

#### 3.1 2015 Comprehensive Spending Review

3.1.1 The comprehensive spending review confirmed the government's commitment to achieve a budget surplus by 2020 through reductions in local government spending by over half by 2020.

- 3.1.2 Half of all local business rate income, £24m for Herefordshire, is currently paid to central government. National consultation on the implementation of 100% business rate retention by local government by the end of the parliament will commence in 2016. Current proposals include passing additional responsibilities with the additional funding, including funds currently administered by the Department for Works and Pension, and £7m of public health funding. There may be elements of protection but the proposals represent a risk to the council.
- 3.1.3 Pressures on social care costs, currently at £76m annually for Herefordshire were recognised through an additional 2% flexibility on council tax referendum thresholds to be used entirely for adult social care, £1.7m pa for Herefordshire.
- 3.1.4 The government will introduce the first ever national funding formula for schools, high needs and early years, a detailed consultation will be launched in 2016 and the new formulae will be implemented from 2017-18.
- 3.1.5 The Autumn Statement provided £250m nationally over the next five years to tackle potholes and support will be provided to secure launch funding to create a new university in Hereford focused on engineering in 2016.
- 3.1.6 These are challenging times, but the council is continuing to meet those challenges whilst building bold and ambitious plans for the future, including:
- eliminate costs
  - share costs
  - contract management
  - increase existing income streams
  - new income
  - identify services that must be provided
  - aim to reduce costs of delivery
  - grow business rates and new homes.

## **4. Herefordshire Council's Financial Context**

### **4.1 Introduction**

4.1.1 This section of the MTFS describes the council's financial position and approach for:

- revenue spending
- capital investment
- treasury management.

### **4.2 Comparative Funding Position**

4.2.1 Herefordshire is not a well-resourced council. Government grant systems attempt to make allowance for the additional cost and complexity of delivering services in sparsely populated areas but do not do enough for councils like Herefordshire where its sparse population is more evenly distributed throughout the county.

4.2.2 Herefordshire Council has consistently argued that the costs associated with delivering services in rural areas are not adequately reflected in the current formulae. The Rural Services Network (referred to as SPARSE), a body



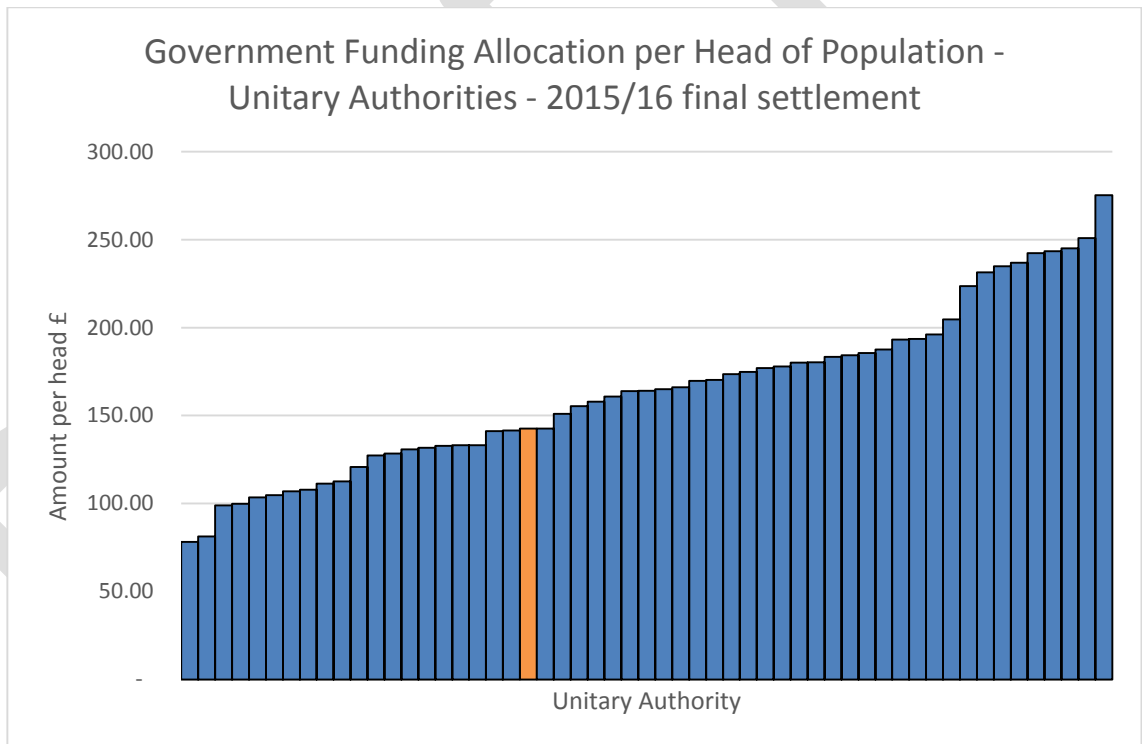
representing rural councils in England, established that an urban area on average receives 50% greater central government assistance than a rural area.

4.2.3 The government has accepted that rural areas have been comparatively underfunded. This was reflected in an efficiency support for SPARSE areas, grant added into the financial settlement, £976k in 2015/16, however this is not enough to bridge the gap in funding requirement.

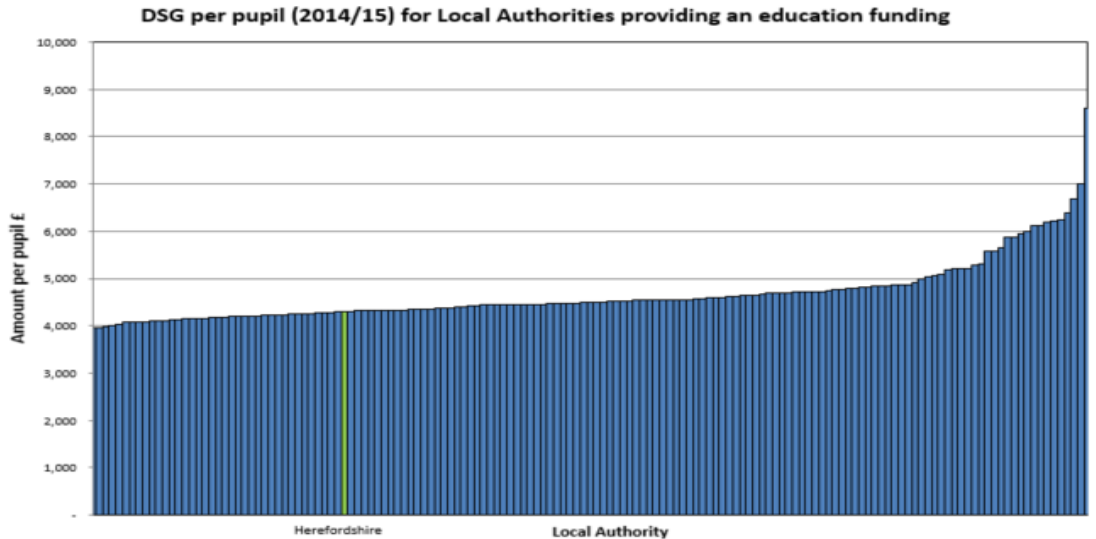
4.2.4 The 2015/16 budget figures show that:

- a) the government funding allocation per dwelling is £675, 24% below the national average of £885; and
- b) Dedicated Schools Grant (DSG) per pupil is £4,447, 4% below the average for education authorities of £4,612.

4.2.5 The graph below shows Formula Grant per head of population for all unitary authorities 2015/16. It shows that Herefordshire receives less on average than the others, being twenty one out of fifty five unitary authorities, despite its sparsity and demographic profile.

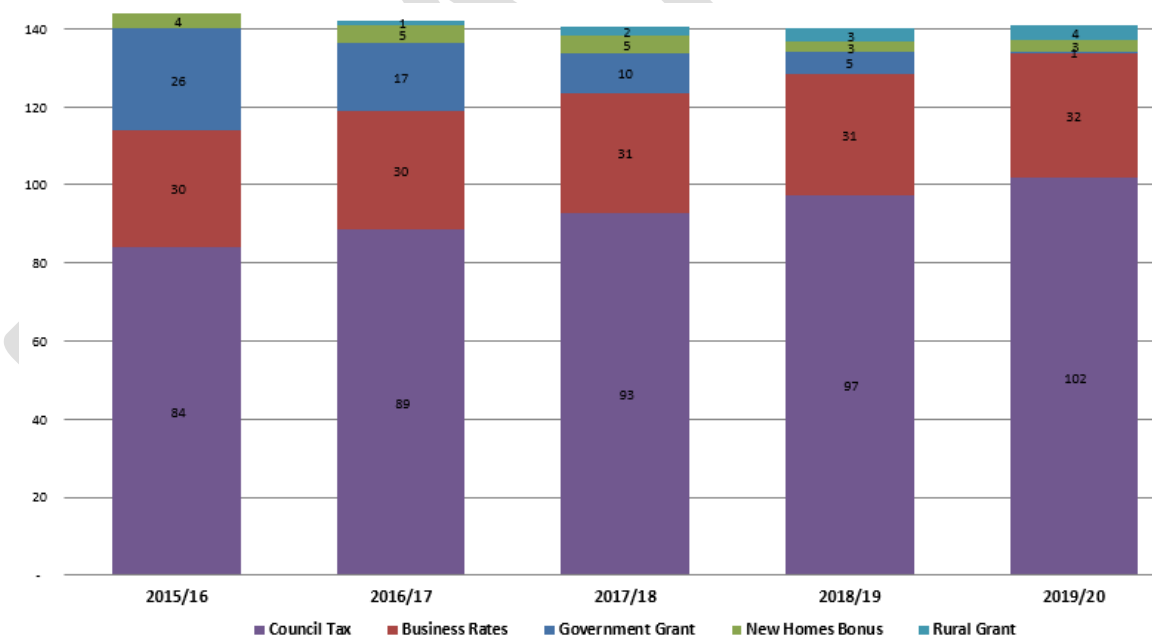


4.2.6 The graph below shows DSG per pupil for local authorities providing education functions (before deductions for academies recoupment and direct funding of academy high needs). Herefordshire is placed 113 out of 151 authorities.



### 4.3 Funding

4.3.1 The chart below shows the projected breakdown of the council’s funding, showing less and less funding being provided by Central Government and increased self-financing from council tax and business rates under the MTFS term.



### 4.4 New Homes Bonus

4.4.1 The New Homes Bonus (NHB) grant funding commenced in April 2011. This grant match funds the additional council tax raised for new homes and empty properties brought back into use for the following six years. Herefordshire will receive £4.6m in 2016/17, however a consultation on the continuation of this funding based on the following proposals has begun:

- withholding the NHB from areas where an authority does not have a local plan in place



- abating the NHB in circumstances where planning permission for a new development has only been granted on appeal
- adjusting the NHB to reflect estimates of deadweight
- a reduction in the number of years for which the NHB is paid from the current six years to four years.

4.4.2 Herefordshire may lose £1.8m of this funding in 2018/19 as a result of these changes.

## 4.5 Specific Grants

4.5.1 The table below will be updated to include the 2016/17 specific grants for Herefordshire when announced in January 2016, in the meantime 2015/16 amounts are shown.

Grant	2015/16 £'000
Housing Benefit Admin Subsidy	819
Council Tax Support – New Burdens	32
Social Care Funding – New Burdens	1,224
Public Health Grant	7,400
S31 Grant	2,354
DoH Social Care Funding	119
Independent Living Fund	1,024
Education Support Grant	1,500
Dedicated Schools Grant	96,053
Lead Flood	46
Extended Rights To Travel	106
Commons Registration	4
Better Care Fund	4,978
<b>Total</b>	<b>115,659</b>

## 4.6 Council Tax

4.6.1 Increases in council tax are subject to annual approval by council, 2016/17 is expected to increase by the referendum threshold and precept requirements. The council has had to deal with very significant reductions in government funding coupled with increases in demand. Over the past five years, Herefordshire has delivered budget reductions of over £59m on a net budget of £142m.

4.6.2 As a direct result of how the government grant allocation system works, Herefordshire and other rural authorities do not receive the same level of grant as some other councils, particularly London boroughs, despite the fact that in many instances our geography means some services, such as road maintenance and social care cost more to deliver. Rural authorities also have less ability to benefit from additional incentives offered by government such as business rate localisation.

4.6.3 Herefordshire Council has managed the challenge facing the public sector through focusing its resources on the services most essential to ensure the health and wellbeing of the county's residents, in particular the most vulnerable, and to promote economic growth. We have increased council tax and intend to do so again to continue this work, having already significantly reduced 'back office' operating costs and non-essential service delivery.

4.6.4 It is also important to note that the council tax collected includes levies not only for Herefordshire Council and the police, but the fire authority and the parish councils, all of which face similar challenges in meeting the needs of the local community with increasingly scarce resource, although not all face the same capping limits as local authorities on the levy they can raise. The more we can do to increase the economic prosperity of the county the more financially sustainable these essential public services become.

## 4.7 Business Rates

4.7.1 On 5 October 2015 it was announced that local authorities would be able to retain 100% of business rates by the end of the parliament, 2019/20. Herefordshire currently retains £23m. Local authorities will also be able to reduce business rates or, for those areas with a devolution deal and an elected mayor, increase business rates with agreement from business members on their local enterprise partnership (LEP).

4.7.2 Consultation is to be held on which grants would be abolished following the introduction of 100% business rates retention from 2019/20, estimated at a further £25m for Herefordshire. The changes are to be fiscally neutral across the country. Further responsibilities and services will be devolved to local government, including £7m public health funding and possibly £20m of attendance allowance paid to older people with care needs. Formal consultation on the proposals is expected to commence in the summer. Therefore there may be additional pressures to Herefordshire council caused by this initiative rather than additional funding.

4.7.3 Business rates are currently undergoing a revaluation, the revalued list is expected to be published 30 September 2016 with revised bills commencing 1 April 2017. This revaluation updates rateable values from the last valuation in 2010, at this stage the impact of this update is unknown but represents a risk of lost income due to potential decreased rental rates.

4.7.4 There are a number of risks relating to the retention of business rate income. The revaluation risk of successful appeals and the loss of rates income as schools convert to academies, currently our share of schools business rates is £0.4m pa. A reserve will be maintained to mitigate these risks to the revenue budget of £1.7m.

## 4.8 Reserves

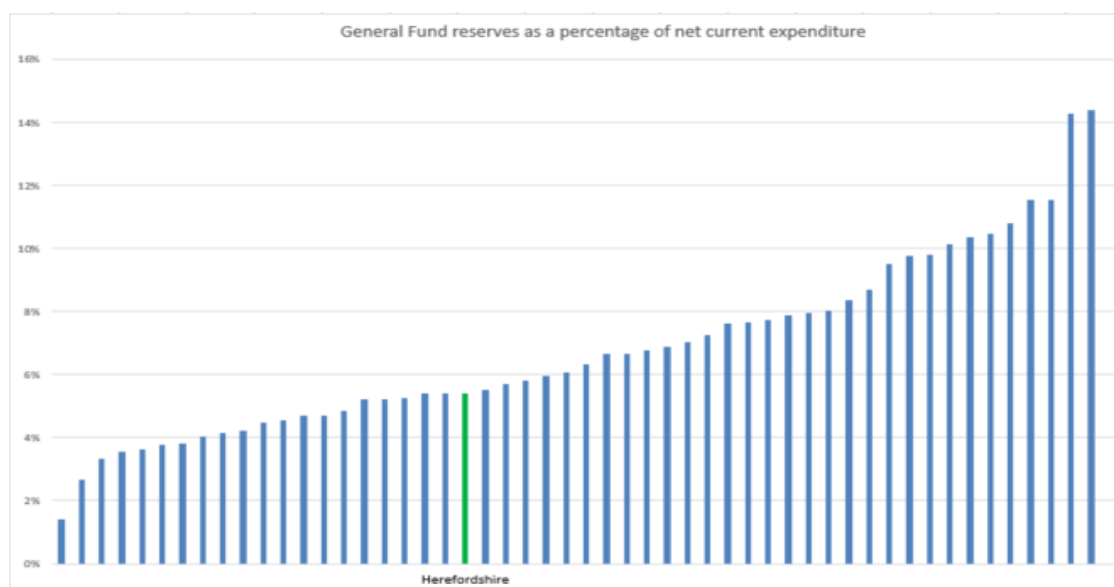
4.8.1 Herefordshire has two main sources of reserve funding to support the day to day spending that is recorded in the revenue account, the general fund balance and specific reserves. As the titles suggest, the latter are held for a specific purpose whilst the former could be considered a general contingency.

4.8.2 The following table shows the year-end balance on the general fund for the last three financial years and the estimated position at 31 March 2016.

Balance as at:	General Fund £m	Specific Reserves		Total £m
		Schools	Other	
31.03.13	4.7	5.5	8.4	18.6
31.03.14	5.1	6.3	17.6	29.0
31.03.15	7.1	6.2	20.5	33.8
31.03.16 estimate	6.9	5.5	19.5	31.9

4.8.3 £5.5m of the specific reserves belong to schools and cannot be used to help pay for non-schools services. Other reserves include unspent government grants carried forward to be spent in future years.

4.8.4 Herefordshire maintains a general fund reserve balance above its minimum requirement, but does not hold an excessive amount in reserves. The chart below shows how Herefordshire reserves are slightly less proportionally to those held by other unitary authorities.



## 4.9 Capital Receipts Reserve

4.9.1 The capital receipts reserve is available to support spending on the creation or enhancement of assets. The following table shows the level of usable capital receipts reserve for the last three financial years and the estimated position at 31 March 2016.

Balance as at:	Opening Balance £m	Receipts £m	Spend £m	Closing Balance £m
31 March 2013	2.7	2.9	(2.9)	2.7
31 March 2014	2.7	5.3	(2.0)	6.0
31 March 2015	6.0	2.0	(3.6)	4.4
31 March 2016 estimate	4.4	4.1	(2.9)	5.6

4.9.2 The council has a policy that ensures capital cash resources are used effectively in support of corporate priorities. As a result, all capital receipts are a corporate resource and not 'owned' or earmarked for directorates unless allocated for a specific purpose.

4.9.3 The council transferred its housing stock to Herefordshire Housing in November 2002, since then it has received a share of right to buy receipts under its preserved rights agreement on transfer. £10m of capital receipts have been received since transfer from the sale of 370 homes. This sharing agreement continues until 2032.

## 4.10 Funding Arrangements for Capital Investment

4.10.1 Capital expenditure can be funded from capital receipts, borrowing, grants and revenue contributions.

4.10.2 Government support for capital investment is through the allocation of grants, known grant funding allocations for 2016/17 are listed below, a number are yet to be announced:

- Local Highways Maintenance Funding - £10.6m
- Integrated Transport Block - £1.1m
- Basic Need - £0.7m

4.10.3 Council Borrowing - this MTFS reflects the borrowing funding requirement implied by the Treasury Management Strategy to support the Capital Programme.

