

# Agenda

## Cabinet

Date: **Thursday 27 July 2017**

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Time: **2.00 pm**

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Place: **The 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:

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If you would like help to understand this document, or would like it in another format, please call Sarah Smith on (01432) 260176 or e-mail [sarah.smith1@herefordshire.gov.uk](mailto:sarah.smith1@herefordshire.gov.uk) in advance of the meeting.

# Agenda for the meeting of Cabinet

## Membership

**Chairman**                      **Councillor AW Johnson**  
**Vice-Chairman**              **Councillor PM Morgan**

**Councillor H Bramer**  
**Councillor DG Harlow**  
**Councillor JG Lester**  
**Councillor PD Price**  
**Councillor P Rone**  
**Councillor NE Shaw**

## Agenda

		Pages
1.	<p><b>APOLOGIES FOR ABSENCE</b></p> <p>To receive any apologies for absence.</p>	
2.	<p><b>DECLARATIONS OF INTEREST</b></p> <p>To receive any declarations of interest by Members in respect of items on the Agenda.</p>	
3.	<p><b>MINUTES (TO FOLLOW)</b></p> <p>To approve and sign the minutes of the meeting held on 20 July 2017.</p>	
4.	<p><b>QUESTIONS FROM MEMBERS OF THE PUBLIC</b></p> <p>To receive questions from members of the public.  <i>Deadline for receipt of questions is 5:00pm on Monday 24 July 2017.            Accepted questions will be published as a supplement prior to the meeting.            Please submit questions to: <a href="mailto:councillorservices@herefordshire.gov.uk">councillorservices@herefordshire.gov.uk</a>.</i></p>	
5.	<p><b>QUESTIONS FROM COUNCILLORS</b></p> <p>To receive questions from councillors.  <i>Deadline for receipt of questions is 5:00pm on Monday 24 July 2017.            Accepted questions will be published as a supplement prior to the meeting.            Please submit questions to: <a href="mailto:councillorservices@herefordshire.gov.uk">councillorservices@herefordshire.gov.uk</a>.</i></p>	
6.	<p><b>YOUNG PEOPLE'S ACCOMMODATION STRATEGY</b></p> <p>To approve a new accommodation strategy for vulnerable young people in Herefordshire.</p>	11 - 46
7.	<p><b>CENTRAL HEREFORD: ONE PUBLIC ESTATE</b></p> <p>To approve, in principle, the allocation of land and resources to enable the development of proposals to maximise the benefits of public sector land assets in Central Hereford.</p>	47 - 54
8.	<p><b>AWARDING THE CONTRACT FOR THE DEVELOPMENT AND REGENERATION PROGRAMME</b></p> <p>To approve the appointment of a developer to work in partnership with the council in delivering the development and regeneration programme.</p>	55 - 116
9.	<p><b>END OF MAY CORPORATE BUDGET AND PERFORMANCE REPORT 2017/18</b></p> <p>To review projected revenue outturn for 2017/18 and invite cabinet members to consider performance for the first two months of the year.</p>	117 - 138
10.	<p><b>JOINT CUSTOMER SERVICES HUB - BUDGET UPDATE</b></p> <p>To approve an increase in capital expenditure to deliver a joint customer services hub at Blueschool House.</p>	139 - 146
11.	<p><b>REVIEW OF APPOINTMENTS TO OUTSIDE BODIES</b></p> <p>To agree a policy for appointments to outside bodies.</p>	147 - 174





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- Inspect background papers used in the preparation of public reports for a period of up to four years from the date of the meeting. (A list of the background papers to a report is given at the end of each report). A background paper is a document on which the officer has relied in writing the report and which otherwise is not available to the public.
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## Guide to Cabinet

The Executive or Cabinet of the Herefordshire Council consists of a Leader and Deputy Leader and six other Cabinet Members each with their own individual programme area responsibilities. The current Cabinet membership is:

Councillor AW Johnson (Leader) (Conservative)	Corporate Strategy and Budget
Councillor H Bramer (Conservative)	Contracts and Assets
Councillor DG Harlow (Conservative)	Economy and Corporate Services
Councillor NE Shaw (Conservative)	Financial Management and ICT
Councillor PM Morgan (Deputy Leader) (Conservative)	Health and Wellbeing
Councillor PD Price (Conservative)	Infrastructure
Councillor P Rone (Conservative)	Transport and Roads
Councillor J Lester (Conservative)	Young People and Children's Wellbeing

The Cabinet's roles are:

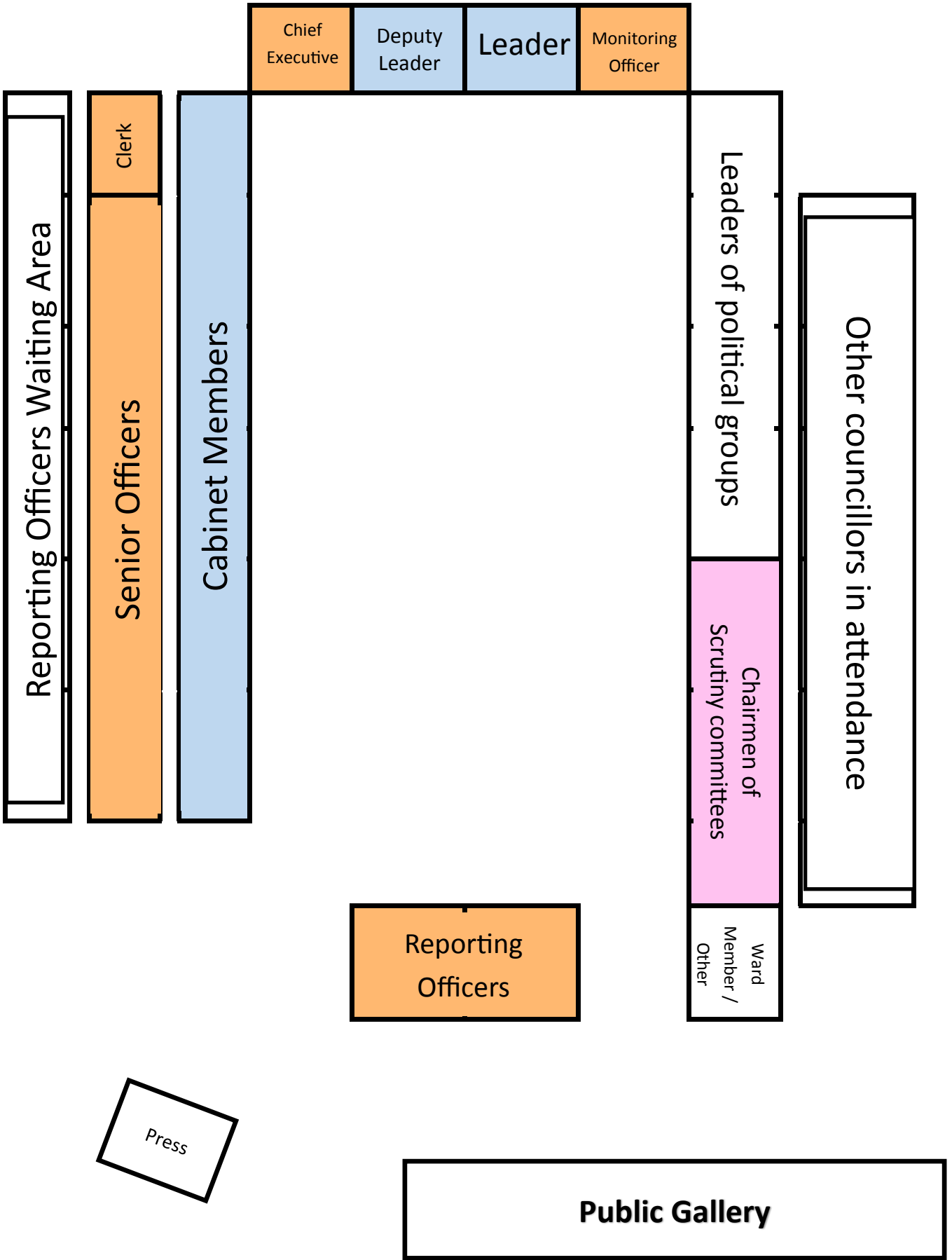
- To consider the overall management and direction of the Council. Directed by the Leader of the Council, it will work with senior managers to ensure the policies of Herefordshire are clear and carried through effectively;
- To propose to Council a strategic policy framework and individual strategic policies;
- To identify priorities and recommend them to Council;
- To propose to Council the Council's budget and levels of Council Tax;
- To give guidance in relation to: policy co-ordination; implementation of policy; management of the Council; senior employees in relation to day to day implementation issues;
- To receive reports from Cabinet Members on significant matters requiring consideration and proposals for new or amended policies and initiatives;
- To consider and determine policy issues within the policy framework covering more than one programme area and issues relating to the implementation of the outcomes of monitoring reviews.

### Who attends cabinet meetings?

On the next page you will find a layout plan of the room showing who is sitting where. Coloured nameplates are used which correspond to the colours on the plan as follows:

Pale blue	Members of the cabinet, including the leader of the council and deputy leader – these are the decision makers, only members of the cabinet can vote on recommendations put to the meeting.
Orange	Officers of the council – attend to present reports and give technical advice to cabinet members
Pink	Chairmen of scrutiny committees – attend to present the views of their committee if it has considered the item under discussion
White	Political group leaders – attend to present the views of their political group on the item under discussion
	Other councillors may also attend as observers but are not entitled to take part in the discussion.









<b>Meeting:</b>	<b>Cabinet</b>
<b>Meeting date:</b>	<b>27 July 2017</b>
<b>Title of report:</b>	<b>Young people's accommodation strategy</b>
<b>Report by:</b>	<b>Cabinet member, health and wellbeing</b>

## Classification

Open

## Key decision

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

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

## Wards affected

Countywide

## Purpose

To approve a new accommodation strategy for vulnerable young people in Herefordshire.

## Recommendation(s)

**THAT:**

- (a) the accommodation strategy for vulnerable young people in Herefordshire at appendix 1 be approved.**

## Alternative options

1. The option to continue to improve accommodation for young people without a formal strategy. This option is not recommended because it would establish no clear objectives or principles or way of measuring success and demonstrating commitment. Nor would it promote different ways of working across housing and children's services which are the hallmark of the proposed strategy. The strategy is also required in order to create a model for delivering savings and monitoring the avoidance of specialist placements for young people.
2. The option to include management of homelessness among young people generally within the strategy. This is not recommended because there are specific duties and other factors relevant to homelessness which can be addressed best through implementation of the homelessness prevention strategy.

## Reasons for recommendations

3. The council has developed a newly collaborative and strategic approach to meeting the accommodation needs of vulnerable young people. This involves new housing development, allied to commissioning of care and support and offers the opportunity to improve outcomes for young people and generate some savings. It is necessary to formalise this approach in a new strategy to set appropriate objectives and target outcomes and promote new ways of working to achieve strategic goals.

## Key considerations

4. The proposed accommodation strategy seeks to address the accommodation needs of two main groups of young people aged 16 to 25 as they move into adulthood.
  - Disabled young people with significant needs transitioning
  - Looked after children (LAC) aged 16 to 17 and care leavers

Both groups involve young people whose social care needs are identified as children and which are likely to continue into adulthood. Both groups are protected at least until the age of 25, from recent welfare changes affecting housing benefit. The council has a range of statutory duties to each group including in practice a responsibility to provide accommodation. The LAC and care leavers cohorts include unaccompanied asylum seeking children (UASC), whose accommodation needs are complicated further by multiple permutations of legal status. For all of these young people the focus of the strategy is creating and sustaining sufficient targeted and supported housing.

The strategy also encompasses a very different group; that of younger disabled children and their families. Here, the requirement is accessible family homes which is delivered through a combination of existing accessible housing stock and bespoke solutions for individual families.

5. The strategy does not address directly homelessness among young people. This is to be the focus of a new action plan under the Homelessness Prevention Strategy for Herefordshire. The young people most at risk of homelessness are those who are not disabled, nor looked after nor care leavers, so lack the specific protection available to those groups. Linking the homelessness action plan and this accommodation strategy will be newly redesigned housing and accommodation pathways for;

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Further information on the subject of this report is available from  
Ewen Archibald, Strategic Wellbeing and Housing Manager on Tel (01432) 261970



- Transitioning disabled young people
- LAC and care leavers
- Young people aged 16 to 25 threatened with homelessness

These pathways and the new homelessness action plan will be brought forward for approval towards the end of 2017.

6. There is currently in Herefordshire a limited supply of targeted or supported housing for LAC and care leavers, so that there is an over reliance on specialist support placements, often out of area and attempts to negotiate social housing through the lettings policies of housing providers. This approach is fraught with difficulty and some avoidable cost. In response to new case law, a protocol between housing agencies and children and young people’s services was developed in 2010. However, this did not address the supply of sufficient accommodation for care leavers, nor a sustainable matching of housing with appropriate support. The council has been working across directorates and with housing providers to develop the approach now set out in the new accommodation strategy.

Targeted housing is that which is reserved for specific groups of people and to which the council nominates individuals and is built to a “general needs” specification. Supported housing additionally provides for care or support to be provided on site, along with intensive housing management. This may involve different build requirements.

7. Where disabled young people are transitioning to adulthood and their social care needs are assessed, there will be consideration of their potential need for accommodation. Options have often been limited at this stage and young adults tend either to move directly into residential care or be expected to remain in the family home. This can result in poor outcomes for young people and avoidable cost to Adult Social Care. For some disabled people, supported housing is more cost effective than residential care. However not all young adults can expect to live independently of their families as soon as they leave full time education.
8. For both main groups of vulnerable young people, the population can be identified with some clarity and their need for accommodation quantified and prioritised and is summarised below;

	Care Leavers	UASC	Disabled People
<b>Immediate Need (6 months)</b>	11	8	3
<b>Specific Need (12 months)</b>	9	9	3
<b>Future need or post education</b>	9	3	10
<b>Housing needs currently met</b>	89	6	69
<b>Review required (data quality issues)</b>	24	0	13
<b>Total</b>	<b>142</b>	<b>26</b>	<b>98</b>

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The above table provides a snapshot of needs at one time For LAC, other than UASC and younger disabled children and their families, the numbers requiring housing solutions are small and further work is being undertaken to analyse their needs more precisely. Accommodation is found currently on a bespoke, case-by-case basis. In developing understanding of projected need the council will continue to research practice elsewhere and identified councils with which to undertake comparative analysis.

9. The accommodation strategy sets out eight key principles to be followed and eight strategic objectives against which achievement can be monitored. It is intended to be a "living document" and describes the significant progress made so far in relation to many of the objectives. The strategy adopts a three phase approach, building on the knowledge of population need and recognising the opportunity to make better use of existing housing stock and services and the need to build more accommodation.

**Phase 1** in 2017 seeks to utilise fully any vacancies in existing supported housing services including reconfiguring the use of SHYPP accommodation.

**Phase 2** during 2017/18 brings into use accommodation already in the development pipeline and new acquisition of property, with or without the assistance of the council.

**Phase 3** involves new housing development from 2019 to 2021, utilising opportunities through planning gain and through negotiation with developing providers or strategic use of council land assets.

10. A strategic approach to sourcing accommodation for LAC, care leavers and UASC also requires a reconsideration of the way support to those groups is commissioned. Care leaver support is often purchased either in the form of out of area placements or on a spot basis where the support provider also sources accommodation. One effect of the new approach will be to limit or phase out those forms of purchasing to some degree and so options for commissioning support will be examined during the remainder of 2017. New arrangements will ensure that support is available flexibly to meet the actual needs of young people and is cost effective. Support in shared accommodation for UASC presents some additional challenges, because their specific needs are seldom known in advance and because their legal rights and resources available can vary widely once they are over 18.
11. Provision of support for disabled young people in supported accommodation also requires continual review. This will ensure that people are matched to the right housing and location and the package of support provided is both economic and supports the person to live as independently as possible. The right package of supported housing will start from the strengths of the individual, their carers and local community and apply the most appropriate hourly tariff and sharing of support with others. This work is also being undertaken in relation to the parallel development of an accommodation strategy for people with learning disability or acquired brain injury.
12. The council will draw upon several strategic partnerships and developments in order to achieve the new housebuilding required to implement the accommodation strategy. The agreement with Herefordshire Housing Limited (HHL) to allow it to devote all capital receipts from disposal of some properties into new housing for vulnerable people will contribute 20 or more units. The council's new strategic development partnership will also generate opportunities for small scale developments targeted to vulnerable young people as part of wider schemes. There are also opportunities for the council to collaborate with its strategic housing partners to build new supported housing for young people.

## Community impact

13. The council's corporate plan includes a commitment to enabling people to live safe, healthy and independent lives. Care leavers, UASC and disabled young people are amongst the most vulnerable in society to unsafe living arrangements which endanger their health and economic future. The strategy will enable significant advances in supporting young people to make a positive start in life, helping them to live independently in the future.
14. Herefordshire's health and wellbeing strategy identified mental health and children as key priorities and both those areas of need will be addressed directly by the proposed new accommodation strategy. Some care leavers, UASC and disabled young people have mental health needs and these are often a barrier to safe and appropriate accommodation. The housing needs of UASC and LAC, along with some younger disabled children and their families will be met by the strategy.

## Equality duty

15. The council is committed to equality and diversity using the Public Sector Equality Duty (Equality Act 2010) to eliminate unlawful discrimination, advance equality of opportunity and foster good relations. All the user groups addressed by the accommodation strategy share protected characteristics as young people but also in some cases as disabled people or in other groups. The accommodation strategy will generally bring significant benefit to young people with protected characteristics by giving them access to targeted or supported housing appropriate to their needs. This is likely to improve greatly the outcomes they face as they transition into adulthood. There are not anticipated to be any negative consequences for people arising from the strategy although an equality impact assessment is being prepared to record its implications in more detail.

## Financial implications

16. Whilst there may be no specific revenue cost implications for the council arising necessarily from the proposed accommodation strategy, there are risks with potential economic consequences. These are set out from paragraph 21 of this report.. It is anticipated that overall a greater reliance on supported and targeted housing for vulnerable young adults will generate savings in social care spending and this has been incorporated to some degree in MTFS targets. These targets are subject to review as directorates consider progress in utilising current supported housing provision and re-visit comparative cost modelling for supported housing and residential placements. Where the council reserves nomination rights for accommodation commissioned, it may under-write the cost of vacancies or "voids". This cost would be expected to represent a small fraction of the value of savings achieved overall.
17. The strategy sets out an outline comparative cost model for supported housing for disabled young adults. This suggests that by 2021, new accommodation could facilitate cost avoidance of up to £325k annually. However, this would be dependent on factors including the needs of individuals, the provision of hourly rates and shared hours within support packages. The provision of supported accommodation does not always generate savings and can lead to escalated costs particularly for individuals with very complex needs. Such individuals are not the focus of this strategy.
18. Cost modelling for supporting care leavers and LAC is the subject of detailed analysis currently and this will inform a review of MTFS targets and future commissioning of support. Savings are anticipated given the high cost of specialist placements for these

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groups of young people. The shared housing with support proposed in the strategy for UASC has been costed in detail and in general can be afforded within the funding provided for this group by government. However, the funding and cost picture is very complicated in some cases of former UASC care leavers.

19. There will generally be no direct capital cost to the council in developing the housing proposed in the strategy. However many units of accommodation will be created as a result of the council's agreement to forego its entitlement to capital income when HHL disposes of properties. The council retains the option to provide modest capital contributions to strategic acquisition of accommodation, within existing budgets. Proposals may be brought forward in due course to make strategic and modest use of the council's land assets to develop supported housing as part of the strategy. Any such proposals will be subject to the relevant governance at the time they are brought forward and informed by a full business case.