4.10.4 Capital Receipts Reserve – the capital receipts reserve totalled £4.4m as at 1 April 2015. This is likely to rise to around £5.6m by the end of this financial year. This will be used to fund the Capital Programme avoiding the need to borrow, any excess receipts will be used to repay borrowing.

4.10.5 Other Funding opportunities - The Financial Management Strategy for increasing capital investment capacity centres on:

- **Maximising Capital Receipts** – by disposing of assets
- **Maximising Developers' Contributions** – through planning gains and the adoption of a Community Infrastructure Levy
- **Challenge Funding** – an application will be submitted to the Department for Transport for highway maintenance
- **LEP Major Scheme Grant Funding** – applications will be made for infrastructure schemes
- **External Funding Bodies** – to distribute funding for projects that satisfy their key criteria and objectives; bids are submitted where appropriate.
- **New Homes Bonus and Retained Business Rate Income Growth** – these revenue funding streams will be linked, where appropriate, to support the cost of financing capital expenditure.

4.10.6 The challenges given to retaining assets will be based on value for money and the delivery of strategic priorities and key service delivery. Surplus properties will either be recycled or disposed of and proceeds will be reinvested. The disposal of land will be allowed after consideration of sacrificing a capital receipt for transfer of the land for use as social housing, or as a community asset transfer.

## 4.11 Capital Programme 2016/17

4.11.1 The Capital Programme 2016/17 approved by council in December 2015 represents funding allocations received to date, commitments from previous years and new capital schemes approved by council. The council's Capital Programme is funded by grants, borrowing and capital receipts. All schemes funded by borrowing are included in the Treasury Management Strategy and Prudential Borrowing Indicators. The following table summarises the re-profiled approved capital investment programme.

<b>Scheme</b>	<b>Spend in Prior Years £000</b>	<b>15/16 £000</b>	<b>16/17 £000</b>	<b>17/18 £000</b>	<b>Future Years £000</b>	<b>Total £000</b>
Highways Maintenance	-	11,523	10,564	10,244	27,816	60,147
Energy from Waste Plant	6,009	14,000	19,991	-	-	40,000
Fastershire Broadband	8,395	6,200	6,605	4,155	2,845	28,200
Hereford City Link Road	10,658	7,513	5,324	3,505	-	27,000
South Wye Transport Package	-	1,000	1,000	12,300	12,700	27,000
Road Infrastructure	14,613	4,387	1,000	-	-	20,000
Hereford Enterprise Zone	-	2,500	7,100	6,400	-	16,000
Hereford City Centre Transport Package	-	-	6,800	3,300	3,500	13,600
Leisure Centres	4,013	5,539	-	-	-	9,552
Other Smaller Schemes	-	6,564	41	1,013	50	7,668
Colwall Primary School	-	-	4,800	1,700	-	6,500
Integrated Transport Plan	-	1,069	1,069	1,069	3,207	6,414
LED Street Lighting	766	4,889	-	-	-	5,655
Peterchurch Primary School	-	-	1,000	4,500	-	5,500
Three Elms Trading Estate	-	2,100	400	350	-	2,850
Solar Photovoltaic Panels	35	599	1500	-	-	2,134
Property Estate Enhancement Works	-	-	500	500	1,000	2,000
Corporate Accommodation	-	-	1,100	600	-	1,700
Marches and Worcestershire Redundant Building Grant	-	1,500	-	-	-	1,500
Better Care Fund	-	1,356	-	-	-	1,356
Schools Basic Need	-	634	666	-	-	1,300
Revolving Loans	-	1,277	-	-	-	1,277
Relocation of Broadlands School	-	1,137	120	-	-	1,257
S106 Agreements	-	1,237	-	-	-	1,237
Schools Capital Maintenance Grant	-	1,215	-	-	-	1,215
Data Centre Consolidation	-	-	1,170	-	-	1,170
Hereford Library Accommodation Works	-	-	1,000	-	-	1,000
Brookfield Improvements	-	200	300	-	400	900
Electronic Document and Management System	400	400	-	-	-	800
Highway Depot Improvements	-	-	800	-	-	800
PC Replacement	-	-	380	230	130	740
Westfield School Improvements	-	-	-	710	-	710
Purchase of Gritters	-	250	125	125	-	500
IT Network Upgrade	-	-	500	-	-	500
Software to Enable Remote Access to Desktops and Automate Upgrades	-	-	500	-	-	500
Office and Car Park Lighting Replacement	-	-	300	-	-	300
Purchase of Green Waste Bins	-	-	150	-	-	150
Edgar Street Works	-	-	100	-	-	100
Smallholding Health and Safety Improvements	-	-	100	-	-	100
1A St Owen St Adjacent to Shire Hall	-	-	70	-	-	70
<b>Total</b>	<b>44,889</b>	<b>77,089</b>	<b>75,075</b>	<b>50,701</b>	<b>51,648</b>	<b>299,402</b>

## 4.12 Treasury Management Strategy

4.12.1 The council is required to approve an annual Treasury Management Strategy each year as part of the budget setting process. Herefordshire's Treasury Management Strategy for 2016/17 complies with the detailed regulations that have to be followed and sets out the council's strategy for making borrowing and investment decisions during the year, in the light of its view of future interest rates. It identifies the types of investment the council will use. On the borrowing side, it deals with the balance of fixed to variable rate loan instruments, debt maturity profiles and rescheduling opportunities. The strategy also includes the Minimum Revenue Provision (MRP) Policy.

### **Investments**

4.12.2 During 2016/17 interest rates have remained low. In the year to date the average daily rate achieved on the council's investments has averaged at 0.6%. The first increase in the bank base rate is not expected until later in 2016. The budget for 2016/17 has been set on a prudent basis assuming low investment balances and low interest rates.

4.12.3 The council's primary objective in relation to the investment of public funds remains the security of capital. As a result of new banking regulations which, in the absence of government support, put the council's deposits at risk when banks get into difficulty, the council will maintain lower investment balances during the year and invest funds mainly in money market funds.

### **Borrowing**

4.12.4 Total gross outstanding debt was £165m as at 31 March 2015 of which £19m were short term loans and £146m fixed rate long term loans, which are being repaid at approximately £10m per annum.

4.12.5 The strategy for borrowing based on the Capital Programme includes an estimated additional requirement of £40m for 2015/16, likely to be secured by short term borrowing to realise savings in the cost of carry. This is the net figure after taking account of estimated capital spend, the refinancing of existing loans, MRP and available reserves.

4.12.6 The borrowing requirement is calculated by reference to the capital financing requirement which is set according to capital spend and other long term liabilities including PFIs.

4.12.7 The forecast is for interest rates to stay low for the foreseeable future, climbing at a steady pace over the term of the MTFS.

## 5. Medium-Term Financial Resource Model (FRM)

### 5.1 Background

5.1.1 The FRM shown takes into account the corporate financial objectives and approach set out in this MTFS. The FRM is designed to provide an assessment of the overall resource available for the revenue account over the medium term. It sets the financial context for corporate and service planning so that the two planning processes are fully integrated. It covers the period from 2016/17 to



2019/20, however it will be refreshed annually.

## 5.2 Assumptions

5.2.1 The FRM includes a number of key assumptions on which the financial strategy is based. Current planning includes the following:

- a) council tax - a 3.9% increase for 2016/17 and in future years. This will be reviewed each year against further efficiency savings, any changes in government funding, pressures and is subject to annual approval.
- b) government funding – per the indicative settlement
- c) inflation - 2% uplift per annum on income and contract inflation indices on non-pay expenditure.
- d) pay – increased at 1% per annum
- e) employers’ national insurance – increases in employers’ contributions following the ending of contracting out in 2016/17
- f) introduction of the apprenticeship levy - £200k in 2017/18
- g) interest rates – investment income and borrowing costs in line with the Treasury Management Strategy

## 5.3 Pensions

5.3.1 The pension fund’s actuaries will undertake a triennial review of the pension fund assets and liabilities, and the estimated revised the contribution rates required to bring the fund into balance over a period of twenty one years are reflected.

5.3.2 The current pension deficit on the fund for Herefordshire is £211.4m, split between assets and liabilities as shown below:

<b>Pension Fund</b>	<b>31.03.15 £m</b>
Present Value of Obligations	500.0
Fair Value of Assets	(288.6)
<b>Deficit</b>	<b>211.4</b>
<b>Deficit %</b>	<b>42%</b>

5.3.3 The council are repaying this deficit over twenty one years, £7m in 2016/17 (£2m of this relates to schools which is financed from school funds). This proportion of deficit, 42%, is normal for local authority pension funds and relates to falling returns on investments and employees living significantly longer than anticipated when the scheme was initially set-up. The fund is due to be revalued at the end of 2015/16 with the deficit expected to fall.

## 5.4 Funding Assumptions Included in the FRM

5.4.1 The following funding assumptions based on the indicative settlement are included in the FRM. New Homes Bonus (£3,591k in 2015/16) is now included in council funding rather than netted off expenditure to be more comparable with government representations of council funding.

	<b>2015/16 £'000</b>	<b>2016/17 £'000</b>	<b>2017/18 £'000</b>	<b>2018/19 £'000</b>	<b>2019/20 £'000</b>
Revenue Support Grant	26,461	17,470	10,090	5,370	620
Locally Retained Rates	23,289	23,358	23,708	24,064	24,425

Business Rates Top Up	6,814	6,870	7,010	7,210	7,440
Council Tax	83,963	88,595	92,861	97,271	101,691
New Homes Bonus	3,591	4,558	4,700	2,900	2,800
Rural Grant	0	1,259	2,204	3,149	4,093
<b>Net Budget</b>	<b>144,118</b>	<b>142,110</b>	<b>140,573</b>	<b>139,964</b>	<b>141,069</b>
Collection Fund	(439)	0	0	0	0
General Reserves	1,685	1,419	(65)	0	0
<b>Net Budget Including One Offs</b>	<b>145,364</b>	<b>143,529</b>	<b>140,508</b>	<b>139,964</b>	<b>141,069</b>

5.4.2 In addition the council receives specific grants as detailed in section 4.5. These grants are expected to be confirmed in January and will be used to fund specific functions within directorates.

5.4.3 Reductions in revenue support grant over the MTFS term are summarised below.

<b>Government Funding</b>	<b>2013/14 £m</b>	<b>2014/15 £m</b>	<b>2015/16 £m</b>	<b>2016/17 £m</b>	<b>2017/18 £m</b>	<b>2018/19 £m</b>	<b>2019/20 £m</b>
Revenue Support Grant	42.9	35.8	26.5	17.5	10.1	5.4	0.6
RSG Grant Reduction	7.1	9.3	9.0	7.4	4.7	4.8	
Cumulative RSG Reduction	7.1	16.4	25.4	32.8	37.5	42.3	

## 5.5 Directorate Pressures

5.5.1 The total of directorate pressures which are included in the FRM are as below.

	<b>2016-17 £000</b>	<b>2017-18 £000</b>	<b>2018-19 £000</b>	<b>2019-20 £000</b>	<b>Total £000</b>
Legislative Changes	686	618	491	539	<b>2,334</b>
Adults Demographic Pressures	888	874	926	945	<b>3,633</b>
Adults Preventative Measures (Including Care Act)	800	(600)			<b>200</b>
Children's Safeguarding	1,000				<b>1,000</b>
Other Pressures	396	(24)			<b>372</b>
<b>Total</b>	<b>3,770</b>	<b>868</b>	<b>1,417</b>	<b>1,484</b>	<b>7,539</b>

5.5.2 Any new pressures will have to be self-funded through savings within directorates.

## 5.6 Savings Targets

5.6.1 The council delivered £59m of savings in the financial years 2010/11 - 2015/16. Looking forward an additional £28m of savings in the financial period 2016/17 - 2019/20 is required. This gives total savings for the financial period 2010/11-2019/20 of £87m.

5.6.2 Savings have been reviewed as part of the budget process and revisions made, these are summarised in the table below, some savings have now been removed from the plan and some savings having been replaced with new ones.



Savings proposals summary 2016/17 to 2019/20 is set out below.

Directorate	2016-17 £m	2017-18 £m	2018-19 £m	2019-20 £m	Total 16-20 £m
Adults and Wellbeing	4.1	2.3	1.8	1.7	9.9
Children's Wellbeing	1.6	1.3	1.4	1.0	5.3
Economy, Communities and Corporate (ECC)	5.2	3.4	2.3	2.3	13.2
<b>Total</b>	<b>10.9</b>	<b>7.0</b>	<b>5.5</b>	<b>5.0</b>	<b>28.4</b>

5.6.3 Savings in 2016/17 are planned from the following areas:

a) Adults Wellbeing:

- re-commissioning care contracts and supported living agreements, implementation of policy and pricing changes for nursing placements, carers respite and transport services
- introduction of outcomes based assessments and reviews, focusing on high cost care packages and reductions in domiciliary care hours
- increased income from applying the new guidance in the Care Act, including joint assessments and minimum income guarantees. In addition, a small flat rate charge will be applied to service users who are in receipt of telecare
- reduction in staffing will be delivered through a review of the commissioning and contracts team and minor changes to the staffing structures within operational locality teams

b) Children's Wellbeing:

- managing contract inflation and secure contract efficiencies.
- re-unifying children with their families or an alternative family based permanent home including adoption where appropriate. 2016/17 increase reflects spending in 2015/16 as well as reductions in spending
- developing appropriate housing arrangements and options for 17 year olds to promote independent living which removes the need for young people to be in the care of the local authority
- review of allowances paid to families providing homes for other people's children on a permanent basis, including special guardianship, adoption and child arrangements
- accessing government grant to focus early help on the most vulnerable families to reduce the need for higher cost services
- continuing the social worker recruitment and retention strategy (grow our own, cap agency rates, specific recruitment, overseas recruitment and alternative contracts) to increase the number of permanent social workers and reduce agency staff
- reduce numbers of managers, overheads and a reduction in contribution to the Youth Offending Service (YOS) contract.

c) ECC:

- efficiency savings
- increased fees in crematoriums and car parks
- withdrawal of subsidies to cultural services partners
- full year effect of waste and sustainability savings
- council tax reduction scheme changes
- removal of the Council Tax Reduction (CTR) subsidy to parishes as approved by cabinet on 3 December

## 5.7 Budget Proposal 2016/17

5.7.1 The draft budget for 2016/17 is as follows:

Directorate	Base Budget 2015/16 £000	Net Changes £000	Draft Budget 2016/17 £000
Adults and Wellbeing	53,244	(755)	52,489
Children's Wellbeing	22,137	585	22,722
Economies, Communities and Corporate	50,635	(1,388)	49,247
<b>Total Directorates</b>	<b>126,016</b>	<b>(1,558)</b>	<b>124,458</b>
Capital Financing - Debt Repayments	10,183	140	10,323
Capital Financing – Interest	6,233	540	6,773
Change Management	1,908	(1,180)	728
Government Grants	(2,562)	416	(2,146)
Central and One-Off Budgets	2,658	735	3,393
Transfer to General Balances	928	(928)	-
<b>Total Net Spend (Budget Requirement)</b>	<b>145,364</b>	<b>(1,835)</b>	<b>143,529</b>

## 5.8 Budget Risks

- 5.8.1 The most substantial risks have been assessed in the budget process and, where possible, reasonable mitigation has been made. Risks will be monitored through the year and reported to cabinet as part of the budget monitoring process. The proposed budget includes contingency and reserves that, if required, can be used to manage realised risks in addition to the normal budget virement risk management process.
- 5.8.2 Demand management in social care continues to be a key issue, against a backdrop of a demographic of older people that is rising faster than the national average, and some specific areas of inequalities amongst families and young people. Focusing public health commissioning and strategy on growth management through disease prevention and behavior change in communities is critical for medium term change.
- 5.8.3 Key areas of focus include, sustaining the current focus on a new relationship with citizens and communities, changing the models of care to more family based provision, managing the price paid where the council is the commissioner and/or where this is taking place with partners with a specific reference to health, improvements in commercial interface including contract management, using technology to enable new ways of working including significant channel shift around self-service and automated business process improvement and a subsequent headcount reduction.

**Herefordshire Council**

**Treasury Management Strategy 2016/17**

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## Treasury Management Strategy Statement 2016/17

### 1. Introduction

- 1.1 The Chartered Institute of Public Finance and Accountancy's *Treasury Management in the Public Services: Code of Practice 2011 Edition* (the CIPFA Code) requires the council to approve a Treasury Management Strategy Statement (TMS) before the start of each financial year. The TMS also includes the Annual Investment Strategy as required under Investment Guidance provided by Communities and Local Government (CLG).
- 1.2 The council borrows and invests substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of risk are therefore central to the council's treasury management strategy.
- 1.3 The purpose of this TMS is to approve:
- Treasury Management Strategy for 2016-17  
(Borrowing – Section 5 and Investments – Section 6)
  - Minimum Revenue Payment (MRP) Statement – Section 7
  - Prudential Indicators - Appendix 3

### 2. Summary of Strategy for 2016/17

#### Borrowing

- 2.1 In 2016/17 council borrowing is estimated to increase by £26.7 million from £209.4 million to £236.1 million. This increase can be analysed as follows.

	£m
<b>Estimated council borrowing as at 31<sup>st</sup> March 2016</b>	<b>209.4</b>
<b>Investment in ongoing approved capital schemes</b> (Including Energy from Waste Plant £18m; Faster Broadband £5.6m; and Colwall School £4.8m)	<b>33.3</b>
<b>Investment in new capital schemes proposed</b> (Including data centre consolidation £1.2m, corporate accommodation £1.1m and Hereford library accommodation £1m )	<b>9.6</b>
<b>Less: Provision for Repayment of Principal (MRP)</b>	<b>(11.0)</b>
<b>Grants and contributions</b>	<b>(7.2)</b>
<b>Reduction in usable reserves balances</b>	<b>2.0</b>
<b>Estimated council borrowing as at 31<sup>st</sup> March 2017</b>	<b>236.1</b>

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- 2.2 The increase in debt will be largely financed by increasing the council's short-term variable rate borrowing. Short-term rates are currently significantly lower than longer-term rates and long-term analysis, comparing short-term finance with a long-term loan, has shown this to be the most cost effective approach with savings in the early years outweighing additional amounts payable that may fall due in later years.
- 2.3 The borrowing budget for 2016/17 includes provision to pay short-term interest rates of up to 1.5% (including brokers commission), we currently secure short term at 0.6%. The budget also includes the interest cost on existing fixed term borrowing.
- 2.4 Compared to a 20 year EIP loan (currently at 2.96%) short-term finance (at 1.5%) will save the council at least £1.4m in revenue interest costs in 2016/17 (being the estimated average amount of short-term debt outstanding during 2016/17 of £93.5m at 1.5%).
- 2.5 If no longer term PWLB loans are taken out, by 31<sup>st</sup> March 2017 variable rate short-term loans may total £93.5m (40%) compared to fixed rate longer-term borrowing of £142.6m. This strategy approves a total variable loan stock holding of up to 50% of total loans to minimise the risk of interest rate increases.
- 2.6 The council's exposure to variable rate debt has been discussed with the council's treasury adviser, Capita Asset Services, who agree with the council's borrowing policy and the consideration of our interest rate forecasting.

### Investments

- 2.7 As a result of current banking regulations which, in the absence of government support, put the council's deposits at risk when banks get into difficulty, the council will:
- Maintain lower investment balances during the year;
  - Keep low but liquid cash balances and invest these mainly in Money Market Funds;
  - Maintain counterparty limits with the banks at prudent levels;
  - Consider other creditworthy investments to increase diversification.

## **3. Economic Background and Interest Rate Forecast**

### Economic background

- 3.1 **UK.** UK GDP growth rates in 2013 of 2.2% and 2.9% in 2014 were the strongest growth rates of any G7 country; the 2014 growth rate was also the strongest UK rate since 2006 and the 2015 growth rate is likely to be a leading rate in the G7 again, possibly being equal to that of the US. However, quarter 1 of 2015 was weak at +0.4% (+2.9% y/y) though there was a rebound in quarter 2 to +0.7% (+2.4% y/y). Growth is expected to weaken to about +0.5% in quarter 3 as the economy faces headwinds for exporters from the appreciation of Sterling against the Euro and weak

## Treasury Management Strategy Statement 2016/17

growth in the EU, China and emerging markets, plus the dampening effect of the Government's continuing austerity programme, although the pace of reductions have been eased in recognition of these statistics. Despite these headwinds, the Bank of England August Inflation Report had included a forecast for growth to remain around 2.4 – 2.8% over the next three years, driven mainly by strong consumer demand as the squeeze on the disposable incomes of consumers has been reversed by a recovery in wage inflation at the same time that CPI inflation has fallen to, or near to, zero over the last quarter. Investment expenditure is also expected to support growth. However, since the report was issued, the Purchasing Manager's Index, (PMI), for services on 5 October would indicate a further decline in the growth rate to only +0.3% in Q4, which would be the lowest rate since the end of 2012. In addition, worldwide economic statistics and UK consumer and business confidence have distinctly weakened so it would therefore not be a surprise if the next Inflation Report in November were to cut those forecasts in August.

- 3.2 The August Bank of England Inflation Report forecast was notably subdued in respect of inflation which was forecast to barely get back up to the 2% target within the 2-3 year time horizon. However, with the price of oil taking a fresh downward direction and Iran expected to soon rejoin the world oil market after the impending lifting of sanctions, there could be several more months of low inflation still to come, especially as world commodity prices have generally been depressed by the Chinese economic downturn.
- 3.3 There are therefore considerable risks around whether inflation will rise in the near future as strongly as had previously been expected; this will make it more difficult for the central banks of both the US and the UK to raise rates as soon as was being forecast until recently, especially given the recent major concerns around the slowdown in Chinese growth, the knock on impact on the earnings of emerging countries from falling oil and commodity prices, and the volatility we have seen in equity and bond markets in 2015 so far, which could potentially spill over to impact the real economies rather than just financial markets.
- 3.4 **USA.** The American economy made a strong comeback after a weak first quarter's growth at +0.6% (annualised), to grow by no less than 3.9% in quarter 2 of 2015. While there had been confident expectations during the summer that the Fed. could start increasing rates at its meeting on 17 September, or if not by the end of 2015, the downbeat news in late August and in September about Chinese and Japanese growth and the knock on impact on emerging countries that are major suppliers of commodities, was cited as the main reason for the Fed's decision to pull back from making that start. The nonfarm payrolls figures for September and revised August, issued on 2 October, were disappointingly weak and confirmed concerns that US growth is likely to weaken. This has pushed back expectations of a first rate increase from 2015 into 2016.
- 3.5 **EZ.** In the Eurozone, the ECB, in January 2015 unleashed a massive €1.1 trillion programme of quantitative easing to buy up high credit quality government and other debt of selected EZ countries. This programme of €60bn of monthly purchases started in March 2015 and it is intended to run initially to September 2016. This already appears to have had a positive effect in helping a recovery in consumer and business confidence and a start to a significant improvement in economic growth. GDP growth rose to 0.5% in quarter 1 2015 (1.0% y/y) but came in at +0.4% (+1.5% y/y) in quarter 2 and looks as if it may maintain this pace in quarter 3. However, the recent downbeat Chinese and Japanese news has raised questions as to whether the ECB will need to boost its QE programme if it is to succeed in significantly

## Treasury Management Strategy Statement 2016/17

improving growth in the EZ and getting inflation up from the current level of around zero to its target of 2%.

- 3.6 **Greece.** During July, Greece finally capitulated to EU demands to implement a major programme of austerity and is now cooperating fully with EU demands. An €86bn third bailout package has since been agreed though it did nothing to address the unsupportable size of total debt compared to GDP. However, huge damage has been done to the Greek banking system and economy by the resistance of the Syriza Government, elected in January, to EU demands. The surprise general election in September gave the Syriza government a mandate to stay in power to implement austerity measures. However, there are major doubts as to whether the size of cuts and degree of reforms required can be fully implemented and so Greek exit from the euro may only have been delayed by this latest bailout.

### Interest rate forecast

- 3.7 Investment returns are likely to remain relatively low during 2016/17 and beyond.
- 3.8 Borrowing interest rates have been volatile but consistently low during 2015 as alternating bouts of good and bad news have promoted optimism, and then pessimism, in financial markets. Gilt yields have continued to remain at historically phenomenally low levels during 2015. The policy of avoiding new borrowing by running down spare cash balances, has proved good cash management over the last few years. However, this needs to be carefully reviewed to avoid incurring higher borrowing costs in later times, when authorities may need to enter new borrowing to finance new capital expenditure and/or to refinance maturing debt.
- 3.9 There will remain a cost of carry to any new borrowing which causes an increase in investments as this will incur a revenue loss between borrowing costs and investment returns.
- 3.10 A more detailed interest rate forecast provided by the Capita Asset Services is attached at **Appendix 4**.

## **4. Capital Financing Requirement**

- 4.1 Capital expenditure can be financed in a number of ways including the application of usable capital receipts, a direct charge to revenue, capital grant or by securing an up-front contribution towards the cost of a project.
- 4.2 Capital expenditure not financed by one of the above methods will increase the capital financing requirement (CFR) of the council.
- 4.3 The CFR reflects the council's underlying need to finance capital expenditure by borrowing or by other long-term liability arrangements, for example through lease arrangements.
- 4.4 The use of the term "borrowing" in this context does not necessarily imply external debt since, in accordance with best practice, the council has an integrated treasury management strategy. Borrowing is not associated with specific capital expenditure. The council will, at any point in time, have a number of cash flows both positive and

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negative and will be managing its position in terms of its borrowings and investments in accordance with its treasury management strategy.

- 4.5 The forecast movement in the CFR over future years is one of the Prudential Indicators which can be found in Appendix 3. The movement in actual external debt and usable reserves (which have a direct bearing on when any internal borrowing may need to be externalised) combine to identify the council's borrowing requirement and potential investment strategy in the current and future years.

	<b>31.03.16 Estimate £000</b>	<b>31.03.17 Estimate £000</b>	<b>31.03.18 Estimate £000</b>	<b>31.03.19 Estimate £000</b>
<b>Capital Financing Requirement</b>	285,109	316,677	310,744	296,782
Less: Other Long Term Liabilities: PFI schemes Finance leases Salix loan	26,605	25,576	24,139	22,798
MRP and contributions in year	10,334	11,888	14,198	14,117
<b>CFR excluding other long-term liabilities and MRP provision and grants</b>	<b>248,170</b>	<b>279,213</b>	<b>272,408</b>	<b>259,867</b>
Less: Existing Profile of Longer Term Borrowing – PWLB and bank loans	149,950	142,572	138,178	133,767
<b>Cumulative Maximum External Borrowing Requirement</b>	<b>98,221</b>	<b>136,641</b>	<b>134,230</b>	<b>126,100</b>
Estimated Usable Reserves	<b>38,800</b>	<b>36,900</b>	<b>35,000</b>	<b>33,100</b>
Anticipated Capital receipts	-	<b>6,250</b>	<b>10,500</b>	<b>25,500</b>
<b>Cumulative Net Borrowing Requirement</b>	<b>59,421</b>	<b>93,491</b>	<b>88,730</b>	<b>67,500</b>
<b>Total Council Borrowing</b>	<b>209,370</b>	<b>236,063</b>	<b>226,908</b>	<b>201,267</b>

- 4.6 The above table shows the council's net borrowing requirement over and above its existing long-term loan finance. Part of this requirement relates to the refinancing of principal repaid on long-term EIP and annuity loans with the balance relating to additions to the capital programme financed by borrowing.
- 4.7 Increased borrowing increases both interest payable and the amount to be set aside from revenue each year for the repayment of loan principal (called Minimum Revenue Provision (MRP)). Annual MRP is estimated to be between £9.9m and £12.8m for the foreseeable future. Therefore if, after the large capital schemes scheduled for the next few years are completed, the new capital spend financed by borrowing can be



## Treasury Management Strategy Statement 2016/17

reduced to below the annual MRP the council's total borrowing will fall, as shown in Appendix 2.

- 4.8 When comparing the council's Capital Financing Requirement with other English unitary authorities both in terms of absolute levels and affordability, Herefordshire Council's CFR is no higher than average.

### 5 Borrowing Strategy

- 5.1 At 30 November 2015 the council held £181.5m of loans, comprising long-term fixed rate loans totalling £139.0m plus short-term variable rate loans of £42.5m. The balance sheet forecast in table 1 shows that the council's borrowing may need to increase to £209.4m by 31 March 2016 and to £236.1m by 31 March 2017, assuming the timing and levels of capital expenditure are as budgeted.

#### Objective

- 5.2 The council's chief objective when borrowing money is to strike an appropriately low risk balance between securing low interest costs and achieving cost certainty over the period for which funds are required. The flexibility to renegotiate loans should the council's long-term plans change is a secondary objective.

#### Strategy

- 5.3 Given the significant cuts to public expenditure and in particular to local government funding, the council's borrowing strategy continues to address the key issue of affordability without compromising the longer-term stability of the debt portfolio. With short-term interest rates currently much lower than long-term rates, it is more cost effective in the short-term to use internal resources and borrow using short-term loans.
- 5.4 This enables the council to reduce net borrowing costs (despite foregone investment income) and reduce overall credit risk by tailoring the timing of borrowing so as to minimise balances held. The benefits of internal borrowing will be monitored regularly against the potential for incurring additional costs by deferring borrowing into future years when long-term borrowing rates are forecast to rise. The council's treasury advisors will assist the council with 'cost of carry' and breakeven analysis. Its output will determine whether the council borrows additional sums at long-term fixed rates in 2016/17 with a view to keeping future interest costs low, even if this causes additional cost in the short-term.
- 5.5 Short-term loans leave the council exposed to the risk of short-term interest rate rises; they are therefore subject to the limit on the net exposure to variable interest rates in the treasury management indicators below.

#### Sources

- 5.6 The approved sources of long-term and short-term borrowing are:

## Treasury Management Strategy Statement 2016/17

- Public Works Loan Board (PWLB)
- UK local authorities
- any institution approved for investments (see below)
- any other bank or building society authorised to operate in the UK
- UK public and private sector pension funds
- capital market bond investors
- Local Capital Finance Company and other special purpose companies created to enable local authority bond issues.

5.7 In addition, capital finance may be raised by the following methods that are not borrowing, but may be classed as other debt liabilities:

- operating and finance leases
- hire purchase
- Private Finance Initiative
- sale and leaseback

### LOBO loans

5.8 The council has two LOBO loans (Lender's Option Borrower's Option) of £6m each on which the council pays interest at 4.5%. Every six months, when the interest charges become due, the lenders have the option to increase the interest rate being charged at which point the council can accept the revised terms or reject them and repay the loan. LOBO loans present a potential refinancing risk to the council since the decision to amend the terms is entirely at the lender's discretion.

### Debt rescheduling

5.9 The PWLB allows the repayment of loans before maturity by either paying a premium or receiving a discount according to a set formula based on current interest rates. Due to the prevailing low interest rate regime, opportunities for debt rescheduling are likely to be very limited. However, this option will be kept under review and will be considered where this is expected to lead to an overall saving or reduction in risk.

## **6 Investment Strategy**

6.1 The council needs to hold adequate funds to meet day to day liquidity needs, for example salary and creditor payments. The council hold balances of around £20m to cover all contingencies. A cash flow forecast is maintained that includes all known receipts and payments so that the council can take action to ensure that it can meet all its liabilities when they fall due.

### Objective

6.2 Both the CIPFA Code and the CLG Guidance require the Authority to invest its funds prudently, and to have regard to the security and liquidity of its investments before seeking the highest rate of return, or yield. The council's objective when investing

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money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and receiving unsuitably low investment income.

### Strategy

- 6.3 Given the increasing risk and continued low returns from short-term unsecured bank deposits, the council will aim to keep its invested funds as low as possible and reduce the amounts invested with banks and building societies. For 2016/17 the council will continue to rely on Money Market Funds which are highly diversified and carry reduced credit risk.

### Risk Assessment and Credit Ratings

- 6.4 The council applies the credit worthiness service provided by Capita Asset Services. This service employs a sophisticated modelling approach utilising credit rating from three main credit rating agencies (Fitch, Moody's and Standard and Poor's). This modelling approach combines credit ratings, credit watches and credit outlooks in a weighted scoring system to which Capita Asset Services allocate a series of colour coded bands with suggested maximum durations for investments (as shown in table 2 below).
- 6.5 Typically the minimum credit ratings criteria the council use will be short term rating (Fitch or equivalents) of F1 and a long term rating of A-. There may be occasions when the counterparty ratings from one agency are marginally lower than these ratings but still may be used. In these instances consideration will be given to the whole range of ratings available, or other topical market information, to support their use.
- 6.6 The council has determined that it will only use approved counterparties from countries with a minimum sovereign credit rating of AA- (Fitch or equivalents). Currently these countries are:
- Australia (AAA)
  - Canada (AAA)
  - Denmark (AAA)
  - Germany (AAA)
  - Singapore (AAA)
  - Sweden (AAA)
  - Switzerland (AAA0)
  - Finland (AA+)
  - Netherlands (AA+)
  - U.K. (AA+)
  - U.S.A. (AA+)
  - Abu Dhabi UAE (AA)
  - France (AA)
  - Qatar (AA)
  - Belgium (AA-)
  - Saudi Arabia (AA-)

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### Approved Counterparties

6.7 The council will invest its surplus funds with any of the counterparty types in table 2 below, subject to the cash limits (per counterparty) and the time limits shown.

<b>Table 2: Approved Investment Counterparties and Limits</b>				
		<b>Colour coding or long term rating</b>	<b>£ limit</b>	<b>Time limit</b>
Banks and Building Societies	Term deposits, CDs or corporate bonds	Yellow Purple Orange Blue Red Green No colour	5m 5m 5m 5m 5m 5m nil	5 years 2 years 1 year 1 year 6 months 100 days Not to be used
Council's Banker (NatWest)			5m	Liquid
DMADF	DMADF account	AAA	Unlimited	6 months
UK Government	UK Gilts	UK sovereign rating	Unlimited	1 year
UK Government	Treasury Bills	UK sovereign rating	Unlimited	1 year
Multilateral development banks	Bonds	AAA	5m	6 months
Local Authorities	Term deposits		5m	1 year
Money Market Funds	MMFs	AAA	5m	Liquid
Enhanced Money Market Funds with a credit score of 1.25	MMFs	Dark pink / AAA	5m	Liquid
Enhanced Money Market Funds with a credit score of 1.5	MMFs	Light pink / AAA	5m	Liquid
<b>Other investments:</b>				
Pooled funds		£5m per fund		
Mercia Waste Management (providing finance for Energy from Waste Plant)		£40m over the course of the contract		

### Types of Investments

6.8 The following types of investments are included in the table above:

- **Banks Unsecured:** Accounts, deposits, certificates of deposit and senior unsecured bonds with banks and building societies, other than multilateral development banks.

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These investments are subject to the risk of credit loss via a bail-in should the regulator determine that the bank is failing or likely to fail. Unsecured investment with banks rated BBB or BBB- will not be made unless the bank concerned is National Westminster Bank (the councils banker) when investments will be restricted to overnight deposits.

- **Banks Secured:** Covered bonds, reverse repurchase agreements and other collateralised arrangements with banks and building societies. These investments are secured on the bank's assets, which limits the potential losses in the unlikely event of insolvency, and means that they are exempt from bail-in. Where there is no investment specific credit rating, but the collateral upon which the investment is secured has a credit rating, the highest of the collateral credit rating and the counterparty credit rating will be used to determine cash and time limits. The combined secured and unsecured investments in any one bank will not exceed the cash limit for secured investments.
- **Government:** Loans, bonds and bills issued or guaranteed by national governments, regional and local authorities and multilateral development banks. These investments are not subject to bail-in, and there is an insignificant risk of insolvency. Investments with the UK Central Government may be made in unlimited amounts for up to 50 years.
- **Corporates:** Loans, bonds and commercial paper issued by companies other than banks and registered providers. These investments are not subject to bail-in, but are exposed to the risk of the company going insolvent. Loans to unrated companies will only be made as part of a diversified pool in order to spread the risk widely.
- **Registered Providers:** Loans and bonds issued by, guaranteed by or secured on the assets of Registered Providers of Social Housing, formerly known as Housing Associations. These bodies are tightly regulated by the Homes and Communities Agency and, as providers of public services, they retain a high likelihood of receiving government support if needed.
- **Pooled Funds:** Shares in diversified investment vehicles consisting of the any of the above investment types, plus equity shares and property. These funds have the advantage of providing wide diversification of investment risks, coupled with the services of a professional fund manager in return for a fee. Money Market Funds that offer same-day liquidity and aim for a constant net asset value will be used as an alternative to instant access bank accounts, while pooled funds whose value changes with market prices and/or have a notice period will be used for longer investment periods.

Bond, equity and property funds offer enhanced returns over the longer term, but are more volatile in the short term. These allow the Authority to diversify into asset classes other than cash without the need to own and manage the underlying investments. Because these funds have no defined maturity date, but are available for withdrawal after a notice period, their performance and continued suitability in meeting the council's investment objectives will be monitored regularly.

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### Specified Investments

6.9 The CLG Guidance defines specified investments as those:

- denominated in pound sterling,
- due to be repaid within 12 months of arrangement,
- not defined as capital expenditure by legislation, and
- invested with one of:
  - the UK Government,
  - a UK local authority, parish council or community council, or
  - a body or investment scheme of “high credit quality”.

6.10 The Authority defines “high credit quality” organisations and securities as those having a credit rating of A- or higher that are domiciled in the UK or a foreign country with a sovereign rating of AA- or higher.