## **Legal implications**

20. The council has a number of statutory duties under various pieces of legislation as outlined in Part B paragraph 9 of the accommodation strategy. Failure to comply with our statutory duties could result in a challenge by way of judicial review. There is no legal requirement on the council to adopt a formal strategy but by doing so provides clear objectives in accordance with the council's corporate plan.

## **Risk management**

21. In implementing the accommodation strategy the following risks may arise;

- Changes in funding of supported housing may lead to the council having funding insufficient to meet all future supported housing need. In mitigation, the council is establishing a project to ensure adequate reflection of current enhanced housing benefit spending and informed projection of future need, whilst reassuring markets.
- The future availability of current supported housing units for vulnerable young people is subject to the business decisions of providers. The units themselves can be more difficult to replace than the support required. This risk will be mitigated by careful negotiation with current and alternative providers about options.
- There are barriers to full utilisation of supported housing for disabled people and continuing deferral will reduce potential savings achievable and discourage the supported housing market. A revised approach to reviewing and facilitating the needs of people is now being implemented

22. If the recommendations in this report were not to be approved, significant risks would include;

- A continuing and increasing reliance on specialist placements for care leavers, often out of area, with consequentially poor outcomes for individuals. This would also prevent the council from emeting MTFs targets.
- The resort to use of residential care for many transitioning young disabled people, resulting in poorer outcomes for individuals and a failure to achieve savings or cost avoidance.
- A lack of development of diverse and appropriate accommodation for vulnerable young people.
- An increase in homelessness among LAC, care leavers and disabled young people.

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## **Consultees**

23. The council undertook consultation with care leavers and LAC aged 16 to 25 around their housing and accommodation needs in April 2017. 14 young people completed the comprehensive survey. They contributed many views and suggestions which are directly quoted and incorporated in the draft accommodation strategy. Accommodation and housing for young people have been encompassed in recent engagement with and by herefordshire's Corporate Parenting Panel. Its comments and suggestions related in particular to pathway planning with young people, the availability of sufficient accommodation of good quality and the problems of seeking to manage the housing needs of care leavers through homelessness applications. These have been incorporated into the strategy and in particular its principles.
24. Council members have been consulted through their political groups on the proposal to adopt an accommodation strategy for vulnerable young people. No comments were received.
25. The council has consulted learning disabled people during 2016/17 around their aspirations and requirements in relation to accommodation and housing. Meetings and a survey encompassed a small number of young adults and their views have been incorporated into the development of the draft strategy. They reflect upon the location of housing, the need for different levels of support and the importance of being able to build and maintain friendship and social networks.

## **Appendices**

Appendix 1 Draft accommodation strategy for vulnerable young people

## **Background papers**

- None identified.





# Accommodation Strategy for Vulnerable Young People 2017 -2021



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## The Vision:

Our vision is that by 2024 all disabled young people with eligible needs and all vulnerable young people will have access to targeted or supported housing which is appropriate to their needs. It is anticipated that by 2021, implementation of this strategy will have made very significant progress in achieving this vision.



The vision will be realised through strategic use of Herefordshire's existing housing resources and proactive housing development, aligned to social care priorities for children, young people and adults. This will be supported by a corporate commitment by the council and joined up working across council directorates and with partner organisations.

Safe, decent and affordable housing is recognised as providing a vital foundation for young people as they become economically active young adults. This strategy will support people to become more independent in finding and sustaining their own home in the future.

## Part A The Strategic Approach to Accommodation

### 1. Young people's housing

This accommodation strategy is part of a wider approach to the housing needs of young people. This wider approach will also include managing the risk of homelessness among young people who do not belong to a specific vulnerable group. This is not part of the accommodation strategy and will be addressed through a new action plan under the Homelessness Prevention Strategy. Accommodation and homelessness prevention are being addressed separately because;

- They are subject to different law and if managed together, complexity can arise as to the council's different obligations. The law provides no specific protection for young people over 18 with no particular vulnerability.
- An accommodation approach focused on delivering supported housing provides much more dependable long term housing solutions for groups of vulnerable young people.
- The homelessness prevention strategy already provides a strategic framework for addressing the needs of young people at risk of homelessness. This can be aligned appropriately to the Early Help Strategy within the Children and Young People's Plan.

By developing realistic accommodation options for young people, the council aims to prevent crises from occurring as homelessness and demand for housing related support increases. Care leavers can face difficulties both in finding and keeping accommodation. To be successful they need access to support to live independently, to replace the financial and practical support often offered by a family. It is extremely difficult for a young person to gain and sustain employment or to enter education without a stable home, so that their achievement and wellbeing are significantly compromised.

Across the whole population, it is recognised that along with family and social life and education or employment, a safe and stable home is essential to maintaining mental health and wellbeing. Affordability is a key issue and a real barrier to accessing accommodation for those adults over 25 or who are not protected. It is crucial to support disabled young people and care leavers to have the best possible start as they transition into adulthood. Without effective accommodation solutions for these groups, some are at significant risk of homelessness and rough sleeping or of institutional care. Each of these risks would result in poor outcomes for their wellbeing and life chances.

## 2. Housing Pathways for Young People

These are being developed as part of the wider strategic approach to young people's housing and two pathways will support this accommodation strategy;

- Housing pathway for looked after children and care leavers
- Housing pathway for disabled young people with significant/eligible needs.

There will be appropriate intersection with the homelessness pathway.

The council will adopt the model set out in "Developing positive pathways to adulthood" originated by St. Basil's in Birmingham. The model supports young people on their journey to economic independence and success through housing advice, options and homelessness prevention. The pathway recognises that safe, decent and affordable housing underpins achievement of other positive outcomes – whether these relate to education, training, employment, health or safer communities.

In order to mitigate risk the 5 service areas in the framework support:

1. Information and advice for young people and families;
2. Early intervention and help;
3. Integrated response led by Housing and Children's Services;
4. Commissioned accommodation and support;
5. Range of housing options taking into account low incomes of young people.

This strategy supports moving from crisis response to planning for transitions.

## 3. Strategic Objectives and Progress achieved so far

The objectives articulate the core purpose of the strategy and under each sit target outcomes, through which the success of the strategy can be measured. The objectives also align to key actions which were adopted in 2016/17 and significant work has been taken already and continues to implement these actions.

### 3.1 Fully utilise all the targeted and supported housing available for disabled young people;

Progress so far;

- Vacancies in existing contracted supported living services, suitable for transitioning young adults were reviewed in 2016 and matched provisionally to the needs of individuals. Around five vacancies were identified at two schemes in Hereford.
- Transitions team completed assessments or reviews of individuals. Some placements have now been completed successfully and others are in progress but delayed in relation to one scheme.
- A review of potential vacancies across a wider portfolio of supported living schemes is now being concluded to identify further potential capacity for transitioning young people.

#### Target Outcomes

- Implementation of new arrangements for review and placement of individuals to fill all void places in the supported housing portfolio.
- All vacant places in contracted supported living schemes for learning disabled people fully utilised by October 2017.

### 3.2 Ensure appropriate and economic accommodation for all disabled young people transitioning with verified accommodation need in the period to 2021

#### Progress so far;

- A new corporate commitment to housing for vulnerable people
- New build apartments at Whitecross School will now feature up to 10 places for learning disabled people with moderate to high needs and around five of these can be earmarked for young people transitioning.
- Aspire Living has now identified two potential premises for acquisition to create six new places for learning disabled young adults with moderate to high needs. These will be available by April 2018.
- An agreement with Herefordshire Housing (HHL) will generate up to 38 new targeted housing units to 2021, of which eight will be earmarked for transitioning young people.
- Consideration is being given to reserving around seven council owned small sites for development of supported housing for vulnerable people.

#### Target Outcomes

- No fewer than five transitioning young learning disabled people accommodated at the Whitecross school development around April 2018.
- Three transitioning young people with moderate to high personal care needs accommodated in shared housing acquired by Aspire from around April 2018.
- Three transitioning young people with moderate challenging behaviour needs accommodated in shared housing acquired by Aspire from around April 2018.
- A range of different accommodation for eight transitioning disabled people secured through the HHL disposal agreement
- Supported housing for transitioning learning disabled people secured on 1 new small site developed in partnership with land provided by the council.

### 3.3 Ensure that the provision of contracted housing for vulnerable young people is targeted to LAC and care leavers.

#### Progress so far;

- The contract with Supported Housing for Young People Project (SHYPP), part of WM Housing has been reviewed and renegotiated in detail. 50% of the capacity over three foyer sites is now reserved specifically for LAC and care leavers and subject to direct nomination by Children's Wellbeing.
- This represents an increase of up to 15 places for these priority groups which will be implemented during 2017.
- The SHYPP contract will be reviewed by September 2017, along with the Supported Housing for Aftercare (SHAC) service, to determine how the services will be re-procured from 2018.

#### Target Outcomes

- 15 supported housing places for care leavers with moderate needs available on a continuing basis.
- Housing related support for those 15 care leavers re-procured and operating safely and consistently from 2018.

#### Real Housing Stories

*LAC – moving onto SHYPP as my only option, need to go as my foster placement is too restrictive. Did start to talk about at 16 so I feel prepared. Foster placement hasn't supported independent living skills.*

*SHYPP - When I first moved in, I looked at the staff as authority figures...so I got warnings and was nearly kicked out. But then I started to realise they were only helping me transition into adulthood. But only some of them! They got me running again, they gave me the opportunity to play football week in, week out. We attempted cooking sessions on a regular basis. I was living with mates as well, so I had daily contact which helped my mood. .*

### 3.4 Ensure provision of sufficient and appropriate new supported housing for UASC including UASC care leavers.

#### Progress so far;

- Three UASC have been accommodated in supported housing since January 2017.
- Agreement has been reached with Shropshire Housing Group for the provision of three further shared houses, accommodating nine more UASC. The first of these houses will be ready for occupation in August 2017.

- A protocol has been established for the provision of licence agreements for LAC UASC occupants of supported housing and detailed cost modelling has been completed for supporting UASC over the age of 18.
- Specialist housing related support for UASC was commissioned from an independent provider and the options for providing such support to the growing cohort of UASC are now being reviewed.
- Shared accommodation is only part of the solution in accommodating UASC. Some young people will be accommodated in foster care and supported lodgings.

#### Target Outcomes

- A total of 12 UASC and UASC care leavers accommodated in shared housing by December 2017
- Seamless management of legalities of occupation when UASC reach 18 years, subject to the operation of immigration law.
- A redesigned and costed model for provision of housing related support to UASC in shared housing ready for implementation.

### 3.5 **Ensure availability of sufficient targeted and supported housing to accommodate all care leavers with significant or urgent accommodation need appropriately and economically by 2021.**

#### Progress so far;

- An agreement around disposals with Herefordshire Housing will create up to 38 new units of targeted housing, of which around 15 will be available for care leavers commencing in 2020.
- Proposals are in hand to earmark up to seven council owned small sites for development of supported housing for vulnerable people.
- Supported housing for young people has been identified as a priority in the delivery of housing as part of the new corporate development partnership.
- Capital budget has been identified for purchase of at least one 4 bedroom house and a property search is in hand

#### Target Outcomes

- A new corporate commitment to housing vulnerable young people
- Availability of a range of targeted and supported housing in different locations and to meet the diverse support needs of care leavers.
- No care leaver is required to have a homelessness assessment
- The housing needs of all care leavers are met appropriately and safely in Herefordshire
- Care leavers are able to manage their own housing needs and sustain a tenancy by the age of 25.

### 3.6 **Avoid costs in the provision of accommodation of disabled young people and care leavers by placing people in supported housing rather than specialist residential accommodation, so contributing to achievement of MTFS targets.**

### Progress so far;

- A range of different accommodation secured through the new build targeted housing under the HHL disposal agreement, including move-on accommodation for more independent care leavers.
- Supported housing for care leavers secured on 2 new small sites developed in partnership with land provided by the council.
- 9 or more new units of supported accommodation created for care leavers through acquisition by the council of shared houses.

- Placement of individual transitioning young people to vacant places in contracted supported housing so avoiding limited costs.
- Identified further transitioning young people suitable for supported housing
- Reviewed and confirmed the full portfolio of under utilised supported housing for learning disabled people.
- Allocated dedicated staffing to ensure the utilisation of supported housing for learning disabled people, including transitioning young people.

### Target Outcomes

- All vacant places in contracted supported living schemes for learning disabled people fully utilised by October 2017.
- Review and placement arrangements in place in adult social care to ensure placement of transitioning young disabled people as soon as suitable places are available.
- Average costs avoided for individuals placed per annum remain within the range £11k to £14k.

## 3.7 Establish and implement models of supported housing for disabled young people, care leavers and UASC which are diverse, sustainable and promote independence and choice.

### Progress so far;

- Consultation with learning disabled people and care leavers about their needs and aspirations and the challenges they face in relation to housing.
- Piloting of a supported shared housing model for UASC, utilising directly managed accommodation and an independent support provider.
- Draft models of housing tenure, management and support delivery for learning disabled adults.

## Target Outcomes

- Disabled young people and their families able to choose from a menu of supported housing models reflecting variety of tenure and management of housing and care/support, subject to availability of suitable accommodation.
- Supported housing models to include options enabling family carers to manage the care and support provided.
- A variety of tenures and support options which allow care leavers to move on and manage more independently when they are ready, subject to availability of accommodation.

## Real Housing Stories

- *WISH LIST – more independent living properties so when you are learning it is more like real life and not like a prison*
- *I have just had to ask about other accommodation options now and I am 17. Social services would like me to stay in my foster placement until I'm 21 – but think that is because it is cheaper than putting me up in my own place.*

### 3.8 Ensure that there are clear, robust and flexible arrangements in operation to ensure that the housing needs of disabled children and their families are met.

#### Progress so far;

- The accessible homes register and its operation was reviewed in 2016, along with arrangements for assessing the housing needs of disabled people.
- A new customer journey for disabled people requiring accessible housing was agreed and is operational.
- Housing development team continued to find customised solutions for disabled children with complex needs and their families. Solutions were found for several such families in 2016/17.



## 4. Key Principles

The following principles underpin the young people's accommodation strategy and its implementation;

4.1	Ensuring that looked after children (LAC) and care leavers have safe and appropriate accommodation is one of the council's duties as <b>corporate parent</b> .
4.2	Supported housing will generally provide outcomes for most disabled people which are <b>better and more economic</b> than residential care.
4.3	There will be <b>no homelessness assessment of care leavers</b> required in order to identify housing suitable for them.
4.4	Young adults brought up in the family home no longer have a <b>realistic expectation of living independently</b> of their family before the age of 24. Application of this principle to disabled young adults will be varied only where there is a tangible risk of breakdown of care and support.
4.5	Accommodation, care and support will be provided in such ways as to promote the <b>independence</b> of care leavers and enable them to <b>move on</b> to different accommodation when appropriate.
4.6	The legal <b>status of young people's occupation</b> of housing will be appropriate to their age, their capacity and the nature of accommodation.
4.7	The provision of accommodation to individual young people is subject to the associated care and support package being <b>cost effective</b> .
4.8	The council will resolve the housing needs of young people pragmatically through <b>joined up working</b> across directorates and services.



## 5. Overview of Risks

	<b>Risk</b>	<b>Mitigation</b>
National policy change; Supported housing	<ul style="list-style-type: none"> <li>• Data quality and demonstrating demand and future need</li> <li>• Loss of confidence across housing development, management and care markets in future funding</li> </ul>	New dedicated staffing to address data quality, projected future need and reassure all markets
Accommodation assets linked to existing support contracts	<ul style="list-style-type: none"> <li>• Loss of specialist accommodation</li> <li>• Reliance on specific providers</li> </ul>	Review of existing contracts and renegotiation or re-procurement.
Under utilisation of supported living services	<ul style="list-style-type: none"> <li>• Delayed outcomes for individuals.</li> <li>• Not meeting MTFS target</li> </ul>	Renewed project approach to drive full utilisation through targeted reviewing and matching to anticipated vacancies.
Cost effectiveness of support for care leavers and UASC	<ul style="list-style-type: none"> <li>• High unit costs and reduced potential for savings over time.</li> </ul>	Review of options during Summer 2017 leading to new approaches.
Homelessness	<ul style="list-style-type: none"> <li>• Care leavers becoming homeless owing to insufficiency of supported housing.</li> <li>• Legislative reform may change the age limits.</li> </ul>	High priority accorded under allocations policy.  Joined up approach to complex cases
National policy on housing affordability	<ul style="list-style-type: none"> <li>• Care leavers unable to afford housing once over 25, especially where economically inactive</li> </ul>	Increased development of more shared housing for young adults in tandem with developers and landlords.

## **6. Scope of the Strategy; Who is it for?**

- 6.1 The strategy is focused primarily on three priority groups of vulnerable young people approaching and reaching adulthood.

### **Disabled young people with significant needs transitioning to adulthood**

#### **Care leavers over 18 and some LAC approaching 18**

#### **UASC who are LAC and former UASC who become care leavers**

The first group is somewhat distinct from the other two and generally presents with very different needs. However, some disabled young people are also looked after and so will become care leavers. UASC share many circumstances with wider care leavers and LAC.

- 6.2 The strategy has an additional and narrow focus on disabled children and their families. This is a very different group where the needs are not for supported housing but an accessible home where the parents can continue to support the child in more suitable accommodation. Unlike in the remainder of the strategy the accommodation secured is typically social or private rented housing.
- 6.3 The accommodation strategy does not address the needs of young people who are not looked after or care leavers and without significant disability needs. For young people outside these groups accommodation need may be addressed by the council in two ways. In identifying the housing needs of the county's population under s8 of the Housing Act 1985, the council will take account of the needs of young people. Herefordshire's Homelessness Prevention Strategy identified as a priority preventing and relieving homelessness among young people. A new action plan is now being developed to ensure effective provision and responses for this group, especially in the light of recent changes in welfare policy.
- 6.4 The strategy addresses the needs of the two different population groups set out in 5.1 somewhat differently in two strands. The needs of LAC and care leavers are similar whether or not they are UASC. The needs of young people raise different requirements in targeted and supported accommodation. However, both groups' needs are subject to similar timelines and so have been addressed using the same three phase approach set out below.

## **7. A phased approach to delivering accommodation**

- 7.1 The strategy adopts a three phase approach to developing and providing accommodation for young people. This reflects the capacity to some extent to predict accommodation need for disabled young people and care leavers in advance. It also recognises that whilst some potential capacity in the system can be released quickly, real expansion in the availability of accommodation requires new house building or "development". Typically housing development takes at least three to four years and sometimes much longer.

## 7.2 Phase 1 - 2017

Phase 1 involves making best use of existing contracts for supported housing and ensuring the accommodation they provide is most effectively utilised.

For transitioning young disabled people that means identifying vacant or “void” places in contracted supported housing and ensuring that they are filled quickly and by someone whose needs can be appropriately met there.

Phase 1 also requires the development of coherent models of housing management and care and support delivery for young learning disabled adults.

- Up to 5 places in supported accommodation will be utilised for transitioning young disabled people during this phase.
- A minimum of 15 supported housing places for care leavers/LAC will be confirmed during this phase
- Shared housing will be provided for six UASC during this period.

For care leavers and LAC phase 1 involves ensuring that contracted housing related support services will accept them and that the council has direct nomination rights to the accommodation. Currently this is focused on the council’s contract with SHYPP, operated by WM Housing.

For UASC this phase covers the period of first arrivals of UASC into shared housing and so the council must ensure that the accommodation is available on time, appropriate support is commissioned and that legal and financial issues are addressed.

## 7.3 Phase 2 - 2017/18

Phase 2 takes advantage of new housing development which was planned some time ago and is now coming available. It requires Housing Development to renegotiate with developers and housing providers. This phase also sees the council securing new accommodation relatively quickly through acquisition rather than new development.