### Non-specified Investments

6.11 Any investment not meeting the definition of a specified investment is classed as non-specified. The Authority does not intend to make any investments denominated in foreign currencies, nor any that are defined as capital expenditure by legislation, such as company shares. Non-specified investments will therefore be limited to long-term investments, i.e. those that are due to mature 12 months or longer from the date of arrangement, and investments with bodies and schemes not meeting the definition on high credit quality. Limits on non-specified investments are shown in table 3 below.

<b>Table 3: Non-Specified Investment Limits</b>	
	<b>Cash limit</b>
Total long-term investments	£5m
Total investments with unrecognised credit ratings	£2.5m
Total investments with institutions domiciled in foreign countries rated below AA-	£0m
Total non-specified investments	£7.5m

## **7. Annual Minimum Revenue Provision Statement 2016/17**

7.1 Where the council finances capital expenditure by debt, it must put aside resources to repay that debt in later years. The amount charged to the revenue budget for the repayment of debt is known as Minimum Revenue Provision (MRP), although there has been no statutory minimum since 2008. The Local Government Act 2003 requires the Authority to have regard to the Department for Communities and Local Government’s *Guidance on Minimum Revenue Provision* (the CLG Guidance) most recently issued in 2012.

## Treasury Management Strategy Statement 2016/17

7.2 The broad aim of the CLG Guidance is to ensure that debt is repaid over a period that is either reasonably commensurate with that over which the capital expenditure provides benefits.

7.3 In line with the CLG Guidance, the policy for the 2016/17 calculation of MRP (unchanged from previous years) is as follows:

- For supported capital expenditure before 31 March 2004 MRP will be determined as 4% of the Capital Financing Requirement in respect of that expenditure.
- For unsupported capital expenditure incurred after 31 March 2011, MRP will be determined by charging the expenditure over the expected useful life of the relevant assets in equal instalments starting in the year after the asset becomes operational. Therefore capital expenditure incurred during 2016/17 will not be subject to a MRP charge until 2017/18 at the earliest.
  - For assets acquired by finance leases or Private Finance Initiatives, MRP will be determined as being equal to the element of the rent or charge that goes to write down the balance sheet liability.
  - For loans and grants towards capital expenditure by third parties, prudential borrowing will be repaid over the life of the asset in relation to which the third party expenditure is incurred.

7.4 Based on the Authority's latest estimate of its Capital Financing Requirement on 31 March 2017, the budget for MRP has been set as follows:

	<b>31.03.2017 Estimated CFR £000</b>	<b>2016/17 Estimated MRP £000</b>
Pre 31/03/11 Supported borrowing & Adj A	<b>106,981</b>	4,458
Prudential borrowing	<b>184,120</b>	5,073
Finance leases and Private Finance Initiative	<b>25,181</b>	1,282
Other loans (Salix)	<b>395</b>	155
<b>Total</b>	<b>316,677</b>	<b>10,968</b>

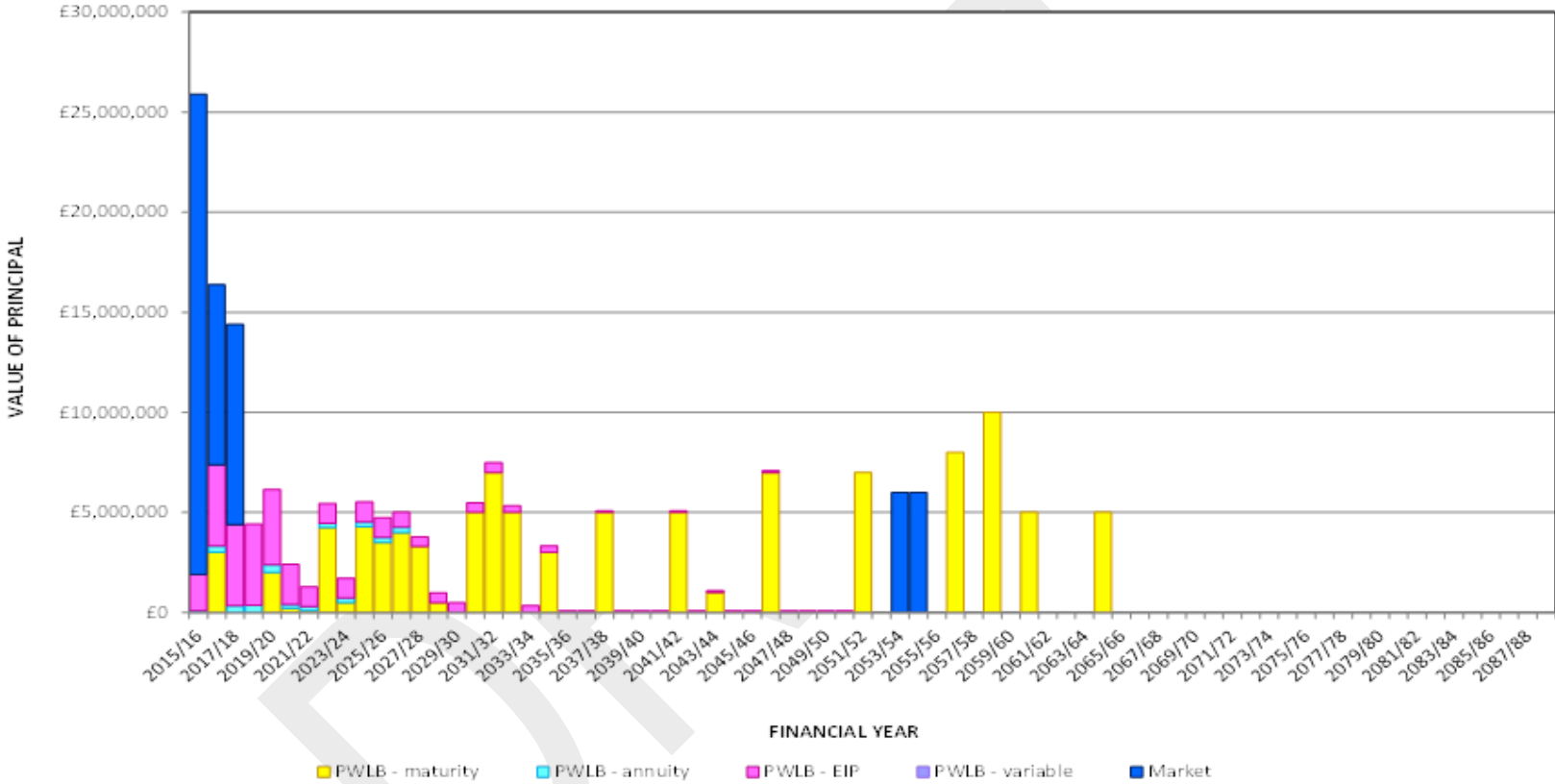
## EXISTING BORROWING &amp; INVESTMENTS AS AT 30 NOVEMBER 2015

<b>External Borrowing:</b>	<b>Actual Portfolio £m</b>	<b>Average Rate %</b>
<u>Long-term loans (all fixed rate)</u>		
Public Works Loan Board	<b>127.0</b>	<b>4.16%</b>
LOBO Loans	<b>12.0</b>	<b>4.50%</b>
<u>Short-term loans</u>		
Local Authorities	<b>42.5</b>	<b>0.55%</b>
<b>Total External Borrowing</b>	<b>181.5</b>	<b>3.23%</b>

<b>Investments:</b>	<b>Actual Portfolio £m</b>	<b>Average Rate %</b>
NatWest Liquidity Account (Instant Access)	<b>0.2</b>	<b>0.25%</b>
Money Market Funds (Instant Access)	<b>3.3</b>	<b>0.50%</b>
Close Brothers Bank (One Month Notice Account)	<b>2.5</b>	<b>1.00%</b>
<b>Total Investments</b>	<b>6.0</b>	<b>0.69%</b>



APPENDIX 2



**PRUDENTIAL INDICATORS****1. Background**

There is a requirement under the Local Government Act 2003 for local authorities to have regard to CIPFA's Prudential Code for Capital Finance in Local Authorities (the Prudential Code) when determining how much money it can afford to borrow. The objectives of the Prudential Code are to ensure that the capital investment plans of local authorities are affordable, prudent and sustainable, and that treasury management decisions are taken in accordance with good professional practice. To demonstrate that the Authority has fulfilled these objectives, the Prudential Code sets out the following indicators that must be set and monitored each year.

**2. Estimates of Capital Expenditure**

- 2.1 This indicator is set to ensure that the level of proposed capital expenditure remains within sustainable limits and, in particular, to consider the impact on Council Tax levels.

<b>Capital Programme</b>	<b>2015/16 Approved £000</b>	<b>2015/16 Revised £000</b>	<b>2016/17 Estimate £000</b>	<b>2017/18 Estimate £000</b>	<b>2018/19 Estimate £000</b>
<b>Expenditure</b>	<b>66,573</b>	<b>77,089</b>	<b>75,075</b>	<b>50,701</b>	<b>30,462</b>
<b>Funding</b>					
Capital receipts	7,128	5,763	7,900	6,400	0
Capital Grants	14,258	29,167	24,343	35,873	29,386
Prudential Borrowing	45,187	40,809	42,532	8,428	1,076
Other	0	1,350	300	0	0
<b>Total</b>	<b>66,573</b>	<b>77,089</b>	<b>75,075</b>	<b>50,701</b>	<b>30,462</b>

**3. Capital Financing Requirement**

- 3.1 The Capital Financing Requirement (CFR) measures the council's underlying need to borrow for a capital purpose. The calculation of the CFR is taken from the amounts held in the Balance Sheet relating to capital expenditure and financing. The table below includes PFI contracts:

## Treasury Management Strategy Statement 2016/17

Capital Financing Requirement	2015/16 Approved £000	2015/16 Revised £000	2016/17 Estimate £000	2017/18 Estimate £000	2018/19 Estimate £000
<b>Total CFR</b>	<b>258,909</b>	285,109	316,677	310,744	296,782

#### 4. Gross Debt and the Capital Financing Requirement

- 4.1 In order to ensure that over the medium term debt will only be for a capital purpose, the local authority should ensure that debt does not, except in the short term, exceed the total of the capital financing requirement in the preceding year plus the estimates of any additional capital financing requirement for the current and next two financial years.
- 4.2 The Section 151 Officer reports that the council currently has no difficulty meeting this requirement nor are there any difficulties envisaged for future years. This view takes into account current commitments, existing plans and the proposals in the approved budget.

#### 5. Operational Boundary for External Debt

- 5.1 The operational boundary is based on the Authority's estimate of the most likely (i.e. prudent but not worst case) level for external debt. It links directly to the Authority's estimates of capital expenditure, the capital financing requirement and cash flow requirements, and is a key management tool for in-year monitoring. Other long-term liabilities comprise finance lease, Private Finance Initiative and other liabilities that are not borrowing but form part of the council's debt.

Operational Boundary	2015/16 Approved £m	2015/16 Revised £m	2016/17 Estimate £m	2017/18 Estimate £m	2018/19 Estimate £m
Operational Boundary for Borrowing	240	265	295	290	275
Operational Boundary for other Long-Term Liabilities	30	30	30	30	25
<b>Operational Boundary for External Debt</b>	<b>270</b>	<b>295</b>	<b>325</b>	<b>320</b>	<b>300</b>

#### 6. Authorised Limit for External Debt

- 6.1 The authorised limit is the affordable borrowing limit determined in compliance with the Local Government Act 2003. It is the maximum amount of debt that the Authority can legally owe. The authorised limit provides headroom over and above the operational boundary for unusual cash movements.

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<b>Authorised Limit</b>	<b>2015/16 Approved £m</b>	<b>2015/16 Revised £m</b>	<b>2016/17 Estimate £m</b>	<b>2017/18 Estimate £m</b>	<b>2018/19 Estimate £m</b>
Authorised Limit for Borrowing	250	275	305	300	285
Authorised Limit for other Long-Term Liabilities	40	40	40	40	40
<b>Authorised Limit for External Debt</b>	<b>290</b>	<b>315</b>	<b>345</b>	<b>340</b>	<b>325</b>

### 7. Ratio of Financing Costs to Net Revenue Stream

7.1 This is an indicator of affordability and highlights the revenue implications of existing and proposed capital expenditure by identifying the proportion of the revenue budget required to meet financing costs. The definition of financing costs is set out in the Prudential Code and includes both interest payable and provision for repayment of loan principal.

7.2 The ratio is based on costs net of investment income.

<b>Ratio of Financing Costs to Net Revenue Stream</b>	<b>2015/16 Approved £'000</b>	<b>2015/16 Revised £'000</b>	<b>2016/17 Estimate £'000</b>	<b>2017/18 Estimate £'000</b>	<b>2018/19 Estimate £'000</b>
Net Revenue Stream	<b>146,135</b>	145,364	<b>143,529</b>	140,508	139,964
Financing Costs	<b>16,416</b>	15,900	<b>17,096</b>	16,271	17,608
<b>Percentage</b>	<b>11.23%</b>	<b>10.94%</b>	<b>11.91%</b>	<b>11.58%</b>	<b>12.58%</b>

*Note: the net revenue stream comprises council tax receipts, inclusive of 2% adults precept, plus government funding excluding specific grants.*

7.3 The above table shows budgeted financing costs within the council's medium term financial strategy.

### 8. Incremental Impact of Capital Investment Decisions

8.1 This is an indicator of affordability that shows the impact of capital investment decisions on council tax levels. The incremental impact is calculated by comparing the total revenue budget requirement of treasury management to the estimated tax base.

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	2016/17 Estimate £000	2017/18 Estimate £000	2018/19 Estimate £000
Addition / (reduction) in total treasury budget	1,196	(825)	1,337
Estimated tax base (number)	66,873	67,462	68,013
<b>Estimated impact per Band D council tax charge, per annum</b>	<b>£17.88</b>	<b>(£12.23)</b>	<b>£19.66</b>

### 9. Adoption of the CIPFA Treasury Management Code

9.1 This indicator demonstrates that the council has adopted the principles of best practice.

9.2 The council has incorporated the changes from the revised CIPFA Code of Practice into its treasury policies, procedures and practices. The council's Treasury Management Policy Statement is attached at Appendix 5.

### 10. Upper Limits for Fixed Interest Rate Exposure and Variable Interest Rate Exposure

10.1 These indicators allow the council to manage the extent to which it is exposed to changes in interest rates.

10.2 Due to the large difference between short-term and longer-term interest rates, the limit has been increased to accommodate the council financing the capital programme by short-term variable rate borrowing. Interest rates are forecast to remain low for the next few years and analysis (comparing a twenty year loan with short-term borrowing over the same period) indicates that short-term savings in the next few years will exceed any increased amounts payable in five to ten years time. In pursuing this policy the council recognises that it is more exposed to an unexpected hike in interest rates but the benefits of affordability and flexibility (enabling the council to reduce its short-term borrowing either to reduce cash investments at times of heightened credit risk or when the borrowing can be replaced by the proceeds from fixed asset sales) outweigh the increased interest rate risk.

	2015/16 Approved	2015/16 Revised	2016/17 Estimate	2017/18 Estimate	2018/19 Estimate
<b>Upper Limit for Fixed Interest Rate Exposure</b>	100%	100%	<b>100%</b>	100%	100%
<b>Upper Limit for Variable Interest Rate Exposure</b>	50%	50%	<b>50%</b>	50%	50%

## Treasury Management Strategy Statement 2016/17

### 11. Maturity Structure of Fixed Rate Borrowing

- 11.1 The council will also limit and monitor large concentrations of fixed rate debt needing to be replaced. Limits in the following table are intended to control excessive exposures to volatility in interest rates when refinancing maturing debt.
- 11.2 The maturity of borrowing is determined by reference to the date on which the loans could be repaid. The council's two LOBO loans could become repayable within 12 months although, if the lenders do not increase the interest rates being charged, which is the current assumption, then the loans could remain outstanding until 2054.

Maturity structure of fixed rate borrowing	Estimated level at 31/03/16	Lower Limit for 2016/17	Upper Limit for 2016/17
Under 12 months	13.65%	0%	20%
12 months and within 24 months	3.10%	0%	20%
24 months and within 5 years	9.13%	0%	20%
5 years and within 10 years	13.17%	0%	20%
10 years and within 20 years	26.29%	0%	40%
20 years and within 30 years	8.35%	0%	40%
30 years and within 40 years	6.58%	0%	40%
40 years and within 50 years	19.73%	0%	40%
Total	100.00%		

### 10. Upper Limit for total principal sums invested over 364 days:

- 10.1 The purpose of this limit is to contain exposure to the possibility of loss that may arise as a result of the council having to seek early repayment of the sums invested.

Upper Limit for total principal sums invested over 364 days	2015/16 Approved £m	2015/16 Revised £m	2016/17 Estimate £m	2017/18 Estimate £m	2018/19 Estimate £m
	5	5	5	5	5

**OUTLOOK FOR INTEREST RATES  
(FORECAST & ECONOMIC COMMENT PROVIDED BY TREASURY ADVISORS)**

	Dec-15	Mar-16	Jun-16	Sep-16	Dec-16	Mar-17	Jun-17	Sep-17	Dec-17	Mar-18	Jun-18
<b>Bank Base Rate (%)</b>	<b>0.50</b>	<b>0.50</b>	<b>0.75</b>	<b>0.75</b>	<b>1.00</b>	<b>1.00</b>	<b>1.25</b>	<b>1.50</b>	<b>1.50</b>	<b>1.75</b>	<b>1.75</b>
<b>PWLB Rates (%):</b>											
<b>5 years</b>	<b>2.40</b>	<b>2.50</b>	<b>2.60</b>	<b>2.80</b>	<b>2.90</b>	<b>3.00</b>	<b>3.10</b>	<b>3.20</b>	<b>3.30</b>	<b>3.40</b>	<b>3.50</b>
<b>10 years</b>	<b>3.00</b>	<b>3.20</b>	<b>3.30</b>	<b>3.40</b>	<b>3.50</b>	<b>3.70</b>	<b>3.80</b>	<b>3.90</b>	<b>4.00</b>	<b>4.10</b>	<b>4.20</b>
<b>25 years</b>	<b>3.60</b>	<b>3.80</b>	<b>3.90</b>	<b>4.00</b>	<b>4.10</b>	<b>4.20</b>	<b>4.30</b>	<b>4.40</b>	<b>4.50</b>	<b>4.60</b>	<b>4.60</b>
<b>50 years</b>	<b>3.60</b>	<b>3.80</b>	<b>3.90</b>	<b>4.00</b>	<b>4.10</b>	<b>4.20</b>	<b>4.30</b>	<b>4.40</b>	<b>4.50</b>	<b>4.60</b>	<b>4.60</b>
The above PWLB rates are noted by Capita Asset Services as being their “central” or most likely forecast, however, they also note that there are downside risks to their forecast.											

**Forecast:**

- The council’s treasury advisors forecast the bank base rate to stay on hold until quarter two of 2016 at which point small stepped increases are anticipated. It is anticipated the bank base rate standing at 1.75% at March 2018. Capital Economics has a similar interest rate forecast profile to the aforementioned.
- The US is likely to be the first of the major economies to start tightening monetary policy. The timing of the first move is expected to be December 2015.

## Treasury Management Strategy Statement 2016/17

### Council budget:

- As can be seen from the table above, the council's treasury advisors central forecast is for the Bank Base Rate to increase during 2016/17 from 0.5% to 1.0%. However, they advise that there is a downside risk that they could remain at 0.5% throughout the year. The council's short-term borrowing budget has been based on a rate of up to 1.5% which should incorporate sufficient headroom to accommodate any unexpected changes in the Base Rate.
- The investment budget is based on the council's treasury advisor's central forecast using average interest rates of 0.6%, assuming that investment balances will be lower in 2016/17 with the majority of funds held in instant access accounts.
- Should the Bank Base Rate increase sooner or more rapidly than forecast the increased yield on investments will partly offset any increase in short-term variable rates.

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## TREASURY MANAGEMENT POLICY STATEMENT

### 1. Statement of Purpose

- 1.1 Herefordshire council adopts the recommendations made in CIPFA's *Treasury Management in the Public Services: Code of Practice*, which was revised in 2011. In particular, the council adopts the following key principles and clauses.

### 2. Key Principles

- 2.1 Herefordshire council adopts the following three key principles (identified in Section 4 of the Code):
- The council will put in place formal and comprehensive objectives, policies and practices, strategies and reporting arrangements for the effective management and control of its treasury management activities.
  - The council will ensure that its policies and practices make clear that the effective management and control of risk are prime objectives of its treasury management activities and that responsibility for these lies clearly with the council. In addition, the council's appetite for risk will form part of its annual strategy and will ensure that priority is given to security and liquidity when investing funds.
  - The council acknowledges that the pursuit of best value in treasury management, and the use of suitable performance measures, are valid and important tools to employ in support of business and service objectives, whilst recognising that in balancing risk against return, the council is more concerned to avoid risks than to maximise returns.

### 3. Adopted Clauses

- 3.1 Herefordshire council formally adopts the following clauses (identified in Section 5 of the code):
- The council will create and maintain, as the cornerstones for effective treasury management:
    - A treasury management policy statement, stating the policies, objectives and approach to risk management of its treasury management activities;
    - Suitable treasury management practices (TMPs), setting out the manner in which the organisation will seek to achieve those policies and objectives, and prescribing how it will manage and control those activities.

The content of the policy statement and TMPs will follow the recommendations contained in Sections 6 and 7 of the Code, subject only to amendment where necessary to reflect the particular circumstances of the council. Such amendments will not result in the organisation materially deviating from the Code's key principles.

- Full council will receive reports on treasury management policies, practices and activities, including, as a minimum, an annual strategy and plan in advance of the year, a mid-year review and an annual report after its close.

## Treasury Management Strategy Statement 2016/17

- The responsibility for the implementation and regular monitoring of treasury management policies and practices is delegated to Cabinet and for the execution and administration of treasury management decisions to the Chief Officer-Finance and Commercial, who will act in accordance with the organisation's policy statement and TMPs and, if he or she is a CIPFA member, CIPFA's Standard of Professional Practice on Treasury Management.
- Overview and Scrutiny Committee to be responsible for ensuring effective scrutiny of the treasury management strategy and policies.

### 4. Definition of Treasury Management

4.1 Herefordshire council defines its treasury management activities as: -

*'The management of the organisation's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.'*

### 5. Policy Objectives

5.1 Herefordshire council regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the council, and any financial instruments entered into to manage these risks.

5.2 Herefordshire council acknowledges that effective treasury management will provide support towards the achievement of its business and service objectives. It is therefore committed to the principles of achieving value for money in treasury management, and to employing suitable comprehensive performance measurement techniques, within the context of effective risk management.

## Savings Proposals Summary 2016/17 to 2019/20

Directorate	2016-17 £m	2017-18 £m	2018-19 £m	2019-20 £m	Total 16-20 £m
Adults and wellbeing	4.1	2.3	1.8	1.7	9.9
Children's wellbeing	1.6	1.3	1.4	1.0	5.3
Economy, communities and corporate	5.2	3.4	2.3	2.3	13.2
<b>Total</b>	<b>10.9</b>	<b>7.0</b>	<b>5.5</b>	<b>5.0</b>	<b>28.4</b>

**Savings Proposals**  
**Adults and Wellbeing Directorate**

Savings Proposal	Impact	Savings Plans				
		2016-17 £000	2017-18 £000	2018-19 £000	2019-20 £000	Total £000
Re-commissioning care contracts and supported living agreements, implementation of policy and pricing changes for nursing placements, carers respite and transport services.	Removal or reduction in transport funding to individuals and the carers respite provision, whilst still meeting all eligible needs	1,650	1,045	800	750	4,245
Introduction of outcomes based assessments and reviews, focussing on high cost care packages and reductions in domiciliary care hours.	Will lead to more equitable service provision that still meets all eligible needs but is provided at a reduced average cost. Care packages will be removed from non-eligible carers	1,850	500	400	350	3,100
Increased income from applying the new guidance in the Care Act, including joint assessments and minimum income guarantees. In addition, a small flat rate charge will be applied to service users who are in receipt of telecare.	The impact of these changes will be affordable as all services will only be charged following individual financial assessment in line with Care Act requirements. Telecare users, subject to financial affordability and following consultation will be charged between £2.70 and £3.50 per week.	380	150	100	100	730
Reduction in staffing will be delivered through a review of the commissioning and contracts team and minor changes to the staffing structures within operational locality teams.	There will be no direct impact on service users.	150	600	450	500	1,700
Organisational redesign savings	Efficiency savings	88				88
<b>Total</b>		<b>4,118</b>	<b>2,295</b>	<b>1,750</b>	<b>1,700</b>	<b>9,863</b>

## Savings Proposals

### Children's Wellbeing Directorate

		Savings Plans				
Savings Proposal	Impact	2016-17 £000	2017-18 £000	2018-19 £000	2019-20 £000	Total £000
Manage contract inflation and secure contract efficiencies.	No impact - efficiency savings from service providers	200	250	250	250	950
Re-unifying children with their families or an alternative family based permanent home including adoption where appropriate. 2016/17 increase reflects spending in 2015/16 as well as reductions in spending.	Will provide better long term outcomes for children who are in care which are more cost effective.		316	572	200	1,088
Developing appropriate housing arrangements and options for 17 year olds to promote independent living which removes the need for young people to be in the care of the local authority.	Providing young people better access to housing tenancies and other options to support them to become independent adults.	300	250	250	250	1,050
Review of allowances paid to families providing homes for other peoples children on a permanent basis, including special guardianship, adoption and child arrangements.	The revised policy will provide a fairer and more transparent approach. This will result in some families receiving less and others receiving more, however service users will still have their eligible needs met.	200				200
Accessing government grant to focus early help on the most vulnerable families to reduce the need for higher cost services.	Improved school attendance, educational achievement, reduced anti-social behaviour and youth offending and increased employment.	270	100	150	150	670
Continuing the social worker recruitment and retention strategy (grow our own, cap agency rates, specific recruitment, overseas recruitment and alternative contracts) to increase the number of permanent social workers and reduce agency staff.	Ensuring families benefit from a consistent and established service through a stable and capable social worker workforce.	300	250	100	100	750
Reduce numbers of managers, overheads and a reduction in contribution to the Youth Offending Service (YOS) contract.	No impact - efficiency saving.	230	100	100	100	530
Organisational redesign savings	Efficiency savings	159				159
		<b>1,659</b>	<b>1,266</b>	<b>1,422</b>	<b>1,050</b>	<b>5,397</b>

**Savings Proposals**  
**Economy, Communities & Corporate**

Savings Proposal	Impact	Savings Plans				
		2016-17 £000	2017-18 £000	2018-19 £000	2019-20 £000	Total £000
<b>Efficiency savings</b> <b>Initiatives include:</b> Management savings, Staff restructures, capitalisation of staff costs, reduction of grants to third party organisations, saving on printing cost, Elections service design review, increased income from the translation service, reduction in storage costs at the Modern Records Unit and Planning fee income.	No impact - efficiency savings	818	295	100	180	1,393
<b>Back Office Services and Corporate Accommodation efficiencies</b>	No impact - efficiency saving	550	500	450	250	1,750
<b>Increase Crematorium Fees</b>	Benchmarking and aligning fees against neighbouring authorities	150				150
<b>Car Parking charges increase</b>	Increase in fees to support the Council's sustainable transport policies and manage available spaces to support local economy. Potential adverse impact on trade if charges deter visitors. Structure of charges will aim to address local circumstances and encourage visitors and shoppers to visit Hereford and the market towns. Income will be targeted to support transport services in accordance with the Council's Local Transport Plan. Increase income by 20% in 2016/17 5% Increase 2017/18 5% increase 2018/19	750	225	235		1,210
<b>On-Street Car parking Project</b> 322	Introduction of on street charges in central Hereford and potential extension of residents parking in surrounding areas which will provide ongoing revenue to support transport services. Proposals will improve traffic circulation, increase turnover and availability of short term parking for shoppers, ensure provision for loading and unloading and improve parking for residents living close to the city centre.	58	172			230
<b>Reduced cost of Public and School / College Transport and moving public transport information to online only</b>	Reduction in public transport services, increased income from parental contributions and Post 16 SEN transport users. Further savings from contract efficiencies. A transport funding review is underway which will explore a range of opportunities to reduce costs across all local passenger transport services and alternative sources of funding to support such service, including Public Health funding. Savings are likely to be achievable through the integration of passenger transport contracts, service efficiencies, moving more users onto commercial and supported bus services and review of eligibility for services. If this approach does not achieve the full savings target, it may be necessary to further reduce public transport subsidy.	150	250	180	150	730
<b>Phased removal of subsidy for Community Transport organisations</b>	The phased reduction in the support to Community Transport providers commenced in 2015/16 and the exploration of alternative funding sources to support such services, including from Public Health funding. To continue this to full reduction by 2019/20 will have provided a five year transition period for providers to seek opportunities to increase their independent financial viability. Support has been made available for providers to take on more contracted work and also to assist them to increase their capacity. Grants have been available for new fleet and could be made available in future subject to funding being available.			60	75	135
<b>Change the Highway Maintenance Plan to allow higher quality planned repairs to be undertaken for significant safety related pothole defects rather than the current temporary fixes required to meet reactive timescales. This will reduce the overall cost and reduce the need for repeat treatments.</b>	There are approximately 50 potholes a month that are currently filled temporarily in this way and this change will allow them to form part of a programme of works on the basis of a risk assessment based on location, road type and traffic flow, as occurs with other defects. The new method will be more cost effective.	150	150			300

**Savings Proposals**  
**Economy, Communities & Corporate**

Savings Proposal	Impact	Savings Plans				
		2016-17 £000	2017-18 £000	2018-19 £000	2019-20 £000	Total £000
<b>Phased removal of subsidies to parish councils for the Lengthsman and Parish Paths .</b>	The condition of minor roads in Parish areas will be dependent upon whether Parish Councils choose to replace the subsidy form their own resources.		100	100	100	300
<b>Community asset transfer of parks and open spaces</b>	Sports pitch and parks maintenance cost saving through a programme to transfer responsibility for assets to community groups, town and parish councils and others. Impact of this proposal could see communities taking greater care and ownership of their local environment.	60	100	90		250
<b>Increased income and efficiency within Public Realm Services</b>	Increase income from increased enforcement in relation to works carried out by Utility companies on the highway (NRSWA) - reduction in Highway defects. Investment in fleet and plant to reduce ongoing revenue cost and maintenance. No adverse impact upon service. Environmental service redesign Review of service to streamline and reduce cost of cleansing and monitoring of waste/litter related issues. Improved environment through better coordination.	250	230	25	25	530
<b>Waste &amp; Sustainability</b> Full year effect of introducing alternate weekly collection of waste and limited collection to the contents of a refuse wheelie bin, implemented in November 2014. Plus additional Waste Management savings. Proposals include increased income from commercial waste collections, as well as waste treatment savings.	No further impact - non-recyclable waste is now collected every fortnight rather than weekly, the saving is the full-year effect of the changes	755	30	30	30	845
<b>Income from Solar Panels and Street Lighting Energy Efficiency Savings</b> Capital investment in solar panels to reduce energy costs and attract Government renewable energy subsidies Expiry of repayments for energy efficiency loan supporting Street Lighting investment	No impact - energy efficiency saving	60	145			205
<b>Asset Review</b> Capital receipts from sale of assets will be used to offset debt costs or increased revenue opportunities.	This may effect some tenants of council owned property		250	400	1,000	1,650
<b>Facilities Management Service</b>	Shire Hall and Town Hall to become appointment based centres e.g. custodians not permanently onsite. Increased income from charging for Council Civic Buildings.	90	30			120
<b>Withdrawal of Subsidies to Cultural Services partners</b> Phased withdrawal of subsidies to: HALO; Courtyard; Visit Herefordshire; Brightstripe	Cultural partners to innovate and create sustainable self-financing delivery models	863				863
<b>Withdrawal of Museum and Heritage Services subsidy</b>	Phased withdrawal of subsidies to Museum and Heritage Services, and create sustainable self-financing delivery models		100	150	250	500
<b>Savings in Customer and Library Services</b>	That a new way of operating libraries and customer services is explored. This involves retaining the services important to residents and acknowledges the health, well being and economic value of libraries. Any future approach will reflect the value placed upon customer services and libraries by ensuring greater community involvement in the service. This will encompass looking at different options for funding the service including fundraising, joint funding by partners and income generation as well as looking at cost savings.		380	380		760
<b>Sub Total</b>		<b>4,704</b>	<b>2,957</b>	<b>2,200</b>	<b>2,060</b>	<b>11,921</b>

**Savings Proposals**  
**Economy, Communities & Corporate**

		Savings Plans				
Savings Proposal	Impact	2016-17 £000	2017-18 £000	2018-19 £000	2019-20 £000	Total £000
<b>Revisions to the Council Tax Reduction Scheme</b> - as approved by Council on 18 December 2015 in 2016/17 reduce the level of subsidy provided will reduce from 84% to 80% but certain claimants discount will be protected at 84%. The revised scheme will remain in place in 2017/18 and will deliver additional savings following the withdrawal of expected tax credit changes.	The lowest earners in Herefordshire, approximately 4,500 individuals, currently pay 16% of their total Council tax bill. By reducing the level of discount available, the Council is able to limit the impact upon services which benefit the wider community. There is a risk that some claimants may not be able to pay the increased charge and place their household into financial hardship. This is to be mitigated a revised hardship scheme. Pensioners will continue to receive additional discounts and the vulnerable will continue to have access to welfare support to mitigate these changes.	200	150			350
<b>Removal of the Council Tax Reduction subsidy to parishes</b> - as approved by Cabinet on 3 December the grant funding to parishes is to be withdrawn on a phased basis	This saving has no impact on parish percept requirements. Removal of the grant will be phased, limiting the effect on the tax payers bill to 0.4% in any one year. The average overall increase will be 0.3%.	247	42			289
<b>Organisational redesign savings</b>	Efficiency savings		300	100	200	600
<b>Sub Total</b>		<b>447</b>	<b>492</b>	<b>100</b>	<b>200</b>	<b>1,239</b>
<b>Total</b>		<b>5,151</b>	<b>3,449</b>	<b>2,300</b>	<b>2,260</b>	<b>13,160</b>



**2015/16 Budget Monitoring – November 2015**

- 1 The projected outturn based on spend to the end of November 2015 is an overspend of £367k, a reduction based on the amount reported to Cabinet due to further savings of £0.6m being realised in ECC. The council has an unallocated contingency budget of £0.7m which if not used in the next three months will mean that overall spending will come within budget by year-end. However, the position identifies further pressures within Children’s Safeguarding, increasing the over-spend in Childrens Wellbeing to £1.9m. Alternative savings will need to be identified over the next few months to ensure their 2016/17 budget can be achieved.

**Projected Revenue Outturn 2015/16**

Directorate Net Budget	Net Budget	November Outturn	November Variance
	£000	£000	£000
			Over / (Under)spend
Adults and Wellbeing	53,816	53,895	79
Children’s Wellbeing	23,187	25,072	1,885
Economy, Communities & Corporate	53,429	52,432	(997)
<b>Directorate total</b>	<b>130,432</b>	<b>131,399</b>	<b>967</b>
Other budgets and reserves	11,561	10,961	(600)
<b>TOTAL</b>	<b>141,993</b>	<b>142,360</b>	<b>367</b>

**Adults Wellbeing**

- 2 The latest forecast predicts a £79k overspend of the budget at year end. The forecast overspend within adult social care client groups is £987k at year end. This is due to higher than budgeted demand particularly for personal budgets. The budget has been re-based for 2016/17 to take account of this pressure.

**Children’s Wellbeing**

- 3 The forecast outturn is an overspend of £1.9m, £2.2m in children’s safeguarding. This reflects an additional residential placement costing £4,400 per week, and some extensions to external foster placements. This represents the costs continuing until

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Further information on the subject of this report is available from Peter Robinson, director of resources on Tel (01432) 383519

the end of the financial year, although court proceedings in January 2016 may reduce the cost pressure.

### **Economy, Communities and Corporate**

- 7 The November forecast outturn is an underspend of £997k, a favourable change of £613k compared to the October forecast. This relates to staff savings in procurement of £160k, increased parking income of £100k, and energy costs reductions of £50k. There are directorate salary savings of £80k

### **Other Budgets and Reserves**

- 8 The forecast outturn is to underspend by £600k compared to the budget. The underspend is in two areas, managing change is expected to underspend by £100k based on current redundancy estimates and a one off contribution to the general fund reserve of £500k is not required due to the £600k underspend in 2014/15 being transferred to reserves last year.

# Cumulative Equality Impact Assessment of Budget 2016/17

Carol Trachonitis, January 2016

## 1. Background

Herefordshire Council has a saving target of £10.9m in the financial year 2016/17. In order to achieve this, budget proposals have been prepared. Those that affected services had an equality impact assessment completed, and these were considered before decisions were taken on the budget.

Over the next four years a total £28m of savings are required.

This document summarises the Equality Impact Assessment for the budget proposals for the financial year 2016/17. It highlights:

- The key differential impacts of potential budget decisions for legally protected groups
- Where a single decision or series of decisions might have a greater negative impact on a specific group
- Ways in which negative effects across the council may be minimised or avoided, and where positive impacts can be maximised or created

Budget decisions can have different impacts on different groups of people, either changes to individual services or in the way those changes have an impact cumulatively.

The council has a legal duty (under the Equality Act 2010) to evidence that we have paid due regard to the need to:

- Eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the act
- Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it
- Foster good relations between persons who share a relevant protected characteristic and persons who do not share it

The budget EIAs demonstrate how we are considering impacts, and action we will take where needed.

## 2. The Budget Equality Impact Assessment (EIA) Process

In Herefordshire we use an EIA process to identify the main potential impacts on groups covered by legislation (the protected characteristics in the Equality Act 2010<sup>1</sup>).