For transitioning disabled young people the main development already in the pipeline is that at Whitecross school in Hereford which is expected to be available from around April 2018. Proposals for acquisition during this period involve Aspire Living acquiring properties.

For care leavers and LAC this period sees the freeing up of places at the SHYPP foyers in Hereford, Ross and

Leominster. The council will consider direct acquisition of houses for shared accommodation and this will be subject to governance and the availability of vacant suitable properties.

For UASC, Phase 2 features the building up of UASC numbers to meet the target agreed with the Home Office. It also involves managing the needs and complicated legal permutations affecting former UASC who have reached the age of 18. The council is negotiating with social housing providers to meet needs in this phase through shared three bedroom houses.

- Around 11 new units for transitioning young disabled people would be established during this phase, augmented by a small number of vacancies occurring in existing services..
- Up to 11 new supported places for care leavers can be created through council acquisition of properties.
- Supported housing will be provided for 9 further UASC during this phase.

#### 7.4 Phase 3 - 2019 to 2024

Phase 3 involves new build through housing development. At this stage the council is pursuing options which will serve either or both the main groups of young people, care leavers and those transitioning young disabled people.

The main initiatives offering potential for new accommodation for young people from 2019 are;

- Schemes enabled by the council's agreement with HHL on disposals.
- Schemes offering affordable or social housing through s106 agreements or "planning gain". These can be negotiated to include supported housing.
- Small schemes as part of larger scale developments under the council's new Strategic Development Partnership being procured in 2017.
- Small scale acquisition of shared housing on a "purchase and repair" or similar model.
- Any other development opportunities which can be achieved through the council's corporate commitment to providing housing for vulnerable people. This might include allocation of land sites.

Each of these routes to building or acquiring new accommodation involves inevitable uncertainty around planning processes, negotiation with developers and providers and other issues. For this reason any projected numbers and timescales can only be estimates and will be subject to continual review and analysis in implementing the strategy.

- Up to 51 new units of accommodation may be created for care leavers in this period
- Up to 40 further units of supported accommodation will be established for transitioning young disabled people during phase 3.

#### Overview of needs and planned delivery

A detailed analysis of accommodation need is set out in Part C and is summarised below, alongside projection of new housing delivery. The needs data currently available provides a snapshot for 2017 and estimates of accommodation required from 2019 are based on this current picture. They will therefore require robust review and analysis over time.

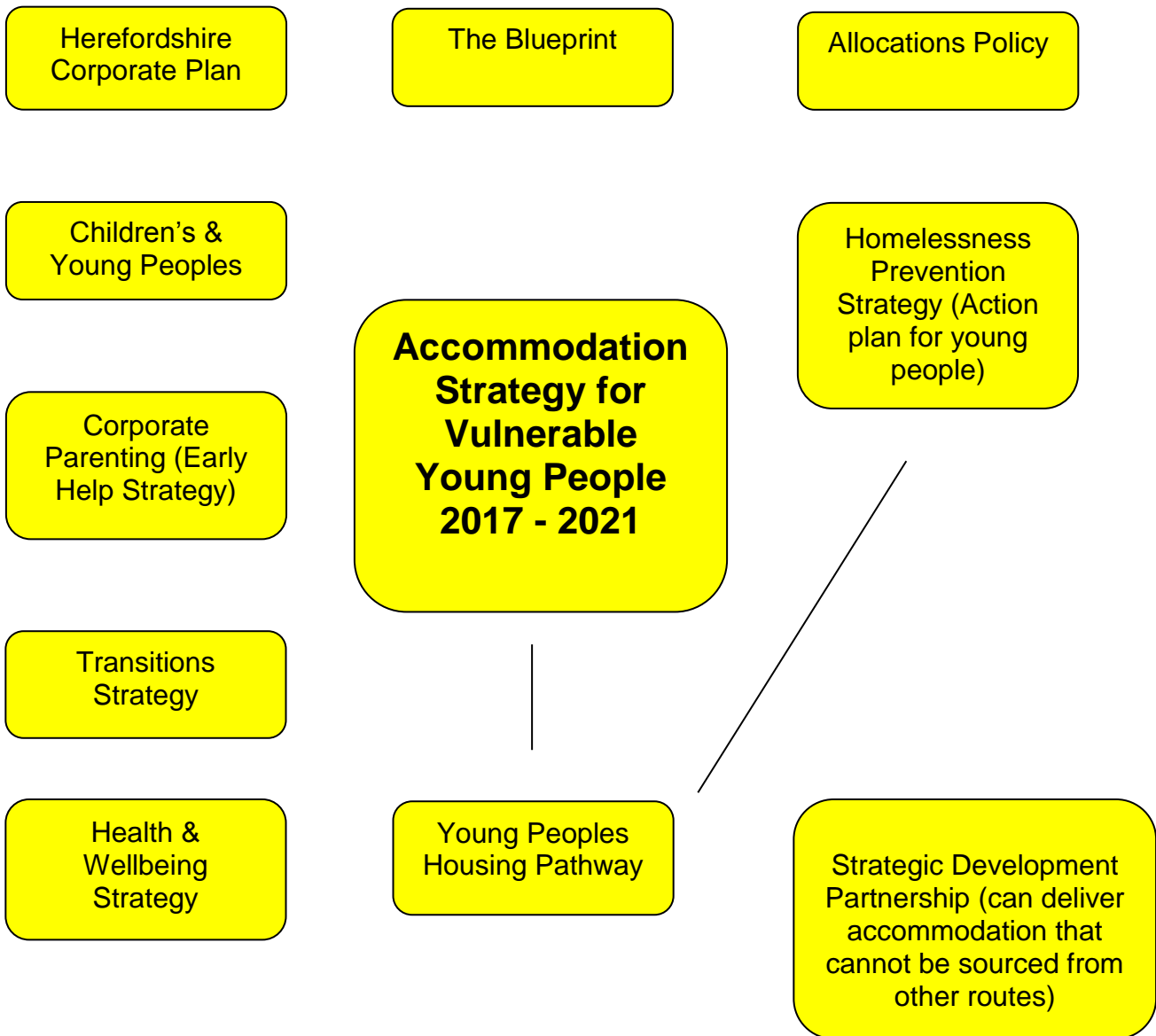
	Care Leavers	UASC	Disabled People
Phase 1 – 2017			
Projected need	15	6	3
Planned delivery	15	6	5
Phase 2 – 2017-18			
Projected need	18	9	13
Planned delivery	11	9	13
Phase 3 – 2019-2024			
Projected need	55	15	45
Current planned delivery	51	15	40

## Part B

### Policy and Context

#### 8. Council commitment to housing for vulnerable young people

- 8.1 The council has made a significant commitment to providing safe, accessible and appropriate housing for key groups of vulnerable people. It is proposed to adopt a corporate approach to ensuring the availability of targeted or supported housing for vulnerable people, including those groups who are the focus of this strategy. This will help the council fulfil its objectives in the Corporate Plan, including enabling people to live safe, healthy and independent lives, whilst also contributing to the health of the economy. The Interim Housing Strategy for Herefordshire identifies the housing needs of care leavers and young people generally as a priority.
- 8.2 The council's Corporate Parenting Strategy places significant emphasis on the housing and accommodation needs of care leavers and looked after children. This is reinforced by Herefordshire's Children and Young people's Plan. The Health and Wellbeing Strategy for Herefordshire identifies children and young people as a main priority and the contribution of good housing to health and wellbeing is emphasised throughout.
- 8.3 The strategy will help to deliver priorities identified in the Children and Young People's Plan and the Adults Wellbeing Plan. It represents effective joint working across two directorates and two strategic approaches. The approaches in the strategy are consistent with reducing demand on formal and specialist care set out in the Adults Wellbeing Blueprint and Early Help Strategy for children and families.



## **9. Context; the Law and national policy**

### **9.1 Care Act 2014**

The provision of suitable accommodation is integral so social care and health care and included within assessments..

### **9.2 The Children Act 1989**

Accommodation for children in need over 16 where necessary (s20). Also provision for care leavers. Provisions also encompasses UASC who are subject to Immigration Acts additionally. Staying Put Guidance 2013 allows young people to remain in foster care up to the age of 21.

### **9.3 Valuing People Now: three-year strategy for people with learning disabilities.**

National policy promoting personal independence and choice, social equality and dignity. Also Building the Right Support, national policy for Transforming Care.

### **9.4 Children and Social Work Act 2017**

All care leavers will be entitled to support until the age of 25. The local authority must provide advice and information to promote the educational achievement of every child who has been looked after.

### **9.5 The Children and Families Act 2004**

Transforming services and support for disabled young people and those with special educational needs so as to consistently ensure the best outcomes for them. Also promotes participation of parent carers in decision making and extends some provision until age 25.

### **9.6 Housing Act 1996 (Parts VII and V)**

Duties of housing authorities with respect to allocations, homelessness and threatened homelessness. As amended now extends priority need to LAC and care leavers in various categories.

### **9.7 The Homelessness Reduction Act 2017 (implementation in 2018)**

Promotes early intervention by extending the period during which an authority should treat someone as threatened with homelessness from 28 to 56 days. Care leavers granted a local connection.

### **9.8 Children (Leaving Care) Act 2000**

Promoting the life chances of LAC and care leavers by delaying discharge from care until they are ready and improve assessment, planning and preparation. Also improves personal support and financial arrangements for care leavers.

## Part C Needs Analysis

### 10. Overview of needs

The table below provides a summary of the main cohorts of young people encompassed by the strategy. The figures for care leavers are likely to include small numbers of LAC over 16. However, this represents a snapshot of the needs of current cohorts and only the start of a projection of future need. There is a particular challenge in identifying which young people, whose housing needs are now met, will require accommodation from 2019. With regard to care leavers, there are additional challenges in predicting future need with confidence. The Children and Social Care Act 2017 has become law without any clarity as to how and when it will be implemented, leaving some doubt as to the extent of the council's duty to some cohorts of care leavers.

	Care Leavers	UASC	Disabled People
Immediate Need (6 months)	11	6	3
Specific Need (12 months)	9	9	3
Future need or post education	9	15	10
Housing needs currently met	89	6	69
Review required (data quality issues)	24	0	13
<b>Total</b>			

### 11. Consultation and engagement

Widespread engagement with care leavers and LAC is undertaken routinely through and on behalf of Herefordshire's Corporate parenting Panel. This has encompassed some housing related issues. In April 2017 specific consultation was undertaken with a group of care leavers and looked after children about their housing needs and aspirations.

Questionnaires were sent to all professionals to capture data from Young People including the 16+ and LAC Teams in February 2017. 14 Questionnaires were returned from 16 to 25 year olds. The three most popular types of accommodation to aspire to in the next two years are: social housing, private rented and housing with support. Five of those responding had been homeless. The main barriers to moving into their own accommodation were: affordability, lack of confidence with independent living skills, needing to find someone to share with and convictions.

Those who responded were currently receiving support from social services, mental health team, learning disabilities or probation. Two responses were also received via the Local Offer from people seeking to live independently but with close support networks. They identified life skills training as the highest priority.



*"I Always knew that I wanted to move back to Hereford into Independent Living (because I had mastered my skills when I was in foster care – just knew what it would take to live on your own). I chose to go back to live with my mum as it was the quickest option to get back to live in Hereford.*

*Living with mum didn't work so my 16+ worker gave me some options... I wanted my own flat but...they thought I needed the extra support - I wanted my own flat because I have the ability to take care of my own flat but I went along with it because I didn't have a choice.*

*So I am now being asked by my corporate parents; where would I like to live, what support I might need, how will you help me; like you would for your own.....*

- *We know there aren't a lot of placements in Hereford for young people in general – we don't mind waiting; we just want to be listened to and not lied to.*
- *I always knew I needed to show that I had the skills to live independently; this is what we are told we need to have if we want to live independently – then you move the goal posts, because it is in our best interests.*
- *We want a chance to have control of something in our lives, we aren't saying we don't want your support, we just want to feel normal.*
- *When you talk about treating us like we are your own children – you let them make mistakes, take risks – why can't we; oh because we are vulnerable.*

During autumn 2016, there was consultation over accommodation and housing needs with 20 learning disabled people. This generated a vivid picture of people's aspirations and priorities and some practical barriers. Further such consultation is now being planned with young learning disabled adults who are transitioning to adulthood.

The council's transitions team engages in depth with all disabled young people and their families in developing transition plans and exploring care and support options. This continual engagement informs the analysis of housing need in this document.

In order to inform and shape the implementation of the accommodation strategy the council will embark upon a programme of regular consultation and engagement with young disabled people, care leavers and UASC.

## **12. Looked After Children (LAC)**

The numbers of LAC requiring supported housing rather than foster care or supported lodgings are small. Specific analysis is now being undertaken to identify any particular patterns which will allow for needs to be predicted in more detail.

### **13. Care Leavers**

There are approximately 145 young adults identified as care leavers in Herefordshire and around 20 or 14% have significant or urgent housing need. Others are appropriately housed currently but will need to move onto a different kind of accommodation in due course. There is a range of needs across the care leaver population which require different levels of support in response. Typically but not necessarily, as people get older they can manage more independently and with less support.

Accommodation need among care leavers falls broadly into three areas;

- Targeted accommodation with limited support
- Supported accommodation with more consistent levels of support
- Specialist placements providing intensive support for individuals with complex needs relating to mental or physical ill health, offending or risk taking behaviour

Other than where a specialist placement is required care leavers will be accommodated either in shared accommodation, typically 3 bedroom houses or in “foyer” type supported housing. Foyers may utilise a mix of bedsits and one bedroom flats.

Many of those who can manage with little or no support are older young people who are moving on and need help finding safe and affordable accommodation. Care leavers have sometimes encountered difficulties in acquiring social housing via the allocations system. Whilst not required by the allocations policy, some young people when applying for housing are frustrated by homelessness assessments. These can be an obstacle, particularly for those with behaviour or offending related needs.

### **14. Unaccompanied Asylum Seeker Children (UASC)**

By 2018, Herefordshire will need to accommodate approximately 12 UASC in shared and/or supported accommodation. These will all be minors and will need some level of support to be shared between three occupants. It is anticipated that an initial level of support during an assessment and familiarisation phase will subsequently be able to taper off, so reducing costs.

In addition, the council will need to provide housing for up to 10 former UASC care leavers, often for fairly short periods. They will also be accommodated in shared housing, typically three bedroom houses. Levels of support required would usually be low. Duties to accommodate UASC once they reach 18 are very complicated, depending on their legal status, despite them generally being care leavers. Duties arise under different legislation in different circumstances.

### **15. Disabled young people transitioning to adulthood**

There is a cohort of approximately 100 disabled young people with significant needs between the ages of 15 and 21 who are going through the transition process. The great majority of that group are safely accommodated, mostly with family, including almost all those under 19. There is a range of needs including those with high personal care needs, some with challenging behaviour and people requiring high levels of care.

Traditionally, many of this group would have had their needs met in the long run in residential care. Now, over time, many of the total cohort will move in to supported accommodation, with a very few requiring residential care.

However, it may not be necessary or appropriate for people to move into supported accommodation for some time. Since non disabled young people are not likely to be able to live independent of their families in the first years of adulthood, neither is this a realistic expectation for disabled young people. This approach is prone to challenge by some families, particularly those of young people who have been attending residential colleges out of county. Some families are reluctant for their offspring to return to their full time care after college.

In considering accommodation options for disabled young people, some people increasingly wish to share perhaps a three bedroom house with one or two others. Some individuals and their families may prefer individual flats with their own front door but varying levels of care and support available on site. For people with more complex needs, there is sometimes expectation of dedicated housing and care for one person but this would often prove uneconomic for the council and can lead to social isolation.

## **16. Disabled children and their families**

There has been no recent survey or analysis of housing need among disabled children under 16 and their families. However, demand for housing among this group is monitored through the accessible homes process. As children become older, the family will need accommodation that is more accessible, flexible and with more facilities. The appropriate response therefore involves accessible housing which begins with an occupational therapy assessment and considers;

- Adaptation of the existing family home via Disabled Facilities Grant (DFG)
- Availability of suitable accessible accommodation in social housing stock
- Customised new build or converted housing

Each year, customised housing development is carried out for a small number of families, typically where a disabled child has complex needs. Housing Development will work with social care and health providers to provide housing which is most appropriate and flexible to respond to the family's needs over time.

## **Part D**

### **Resources Implications**

#### **17. General Financial Implications**

17.1 A substantial increase in the supply and utilisation of supported housing for young people is generally expected to yield savings in social care spending for both adults and children. This is incorporated into the council's MTFS savings plans. In many cases, without the option of supported housing for care leavers or young disabled people, the council has to arrange residential care or very expensive specialist placements.

- 17.2 For the majority of individuals, supported housing is a cheaper option and offers better outcomes for the young person. In most cases, the availability of supported housing allows the council to avoid a proportion of costs.
- 17.3 There is no automatic revenue cost implication from developing new supported housing as this is borne by developers and providers. However, the council may underwrite the cost of voids in accommodation for the landlord in order to secure exclusive nomination rights.
- 17.4 Generally, the development of new supported housing can be achieved without any capital spending by the council. However it retains a small capability to invest in conversion or even acquisition of properties where the market cannot supply on its own.
- 17.5 Once built and earmarked for supported housing, accommodation represents a significant community asset which can be difficult to replace. Changes to care and support contracts can sometimes place that asset at risk, so threatening supply of accommodation.
- 17.6 Provision of supported housing for UASC involves similar analysis of support cost variables as for care leavers. However, the income picture is quite different and when it comes to former UASC care leavers, profoundly complex and uncertain.

## **18. Savings; Transitioning young disabled people**

- 18.1 Savings can be achieved for adult social care from placing more transitioning disabled people in supported accommodation, rather than residential care. This will be in the form of costs avoided, rather than cashable savings as generally the young person is living in with family or elsewhere. This potential saving applies to a broad group of disabled people with moderate needs, around 65% of the total. The cost avoided is the difference between a residential placement and the supported living support.
- 18.2 It is calculated that the average net cost avoided on annual support costs is £13k. The accommodation strategy proposes gains for this user group as follows;
- 11 new units of accommodation supplied in 2017/18, providing annual costs avoided from 2018/19 of £143k.
- 14 further units of accommodation supplied in 2019/21, providing additional annual costs avoided of £182k
- A total of 25 new units providing £325k costs avoided by 2021/22
- 18.3 Where a young disabled adult takes up supported housing in a vacancy where the council already pays for support through a block or consolidated contract, all of the costs will be avoided. Those costs depend upon need and will be in a range between £22k and £40k
- If 5 current vacancies in such accommodation are allocated to transitioning young disabled people by 2019, with an average cost of care and support of £31k, additional costs of £155k will be avoided.
- 18.4 The council may opt to underwrite void costs in newly developed supported housing for disabled young people. Costs of rent and management charge vary considerably

but will seldom exceed 15% of care and support costs. Further modelling is required to project accurately net costs avoided incorporating void cover, across the future portfolio of supported housing.

## **19. Savings; LAC and Care Leavers**

19.1 Savings achieved by providing supported and targeted accommodation for many more care leavers and some LAC will include a mixture of cashable savings and costs avoided. Some, particularly older individuals will be moving from expensive specialist placements whilst new care leavers often will not. The level of saving depends on the level of support required and how it is commissioned and provided. More detailed modelling is under way to enable specific budget planning and support delivery of MTFs savings targets. There are three main support scenarios for care leavers, each with different cost profiles;

- Support can be provided solely by the Post 16s Team so with no additional cost.
- Support is provided partly through a housing provider as housing related support with additional cost.
- Support is provided by a specialist leaving care agency often at very high hourly rates. Currently, placements also involve accommodation being provided by the support agency at premium additional cost.

19.2 The only local accommodation with housing related support is provided by SHYPP and this contract has been renegotiated to ensure support for care leavers. Currently the costs to the council are relatively modest because a significant element of cost has been shifted to enhanced housing benefit. This is unlikely to be sustainable within the new funding regime for supported housing.

19.3 It is proposed to review the options for commissioning and delivering specialist support to care leavers in supported housing, along with appropriate cost modelling. options should include block contracting to achieve more economic pricing and delivery of the service in-house by Children's Wellbeing.

## **20. Housing for Disabled Children and Families**

The specific housing needs of younger disabled children and their families are met through social housing or adaptations to private sector housing. This is often supported by Disabled Facilities Grant provided by the Government, sometimes augmented by the council's capital spending. There are no revenue funding implications for the council in providing such housing solutions for disabled children.

## **21. Financial Implications of UASC**

The council receives specific funding to support UASC and shared housing is one of the means by which the council discharges its responsibilities to them. The cost of support in shared housing is related to need so unpredictable although generally expected to taper off over time. The future management and projection of support costs is subject to the same review and modelling work envisaged for care leavers.

The costs of the UASC housing itself falls directly upon the council as it does not generally for care leavers. This is because UASC are under 18. For many former UASC care leavers, the welfare system will not meet the costs of accommodation



owing to issues of legal status. Income to the council to support UASC care leavers is also unpredictable.

Detailed cost modelling and analysis of risk is being undertaken in relation to UASC and will be reported during 2017.

## Part E

### Risks and Barriers

#### **22. National policy changes to enhanced housing benefit scheme**

Enhanced housing benefit (EHB) is the current means by which landlords' costs in providing intensive housing management are reimbursed. It is paid by the Department of Work and Pensions (DWP) as an adjunct to Housing Benefit on the request of the local authority. Its value varies significantly. The value of supported housing as an economic option for commissioners depends on the specific accommodation costs being met by the Government.

EHB will end in March 2019 to be replaced by a grant to councils for it to fund supported housing discretionally. Aspects of the new arrangements will be operative from April 2018. Some form of "golden cut" is expected in early 2018 where future funding is allocated based on current demonstrated need. The quality of data on EHB in Herefordshire is poor.

There is a significant risk that Herefordshire will be unable to demonstrate its need for supported housing appropriately, leading to an inadequate funding settlement in 2018/19. This could lead to reduced funding of schemes and potential closures and loss of confidence in supported housing among housing developers and providers and the local voluntary sector. This could jeopardise the proposals in this strategy.

In mitigation, dedicated staffing is being established to collect the necessary data, plan for operation of the new funding scheme and reassure the provider and development markets. Discussions with housing providers are in hand about extending and diversifying the supported housing schemes available and as to how local need for enhanced housing benefit can best be demonstrated.

#### **23. Risk to supported housing assets arises where there are contract changes or dispute.**

Such accommodation may be configured in a particular way such as housing "foyers" which can only be replicated or replaced in the long term. Typically, while the actual accommodation sits outside the contract, it is harder to replace than any support and care being commissioned. The risk is particularly in focus around the current SHYPP contract. This has been reviewed and revised thoroughly following the reduction of spending on the service in 2016/17.

In mitigation, discussions will continue with SHYPP around the future delivery of the service, along with consideration of procurement options. More widely, the council is working with housing providers over the potential to redevelop some old or former sheltered housing schemes for older people. In some instances these might theoretically offer utility in housing care leavers.

## **24. Under utilisation of supported accommodation**

There is current under utilisation of contracted supported accommodation for learning disabled people, some of which is suitable for transitioning young people. This reflects a number of factors including aligning availability to individual choice, complexity of matching needs and awareness of vacancies among social care and other professionals. Under utilisation leads to unmet need and excess cost in adult social care.

In mitigation, Adults Wellbeing has reviewed and will continue to monitor vacancies and capacity in contracted supported housing. Dedicated time and knowledge is now being deployed to ensure appropriate review of individual needs and timely matching to vacancies. It is expected that by Autumn 2017 numbers of vacancies will be reduced to a minimum, along with reduction of void periods.

## **25. Housing Development system delays.**

Delivering new build housing is a long term and inexact process involving many factors which are mostly outside the council's control. It is common for new housing schemes to be delayed by several months, often after the planning process is concluded.

Liaison between Planning and Housing Development teams is well practised and the new development relied upon in this strategy is based upon in-depth negotiations with developers and potential providers, However, risk of delay can never be mitigated entirely.

## **26. Procurement of cost effective support for care leavers and UASC.**

UASC numbers in Herefordshire have been insufficient initially to prompt recruitment or commissioning of a dedicated support service. Procurement of support on a spot purchase basis involves very high unit costs and the market for expert support of UASC is presently limited.

The provision of support of UASC is due for review in Summer 2017, to consider commissioning and procurement options including in-house delivery of support. This may be linked to options for support to a wider cohort of care leaver.

## **27. Risk of care leavers becoming homeless**

In discharging its duty to provide safe and appropriate accommodation for care leavers, the council will ensure that no care leaver is required to make a homelessness application. Whilst the council would remain responsible for accommodating the individual as its corporate parent, a homelessness application can lead to a cycle of instability for individual care leavers and is not appropriate as a pathway into settled accommodation.

The council's allocation policy reflects the needs of care leavers, identifying them as having a high priority for nomination to housing providers. However accommodating the person in social housing will remain subject to the availability of suitable property and the willingness of providers to take on any perceived risk the young person may present. This is especially true where there is a history of anti-social behaviour and/or risk taking which often reflects a complex situation.

Over the life of this strategy it is intended to make available sufficient supported and targeted housing to meet the great majority of housing need among care leavers. Such accommodation will be subject to full nomination rights of the council and so fall outside the social housing allocations process.

## **28. National Policy on Affordability of Housing**

From 2019, housing benefit and/or universal credit will be available for adults aged 21 to 35 only at the rate of a bedsit or room in a shared house. Currently, many vulnerable young adults are housed in 1 bedroom flats which could not be afforded under new arrangements. The groups in focus in this strategy will generally be protected from the effects of this policy until they are 25 by being disabled or care leavers. However, there are long range risks of the security of accommodation after 25, particularly for care leavers. This is exacerbated by the general dearth of bedsits and shared housing in Herefordshire.

In mitigation, the council is working with developing housing providers to encourage more development or conversion of shared housing in particular. This is likely to bear fruit only in the long term. A new action plan and pathway is to be developed under the Homelessness Prevention Strategy to address the growing risk to younger adults. From April 2017 out of work 18-21 year olds making new claims for Universal Credit will no longer be automatically entitled to the housing element (the equivalent of Housing Benefit). Exemptions will apply for 'vulnerable people'. Entitlement to Housing Benefit will continue until a person moves onto UC and in cases where a YP is in supported accommodation.

## **Part F Management, Implementation and review**

### **29. Programme management**

A project management approach is to be set up to drive and monitor the implementation of the accommodation strategy. This will involve Strategic Housing, Children's Social care and Adult Social Care, along with other stakeholders as appropriate.

### **30. Action planning**

Action to implement the strategy is already well advanced as work has been undertaken since the summer of 2016. Some of this is described in the document itself. A more detailed rolling action plan will be developed as part of the programme management process.

### **31. Engagement, review and evaluation**

There is an evident need to undertake more extensive, wider and continuing consultation and co-production with disabled young people and with care leavers and looked after young people. This will be planned and evaluated through the programme management process.



The strategy sets targets and proposed outcomes and the programme management process will refresh and extend these through the action plan and so monitor and report on progress.

### **32. Governance**

The implementation of the accommodation strategy will be managed by a project group which will monitor progress against agreed outcome measures and project plan. The group will report routinely to the Joint Directorate Leadership Team for adults and wellbeing and children's wellbeing directorates with periodical reporting to the appropriate cabinet members.

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<b>Meeting:</b>	<b>Cabinet</b>
<b>Meeting date:</b>	<b>27 July 2017</b>
<b>Title of report:</b>	<b>Central Hereford: One Public Estate</b>
<b>Report by:</b>	<b>Strategic property services manager</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 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

Hereford city wards

## Purpose

To approve, in principle, the allocation of land and resources to enable the development of proposals to maximise the benefits of public sector land assets in Central Hereford.

## Recommendation(s)

THAT:

- (a) **Detailed consideration is given to the allocation of land under the One Public Estate (OPE) programme for development each of which will require business case assessments. The identified sites are as follows:**
- **Land at Merton Meadow car park (identified at A in appendix 1) for use as a joint public service hub**
  - **Land adjacent to Hereford rail station (identified at B in appendix 1) for use as a GP facility**
  - **Land adjacent to Hereford rail station (identified at C in appendix 1) for use as a transport hub**

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Further information on the subject of this report is available from Andrew Husband, strategic property manager on Tel (01432) 383552

- **Land at either Station Approach or the Bus Station (identified at D in appendix 1) for use as key worker/student accommodation or a multi storey car park**
- (b) the director economy, communities and corporate be authorised to take all operational decisions necessary, utilising the £285k One Public Estate grant funding and other approved budgets, negotiating with partners to progress option appraisal and feasibility work necessary to inform the development of detailed business cases on these sites.**

## **Alternative options**

- 1 Alternative options to the recommendations would be to:
  - a) Deal with OPE opportunities on a piecemeal basis
  - b) OPE partners release and redevelop sites on an ad hoc basis
- 2 None of these options provide a viable way forward, and would result in lost potential for the OPE programme.

## **Reasons for recommendations**

- 3 To make use of national funding via the OPE programme to improve the quality and sustainability of community infrastructure and associated service delivery, as well as release surplus assets for regeneration which will deliver economic growth and new homes by:
  - a) Maximising opportunities offered by the OPE through a planned and coordinated strategic approach; and
  - b) Taking a medium to long term view of how the OPE can be best deployed to realise the council's overarching objectives as well as those of partner organisations by incorporating them into the emerging HAP.

## **Key considerations**

- 4 One Public Estate (OPE) is a national programme run by the Cabinet Office Government Property Unit and the Local Government Association. It provides practical and technical support and funding to councils to deliver ambitious property focused programmes in collaboration with central government and other public sector partners. The programme promotes joint working across the public sector to make best use of their collective assets. It has three key objectives of creating economic growth (new homes and jobs), delivering more integrated, customer focused services and generating efficiencies through capital receipts and reduced running costs.
- 5 One Herefordshire is a group of public sector organisations comprising Herefordshire Council, Herefordshire Clinical Commissioning Group (CCG), Wye Valley Trust, West Mercia Police and Hereford and Worcester Fire and Rescue Service. The Council is the lead authority and was accepted into the OPE programme in April and awarded initial funding of £285,000 to support technical and feasibility to bring forward projects within the county. This report seeks approval to work with the other members of One Herefordshire to progress and undertake feasibility work in relation to a number of key potential developments within Hereford city.

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Further information on the subject of this report is available from  
Andrew Husband, strategic property manager on Tel (01432) 383552

- 6 The construction of the city link road is providing opportunities for significant regeneration and redevelopment of historically underutilised land. In this context, discussions with public sector partners have identified a number of specific opportunities which could help meet the OPE objectives to support economic growth, deliver more integrated services and generate efficiencies and capital receipts. These are highlighted in the City Plan in appendix 1. The approval of cabinet is sought to enable these opportunities to be pursued and further options to be explored with a view to maximising the benefits from public sector land holdings within the city.
- 7 The council has significant land holdings within the Edgar Street regeneration area, which are being opened up by the city link road, and these parcels of land can both support the OPE programme objectives as well as kick start the delivery of housing in the 'Urban Village'. The council will benefit from the exploratory work in respect of its own landholdings as such work would be required in respect of any future development whether through the OPE programme or otherwise.
- 8 In line with its support for the economic vision, the council's development and regeneration programme is designed to support its contribution to the OPE programme. In June 2016 cabinet decided that the council should carry out a procurement to identify a developer partner. The aim was to maximise the benefit that the council could achieve from the land that it owns with development potential. This procurement process has been successfully completed and a report recommending implementing the results of this competitive process is to be considered elsewhere on this agenda.
- 9 The appointment of the successful development partner will enable the council to take forward, through a commissioning option, the most appropriate projects brought forward as part of the OPE programme.
- 10 Policy HD2 of the Core Strategy states that updated masterplans for these regeneration areas will be developed as part of the Hereford Area Plan together with the Eign Gate regeneration area, and that this will be informed by the overarching vision previously defined in the Edgar Street Grid Design Framework (November 2007) The updated master planning/site designations will provide:
- a growth enabling urban design framework for the city centre, which will be used to guide landowners, developers and the community on appropriate forms of development;
  - Address and supplement with additional information, the strategic policies in the Core Strategy, for example HD1, HD2, SC1 and E5;
  - Provide greater certainty on what is expected from future schemes/proposals;
  - Ensure delivery of a comprehensive, coordinated and sustainable development.
- 11 A number of potential sites have already been identified for the development of the new university. It will be important to integrate any proposals for the university with any proposals that may come forward for redevelopment within the vicinity. The following additional key development opportunities identified so far:
- a) Joint public service hub: The integration of services on a single site in Hereford which will incorporate accommodation for council services (which is consistent with the accommodation strategy) and could include regulatory services which are closely related to emergency services. Both West Mercia Police and Hereford & Worcester Fire & Rescue Service have agreed in

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principle to co-locating and council owned land has been identified at Merton Meadow car park, further to which an outline planning application has already been submitted by both parties in this respect proposal. The council is engaged in the feasibility process with both organisations and their appointed consultant. There is in principle agreement that development of the hub would in turn release both emergency services' existing properties for redevelopment.

- b) New primary care facility: A number of GP practices in the city are committed to the concept of co-location on to a single site which provides easily accessible health services to the public at a central location. The preferred location is on council owned land close to the railway station/proposed transport hub (see c) below as this provides optimum accessibility, in addition to which its proximity to the hospital is considered beneficial. This proposal aligns with the CCG's plans to establish a 'Hub and Spoke' model providing health services throughout the county. In the same context as a. above, this is engagement by the council in a partner project. By migrating to a single site the GP's existing properties would be released for redevelopment.
- c) Transport Hub including car parking: Situated close to the railway station this facility would provide a site for an interchange of public transport and forms part of the Hereford city centre transport package. An assessment of car parking demand based upon anticipated development suggests a case for a further multi storey car park in the city. Whilst further investigation is required, potential locations for the car park are in the vicinity of the proposed transport hub or on the existing bus station site.
- d) Key worker/student accommodation and car park: The provision of much needed key worker housing, primarily for health and care workers, and in addition modern student accommodation for existing colleges and the new university improving the vitality of the city centre and enhancing the night time economy. It is envisaged that both organisations will provide commitments to underwrite the occupation of the accommodation by health care workers and student. Potential sites have been identified at optimum locations in the vicinity of the proposed transport hub or the existing bus station.

## **Community impact**

- 12 The rationalisation and modernisation of community infrastructure will improve both access to and the operational effectiveness of a range of services in accordance with the aims of the council's corporate property strategy.
- 13 Where appropriate the redevelopment of the surplus sites for residential purposes would help to meet the Herefordshire's housing growth targets providing additional market and affordable housing, as well as supporting economic growth.

## **Equality duty**

- 14 The Public Sector Equality Duty (a 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 polices and in the delivery of services.

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Further information on the subject of this report is available from  
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- 15 Enabling the delivery of co-located and better integrated community infrastructure would help overcome a number of accessibility issues that exist within the current OPE estate including disabled access.

## **Financial implications**

- 16 Funding of £285k for 2017/18 has been awarded by the Cabinet Office, and the council can draw down on that funding and other approved budgets to contribute to the cost of commissioning feasibility work to evaluate candidate OPE sites.
- 17 The detailed financial implications, including acquisitions or disposal, will be negotiated and will be subject to further decisions through the council and partners respective governance processes as appropriate before agreements are finalised/ratified.

## **Legal implications**

- 18 Local Authorities can only act where specifically permitted by legislation or to facilitate the discharge of statutory obligations (Section 111 Local Government Act 1972).
- 19 The council is empowered to acquire, hold, appropriate, and dispose of its land for its statutory purposes, by a variety of statutes. Section 120(1) Local Government Act 1972 provides the power to acquire by agreement, any land inside or outside its area for the purposes of any of its statutory functions or the benefit, improvement or development of its area. The council is empowered to dispose of its land in such manner as it wishes pursuant to the Local Government Act 1972 provided that in accordance with s123(2) it does so at the best value that can reasonably be obtained in the market, unless an undervalue is justified in accordance with General Disposal Consent (England) 2003). Section 2 of the Local Government Act 2000 significantly extended local authority powers by enabling the local authority to do anything it considered likely to achieve the promotion or improvement of economic or environmental well-being in the area. These 'well-being' powers relaxed the ultra vires doctrine (whereby actions or decisions exceeding the remit of permitted functions can be deemed void and unenforceable at law) but were ultimately replaced and significantly extended in England, by the general power of competence conferred by section 1 of the Localism Act 2011 which came into effect on 18 February 2012. This may be used amongst other things, for enhancing local service delivery, tackling poverty and deprivation, promoting sustainable economic development, equality, local cultural, heritage and financial inclusion, and improving the quality of the local environment. However the power is not completely unfettered and the Council must act commercially and reasonably, ensuring state aid restrictions are not infringed, obtaining best value and having regard to the implicit fiduciary duty owed to the local taxpayers and residents. Hence to ensure such matters are addressed and satisfied further reports will be submitted and considered in due course as the OPE programme proceeds and opportunities arise.

## **Risk management**

- 20 Acquisition or disposal of any parcels of land will be conditional on terms to be agreed between the parties, and where appropriate their delivery partners, and those terms will be clearly set out within negotiated Heads of Terms.

## **Consultees**

- 21 Initial consultations have taken place in regard to the relevant potential developments with the Police and Fire Authorities, Herefordshire Clinical Commissioning Group (CCG), Wye Valley NHS Trust, Homes and Communities Agency (HCA), Network Rail and Hereford Football Club
- 22 All relevant ward members have been consulted and the views of political groups were sought but no comments were received.