EIAs have been completed by service leads on the budget proposals where the potential change impacts on service provision. These have been reviewed for the proposals 2016/17 and, where new proposals have been put forward, new impact assessments have been completed. Also, where we have implemented changes we have reviewed the impact of those changes, summarised in appendix 4.

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<sup>1</sup> "Protected characteristics" are; age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation (also marriage and civil partnership, but only in relation to eliminating discrimination)

The aim of the EIA is to support good decision making; it encourages public bodies to understand how different people will be affected by their activities so that policies and services are appropriate and accessible to all and meet different people's needs.

The aims of an EIA become especially important at times of straitened budgets, enabling us to:

- Think about what the council is trying to achieve
- Consider what impact the decision will have on different groups
- Target resources to those who may be most vulnerable
- Fund services which respond to people's diverse needs and save money by getting it right first time

Nationally there have been a number of successful legal challenges to funding decisions because public authorities have failed to show such consideration during the process. In such cases the public authority will almost always be required to start the decision-making process again, with improved consultation and evidence gathering to identify the impact on particular groups.

We have agreed that we must focus our priorities and resources towards:

- Enable residents to live safe, healthy and independent lives
- Keep children and young people safe and give them a great start in life
- Support the growth of our economy and the number of people in work
- Secure better services, quality of life and value for money

Unfortunately, it is not just severe funding reductions we are facing, but also an increasing population with additional needs, particularly in priority areas such as children and young people and adult social care.

In the simplest terms, we can no longer continue to pay for all the services we have traditionally provided. Therefore we must prioritise the services we provide and how we provide them. This means we may need to radically reduce or completely stop providing certain services, especially if they are not within our priority areas. However, even within our priority areas, we still need to make reductions to balance our budget.

### **3. The National Context**

The budget proposals are being developed within the context of on-going reduced public funding to local government.

Key national issues that may have an equality impact include:

- Final comprehensive spending review
- Specific grant funding allocations
- Increased integration with health
- Devolution of services to local authorities
- Retention of business rates
- The on-going costs of refugees and asylum seekers
- Welfare reform
- Education reform

### **4. The Local Context**

The Council is committed to supporting people to live full and independent lives within their local communities. While assessing the cumulative impact of our proposals on equality groups, we have identified two additional factors that could compound the impact. These factors are:

#### **4.1. Rural isolation** (due to the rural nature of the county)

According to the 2011 Census, Herefordshire is the 4th largest county (in geographic area) in England, with 54% of its population living in areas classified as rural. These rural areas make up 97% of the land area. The proposals will impact upon our rural communities. We recognise the need to offer support to enable people to exercise more choice and control over the services they receive.

#### **4.2. Risk of financial exclusion (due to low income)**

We understand that people are experiencing financial difficulties in the current economic climate.

### **5. Equality Impact Assessment Findings**

The EIA process and consultation have been based on identifying whether or not service delivery impacts are likely to be different for a person because of their protected characteristic (with a focus on where impacts may be worse).

There has been an overall assessment of the Equality Impact Assessments that have been produced and the findings are:

- We acknowledge the importance of services such as transport and the rural bus service in providing access to services for rural communities and, in particular, older and disabled people and those on low income.
- We acknowledge the need to ensure that our services are as accessible as possible, and are looking at alternative models of delivery to support these budget proposals, including the use of technology to reduce our costs.
- We also recognise that these changes will have implications for carers, the majority of whom will be women, and that we need to fulfil our responsibilities to carers.
- Service users who are facing changes to residential or day centre support may face considerable uncertainty, worry and disruption. These impacts could be disproportionately felt by older and disabled service users, and specifically service users with a learning disability.
- We also recognise that the changes and remodelling we do around “early years” and children’s centres will have an impact on this same group.
- We also recognise that imminent changes such as housing benefit cap will impact on some people, particularly large families that are waiting for social housing. It is recognised that some of our proposals might further impact on these individuals.
- There are some fee increases for non-statutory services that we provide, for example car parking, and we understand that these fee increases all add up.
- We have also recently decided to change the support through the Council Tax Reduction Scheme. The Council Tax Reduction Scheme provides essential help towards the Council Tax liability for all claimants on a low income. By continuing to assess entitlement on a means-tested basis, similar to the national approach to means-tested benefits, the scheme is equitable, albeit that the level of support overall may be reduced to working age claimants.
- Many of the services that are not a statutory requirement for the council to deliver will be delivered at full cost recovery (ie. charged for), or outsourced to an alternative provider. This may not impact on specific protected characteristics, but will impact on those who have a low income.



# Priorities and Budget Consultation 2016-2020

Version 1.1  
Strategic intelligence team

December 2015

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Version history:

Version	Date	Organiser	Description
V1.0	30.10.2015	Strategic intelligence team	Final report
V1.1	02.12.2015	Strategic intelligence team	Final report with qualitative analysis

If you need help to understand this document, or would like it in another format or language, please call the Research Team on 01432 261944 or e-mail [researchteam@herefordshire.gov.uk](mailto:researchteam@herefordshire.gov.uk).



## Executive summary

- The consultation on Herefordshire Council's priorities and budget for 2016 to 2020 ran from late July to early October 2015. A questionnaire was available online and hard copies were distributed at promotion events in the city and market towns.
- There were 1,979 responses to the questionnaire; 60 per cent of which were completed on paper.
- Of the three council priorities that respondents were asked to rank (question 1), the general pattern of responses suggested that 'enable residents to live safe, healthy and independent lives' was most important, followed by 'keep children and young people safe and give them a great start in life' then 'support the growth of our economy and the number of people in work'.
- However, almost three quarters of respondents thought that the council should identify other priority areas (Q2). Most popular among these were keeping the libraries and customer services open; public transport and infrastructure were other highly preferred areas of priority.
- With regard to income and savings proposals (Q3), there was a general preference for those that would generate income and less preference for the savings options. In particular 'sell our smallholdings estate of 4,500 acres, including 45 farms, to reduce our debt repayments' was the most preferred option of almost a third of respondents. By far the least preferred proposal was the savings that would be generated by 'reducing customer services and libraries across the county' (least preferred option of more than half of respondents).
- Almost two thirds (63 per cent) of respondents thought that the council should continue to fund town and parish councils (Q4).
- Over half (58 per cent) of respondents thought that town and parish councils, community groups or voluntary organisations could do more to help deliver services if Herefordshire Council reduces or stops delivering a particular service (Q5). Suggestions for which services included grass cutting and the general maintenance of public spaces such as parks, streets, roads and footpaths; community transport services; and libraries and museums.
- The majority (61 per cent) of respondents would support an increase in council tax above two per cent to support services and defer savings for a year (Q6). Of these, half supported a three per cent increase and the other half supported a five per cent increase in council tax.
- An even larger majority (71 per cent) of respondents thought that the council should increase service charges to protect other services across the county (Q7).
- Just over half (52 per cent) of respondents would support an increase in council tax above two per cent and also thought the council should increase service charges.

## Introduction

The consultation on Herefordshire Council's priorities and budget for 2016-2020 began on Friday 24 July 2015 and ended on Friday 9 October 2015. This report presents the key points from the analysis of responses received by 14 October. The consultation was publicised on the council's website with the following background documents:

- [Income and savings proposals](#)
- [Council's budget report 6 February 2015](#)

## Methodology

The consultation questionnaire was published on the Herefordshire Council website and people were invited to complete it online. A printable version of the questionnaire was made available for the people who would like to download, print and complete. Paper questionnaires were also distributed at the events organised in all market towns to promote the consultation. The consultation was also promoted on social media via the council's Twitter and Facebook.

This report presents the results of the combined online and paper responses to the questionnaire. The sample base is the number of respondents to the question and is the base from which percentages are calculated. The sample base used is specified for each question. Percentages are presented rounded to the nearest whole number in the tables; however the charts are based on unrounded percentages.

Note that if respondents could select more than one answer to a particular question, the percentages may add up to more than 100 per cent.

Where comments have been provided these are listed in full but have been anonymised and corrected for spelling where appropriate.

There were a total of 1,979 responses to the questionnaire, of which 784 were submitted online and 1,195 were completed paper copies.

The consultation also received 30 other responses in the form of 16 letters and 14 emails. Because they didn't answer the standard questions it is not possible to include them in the analysis presented here.

# Results

## The council's priorities

### Q1. How would you choose to rate these priorities in terms of most important and least important? (1 = most important and 3 = least important)

The three priorities that this question asked respondents to rank in order of importance were:

- Enable residents to live safe, healthy and independent lives
- Keep children and young people safe and give them a great start in life
- Support the growth of our economy and the number of people in work

In the final version of the online survey it was only possible for respondents to assign each rank to one option only, but in an earlier version and for people who responded on paper it was possible to assign ranks more than once. 615 respondents – 32 per cent of the total number who responded to this question – assigned at least one rank to more than one option. These responses have an impact on the overall result, because there was a tendency amongst them to say that all three priorities were equally (most) important. Details of how these responses varied from the rest, are given in Appendix A-Q1, but for simplicity and to ensure that all responses are taken into account the analysis below includes all responses to the question.

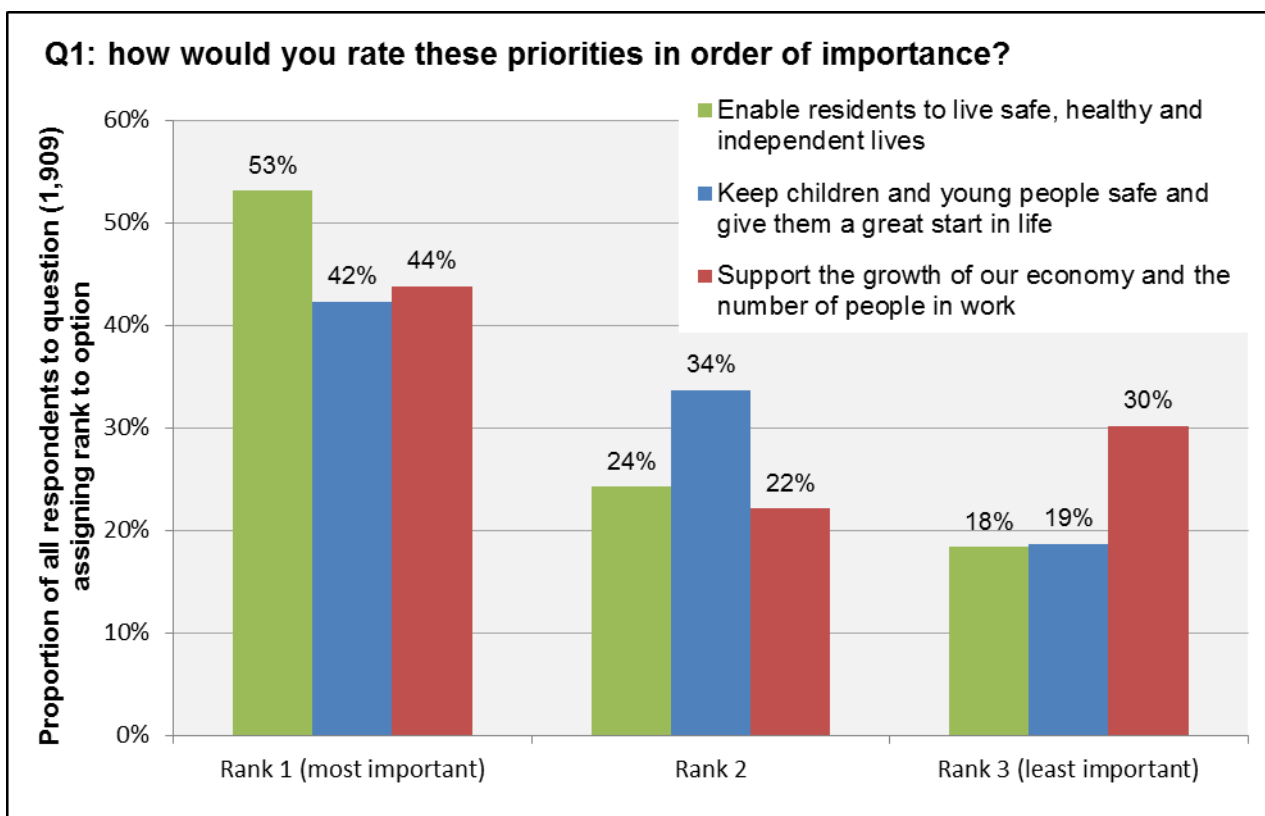
Because of the number of people who said that all priorities were equally important, when combining all 1,909 responses to the question the most common response for each option was 'most important' (see chart 1). However, it is possible to identify a general pattern of order of importance:

- **'Enable residents to live safe, healthy and independent lives' was most important** to more people than either of the other priorities (53 per cent of respondents compared to 44 per cent for the economic priority and 42 for children and young people)
- **'Keep children and young people safe and give them a great start in life' was second most important** to a higher proportion of people than any other (34 per cent), and was given first or second by a similar proportion to enabling residents to live safe, healthy and independent lives (76 per cent compared to 77 per cent)
- **'Support the growth of our economy and the number of people in work' was least important** to more respondents than either of the other priorities (30 per cent compared to 19 per cent for children and young people and 18 per cent for safe, healthy and independent lives)

**Table 1: responses to question 1**

Priority	Rank	All responses combined (1,909)		
		1	2	3
Enable residents to live safe, healthy and independent lives		53%	24%	18%
Keep children and young people safe and give them a great start in life		42%	34%	19%
Support the growth of our economy and the number of people in work		44%	22%	30%

**Chart 1: proportion of respondents to question 1 who assigned each rank to each priority**



**Q2. Are there any other areas which you think the council should identify as a priority?**

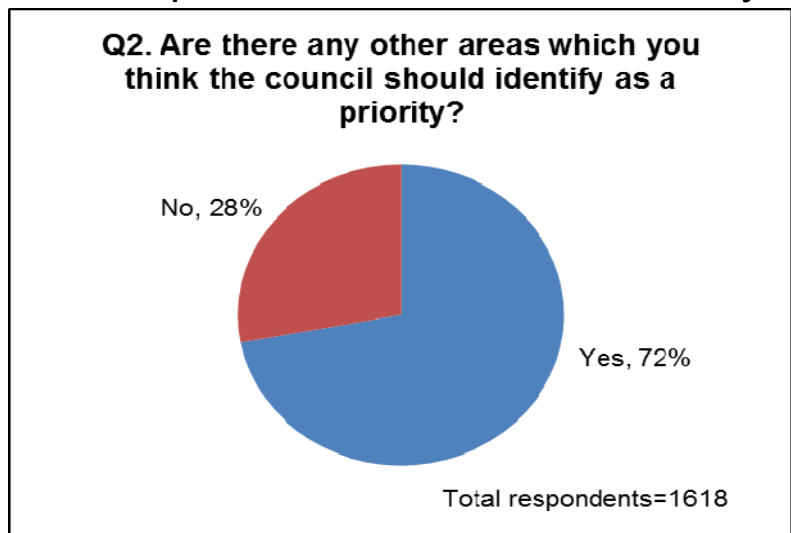
**If yes, please specify the priorities you believe we should focus on.**

Just under three quarters of respondents (72 per cent) thought that there were other areas that the council should identify as a priority, and 1,300 people made a suggestion as to what the other priorities should be. Please note that some respondents who answered 'No' to this question and people who did not answer Q2 also made suggestions.

**Table 2: responses to whether council should identify other priorities**

	Number of respondents	Per cent of respondents
Yes	1,166	72%
No	452	28%
Total respondents	1,618	100%
Not answered	361	

**Chart 2: responses to whether council should identify other priorities**



**Figure 1: word cloud showing responses to Q2**  
(size of word relates to the number of times it was mentioned)



The word cloud in figure 1 identifies the words that featured in the 1,300 suggestions. From a more detailed analysis of the comments made to this question, the most frequently quoted priorities were:

1. Libraries, customer services and public toilets

*“ Public library services, which under the 1964 Public Libraries Act are a statutory requirement, and provide education, entertainment & improve health, particularly for the young & disadvantaged. ”*

2. Public transport including transport subsidies/grants, sustainable transport

*“ Retaining public transport - if we don't want more problems associated with isolation in the rural communities in which we live then access to services is key. ”*

3. Infrastructure including roads and broadband

*“ Maintain the infrastructure of the county such as existing roads, bus travel and public rights of way. They have been neglected by the council yet all provide the services that support the above 3 objectives. ”*

The next most common other priorities suggested were:

- support elderly to live an independent & healthy lives including adult social care
- children's wellbeing including education, provision of local school places, school transport
- cutting down council's internal costs e.g. high paid staff; interim consultants; short term funded projects
- focus on climate change / green energy / protect the environment

Please see Appendix B-Q2 for further analysis of the comments made to question 2.

## **The council's budget**

### **Q3. How would you choose to prioritise the following areas (see table 3 for full list) in terms of which you would implement first compared to last in order to reduce spending?**

This question asked respondents to rank eleven options in order of preference (1 = first and 11 = last). Three of the options related to ways in which the council could generate income and the other eight related to areas of potential savings.

In the final version of the online survey it was only possible to assign each rank to one option only, but in an earlier version and for people who responded on paper it was possible to assign ranks more than once. 664 respondents – 34 per cent of the total number who responded to this question – assigned at least one rank to more than one option. These responses had the potential to skew the overall result, so they were looked at separately to the 'correct' responses. Respondents who used ranks more than once tended to favour either rank 11, i.e. to say that two or more options were their least preferred, or rank 1, i.e. to have joint favourite options: rank 11 was the most popular rank for all options except 'introduce on street car parking charges in Hereford' and 'sell our smallholdings estate' amongst these 664 respondents. For the latter, rank 1 was the most popular.

Details of how these 664 responses varied from the rest are given in Appendix A-Q3, but they did not significantly affect the overall findings. So for simplicity and to ensure that all responses are taken into account the analysis below includes all responses to the question.

To give an overall indication of relative preference between the options, the ranks assigned to each option by each respondent were given a weight (from -5 for least preferred to +5 for most preferred) which were then converted into an overall score out of 100 for each option – see chart 3 on the next page.