## **Appendices**

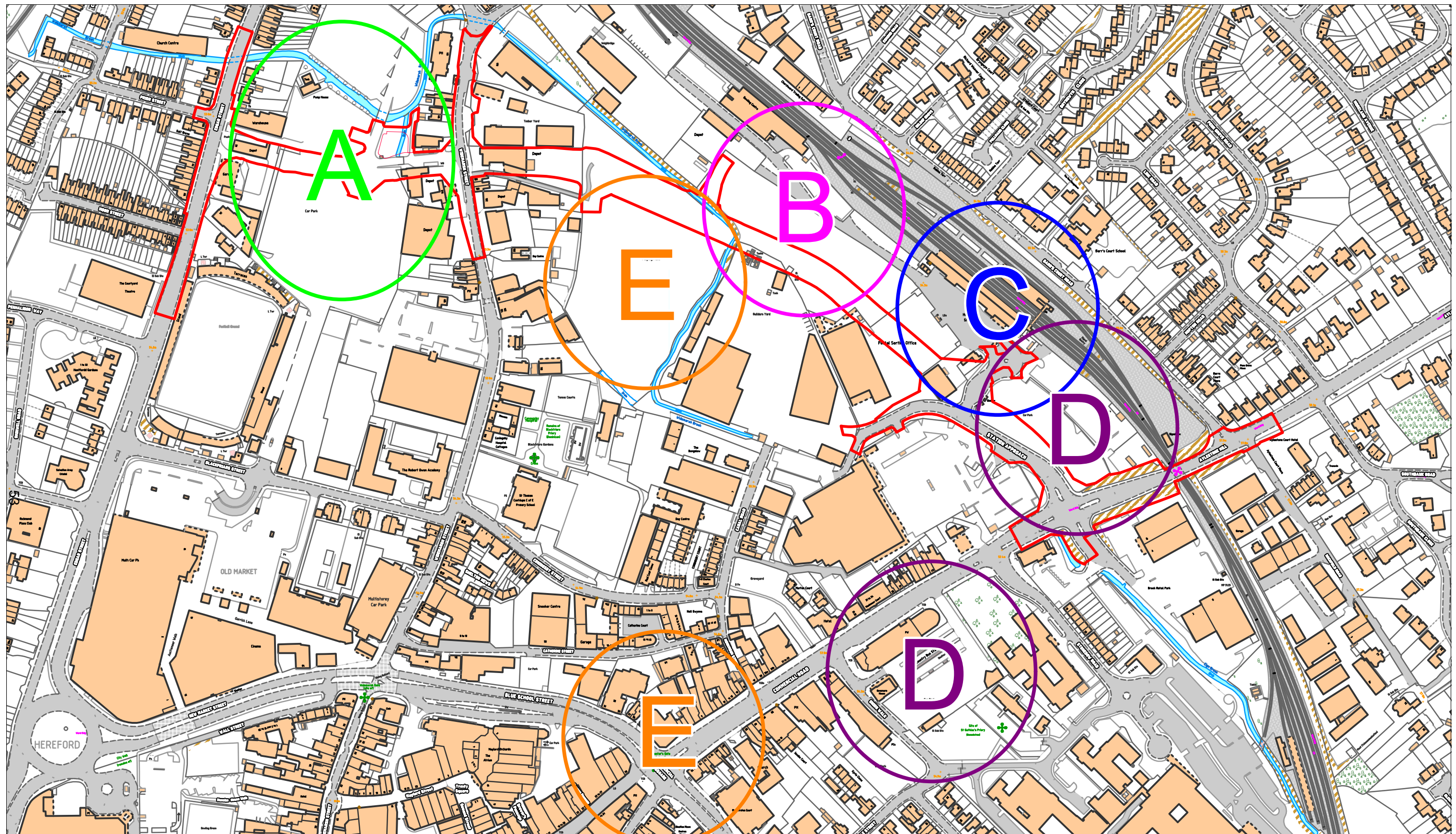
Appendix 1 – Hereford OPE early opportunity sites

## **Background papers**

- None identified



# Appendix 1: Hereford: OPE early opportunity sites



**A** Merton Meadow identified as potential Joint Service Hub

**B** GP Facility

**C** Transport Hub

**D** Key Worker/Student Accommodation or Car Park

**E** Proposed University Site

Link Road







<b>Meeting:</b>	<b>Cabinet</b>
<b>Meeting date:</b>	<b>27 July 2017</b>
<b>Title of report:</b>	<b>To approve the appointment of a developer to work in partnership with the council in delivering the development and regeneration programme</b>
<b>Report by:</b>	<b>Cabinet member contracts and assets</b>

## Classification

### Open with Exempt appendices

Appendices 5 and 9 are exempt by virtue of paragraph 3 information relating to the financial or business affairs of any particular person (including the authority holding that information) of the Access to Information Procedure Rules set out in the constitution pursuant to Schedule 12A Local Government Act 1972, as amended.

## Key decision

This is a key decision because it is likely to result in the council incurring expenditure which is, or the making of savings which are, significant having regard to the council's budget for the service or function to which the decision relates.

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

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

## Wards affected

Countywide

## Purpose

To approve the appointment of a developer to work in partnership with the council in delivering the development and regeneration programme.

## Recommendations

### THAT:

- a) the highest scoring tender (name to be announced at the meeting) be appointed as the preferred bidder to work in partnership to deliver the council's development and regeneration programme;
- b) the director for economy, communities and corporate having consulted with the chief financial officer and cabinet member contracts and assets, and having received satisfactory confirmation of tender commitments, be authorised to complete contractual arrangements with X for a period of 10 years;
- c) in the event that satisfactory confirmation of tender commitments is not received from the preferred bidder, the director for economy, communities and corporate, following consultation with the chief financial officer and cabinet member for contracts and assets and having received satisfactory confirmation of tender commitments, be authorised to enter into the contract for the development and regeneration programme with the second highest bidder ("the reserve bidder");
- d) following completion of contractual arrangements options appraisal and business cases for development of the former Bromyard depot and the Hereford station approach sites be brought forward for consideration as the first phase sites; and
- e) thanks are extended to all bidders for the courteous, prompt and productive way in which they have all participated in the procurement.

## Alternative options

- 1 The council could determine not to appoint a development partner at this stage. This is not recommended because alternative options to procuring a development partner were explored in the report to cabinet in June 2016, and the procurement process has confirmed suitable partners are available and offer an appropriate delivery vehicle to achieve the council's ambitions.
- 2 Selecting an alternative partner is not recommended as doing so could result in a challenge to the procurement process. This would delay or prevent contract award, result in significant costs to the council and delay the benefits anticipated from the programme.
- 3 The first phase sites could be progressed using a different commissioning option. However, the development and regeneration programme offers a fast and efficient route to development which will maximise the benefit from the significant amount of work that has been done by the partner in collaboration with the council during the procurement process.

## Reasons for recommendations

- 4 In June 2016 cabinet decided that the council should carry out a procurement to identify a developer partner. The aim was to maximise the benefit that the council could achieve from the land that it owns with development potential. This procurement process has been successfully completed and the recommendation of this report implement the results of this competitive process.
- 5 The arrangements that have been agreed with the bidders represent the most effective mechanism by which to:
  - a) Generate the greatest potential to raise capital and revenue receipts from the council's land holdings, whilst controlling the nature, speed and character of developments;
  - b) Contribute to the delivery of the target of 800 homes for Hereford city centre and to the housing targets set out within the core strategy;
  - c) Create a commissioning option that supports the emerging objectives of programmes including the economic masterplan, one Herefordshire and one public estate;
  - d) Underpin the regeneration of the county via a long term pipeline of works
  - e) Target the use of local labour and local supply chain, creating jobs, apprenticeships, training and education initiatives and provide support for local SMEs for third sector groups and the community;
  - f) Improve skills and educational attainment and enable the development of new economic activity to address the problem of low wages in the county;
  - g) Facilitate collaborative working between partners conducting developments within the county.

## Key considerations

- 6 The council's corporate plan 2016-2020 includes the following strategic priorities: helping residents to live safe, healthy, independent lives; keep children and young people safe and give them a great start in life; support the growth of our economy; and to secure better services, quality of life and value for money.
- 7 The wider Herefordshire economic vision sets out a bold and ambitious framework for economic growth within the county, guiding investment to, and within, the county and is supported by the recently adopted core strategy. Delivery of the core strategy and economic vision will rely on significant investment in a variety of developments across the county.
- 8 Supporting the corporate plan and economic vision, the council's property strategy for 2016 to 2020 includes the objectives to maximise the economic benefits of the council's property asset base and to support economic development and housing growth.

- 9 In line with its support for the economic vision, the development and regeneration programme is designed to support Herefordshire Council's contribution to the One Public Estate (OPE) programme. This is a national programme run by the Cabinet Office Government Property Unit and the Local Government Association. The programme promotes joint working across the public sector to make best use of their collective assets. It has three key objectives of creating economic growth (new homes and jobs), delivering more integrated, customer focused services and generating efficiencies through capital receipts and reduced running costs.
- 10 The council, as the lead body for the One Herefordshire programme, was accepted into the OPE programme in April and awarded initial funding of £285,000 to support technical and feasibility work to bring forward projects within the county. A report on this is due to be considered elsewhere on this agenda. The development and regeneration programme will be a commissioning option for the projects brought forward as part of the OPE programme.

### **The procurement**

- 11 On 16 June 2016, cabinet decided to start an EU compliant procurement (using the competitive dialogue process) to appoint a developer partner. Cabinet agreed a set of commissioning objectives (included in appendices 1 and 2 (commissioning objectives and diagram) that have been used to underpin and guide this procurement. The commissioning objectives for the programme ensure:
- a) Flexibility to deliver using a variety of funding mechanisms (see appendix 3);
  - b) Clear governance and rapid mobilisation, with minimum administration cost;
  - c) Transparency, demonstrating best value and
  - d) Delivery of a range of regeneration, education and training and community support initiatives.
- 12 The procurement strategy was developed to deliver the commissioning objectives, define the scope and structure of the overarching agreement, and ensure compliance with European procurement rules. It was informed by a number of sources of information including: the core strategy, the market consultation which took place in the first half of 2016; a review of property services; feedback from Members; and feedback from other stakeholders and councils.
- 13 The procurement process started on the 25 June 2016 with an initial short listing process (the pre-qualification questionnaire or PQQ). Three rounds of dialogue have been conducted with the selected bidders during which solutions were progressively developed that deliver the commissioning objectives. Bidders' proposals were assessed by a cross functional team of 17 subject matter experts made up from council officers and external advisers. The final tender evaluation criteria are set out at appendix 4 final tender evaluation requirements.
- 14 Two compliant final tenders were received on 15 June 2017. These tenders have been assessed against a set of criteria designed to ensure that the commissioning objectives were met. The final solution of the preferred bidder is summarised in appendix 5.

## The agreement

- 15 The overarching agreement has been developed in consultation with our legal consultant and has been reviewed by Sharpe Pritchard legal services. It is based on a contract model that has been used by a number of councils to put in place partnerships with developers. This gives the security of a tried and tested industry standard contract but developed and enhanced for our local needs. The contract will have an initial 10 year term with the possibility of extensions based on successful delivery of strategic performance measures. A high level description of the contract is included at appendix 6.
- 16 The contract will take the form of an overarching programme agreement. This will establish and manage a long term development programme in support of the council's strategies (including its economic vision). The programme agreement will also regulate the overarching relationship between the council and the developer. Underneath it there will be a series of design and build contracts; development and partnering agreements for housing and other developments such as student accommodation, extra care or car parking. These will be put in place whenever a new project is agreed. The council will benefit from the value of the developed land (and associated regeneration programme benefits), whilst the developer will receive profit from its contribution (which is the resources and reward for risk required for the agreed development).
- 17 Any potential new regeneration and development projects will follow an agreed process, outlined in appendix 7 governance process diagram. This uses the council's decision making process to manage the way that sites are included in the programme and how the options for development are approved.
  - a) Stage Zero - site approval process for Inclusion in the development partnership programme (internal council process)
  - b) Stage One - project approval process (preliminary appraisal)
  - c) Stage Two - project approval process (detailed appraisal)
- 18 Best value is assured by the co-design of projects by the developer and the council, as it is the value of the developed assets that ultimately determine land value. In this way, the council and the developer can balance the maximisation of sales revenue (for example via house types; density of development and massing), with the achievement of other commissioning objectives, such as the achievement of strategic objectives and the creation of 'holistic and balanced' communities. Value for money will also be ensured by extensive use of open book accounting, the ability to benchmark costs, transparent competition of supply chain opportunities and if required ultimately the ability to use alternative commissioning routes.
- 19 The agreement will be available for use by other contracting authorities including One Herefordshire partners and others (e.g. Herefordshire University). It can be used either for directly commissioned projects or joint projects with the council. This will support closer cooperation between the council and its public sector partners in development and regeneration projects including OPE.

- 20 The dialogue with bidders has enabled us to secure commitments in relation to the approach to service delivery. These include:
- a) A business case for the programme setting out details of the potential programme of works; appraisal of the council's land holdings; funding and development options for the Station Approach and Bromyard sites;
  - b) A regeneration programme setting out details of supply chain; training; education; environmental and community support initiatives.
  - c) A mobilisation plan;
  - d) An overarching communications plan;
  - e) Site specific marketing plans;
  - f) Branding plans tailored to the specific development which will have a masterbrand with a series of sub-brands customised to the specific type of development;
  - g) A suite of key performance indicators (including targets and approach to reporting). Key performance indicators include measures on programme performance in respect of
    - i. the number of homes delivered;
    - ii. build quality;
    - iii. cost and time delivery;
    - iv. environmental standards; health and safety measures;
    - v. proportion of local labour used;
    - vi. support for the local supply chain (including third sector supply chain);
    - vii. conformance to the CITB (Client Based Approach) benchmarks in respect of apprenticeships; training and education placement numbers;
    - viii. stakeholder and customer satisfaction;
    - ix. communication and reporting targets;
    - x. school governor appointments; and
    - xi. support for community groups and initiatives.
- 21 Proposals submitted by bidders as part of the final tender are set out in appendix 8 final tender products requested from bidders.



## **Procurement recommendation**

- 22 The results of the completed scoring of each tender will be announced by the Cabinet member for contracts and assets at the Cabinet meeting which will complete the table set out within appendix 9. This is necessary to maintain confidentiality prior to the meeting and enable communications to the bidders to be appropriately managed. The completed table will identify the scores obtained by both bidders in the process (Bidders X and Y). Appendix 4 outlines the procurement evaluation methodology used. Appendix 10 Competitive Dialogue Process Guide 2017.05.24 describes the procurement process as completed (this process was originally intended to complete in April 2017 but was extended to July 2017 in October 2016 as a result of a change to the first batch sites).
- 23 The procurement recommendation is for the highest scoring bidder to be confirmed as the Preferred Bidder and for authority to be delegated to the director for economy, communities and corporate to complete contractual arrangements.
- 24 If the director is not satisfied with the confirmation of the preferred bidder's tendered commitments, it is recommended that the director be authorised to proceed to confirm the commitments made by the second highest scoring bidder (the reserve bidder) and if satisfactorily confirmed, complete contractual arrangements

## **First batch projects**

- 25 The procurement process included two potential 'First Batch' sites that were used to understand and demonstrate the capabilities of the potential partners and assess their ability to provide value for money: the former Bromyard depot and station approach – the former Rockfield Road site.
- 26 These sites were chosen to ensure that their outline design stages could be accommodated within the procurement timetable, and allowed the council to assess the bidders' capabilities against real opportunities using the designs produced for these sites as the basis for the financial evaluation i.e. generate capital and revenue receipts. The aim was for the plans developed during the tender stage to be progressed (via refinement and consultation) within the programme governance structure immediately on appointment.
- 27 These two sites will be the first two sites to be included in the development and regeneration programme. The developer will be asked to produce an outline development appraisal (within the context of the overall development programme business case). The outline development appraisal will include costed designs for each site. The outline development appraisal will be subject to cabinet approval following which the developer will apply for planning permission, returning to cabinet for further approval if material changes are required to the project, for example to incorporate the terms of any grant of planning permission.
- 28 The options for each site (e.g. land disposal; tenure and funding) will be presented as an options appraisal, which will also confirm the feasibility of proposals for cabinet approval. Land value will be assessed through transparent valuations, sales revenue predictions and construction costings (with the council retaining ownership of the land throughout the process unless an alternative structure is the council's preference).

- 29 The Station Approach site has also been identified as an opportunity within the One Public Estate programme for potential use as key worker/student accommodation or a multi storey car park. This is in line with work carried out during the development and regeneration programme procurement. The appraisal of the Station Approach site will be carried out in this wider context to ensure opportunities across public sector partners are fully explored. Due diligence arrangements will include estimated land value backed by an independent land valuation; subsequent sales will be via a competitive, open market process; developer's costs will be visible via open book accounting and rates for profit and overhead are fixed via the competitive procurement process to appoint the developer.

### **Contract award and mobilisation**

- 30 Assuming that the recommendations of this report are accepted, the contract will be awarded to the successful bidder by the end of August. Outline development appraisals will be developed for the first batch projects (within the context of the overall business case for the programme) with the aim of gaining cabinet approval to progress the first batch sites to submission of planning permission during 2017 and progression to the construction phase of development during 2018.
- 31 The developer partner will work with the council to prepare the programme business case and the outline development appraisals for the first batch projects for consideration by cabinet. As part of the mobilisation and early stages of the contract, the developer partner will be expected to engage with stakeholders to facilitate the progress of the development and regeneration programme. Communications, mobilisation and marketing plans have been developed as part of the procurement process to ensure that stakeholders are informed and involved as appropriate.
- 32 The partnership arrangement will fully comply with the council's framework for partnerships governance. The partnership agreement will set out the terms of reference for a joint partnership board that will provide strategic governance. The partnership board will recommend to cabinet how the programme should be developed.
- 33 Contract management for the partnership will be provided by the team responsible for the management of the public realm contract. This team has built strong capability in managing contracts based on a long term partnerships. This approach builds on these capabilities providing the council with a high level of assurance and improving the efficiency and resilience of contract management in this area of its business.
- 34 The programme will also require a significant level of programme management, which will be provided by the council's programme director housing and growth, and legal support, which will be sourced by the council's legal department.
- 35 Any costs incurred by the developer will be covered by the benefits that they receive from the developments. The council will only be liable for reimbursing the developer's costs if the council decides not to proceed with the proposed project approach (as opposed to the project being unfeasible) or decides to commission the development via an alternative route. There is, therefore, no up front cost in entering into the overarching agreement.

- 36 For commercial projects the council will get the guaranteed independently assessed land value, in the form of an upfront deposit of 15% with the rest paid as sales are made. Additionally the council will get a 50% share of any increase in sales value or decrease in construction costs (overage) while being protected against any drop in market value or increase in construction costs (as these are borne by the developer).
- 37 It is expected that the development and regeneration programme will be establish a strong pipeline of development projects. The development partner will be expected to work closely with the council to help it maximise the value of its property assets. However, further sites will only be included in the development and regeneration programme after an internal council options appraisal and the programme will not be the council's exclusive commissioning option.

### **Conclusion**

- 38 The development and regeneration programme procurements put in place a programme that will allow the council to maximise the economic benefits of its property asset base and support economic development and housing growth in Herefordshire. The procurement strategy to put in place new arrangements for these services has been developed over the past year based on the objectives of the council, feedback from stakeholders and commercial considerations. This report details the results of the procurement of the development and regeneration programme are on target to deliver their objectives. Cabinet is asked to approve the recommendations to enable contracts to be put in place.

### **Community impact**

- 39 The council's corporate plan 2016-2020 includes the following strategic priorities: helping residents to live safe, healthy, independent lives; keep children and young people safe and give them a great start in life; support the growth of our economy; and to secure better services, quality of life and value for money.
- 40 The wider Herefordshire economic vision sets out a bold and ambitious framework for economic growth within the county, guiding investment to, and within, the county and is supported by the recently adopted core strategy. Delivery of the core strategy and economic vision will rely on significant investment in a variety of developments across the county.
- 41 Supporting the corporate plan and economic vision, the council's property strategy for 2016 to 2020 includes the objectives to maximise the economic benefits of the council's property asset base and to support economic development and housing growth.
- 42 The project has the potential to significantly contribute to the achievement of the following council strategies:
- a) The Corporate Plan: through support for the economic vision, core strategy, and other strategies below;
  - b) The Economic Vision; by offering a commissioning route for the council and its partners for key projects and by investment in the county by the development partner;
  - c) The Core Strategy; by enabling the construction of housing on council sites;

- d) The Corporate Property Strategy; by allowing the council to maximise the financial benefits that it receives from its development sites;
- e) Health and Wellbeing Strategy; through targeted training and support for vulnerable groups;
- f) Children's and Young People's Strategic Plan; through support for school governorships and training and career development for young people;
- g) The Equalities and Human Rights Charter; the overarching agreement obliges the provider to ensure that they support the council in fulfilling its duties under equality legislation;
- h) And the Environmental Strategy / Policy; the partner is committed to supporting the council in its objective to become a low carbon council.

## Equality duty

- 43 Under section 149 of the Equality Act 2010, the 'general duty' on public authorities is set out as follows:

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 that is 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.