There were some clear messages from these scores and the distribution of the ranks (see table 3):

- There was a general preference for those that would generate income:
  - 37 per cent of respondents ranked 'selling our smallholdings estate' as their first or second preference
  - 'Increase car parking charges across the county' received the next highest number of first choices (22 per cent) and was the second choice of a further 10 per cent; but 'introduce on street car parking charges in Hereford' received more first and second choices combined (35 per cent)

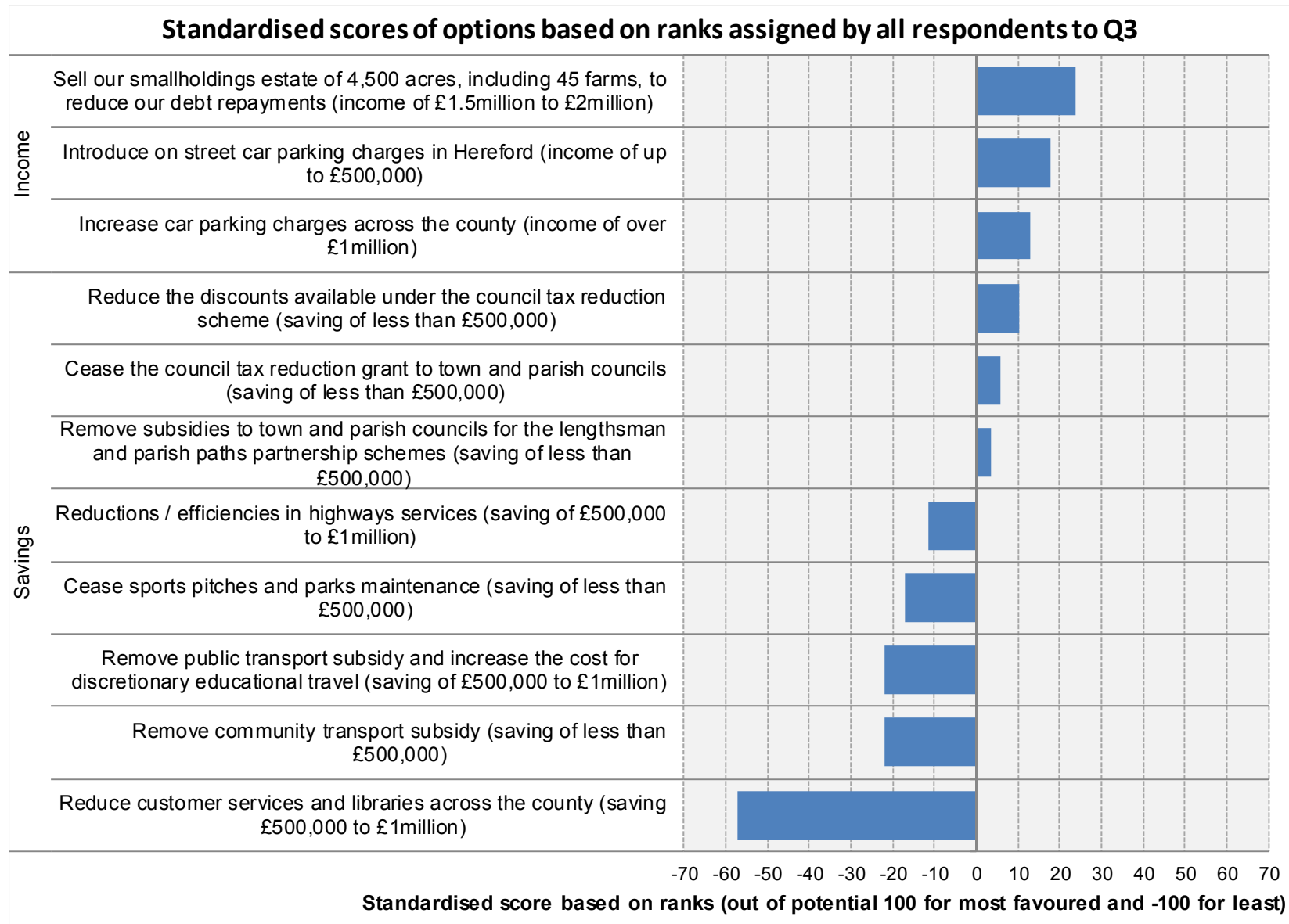
- Altogether, these three options were ranked as most preferred by 70 per cent of respondents - and no other option received more first choices than any of them individually.
- There was less preference for the savings options, although a few were preferred over others:
  - 30 per cent of respondents ranked 'reduce the discounts available under the council tax reduction scheme' as either first, second or third preference
  - 'Cease the council tax reduction grant to town and parish councils' was first, second or third preference for 26 per cent; as was 'remove subsidies to town and parish councils for the lengthsman and parish paths partnership scheme' for 23 per cent.
- At the other end of the scale,
  - 'Reductions / efficiencies in highways services' and 'cease sports pitches and parks maintenance' were both the least preferred option of 13 per cent of respondents. In total, just under a third of respondents indicated that each of these options were amongst their three least preferred (ranks 9, 10 or 11).
  - 'Remove public transport subsidy and increase the cost for discretionary educational travel' was the least preferred option for 21 per cent of respondents and was amongst the bottom three options for almost 40 per cent. 'Remove community transport subsidy' was the least preferred for 16 per cent and was amongst the bottom three choices for 36 per cent.
- 'Reduce customer services and libraries across the county' was by far the least preferred option, being ranked as least preferred by over half (52 per cent) of respondents – and second least by a further 10 per cent.



**Table 3: percentages of all respondents to question 3 that assigned each rank to each option**  
 (most common ranks for each option highlighted and notably large proportions in bold)

Proposal		Rank (1=first and 11=last)										
		1	2	3	4	5	6	7	8	9	10	11
Income	Sell our smallholdings estate of 4,500 acres, including 45 farms, to reduce our debt repayments (income of £1.5million to £2million)	<b>31%</b>	7%	10%	5%	6%	6%	4%	4%	5%	4%	13%
	Introduce on street car parking charges in Hereford (income of up to £500,000)	17%	<b>18%</b>	9%	6%	6%	5%	6%	5%	6%	5%	11%
	Increase car parking charges across the county (income of over £1million)	<b>22%</b>	10%	7%	6%	7%	7%	4%	6%	5%	7%	13%
Savings	Reduce the discounts available under the council tax reduction scheme (saving of less than £500,000)	11%	8%	<b>12%</b>	9%	11%	9%	7%	6%	6%	4%	9%
	Cease the council tax reduction grant to town and parish councils (saving of less than £500,000)	8%	8%	10%	10%	<b>11%</b>	<b>11%</b>	7%	7%	6%	6%	9%
	Remove subsidies to town and parish councils for the lengthsman and parish paths partnership schemes (saving of less than £500,000)	9%	7%	8%	10%	<b>11%</b>	<b>11%</b>	8%	8%	7%	5%	9%
	Reductions / efficiencies in highways services (saving of £500,000 to £1million)	5%	5%	7%	9%	9%	11%	8%	9%	10%	7%	<b>13%</b>
	Cease sports pitches and parks maintenance (saving of less than £500,000)	4%	3%	5%	8%	10%	10%	10%	10%	9%	10%	<b>13%</b>
	Remove public transport subsidy and increase the cost for discretionary educational travel (saving of £500,000 to £1million)	5%	5%	6%	8%	8%	8%	6%	9%	9%	10%	<b>21%</b>
	Remove community transport subsidy (saving of less than £500,000)	4%	3%	5%	7%	10%	9%	8%	10%	10%	10%	<b>16%</b>
	Reduce customer services and libraries across the county (saving £500,000 to £1million)	4%	2%	2%	3%	4%	5%	4%	4%	7%	10%	<b>52%</b>

**Chart 3: scores of options based on ranks assigned by all respondents to Q3**



## Town and parish councils, community groups and voluntary organisations

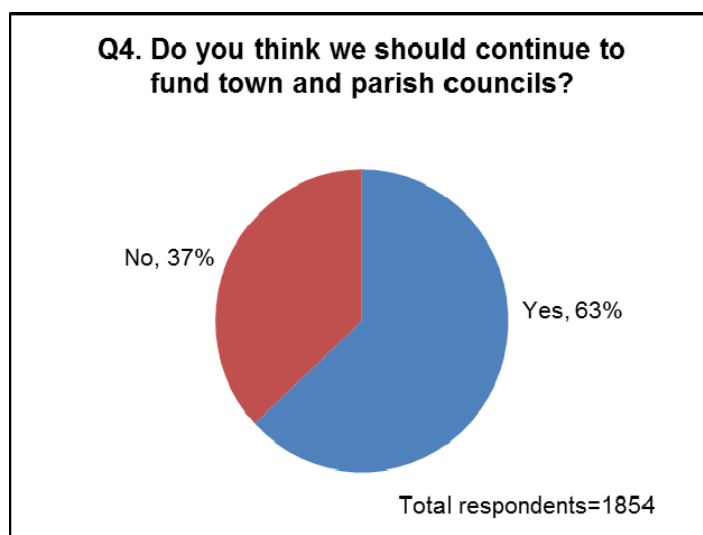
### Q4. Do you think we should continue to fund town and parish councils?

Nearly two thirds of respondents (63 per cent) thought that the town and parish councils should continue to be funded by Herefordshire Council.

**Table 4: responses to whether council should continue to fund town and parish councils**

	Number of respondents	Per cent of respondents
Yes	1,171	63%
No	683	37%
Total respondents	1,854	100%
Not answered	125	

**Chart 4: should the council continue to fund town and parish councils?**



**Q5. If Herefordshire Council reduces or stops delivering a particular service, do you think that town and parish councils, community groups or voluntary organisations can do more to help deliver services in your local community? If yes, please specify what services (this could include cutting the grass, maintaining parks or running a community bus service)**

Nearly three fifths of respondents (58 per cent) thought that town and parish councils, community groups or voluntary organisations could do more to help deliver services in their local community if Herefordshire Council reduces or stops delivering a particular service.



The initial analysis indicated that the most common suggestions were:

- grass cutting
- maintaining parks and open spaces / communal areas / sport pitches,
- running a community bus service / car sharing
- helping in the community libraries and museums
- litter collection/street cleaning
- maintaining minor roads and footpaths

Some respondents expressed concerns about delegating the services to parish or town councils, community groups or voluntary organisations:

*“ Possibly, but they would need support, which may negate any savings. Many services are already supported by an ageing group of voluntary workers and there is a limit to what local organisations and voluntary groups can do with very little funding. ”*

*“ There is a safety issue to consider but I believe all rural roads need to be adopted by the parish. I also feel that we could do a better job of filling in potholes! This would save one person marking the pothole and a second gang filling. The marked potholes often do not get filled and 'the marker' has to repeat the process. Otherwise summed up above - grass cutting, maintaining parks, sports grounds, community bus, litter picking, cleaning road signs. ”*

Please see Appendix B-Q5 for further analysis of the comments made to question 5.

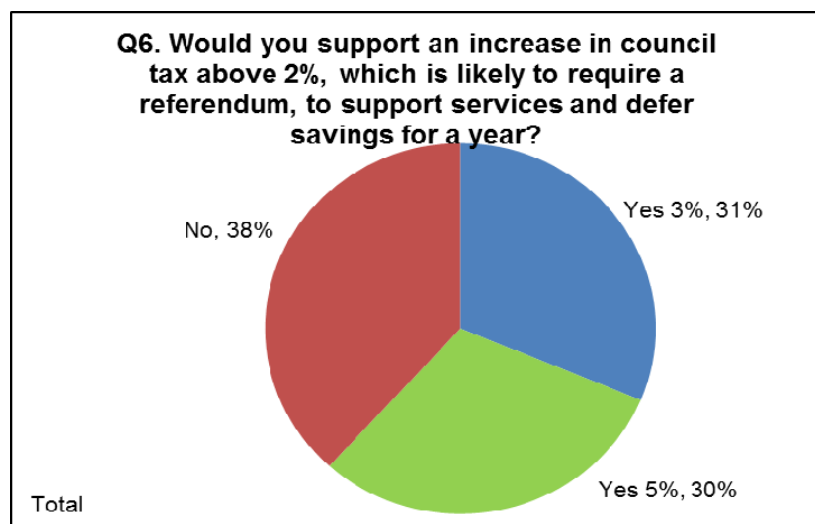
**Q6. Would you support an increase in council tax above 2 per cent, which is likely to require a referendum, to support services and defer savings for a year?**

Just over three fifths of respondents (62 per cent) would support an increase in council tax above 2 per cent (31 per cent by 3 per cent and 30 per cent by 5 per cent).

**Table 6: responses to whether council tax should be increased by more than 2 per cent**

	Number of respondents	Per cent of respondents
Yes, by 5%	574	30%
Yes, by 3%	591	31%
No	723	38%
Total respondents	1888	100%
Not answered	91	

**Chart 6: would you support an increase in council tax?**



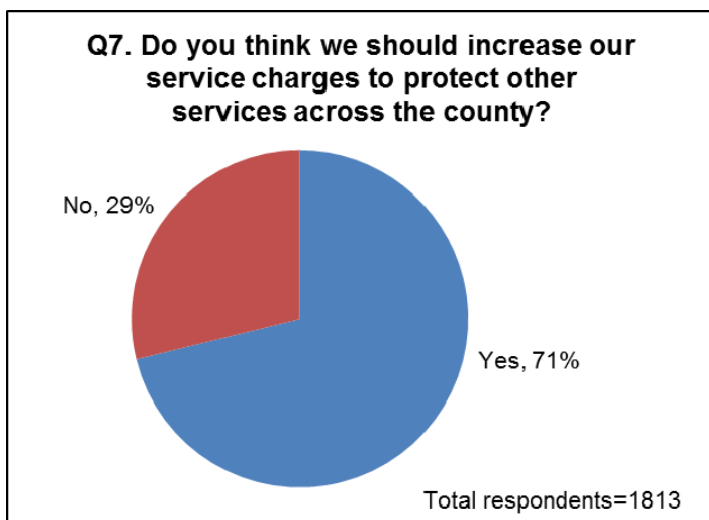
**Q7. Do you think we should increase our service charges to protect other services across the county?**

Just over seven in ten respondents (71 per cent) thought that Herefordshire Council should increase service charges to protect other services across the county.

**Table 7: responses to whether service charges should be increased to protect other services**

	Number of respondents	Per cent of respondents
Yes	1,290	71%
No	523	29%
Total respondents	1,813	100%
Not answered	166	

**Chart 7: increase service charges to protect other services?**



**Council tax and service charges (Q6 and Q7)**

Of the 1,787 respondents who answered both questions (Q6 and Q7), nearly a fifth (19 per cent) would not support an increase in either council tax or service charges.

Just over half of these respondents (52 per cent) would support both an increase in council tax (either by 3 per cent or 5 per cent) and increases in service charges.

Ten per cent of respondents would support an increase in council tax either by 3 per cent or 5 per cent but did not think the council should increase service charges. Twice as many (19 per cent) would not support an increase in council tax but did think the council should increase service charges.

**Table 8: comparison of responses to questions 6 and 7**

		Q6. Would you support an increase in council tax above 2%, which is likely to require a referendum, to support services and defer savings for a year?		
Total respondents	1,787	No	Yes, by 3%	Yes, by 5%
Q7. Do you think we should increase our service charges to protect other services across the county?	No	334 (19%)	108 (6%)	74 (4%)
	Yes	345 (19%)	460 (26%)	466 (26%)



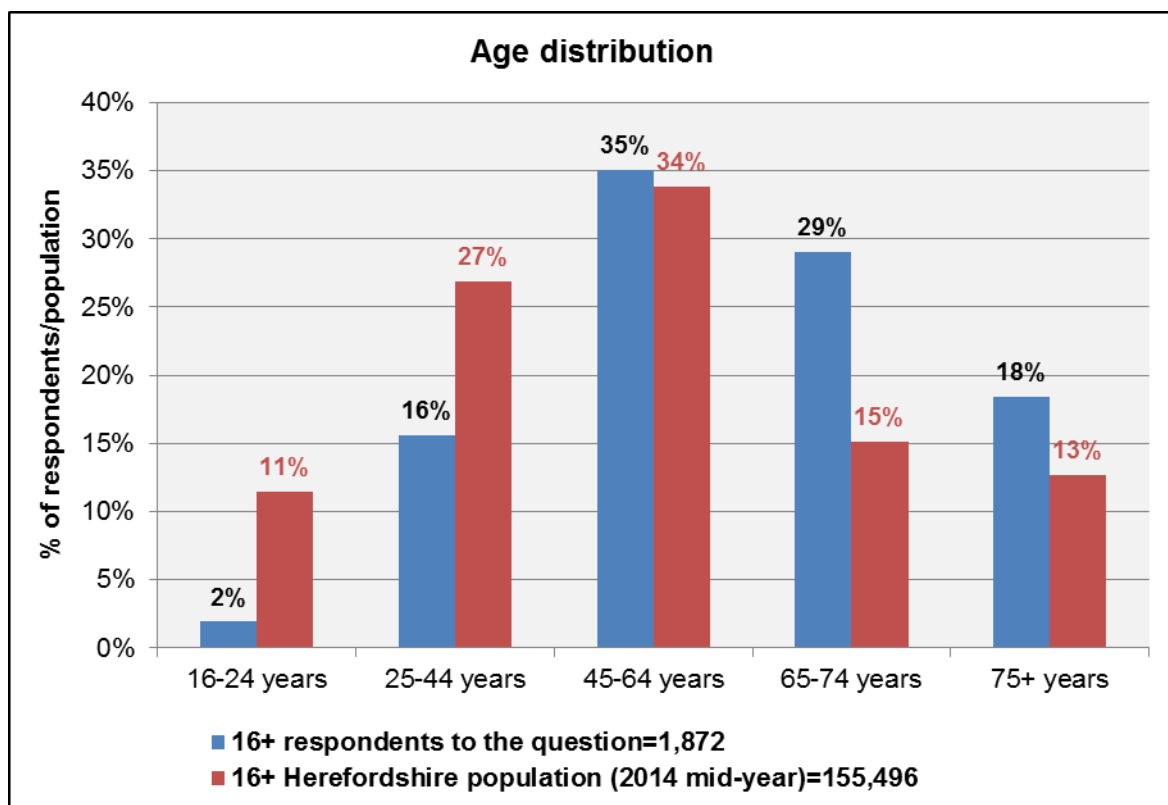




## About the respondents

- One per cent of respondents represented an organisation or a group while 99 per cent were individuals.
- 54 per cent of respondents to the survey were males and 46 per cent were females.
- 47 per cent were aged 65 years or over, 35 per cent were aged 45-64 years and 18 per cent were 24 years or younger. It is clear from chart 8 that people aged 45 years and over are over represented in the consultation.

**Chart 8: age distribution of survey respondents and Herefordshire population**



- Nearly a fifth of respondents' day-to-day activities were limited a little or limited a lot because of a health problem or disability which has lasted, or is expected to last, at least 12 months.
- The large majority (97 per cent) of respondents identified themselves as English, Scottish, Welsh or British; three per cent identified themselves as Irish or another national identity.
- All of the 93 per cent of respondents who answered the question about their ethnicity identified themselves as 'White' (97 per cent) or 'other White' (three per cent). This is quite different to the adult population of the county according to the 2011 Census: five per cent were 'other white' and two per cent were 'non-white'.
- One in ten respondents felt that they had been treated differently (positively or negatively) because of who they are.

## Appendix A-Q1: Detailed analysis of responses to question 1

This section compares the responses of those who assigned ranks to more than one priority in question 1 to those who didn't. It is necessary to do this because different versions of the questionnaire allowed for different interpretations of the question. As mentioned on page 5, amongst the 615 **respondents who assigned tied ranks**, there was a tendency to say that all three options were equally (most) important: 80 per cent of respondents assigned rank 1 to the first option (enable residents to live safe, healthy and independent lives); 73 did to the second (keep children and young people safe and give them a great start in life) and a further 73 to the third option (support the growth of our economy and the number of people in work). Only five to seven per cent of these respondents assigned rank 3 (least important) to any of the options.