- 44 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. Our providers will be made aware of their contractual requirements in regards to equality legislation. An equality impact assessment has been carried out and is included in appendix 11.

## Financial implications

- 45 The recommended decision in this current cabinet report does not in itself commit the council to any programme / project costs, although there will be fully budgeted costs in completing the preferred bidder stage of the procurement process. The programme of delivery will be subject to future decisions for individual or grouped projects, each decision to be recommended through the appropriate governance processes and to include specific financial implications.
- 46 The governance processes for project approvals are set out in appendix 7. At each stage of approval, the council is committed to underwriting certain development costs incurred by the developer:
- a) Stage 0: Site Approval Process for inclusion in the development programme – stage 0 is an internal council process to produce an options appraisal for cabinet to decide the best development option for a site: this will include the potential for the site to be included in the Programme. If the site is included in

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Further information on the subject of this report is available from  
Richard Gabb, programme director housing and growth on Tel (01432) 261902

the programme at the end of stage 0 the developer will fund the costs of feasibility / design incurred by the developer. However, if the site is found to be feasible and subsequent stage 1 approval is not granted by cabinet, the council will be liable to pay the costs (revenue) of the feasibility work completed by the developer, however the council will receive any feasibility work completed. The decision maker(s) will need to be mindful of this potential revenue implication when approving stage 0 / rejecting stage 1.

- b) Stage 1: Project Approval Process (Preliminary Appraisal) – in conjunction and in consultation with officers, members and stakeholders, the developer produces a preliminary appraisal of the site (including designs sufficiently developed to enable planning permission to be applied for). The preliminary appraisal will include development type and likely capital and / or revenue income, the commercial approach will depend upon the specifics of the project(s) and will be a matter for the specific decision by cabinet. The stage 1 report is intended to request approval from cabinet for planning permission to be applied for.
- c) Stage 2: Project Approval Process (Detailed Appraisal) – If any material changes to designs and capital or revenue to be received are necessitated by any further feasibility work or the result of planning permission, these will return to cabinet for approval. Otherwise the project will continue to build out. The developer receives the feasibility costs at project completion or subject to any agreed stage payments within the contract (which will have been approved by cabinet).

- 47 The council's capital programme, approved in December 2016, included initial indicative capital expenditure of £20.6m over the first three years of the programme. This is subject to identifying funding of £20m. The assumed principle of the programme is that it generates net capital and revenue returns for the council and is thus self-financing, with programme surpluses potentially supporting the council's Medium Term Financial Strategy. The use of these capital resources will be subject to specific business cases and governance in line with the process outlined above, but it is presumed that the council's access to relatively low cost borrowing from the Public Works Loan Board would provide an attractive option for financing appropriate projects, where doing so improves the council's return on the investment. The capital programme will be updated each year on a rolling basis, to identify indicative future spend within the programme.
- 48 Individual projects may not themselves generate a positive financial return if they are considered to deliver on particular strategic objectives of the council's corporate plan, and therefore it may be appropriate to group projects where it is considered necessary to cross-subsidise.
- 49 The council may incur direct revenue costs for individual projects and will incur ongoing programme management costs, however the programme is intended to be self-funded over the life of the programme. There is also the potential for any council 3<sup>rd</sup> party costs to be charged to the programme, however the intention is that these services would be commissioned and funded by the developer. A council revenue budget exists to support the ongoing programme management costs, which are not directly attributable to specific projects but provide for a programme team to monitor the development partner's adherence to the contract. This revenue budget is currently included within ECC base budgets, but is assumed to be phased out over time (generating an MTFs saving over and above current approvals) as the programme starts to generate revenue income.

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- 50 The financial evaluation of the bids received during the procurement has utilised an evaluation tool developed by an external financial advisor. The tool has been used to evaluate the indicative costs and returns of two pilot projects:
- a) the former Bromyard depot (considered to generate a capital return for the council); and
  - b) Station Approach in Hereford (considered to be a revenue generating opportunity for the council).
- 51 The evaluation modelled a number of factors across the two projects to derive a single ten-year Net Present Value for each bidder. Whilst the costs and revenues are indicative prior to the projects progressing through the appropriate approval stages, they have been used to scrutinise the robustness of the bidders' cost plans and modelling. The evaluation template requires bidders to provide significant detailed assumptions of their cost plans, which have been scrutinised against market rates by the council's externally commissioned technical advisor. The cost assumptions provided appear to be robust and competitive.
- 52 The evaluation tool / template will be retained by the council to similarly assess option appraisals throughout the life of the programme, to provide comparative financial implications of different site options as well as providing a detailed cost breakdown of each project for the council to scrutinise. Costs are developed on an open book basis. In the event that the council technical advice indicates that costs are not robust or are unreasonably high, the council could opt not to commission a project. The contract also provides for an independent review process, should there be a dispute between the council and the developer about specific costs prior to the works being commissioned.

## **Legal implications**

- 53 The council has the legal powers to enter into the overriding agreement under the general power of competence under the Localism Act 2011.
- 54 A compliant procurement procedure has been followed to secure this award.
- 55 The overarching agreement commits the council to a strategic partnering arrangement with its chosen partner/developer whereby the council makes available specified council sites exclusively to the partner/developer for first call on potential development. The partner/developer writes a development programme (and refreshes it annually for council cabinet approval, always at partner/developer cost) and then either the council or partner/developer seeks to call off new projects from the development programme. The partner/developer only makes a financial return/profit if it successfully implements a new project.
- 56 It is appropriate for the council to enter into the overarching agreement. The term is for 10 years and does not have an earlier termination date. The decision whether to agree to projects will be a decision for cabinet and will have its own terms and conditions.

## Risk management

57 A table summarising the project risks and the responses which seek to eliminate, manage or mitigate these is included at appendix 12.

## Consultees

58 Consultation was carried out during the market consultation to inform the development of the procurement strategy outlined within this report. This included engagement with members and key stakeholders.

59 No feedback has been received from the consultation with group leaders carried out in the preparation of this report.

## Appendices

Appendix 1 - Commissioning Objectives Diagram

Appendix 2 - Commissioning Objectives

Appendix 3 - Sources of funding

Appendix 4 - The Final Solution of the Proposed Preferred Bidder

Appendix 5 - Final Tender Evaluation Requirements (**Exempt**)

Appendix 6 - High level description of the contract

Appendix 7 - Sample Governance Process Diagram

Appendix 8 - Final Tender Products Requested from Bidders

Appendix 9 - Final Tender Evaluation Results (**Exempt**)

Appendix 10 - Competitive Dialogue Process Guide 2017.05.24

Appendix 11 - Equalities impact assessment

Appendix 12 - Risks

## Background papers

- None identified.





## COMMISSIONING OBJECTIVES

### CORPORATE PLAN

LOCAL PLAN

DEVELOPMENT  
MASTERPLAN

ECONOMIC MASTERPLAN

LAND DEVELOPMENT SUPPORTS ECONOMIC REGENERATION

#### LAND DEVELOPMENT

Delivery of the Programme in a manner responsive to local needs

High quality of developments which enhance the natural and built environments; quality of daily living and opportunities for all.

Maximisation and timing of capital and revenue generation.

#### SHARED OBJECTIVES

Value for Money

Protection and Improvement of the Environment

Workforce and Training Programmes

Supply Chain Initiatives

Community Engagement

#### REGENERATION

Regeneration of the Economy

Benefits to the Community

Contribution to Education

REGENERATION SUPPORTS EFFECTIVE DELIVERY OF LAND DEVELOPMENT



## Appendix 2a Commissioning Objectives

The commissioning objectives are the essential outcomes of the programme. They will be used as 'golden threads' which will run through each stage of the procurement. Bidder's proposals will be evaluated (as appropriate for each stage) on how successfully the evidence presented ensures the achievement of these objectives. The commissioning objectives are detailed below and illustrated in the commissioning objectives diagram attached at Appendix 2b.

- Delivery of the development and regeneration programme in a manner which is responsive to local needs and priorities;
- Maximisation and timing of capital and revenue generation for the council;
- Quality of developments, seeking to enhance the county's natural and built environments and provide a higher standard of daily living and opportunity for all, inclusive of residents, businesses and visitors;
- The provision of quality housing, which enhances the quality of life for residents and which meets specified building code standard(s);<sup>1</sup>
- Funding arrangements which balance the risks to the council whilst providing value for money;
- Assurance of best value facilitated by the competitive pricing; maximisation of land value; minimisation of overheads and administrative costs; robust and transparent costings supported by open book accounting; performance reporting and monitoring;
- Workforce and training initiatives provided to the benchmark standards contained within the Construction Industry Training Board Client Based Approach (CITB CBA) framework;
- Environmental protection and improvements;
- Development of sub-contracting and supply chain opportunities including transparency of opportunities and award procedures including open advertisement;
- Increased social capital through engagement and consultation with the community;
- Contribution to the regeneration of the economy in Herefordshire to support the creation of:
  - a vibrant local economy and keep residents spending locally;
  - a competitive Herefordshire through enhanced facilities and connectivity for businesses;
  - sustainable communities and the creation of employment and skills (including working with disadvantaged and targeted groups and social businesses).
- Benefits to the community which ensure that the development is cohesive, integrated and accessible; tackles poverty and promotes quality of life for all, in particular protecting the interests of individuals with protected characteristics; the elderly and children. For example this would be sought through the regeneration of open space and increased community cohesion through volunteering and support for community groups and third sector organisations.
- Contribution to education such as through education-work placements, school visits and volunteering and support for national curriculum topics such as: numeracy; literacy; science and careers. For instance, the programme could encourage innovative approaches such as the creation of a schools' entrepreneurship project or seek provider support to establish an apprenticeship academy which would provide 'shared' apprenticeships for project across the county.



<b>Appendix 8 : Sources of Funding</b>	
<b>Funding Types / Revenue Streams</b>	<b>Description</b>
<b>Capital Receipts</b>	Market sale of land or assets.
<b>External funding e.g. grants &amp; pension fund investment</b>	Investments provided for specific projects / purposes.
<b>Revenue Streams</b>	Re-investment of revenue streams created by the programme such as from council tax; parking income and rents to fund up front development costs.
<b>Prudential Borrowing</b>	Council borrows within agreed limits and repays with interest (typically at a cheaper rate than commercial lending.)
<b>Prudential Borrowing / Capital Investment Hybrid</b>	Council borrows prudentially within agreed limits and repays with interest or invests capital to fund the construction phase and this is repaid by commercial lending.
<b>Gifted Units / Section 106 / CIL</b>	Developer builds units as part of a private development and gifts units. These could be managed via a third party; by an SPV or an arms length trading organisation such as Hoople Ltd.
<b>Sale and lease-back</b>	Primarily suitable for managed facilities which generate revenue streams such as affordable rented; student accommodation and extra care. Also may be suitable for commercial opportunities such as car parks etc. Developer or the council provides funding to build units which would be managed via a third party; an SPV or an arms length trading organisation e.g. Hoople Ltd. On completion, the funder purchases units and recoups development/lending costs by leasing the units back to the council (who would then repay / recoup development costs). Council lease costs are met via rent receipts. Ownership usually transfers back to the council for a nominal fee at the end of the lease.
<b>Buy-back</b>	Developer provides funding and builds units. Developer retains ownership of units and could manage or a third party or an arms length trading organisation could manage the units. The Council would have the option to purchase the units after end of an agreed flexible term (say up to 20 years).
<b>Development Agreement</b>	Council invests land and developer funds and builds units for a fixed rate of profit. Council recoups land value from sales revenue (after all costs and developer's profit deducted), plus a share in any overage.
<b>Provision of land for development (deferred payment)</b>	Council provides land for development and developer funds and builds units. Payment for land can be under a deferred payment system (rather from a share in sales revenue as per the development agreement above).
<b>Provision of land for development (profit share)</b>	Council provides land and developer provides funding (often matching the land value invested). Developer and the council split profits proportionately to the contribution made (as each party bears an equal development risk). This can be on a 'partnership' or on a project by project basis.
<b>Shared Ownership</b>	Home buyer purchases a share in a new home paying rent on the remaining, unsold share. This unsold share is owned by the provider of the shared ownership scheme (housing association).
<b>Rent to Buy</b>	Developer provides funding and builds homes for rent. Tenant occupies on a rent to buy basis (saving for a deposit as a proportion of payments made). Management agent would manage units and retain a % of the rental. Council does not at any point own the homes.



## Final Tender Evaluation Requirements

Evaluation elements are weighted as follows:

General Information	Objective	% of Overall Maximum Score	Maximum Score
PART A: Details of any Material Changes	These questions request details of any material changes to a Tenderer's financial, legal or professional standing since the RS stage. (Should any material changes have occurred, the Council will review the Tenderer's eligibility against the criteria issued at the PQQ stage).	Unweighted	0%
PART B: Development Programme Business Case	These questions relate to the submission of a draft business plan for the Development Programme.	18.67%	140
PART C: Methods to Ensure the Achievement of Commissioning Objectives	Questions within this section request that you set out your methodology to ensure the achievement of the Commissioning Objectives.	18.67%	140
PART D: Service Management and Delivery	Questions relate to your methodology for the strategic and operational management of service delivery, including mobilisation and the achievement of value for money.	10.00%	75
PART E: Innovation	Questions here request that you set out any innovative proposals for the development programme, individual site development, land assembly and financial delivery models.	8.00%	60
PART F: Financial	Assessment of capital and revenue returns to the council.	40.00%	300
PART G: Deliverability	This criteria assesses the viability and deliverability of the Solution received.	4.66%	35
<b>Maximum Score</b>		<b>100%</b>	<b>750</b>

## Marking Schema

	Evaluation Aspect	Mandatory	Compliance Required	Weighting	Question Max Score
<b>Part A:</b>	<b>Details of any Material Changes</b>				
A1	Tenderer Name	Yes	No	Unweighted	
A2	Details of any Material Changes	Yes	No	Unweighted	
A3	Consortium / Subcontracting Changes	Yes	No	Unweighted	
A4	Key Personnel	Yes	No	Unweighted	
<b>Part B:</b>	<b>Programme Business Case</b>			<b>18.67%</b>	<b>140</b>
B1	Appraisal of the development context within Herefordshire	Yes	No	Low	<b>05</b>
B2a	Overview of the development Programme	Yes	No	High	<b>15</b>
B2b	Delivery of a financially viable Programme	Yes	No	High	<b>15</b>
B2c	Evaluation of the Council's Land Holdings	Yes	No	High	<b>15</b>
B3	Funding options and the approach to sourcing funding	Yes	No	High	<b>15</b>
B4	Appraisal of funding models	Yes	No	High	<b>15</b>
B5a	Development Proposals: Potential Student Accommodation Station Approach, Hereford	Yes	Yes	High	<b>15</b>
B5b	Housing Market Demand And Affordability Reports: Bromyard Ashfields and Grazing	Yes	Yes	High	<b>15</b>
B6a	Illustrative Layouts And Design And Access Statements: Potential Student Accommodation Station Approach, Hereford	Yes	Yes	High	<b>15</b>
B6b	Illustrative Layouts And Design And Access Statements: Bromyard Ashfields and Grazing	Yes	Yes	High	<b>15</b>
<b>Part C:</b>	<b>Achievement of the Commissioning Objectives</b>			<b>18.67%</b>	<b>140</b>
C1a	Customer Satisfaction; Consultation and Engagement	Yes	No	Medium	<b>10</b>
C1b	Sample Marketing and Branding: Bromyard	Yes	No	Medium	<b>10</b>
C2	Support for Regeneration Strategy	Yes	No	Medium	<b>10</b>
C3	Support for Regeneration Infrastructure	Yes	No	Medium	<b>10</b>
C4	Support for Regeneration Economic Initiatives	Yes	No	High	<b>15</b>
C5	Supply Chain Diversity	Yes	Yes	High	<b>15</b>
C6a	Education Initiatives	Yes	No	High	<b>15</b>
C6b	Achievement of Community Benefits	Yes	No	Low	<b>05</b>
C7a	Building Code Standards and Energy Efficiency	Yes	No	Medium	<b>10</b>
C7b	Standard residential flat types	Yes	No	Low	<b>05</b>



C7c	Semi-detached House Types	Yes	No	Medium	<b>10</b>
C7d	Detached House Types	Yes	No	Medium	<b>10</b>
C8	Environmental Management Plan	Yes	No	High	<b>15</b>
<b>Part D:</b>	<b>Service Management and Delivery</b>			<b>10.00%</b>	<b>75</b>
D1	Draft Mobilisation Plan	Yes	No	High	<b>15</b>
D2	Confirmation of Overheads and Profit across Tenures	Yes	No	High	<b>15</b>
D3a	Performance Monitoring Commitments: Programme	Yes	Yes	Medium	<b>10</b>
D3b	Performance Monitoring Commitments: Regeneration	Yes	Yes	Medium	<b>10</b>
D3c	Performance Monitoring Commitments: Quality; Environmental; Education & Community Support	Yes	Yes	Medium	<b>10</b>
D4	Quality Assurance and Service Performance Reporting Capabilities	Yes	No	High	<b>15</b>
<b>Part E:</b>	<b>Innovation</b>			<b>8.00%</b>	<b>60</b>
E1	Expansion of the Programme via Land Assembly	Yes	No	High	<b>15</b>
E2	Innovative / Alternative Designs for Sites (within current site boundaries)	Yes	No	High	<b>15</b>
E3	Innovative / Alternative Designs for Sites (within expanded site boundaries through land assembly)	Yes	No	High	<b>15</b>
E4	Innovative / Alternative Funding and Delivery Models	Yes	Yes	High	<b>15</b>
<b>Part II: Deliverability:</b>					
Deliverability is defined that the proposal is shown via the submission of evidence to be realistic; credible and capable of satisfying the Commissioning Objectives and Requirements and therefore commissionable.			N/a	<b>4.66%</b>	<b>35</b>
<b>Part III: Financial: Completion Document 12</b>					
Assessment of the capital and revenue receipts generated from the Station Approach and Bromyard developments, (including any income from council tax, business rates and commercial rents) less the costs of funding calculated on a net present value (NPV) basis.		Yes	Yes	<b>40.00%</b>	<b>300</b>



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**[DRAFT]**

## **HEREFORDSHIRE COUNCIL – DEVELOPMENT AND REGENERATION PROGRAMME (DRP)**

### **SUMMARY OF THE OVERARCHING AGREEMENT PRINCIPLES**

The draft Overarching Agreement (OA) is a contract made between the Council and the Developer it selects after completing a competitive dialogue procurement under the EU public procurement regime rules.

The OA has been procured so that other public sector bodies can also access the contract via the Council. This broadens the range of possible public sector stakeholders in the local economy who can join the Council in using the Developer to implement projects. In such a case the Council would “wrap” the performance of an allied public sector body accessing the OA.

The effect of the Development and Regeneration Programme (DRP) is for the Council to have appointed a private sector entity as its medium to long term Developer “partner” for an Initial Term period of at least ten (10) years. If successful the Council can extend the “partnership” by a further ten (10) years.

The OA is not a contract which sets the terms and conditions for a particular development.

Instead it describes the overarching governance arrangements for the Council and the Developer to be able to agree a Development Programme of possible development schemes which either the Council or Developer can then “call off” from the Development Programme. There is a rigorous tiered approval procedure included in the OA that has to be passed for a development scheme “called off” from the Development Programme to be implemented.

A Programme Board exists with four Council and four Developer representatives but it is controlled by the Council on deadlock with a casting vote (although will always be subject to dispute resolution). A DRP Team works day to day beneath the Programme Board.

The flexible nature of the relationship between Council and Developer is intended to allow a range of property development and infrastructure projects to be investigated, prepared, evaluated and implemented through a pre-procured Developer.

The Council brings a range of Council Sites which it has identified as being committed to the DRP. The Council should be clear that the DRP is just one opportunity for promoting development and regeneration in Herefordshire. The DRP runs in parallel to more traditional site sales or direct procurements for one-off developments. The difference is that by using the DRP the Council is placing several Council Sites as being exclusively available to the Developer for structuring a balanced Development Programme. Those Council Sites will only be deposited into the DRP by Cabinet decision and will only be used for development where the Developer’s proposal is tested and eventually approved by Programme Board and Cabinet.

The Council may also be able to assist the Developer with site assembly by considering CPO Sites that, should compulsory purchase be successful with the Developer entering a CPO indemnity agreement to pay CPO costs, count as Council Sites and (with Cabinet approval) be made available to the Development Programme. Council officers have skills which can help streamline and make development and regeneration activities more efficient so the OA contemplates a DRP Manager role. The DRP Manager will be the Council officer that co-ordinates Council teams to help speed the approval and implementation of the Development Programme.

The Developer may by choice bring its own Developer’s Sites to complement the Council Sites and increase the critical mass of development opportunities within the Development Programme.

The Developer brings expertise firstly in preparing a balanced, strategic, commercially viable Development Programme. Secondly it then has its own resources and a supply chain which can support the successful implementation of proposed projects which have been approved by Programme Board and Cabinet.

The Developer has two key areas of activity:

- **Services:** The Developer is responsible for writing a draft Development Programme based around the available Council Sites and any Developer Sites. Its draft Development Programme must be submitted for review and approval by Cabinet. Once it has been adopted following Cabinet approval the Developer must maintain and update the Development Programme each year and it is reviewed and considered for Cabinet approval annually. The Developer is not paid for delivering these Services. It is almost an incidental expense to the main thrust of the Development Programme which is to identify, scope, evaluate, approve and implement a series of projects from that always moving Development Programme. The Developer is incentivised to promote viable development and regeneration schemes because only then will it be paid for their implementation and use that income to cover the Services costs. The Council might ask for Further Services akin to Services and will have to pay for those.
- **New Projects:** Once the Development Programme has been adopted then either the Council or Developer can look at the roster of potential schemes described in the Development Programme and ask for a New Project to be investigated. New Projects will require New Build Works and whilst under consideration they are New Projects but once they have passed all their approval hurdles they are classed as Approved Projects. If the Developer does not wish to pursue a New Project “called off” by the Council then it loses exclusivity on that Council Site and the Council can offer that Council Site to other developer(s) outside the DRP.

The Council realises that there is a huge spectrum of potential development scheme models that could be used by the Developer to deliver an Approved Project. The Council has sought to structure the OA around some of the more likely models so that there is a skeleton of process and standard form documents to make some types of Approved Projects easy to repeat. One of the variables that drives the choice of model will be whether the Council will be retaining ownership of the Council Site which forms part of the New Project/Approved Project opportunity. It is assumed that an Approved Project can be implemented by one of three main model types and the Councils are looking to settle template contracts for various scenarios so that repeated renegotiation on each Approved Project is avoided except where due to project specific reasons:

- **Development Agreement:** where the new assets are to be disposed of to the private sector market the Developer will have a building licence to access a Council Site to progress works but the Council does not transfer the Council Site to a buyer/end user until the works are completed e.g. Units in a new build Private Market Housing development are sold by the Council direct to end users, a new development in a new build Affordable Housing development may see the Council Site sold to the Developer at practical completion of the works – assumed to have a 15% deposit of Estimated Land Value paid at start by Developer and the 85% of remainder of Estimated Land Value received by Unit sales “on the drip” from buyers/end users or by the Developer buying the development on works completion
- **Building Contract:** where the new assets are to be retained by the Council e.g. building new Council buildings, key worker or student accommodation to be maintained and operated by the Council or its nominees – could be JCT fixed price contract or NEC3 target cost model forms
- **Partnering Agreement:** where the transfer of Council Site land in as Council's contribution and the subsequent creation of new assets facilitates an element of Council trading to generate future revenue and profits.

The most important part of the OA is the process by which New Projects are evaluated to make sure they offer value for money and meet the Council's objectives. The working assumption is that the majority of New Projects can be described financially using what property developers would recognise as development appraisals to identify Development Costs and Income and come to an Estimated Land Value. Excel spreadsheet template appraisal forms have been agreed in the OA and they are to be used so that Developer overheads and margins etc. are pre-populated and that calculations are run consistently. These Developer assumptions will also factor in future repayment for performing the

Services – but not be front end loaded as a bullet payment as such sums will be “smeared” across a series of New Projects.

There are three discrete stages of a New Project being considered and finally becoming an Approved Project:

- **Stage 0:** Council (via Cabinet approval) placing Council Site exclusively in Development Programme
- **Stage 1:** Preliminary stage – Preliminary Development Appraisal and headline assessment by Developer
- **Stage 2:** Detailed stage – following successful Stage 1 the Detailed Development Appraisal and detailed assessment by Developer.

The Developer focus is on Stage 1 and Stage 2. At Stage 1 it is more of a desktop assessment of New Project viability. At Stage 2 the Developer should be relying on intrusive site investigations to inform its pricing for abnormal ground conditions/contamination.

To provide comfort to the Council that each New Project is being properly assessed the Developer has to provide comprehensive submissions required to support its proposal for a New Project to pass Stage 2. This will include an independent expert view of any development appraisals,

When an Approved Project is achieved following final Cabinet approval the specific contractual terms are set out in a Development Agreement, Building Contract or Partnering Agreement. These should follow basic template forms unless amendments have been agreed as part of Stage 1 and Stage 2 discussions (to reduce risk of Developer shifting risk onto Council across successive Approved Projects).

Once implemented then an Approved Project sits outside of the OA and is measured according to its own terms. However, if there are two Approved Projects which fail and are terminated that is indicative of poor OA programme performance and the OA (and what should have been an enduring relationship with the Developer) can be terminated.

In conducting the Development Programme the Developer will be subject to OA-level programme performance monitoring through Collective Targets, Key Performance Indicators and a Track Record Test. In each Development Agreement, Building Contract or Partnering Agreement for an Approved Project the Developer should also be subject to an Approved Project-level performance regime.

In several circumstances the Developer may either surrender exclusivity over a Council Site by choice or due to OA contract provisions. The Council has the ability, notwithstanding Cabinet decisions at Stage 0 through to Stage 2, to withdraw a Council Site from the Development Programme but it would have to pay the Developer an amount to reflect the wasted costs in progressing that New Project.

Both Council and Developer are subject to a list of early termination events which for the Council can trigger compensation on termination or for the Developer indemnity payments for reprocurement and differential new developer costs. The Council should note that improper rejection by Council misapplying pre-notified evaluation criteria for a number of Developer proposals at Stage 1 or Stage 2 or having Cabinet refuse to implement an Approved Project could lead to early termination for Council fault and Council costs exposure.

The Developer remains subject to open book accounting in delivering its Approved Projects.

The Developer is also subject to Benchmarking of its costs of delivering Services or the New Projects. Approved Projects which have been implemented by a Development Agreement, Building Contract or Partnering Agreement are not liable for modification as a result of Benchmarking, as the Developer has settled its costs base with its supply chain. These agreements will only be reopened where equivalent benchmarking clauses are included in those implementing documents. Benchmarking, like open book accounting, can be used to enhance market knowledge and challenge Developer assertions when they are proposing development appraisals at Stage 1 and Stage 2.

If the Developer is successful in exceeding the Approved Project's stated Estimated Land Value (achieving more income than estimated because it can perhaps sell Units to end users at a higher price or it makes savings on build costs etc.) the Council and Developer share the excess above the Estimated Land Value, the Overage Sum, equally.

If the Developer is unsuccessful in that its income falls below the Estimated Land Value it bears that loss. Also it cannot look to recover such loss from the next or any future New Projects because that is prohibited and will be apparent when looking at the Stage 1 and Stage 2 development appraisals.

On housing Units the Developer may structure sales on a long leasehold basis and then offer the Council a revenue stream for securitised Unit ground rental income and any Council Site freehold reversion sale.

The OA assumes that there is a Programme Account. Each Approved Project has its own set of accounts. The Programme Account could be used to retain Council deposits/land receipts and Overage Sum so that the Council could choose to incentivise the Developer on some development schemes which may not be financially viable e.g. some Affordable Housing projects – yet there is no ring-fencing of sums in the Programme Account and both Council and Developer are free to deploy any receipts as they see fit.

To help “pump prime” the Development Programme the procurement has focussed on bidders working on a pair of actual development scheme prospects at Bromyard and Station Approach. These are already Stage 0 schemes and it is anticipated that as First Batch Projects the work done to date can be completed so there are immediate New Projects available for consideration.

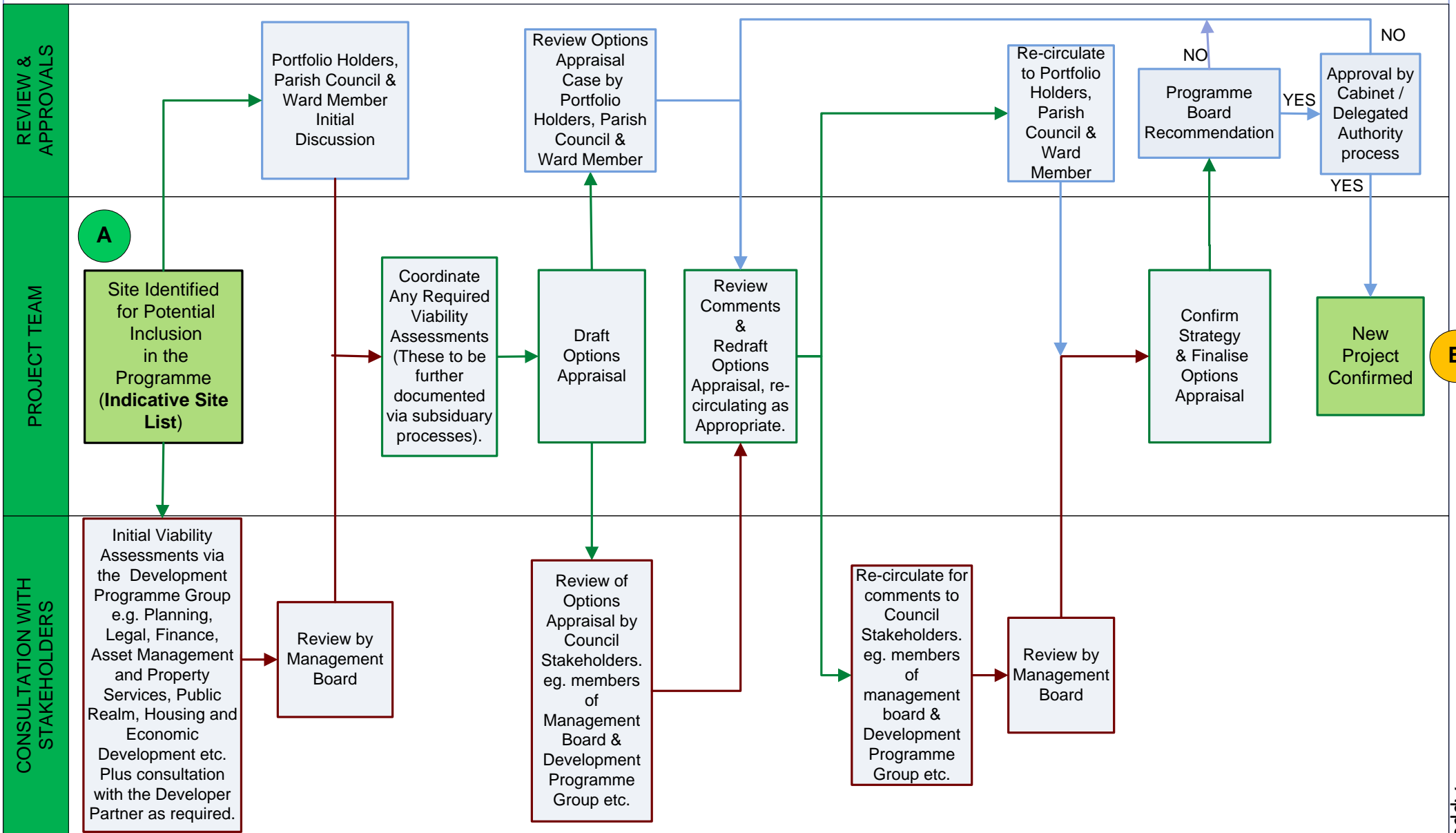
Finally, the Developer may also provide Additional Services, being envisaged by the Council as an outsourcing or commissioning arrangement by the Council or an allied public sector body to deliver a distinct service requirement, by way of an Additional Services Agreement.



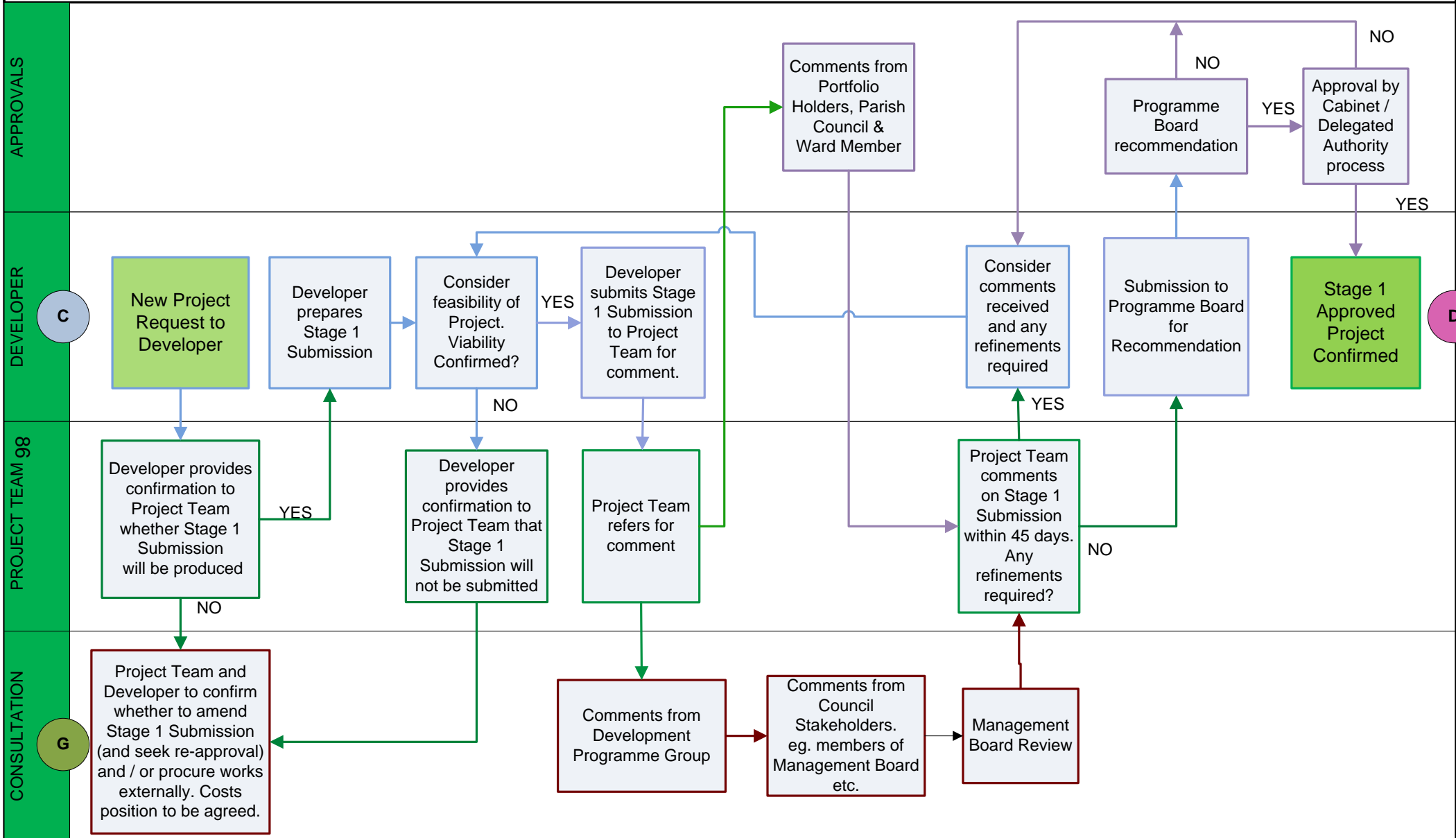
# Stage Zero - Site Approval Process for Inclusion in the Development Partnership Programme



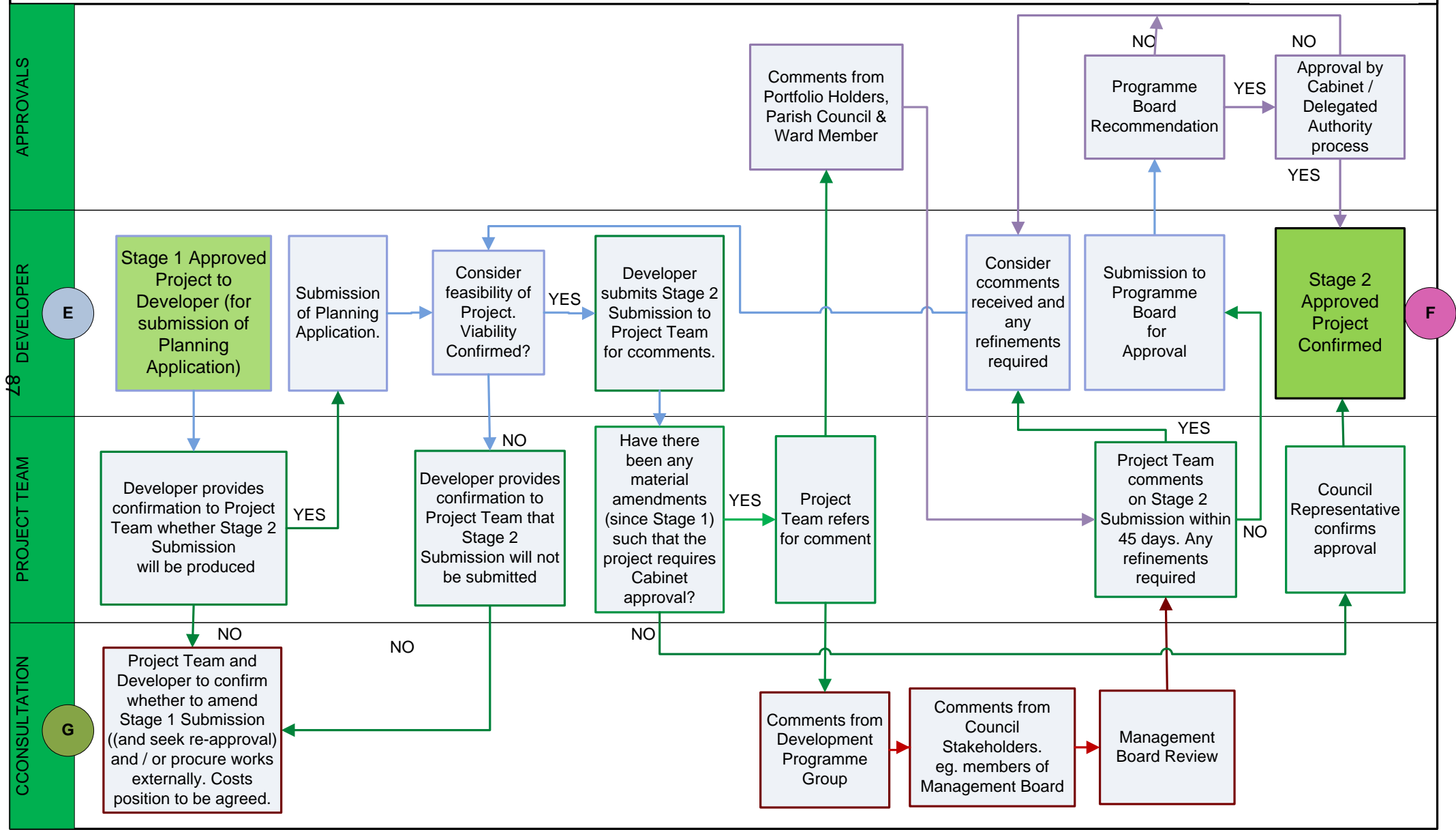
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# Stage One - Project Approval Process (Preliminary Appraisal)