There was a clearer order of priorities from the 1,295 **respondents who assigned only one option to each rank**:

- 40 per cent felt that 'enable residents to live safe, healthy and independent lives' was most important
- 41 per cent felt that 'keep children and young people safe and give them a great start in life' was second most important
- 42 per cent felt that 'support the growth of our economy and the number of people in work' was least important

**Table 9: responses to question 1 as a proportion of the 615 respondents who assigned at least one rank to more than one option and as a proportion of the 1,295 respondents who assigned one rank for each option**

Priority	Rank	Respondents who assigned tied ranks (615)			Respondents who assigned one option to one rank (1,295)		
		1	2	3	1	2	3
Enable residents to live safe, healthy and independent lives		80%	14%	5%	40%	29%	25%
Keep children and young people safe and give them a great start in life		73%	18%	7%	28%	41%	24%
Support the growth of our economy and the number of people in work		73%	21%	5%	30%	22%	42%

## Appendix A-Q3: Detailed analysis of responses to question 3

This section compares the responses of those who assigned ranks to more than one proposal in question 3 to those who didn't. It is necessary to do this because different versions of the questionnaire allowed for different interpretations of the question. As described on page 10, a third of respondents to question 3 assigned at least one rank to more than one option. These respondents tended to favour either rank 11, i.e. to say that two or more options were their least preferred, or rank 1, i.e. to have joint favourite options. As the highlighted cells in table 9 show, rank 11 was the most popular for all options except 'introduce on street car parking charges in Hereford' and 'sell our smallholdings estate' amongst these 664 respondents. For the latter, rank 1 was the most popular by a small minority.

**Table 10: responses to question 3 as a proportion of the 664 respondents who assigned at least one rank to more than one option**  
(most common ranks for each option highlighted and notable proportion in bold)

Per cent of respondents assigning each rank to each proposal		Rank (1=first and 11=last)										
		1	2	3	4	5	6	7	8	9	10	11
Income	Sell our smallholdings estate of 4,500 acres, including 45 farms, to reduce our debt repayments	<b>28%</b>	5%	7%	6%	6%	5%	2%	3%	6%	3%	27%
	Increase car parking charges across the county	24%	4%	4%	5%	10%	7%	3%	6%	4%	3%	26%
	Introduce on street car parking charges in Hereford	<b>25%</b>	6%	7%	4%	9%	8%	3%	4%	3%	3%	24%
Savings	Reduce the discounts available under the council tax reduction scheme	18%	4%	9%	5%	9%	10%	4%	3%	5%	5%	21%
	Cease the council tax reduction grant to town and parish councils	14%	4%	6%	8%	10%	11%	5%	5%	5%	5%	20%
	Remove subsidies to town and parish councils for the lengthsman and parish paths partnership schemes	16%	4%	7%	6%	9%	10%	6%	7%	6%	5%	22%
	Reductions / efficiencies in highways services	9%	4%	5%	7%	12%	11%	6%	6%	6%	5%	23%
	Cease sports pitches and parks maintenance	9%	4%	5%	7%	9%	9%	5%	6%	7%	8%	29%
	Remove public transport subsidy and increase the cost for discretionary educational travel	9%	3%	5%	5%	9%	8%	3%	6%	7%	6%	36%
	Remove community transport subsidy	8%	3%	3%	6%	9%	8%	4%	6%	6%	7%	36%
	Reduce customer services and libraries across the county	6%	2%	1%	2%	5%	3%	1%	2%	5%	5%	<b>66%</b>

There were 1,204 respondents who assigned one rank for each option. According to them, there was a clear order of preference for ‘selling our smallholdings estates’, ‘introduce on street car parking charges in Hereford’ and ‘increase car parking charges across the county’ as rank 1, 2 and 3 respectively. ‘Reduce customer services and libraries across the county’ was the least preferred choice (rank 11) for a large majority.

**Table 11: responses to question 3 as a proportion of the 1204 respondents who assigned one rank for each option**  
(most common ranks for each option highlighted and notable proportion in bold)

Per cent of respondents assigning tied ranks to each proposal		Rank (1=first and 11=last)										
		1	2	3	4	5	6	7	8	9	10	11
Income	Sell our smallholdings estate of 4,500 acres, including 45 farms, to reduce our debt repayments (income of £1.5million to £2million)	<b>32%</b>	8%	12%	5%	5%	6%	5%	5%	4%	4%	6%
	Introduce on street car parking charges in Hereford (income of up to £500,000)	12%	<b>24%</b>	9%	7%	5%	4%	7%	6%	8%	7%	3%
	Increase car parking charges across the county (income of over £1million)	<b>21%</b>	13%	8%	6%	6%	7%	5%	5%	5%	10%	6%
Savings	Reduce the discounts available under the council tax reduction scheme (saving of less than £500,000)	7%	10%	<b>13%</b>	12%	12%	8%	9%	7%	7%	4%	2%
	Cease the council tax reduction grant to town and parish councils (saving of less than £500,000)	5%	10%	12%	12%	11%	11%	8%	8%	7%	6%	2%
	Remove subsidies to town and parish councils for the lengthsman and parish paths partnership schemes (saving of less than £500,000)	5%	8%	9%	12%	<b>13%</b>	12%	10%	9%	8%	4%	1%
	Reductions / efficiencies in highways services (saving of £500,000 to £1million)	3%	5%	8%	10%	7%	10%	9%	10%	<b>12%</b>	8%	8%
	Cease sports pitches and parks maintenance (saving of less than £500,000)	1%	3%	5%	9%	11%	11%	<b>13%</b>	12%	10%	11%	4%
	Remove community transport subsidy (saving of less than £500,000)	1%	3%	6%	7%	12%	10%	11%	<b>12%</b>	12%	12%	5%
	Remove public transport subsidy and increase the cost for discretionary educational travel (saving of £500,000 to £1million)	2%	5%	7%	9%	7%	8%	7%	11%	10%	<b>12%</b>	12%
	Reduce customer services and libraries across the county (saving £500,000 to £1million)	4%	2%	2%	3%	4%	5%	6%	5%	8%	13%	<b>44%</b>

## Appendix B: Analysis of free text comments

The following analysis presents the key priorities/themes/suggestions emerged from the comments made to questions 2, 5 and 8.

**Note:** because there were more than one priority/theme/suggestion mentioned in some comments, the percentages are added up to more than 100 per cent.

**Q2. Are there any other areas which you think the council should identify as a priority? If yes, please specify the priorities you believe we should focus on.**

Key priorities	Proportion of frequency of the priority
Keep local libraries, museums, customer services, and public toilets open	23%
Public transport including transport grants, sustainable transport, reduce congestion	13%
Infrastructure (roads, communication, broadband etc.) and access to services	12%
Support elderly/vulnerable people to live independent and healthy lives, adult social care	7%
Children's wellbeing including education, provision of local school places, school transport, school library service	6%
Cut down Council internal costs e.g. high paid staff/interim consultants/short term funded projects and review contracts and projects	6%
Promote tourism and cultural services	4%
Focus on climate change, green energy and protect environment	4%
Health and wellbeing including mental health, integrate health & social care	4%
Cut grass & clean streets, roads, footpaths, countryside	3%
Housing development/Affordable housing	3%
Community safety/more policing, community cohesion, reduce anti-social behaviour	2%
Promote rural economy including the market towns	2%
Economic growth and more employment opportunities	2%
Opportunities for youth	2%
Cannot separate these priorities	2%
Good place to work/live happily, and a cleaner place to live	2%
Support voluntary organisations, third sector organisations, Citizen Advice Bureau (CAB) and decentralise services	2%
Review council tax, generate revenue and consider cost efficiencies	1%
Road safety	1%
Review car parking charges including disable parking	1%
Integrate council services	1%

Key priorities	Proportion of frequency of the priority
Other priorities such as: development of city centre and high town, maintenance of city centre, provide back office function, retain services in-house/do not sub contract, commission out adults wellbeing and children's wellbeing services, parks and gardens to local companies, affordable recreational/leisure facilities, cut street lighting, provide sports facilities, tackle corruption, learning opportunities, collect the millions of pounds not paid by residents	2%
Other comments*	5%

\*All other comments regarding individual topical areas which cannot aggregate in a meaningful way are included in 'other comments'.

**Q5. If Herefordshire Council reduces or stops delivering a particular service, do you think that town and parish councils, community groups or voluntary organisations can do more to help deliver services in your local community? If yes, please specify what services (this could include cutting the grass, maintaining parks or running a community bus service)**

Key suggestions/ themes	Proportion of frequency of the suggestion
Cutting grass and hedge trimming	32%
Maintain communal areas(parks, play grounds, sport pitches, ...)	29%
Community bus service/car sharing	24%
Other suggestions e.g. parish councils should be consulted for the services, people on benefit or probation should do the work, reduce councillors and their expenses, make a website to advertise/look out for services etc.	13%
Provide libraries, museums and leisure facilities	12%
Litter enforcement	12%
Concerns about health and safety, equipment, training, expenses and liaison/coordinating function	8%
Maintaining roads, footpaths and repair pot holes	4%
Parish councils/ voluntary groups are already delivering these services	4%
Neighbour visiting services, respite and day service, good neighbour service and assisting vulnerable people e.g. with shopping etc.	2%
Lengthsman scheme	2%
Parish council should not take these activities, its county council's responsibility	2%
Volunteers are a limited resource	2%
Delivering a customer contact centre, tourist information/advice hub, signposting services, children centres and Citizens Advice Bureau	1%
More funds should be available or increase the parish council precept in order to deliver these services	1%
Providing winter services and act on emergencies	1%
Other comments*	7%

\*All other comments regarding individual topical areas which cannot aggregate in a meaningful way are included in 'other comments'.

**Q8. Do you have any other comments you would like to make on our priorities, budget or income and savings proposals?**

Key themes	Proportion of frequency of the theme
Reduce high executive salaries, reduce number of managers and councillors to release more money, cut councillor allowances/expenses, grow a more efficient qualified workforce, e.g. stop employing interims and agency staff, make redundancies, share top positions with other councils, reducing agency and unnecessary staff and reduce the wage bill.	24%
Do not close local libraries	17%
Review car parking and car parking charges	7%
Collect outstanding council tax/re- evaluate council tax bands.	5%
Review contracts and service charges, generate income, reduce council reserves	5%
Increase council tax/business rates and implement both income and savings proposals	5%
Utilise current assets efficiently, generate income and reduce waste	5%
Provide public transport especially in rural areas	4%
Provide funding for Citizen Advice Bureau (CAB) and other voluntary organisations	2%
Demand/press more funding for central government	2%
Do not cut public transport/transport subsidies and transport funds	2%
Share service with other councils/reduce spending/increase efficiencies	2%
Promote public health/quality of life for everyone	2%
Turn off unnecessary street lighting	2%
Proposed cuts/savings are not efficient enough and things will be worse off	2%
Do not increase burial or cremations costs	2%
Maintain roads, footpaths and improve cycle tracks	2%
Support for small businesses, small market traders and small farms	2%
Increase library fines and implement a small charge for internet use in libraries	1%
Use more volunteers, self-service or outsource services	1%
Do not cut school transport	1%
Cut bureaucracy & admin costs	1%
Means test pensioners for free bus passes (rather than automatic eligibility at retirement age)	1%
No need for new roads or southern link	1%
Do not cut down Parish precept	1%
Referendum is a waste of money	1%
Other comments*	17%

\*All other comments regarding individual topical areas which cannot aggregate in a meaningful way are included in 'other comments'.

## **Appendix C: The questionnaire**



# Priorities and budget consultation 2016-2020

## Consultation questions

### The council's priorities

The council, as with any other organisation, works towards an agreed set of priorities which have been identified through in depth research, including public consultation, to ensure we are providing the services required to the residents who need them.

Despite the financial challenges we face, we remain committed to efficiently maximising the use of scarce resources in order to secure better services, quality of life and value for money whilst complying with our legal duties and corporate priorities.

The council needs to refresh its priorities for 2016 - 2020, to form the basis for our corporate plan, and after listening to what you've told us and analysing the available research in the 2014 [Understanding Herefordshire report \(https://factsandfigures.herefordshire.gov.uk/Understanding-Herefordshire\)](https://factsandfigures.herefordshire.gov.uk/Understanding-Herefordshire), we propose to focus our resources so we enable residents to live safe, healthy and independent lives; keep children and young people safe and give them a great start in life and support the growth of our economy and the number of people in work.

**1. How would you choose to rate these priorities in terms of most important and least important? (1 = most important and 3 = least important)**

	<b>1</b>	<b>2</b>	<b>3</b>
Enable residents to live safe, healthy and independent lives	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Keep children and young people safe and give them a great start in life	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>
Support the growth of our economy and the number of people in work	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**2. Are there any other areas which you think the council should identify as a priority?**

Yes  No

**If yes, please specify the priorities you believe we should focus on:**

### The council's budget

In order to meet our priorities, we allocate our annual budget accordingly and consult on it every year.

The council's budget for 2015/16 is just under £142million and we have had to take challenging decisions to make savings of £10million to remain within budget. For 2016/17 our budget will be £138million and a combination of reduced funding from central government (£7million) and increased demand on priority services (£4million), means that after taking into account any increased income from council tax and business rates, we will need to find further savings of £11million. From now until 2020, the council will need to have saved a total of £42million.

## Increasing efficiency

The majority of our planned savings will be made from improving the efficiency of the organisation, including reducing management and staffing numbers and the reliance on agency staff; reducing our spend on external contracts; implementing better IT systems and reducing the number of buildings we occupy. We will also be investing in preventative strategies and working with public health to improve people's health and wellbeing, which in turn will reduce the demand for services and save money.

The efficiencies alone will not deliver all of the savings required, so we will need to consider increasing income or reducing service levels.

## Where can we increase income or make savings?

We have identified a range of areas where we may be able to increase income or make savings. These proposals are needed in order to balance our budget and allow more funding to be available to spend on priority areas, especially those which are experiencing a significant increase in demand from residents such as adult social care.

### 3. How would you choose to prioritise the following areas\* in terms of which you would implement first compared to last in order to reduce spending? (1 = first and 11 = last)

\* Please note that there is additional information available for each area; simply read our [income and savings proposals \(www.herefordshire.gov.uk/budgetconsultation2016\)](http://www.herefordshire.gov.uk/budgetconsultation2016) for further details.

#### Income and savings

	1	2	3	4	5	6	7	8	9	10	11
Increase car parking charges across the county (income of over £1million)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Introduce on street car parking charges in Hereford (income of up to £500,000)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Sell our smallholdings estate of 4,500 acres, including 45 farms, to reduce our debt repayments (income of £1.5million to £2million)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Remove public transport subsidy and increase the cost for discretionary educational travel (saving of £500,000 to £1million)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Remove community transport subsidy (saving of less than £500,000)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Reductions / efficiencies in highways services (saving of £500,000 to £1million)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Cease sports pitches and parks maintenance (saving of less than £500,000)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Remove subsidies to town and parish councils for the lengthsman and parish paths partnership schemes (saving of less than £500,000)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Reduce the discounts available under the council tax reduction scheme (saving of less than £500,000)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Cease the council tax reduction grant to town and parish councils (saving of less than £500,000)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Reduce customer services and libraries across the county (saving of £500,000 to £1million)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

## Town and parish councils, community groups and voluntary organisations

Herefordshire Council is looking to town and parish councils, community groups and voluntary organisations to, where possible, help deliver services in their local communities.

We currently provide funding to the 133 town and parish councils across Herefordshire through the council tax reduction grant. If we removed this funding, we'd save £289,000 a year.

### 4. Do you think we should continue to fund town and parish councils?

Yes

No

### 5. If Herefordshire Council reduces or stops delivering a particular service, do you think that town and parish councils, community groups or voluntary organisations can do more to help deliver services in your local community?

Yes

No

If yes, please specify what services (this could include cutting the grass, maintaining parks or running a community bus service):

## How can we generate income?

The council could generate income from a number of areas to help balance the budget and protect services. It is therefore incredibly important that you give us your views on this section, so we can best decide how to proceed in future years.

### Council tax

We could generate additional funding, which could be used to protect services, if we raised council tax above the current level. In 2016/17, it is proposed to raise council tax by 1.9%, however if we wanted to raise it above the 2% level, it is likely that we would be required to hold a countywide referendum (which would cost approximately £300,000), where we ask residents to say if they're for or against the proposal.

### What this would mean for you

If the proposed 1.9% council tax increase is agreed by full Council in February 2016, this would mean an average increase to each household of 50p a week, which would generate additional income of approximately £1.5million.

Alternatively, we could raise council tax by 3% or 5%, which would mean...

	Additional weekly increase	Additional income generated
3%	25p	£1million*
5%	70p	£2.5 million

\*This would provide sufficient funding to allow us to defer the savings proposals identified in question three for a year.

6. **Would you support an increase in council tax above 2%, which is likely to require a referendum, to support services and defer savings for a year?**

Yes 3%

Yes 5%

No

### **Increase charges**

There are a number of council services which are chargeable and provide an income, such as car parking, planning, licensing and burial services, which could be increased to protect other services. For example, if we increased charges it could help to protect transport or library services.

7. **Do you think we should increase our service charges to protect other services across the county?**

Yes

No

8. **Do you have any other comments you would like to make on our priorities, budget or income and savings proposals? Please state below:**

**Are you responding on behalf of an organisation or group, or as an individual?**

*Organisation or group*

*Individual*

If you are responding on behalf of an organisation or group please tell us the name of the organisation/group:

If you are responding as an individual please answer the following questions about yourself. This will help us to better understand how views may differ between different people across the county.

## About you

This information helps us to ensure that our services are accessible to all. It will only be used for the purpose of statistical monitoring, treated as confidential and not used to identify you.

### What is your gender?

Male

Female

### What is your age band:

0-15 years

25-44 years

65-74 years

16-24 years

45-64 years

75+ years

### Are your day-to-day activities limited because of a health problem or disability which has lasted, or is expected to last, at least 12 months?

Yes - limited a little

Yes - limited a lot

No

If yes, please specify any particular requirements when using this service:

### How would you describe your national identity? (Tick as many as apply)

English

Welsh

Other (please specify)

Scottish

Northern Irish

British

Irish

Other (please specify):

### How would you describe your ethnic group? (Please tick one box only)

White British/English/Welsh/Scottish/Northern Irish

Other White (please specify)

Any other ethnic group (please specify)

Other White (please specify)

Any other ethnic group (please specify)

### Do you feel that you were treated differently (positively or negatively) because of who you are? (e.g. your age, gender, disability or ethnicity)

Yes

No

If yes, please specify:

**Thank you for completing the questionnaire**

Please send your completed questionnaire to:  
Herefordshire Council Research Team, Freepost SWC4816, PO Box 4,  
Hereford, HR4 0BR