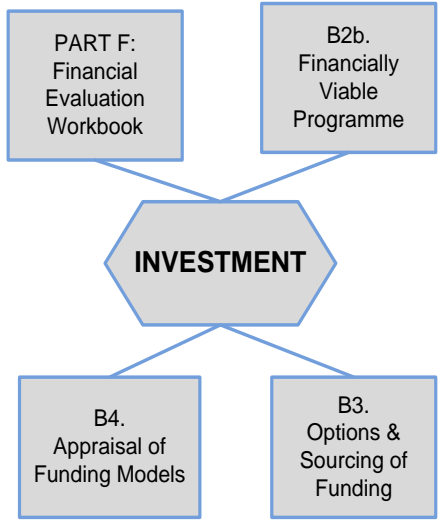
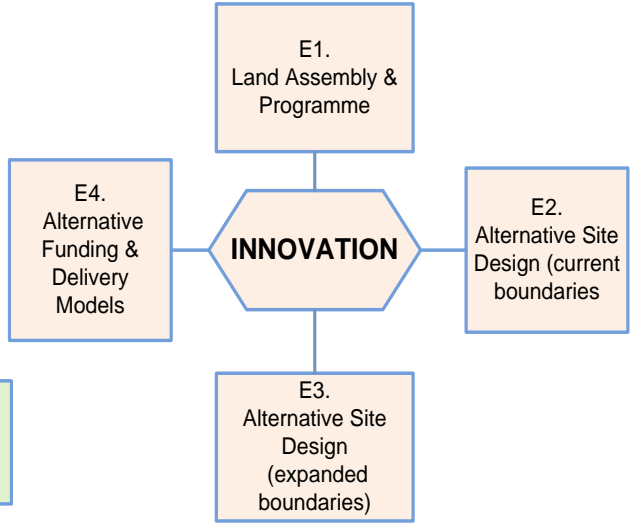
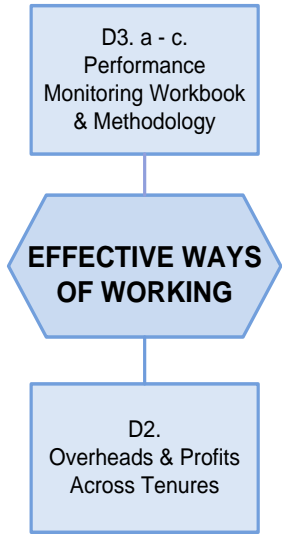
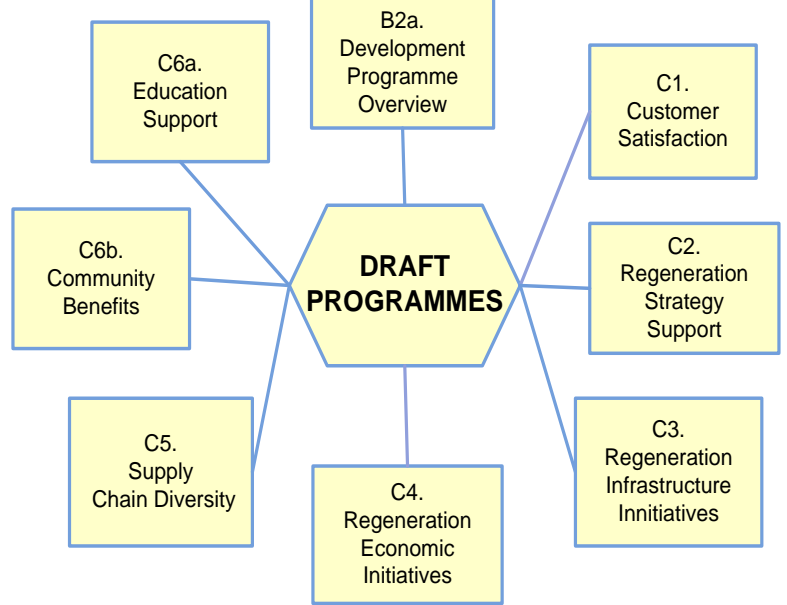
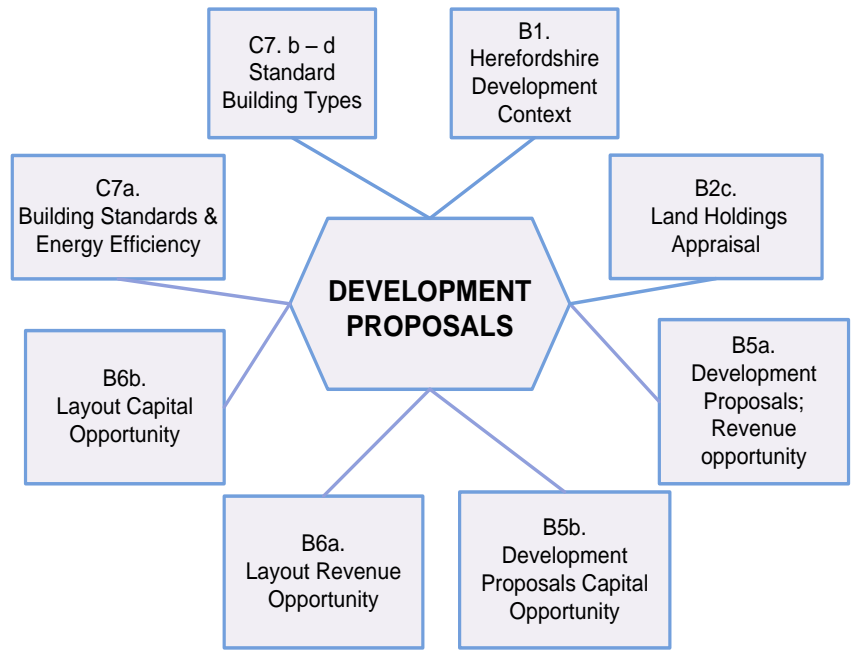


# Stage Two - Project Approval Process (Detailed Appraisal)





# FT PRODUCTS REQUESTED (from bidders) BY PRODUCT TYPE





Document is Restricted







# **Herefordshire Council Development & Regeneration Programme**

**Information Document 2  
Competitive Dialogue Process Guide**

**24<sup>th</sup> May 2017**

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## 1. SECTION 1: Overview of the Process

### Part One: Process Outline

- 1.1. This document sets out the proposed competitive dialogue process (the Process) to be followed by the Council; however the Council reserves the right to: alter the timings and structure of any of the Stages within the Process at any time. In particular, Participants should note that the Council reserves the right to terminate the Process and when appropriate, re-advertise the requirement for the Works in the event that an insufficient number of affordable, compliant and satisfactory responses are received to ensure best value and / or genuine competition.
- 1.2. The Process is planned to consist of the following process stages (Stages):
  - Pre-Qualification with the issue of a PQQ (Pre-Qualification Questionnaire);
  - Outline Solution with the issue of an Invitation to Submit an Outline Solution (ISOS);
  - Detailed Solution with the issue of an Invitation to Submit a Detailed Solution (ISDS);
  - Refined Solution with the issue of an Invitation to Submit a Refined Solution (ISRS);
  - Final Tender, with the issue of a call to submit a Final Tender (CFT).
- 1.3. The purpose of the Process is to progressively develop a solution with Participants that best meets the Council's requirements due to the technical, legal and financial complexity of the Programme. The aim of the Council is to run an effective and efficient Process that seeks to build the solution stage by stage (based around Commissioning Objectives) to minimise the time taken by the process and both Bidder and Council effort and costs.

## 2. SECTION 2: Process Stages:

### Stage One: Pre-Qualification Stage (PQS)

- 2.1. Full details of the procedure to be followed and evaluation guidance will be made available in Information Document 1: PQQ Guidance. The Council will be using the Crown Commercial Services Standardised Pre-qualification Questionnaire. Please follow the link below for details. (Please note that additional project questions will be included to assess Candidate's technical and professional ability. These questions will be scored by the Council to allow for the shortlisting of Candidates).  
<https://www.gov.uk/government/publications/public-contracts-regulations-2015-requirements-on-prequalification-questionnaires>
- 2.2. All Candidates will be debriefed on the relative merits of their Response. If any Candidates are not invited to submit a Outline Solution (be 'Participants') the Council may apply a voluntary standstill period of 10 days from the issue of debriefs before issuing the invitation to participate in the next stage. The Council's objective in applying this period is to improve transparency and ensure fairness and equal treatment, thereby protecting the interests of Candidates and the Council.
- 2.3. In particular, the application of the voluntary standstill period gives non-selected Candidates the opportunity to consider the reasons for their non-selection and if any areas of contention are identified, discuss these with the Council. This then allows the Council to consider any representations made and if these are agreed, rectify any issues with the evaluation before the next stage in the process is commenced. This being said it is hoped that the level of transparency contained within supporting documents will protect against any misunderstandings of requirements by Candidates and misapplication of criteria by the Council. Overall the application of a voluntary standstill period is thought to protect the interests of all.
- 2.4. This being said, the Council may choose not to apply a voluntary standstill period for example, if the application of a 10 day period would threaten the viability of Contract Award by early March 2017 or if all Candidates are invited to Participate in Dialogue.

### Stage Two: Outline / Detailed Solution Stages (OS/DS)

- 2.5. Participants selected to progress to the Outline Solution Stage will be issued with an Invitation to Submit an Outline Solution (ISOS). The OS stage enables dialogue to be held with each Participant. A timetable of meetings will be prepared which will ensure that each Participant spends an equal time in dialogue and has sufficient time to prepare their Solutions. The timetable

will allow each Participant to prioritise resources and to invite advisers (and funders) to attend meetings as and when required.<sup>1</sup>

- 2.6. Following submission of Outline Solution Responses (OSRs), formal written clarification questions may be issued to all Participants, as well as individual clarification questions being issued to each Participant as appropriate.
- 2.7. OSRs will not be formally evaluated by the Council, but rather considered to ensure that they meet the Council's commissioning objectives. Given the limited timescales for the preparation of OSRs only details of the most material aspects of the Solution will be requested from Participants. Written feedback will be provided.
- 2.8. Based on the OSR consideration, the Council may refine the Invitation to Participate in Dialogue (ITPD), however the aim will be to limit any amendments to the documents and request Detailed Solution Responses (DSRs) (as far as possible), to the same requirements as set out within the OS documents. The Council is seeking to develop a progressive solution with Participants, with the submission requirements of the DS stage, building on the submissions provided in the OS stage
- 2.9. Following consideration of the OSRs, the ISDS will be issued to Participants and dialogue will commence. DSRs will be formally evaluated. Participants will be invited to submit a Refined Solution (RS) based on the evaluation of their DSRs.
- 2.10. The Council reserves the right not to invite all Participants to submit RSs. Should any Participant not be requested to submit a RS, the Council may apply a voluntary standstill period as per the process outlined at PQQ Stage (again protecting commercial confidentiality). All Participants will be debriefed on their DSR during additional DS Dialogue Meetings during the w/c 16<sup>th</sup> January 2017.

### **Stage Three: Refined Solution Stage**

- 2.11. Participants selected to progress to the Refined Solution Stage will be issued with an Invitation to Submit a Refined Solution (ISRS). As with the OS/DS stage, the RS stage enables further dialogue to be held with each Participant. A timetable of meetings will be prepared which will ensure that each Participant spends an equal time in dialogue and has sufficient time to prepare their Solutions. The timetable will allow each Participant to prioritise resources and to invite advisers (and funders) to attend meetings as and when required.
- 2.12. Based on the DSR consideration, the Council may refine the ISRS, however the aim will be to limit any amendments to the documents and request Refined Solution Responses (RSRs) (as far as possible), to the same requirements as set out within the DS documents. As with the OS/DS stage, the Council is seeking to develop a progressive solution with Participants, with the submission requirements of each stage, building on the submissions provided in the previous stages.
- 2.13. RSRs will then be formally evaluated and Participants will be invited to submit a Final Tender (FT) based on the results of this evaluation.
- 2.14. The Council reserves the right not to invite all Participants to submit FTs. Should any Participant not be requested to submit a FT, the Council may apply a voluntary standstill period as per the process outlined at PQQ Stage (again protecting commercial confidentiality). All Participants will be debriefed on their RSRs at face-to-face debrief and clarification meetings to take place between the 19<sup>th</sup> and 25<sup>th</sup> February).
- 2.15. The Council would also like to confirm that it is its intention to confirm any aspects of the CFT prior to issue, via member and leaders briefings. (A report to the Council's Cabinet will not be required).

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<sup>1</sup> Whilst Participant's number of dialogue attendees will be limited to 8, Participants may rotate personnel during the course of the session. For example, a Participant may choose to bring 11 attendees, having a maximum of 8 in the dialogue room ('on the pitch') at any one time, with the 3 remaining attendees being outside the room ('on the bench'), thereby ready to be substituted as the dialogue demands. In providing this discretion to Participants, the Council would ask Participants to be reasonable and not to bring attendees in 'by the bus load'. (Plus to add, that from a commissioning perspective, strength of numbers and therefore a high frequency of substitution does not always equate to increased clarity or consistency during dialogue sessions).

## **Stage Four: Call for Final Tenders Stage (CFT)**

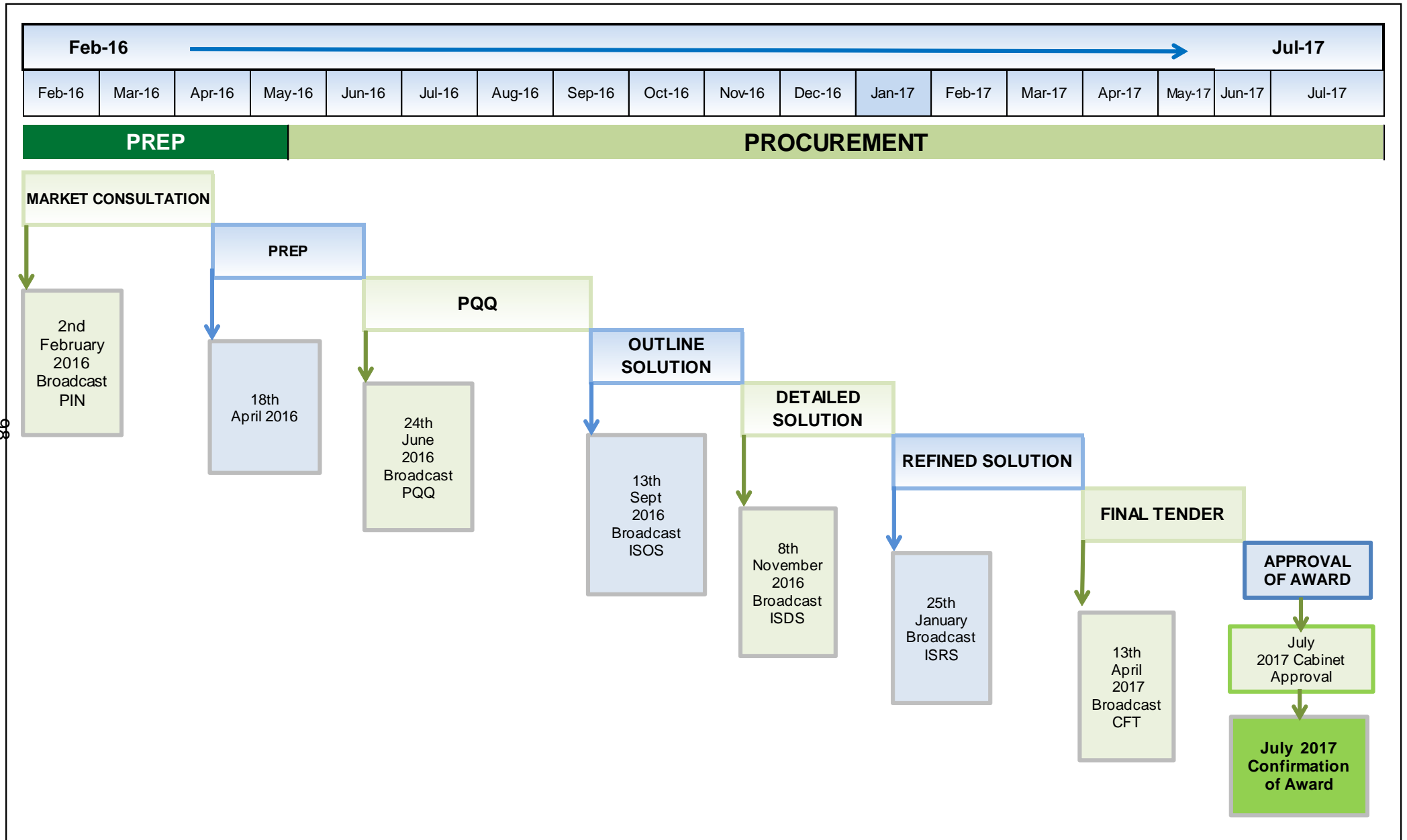
- 2.16. Following evaluation of FTs, a Preferred Bidder will be identified subject to the approval of the Project Team's recommendation to Council's Cabinet. The Council also reserves the right to identify a Reserve Bidder and to request that the FT from that Bidder remain on offer for a specified period. The Reserve Bidder will be expected to attend meetings with the Council until the specified period has elapsed.
- 2.17. A final business case will then be prepared for submission to the Council's Cabinet to seek approval to award the contract. (The name of the Preferred Bidder will not be disclosed until the approval by Cabinet of the award of the contract.)

## **Stage Five: Contract Award**

- 2.18. Following approval to award the contract, the Council will debrief Tenderers and issue an intention to award letter. The mandatory 10 day standstill period will then be applied prior to the award of the Contract. The Preferred Bidder will also be asked to confirm its tender commitments.

## **3. SECTION 3: Process Timetable**

- 3.1. The table below outlines the proposed timetable for the Process. Participants should be aware that the Tender Process will involve their attendance at various meetings at Council offices and at other venues within Herefordshire such as for site visits. Meetings are likely to consist of Q&A Sessions (the opportunity to put questions to Council Officers); Dialogue Meeting(s); Presentation(s) and Interview(s). The attendance of Council representatives on a Site Visit to the Participant's premises may also be required. Advance notice will be given of any meeting requirements at the commencement of each Stage of the Process. Participants should ensure they will be available to attend any meetings as notified.
- 3.2. An indicative timeline is shown on page 6.
- 3.3. Indicative process timings are shown on page 7. As outlined at Section 2 above, Participants should note that 10 day voluntary standstill periods have been included at any point in the process at which debriefs will be provided and that these voluntary standstill periods may not be applied.
- 3.4. As a result, the timings of all post Pre-Qualification Stages should be viewed as indicative only. Should it be necessary for the Council to alter the structure and timings of any of the stages within the Process, the Council will endeavour to provide Participants with as much notice as possible.
- 3.5. Should any Participant identify any issues with any of the Stages of the proposed timetable, such as errors or omissions, they should notify the Council immediately so that any issues can be rectified.



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**DEVELOPMENT & REGENERATION PARTNERSHIP INDICATIVE  
COMPETITIVE DIALOGUE TIMETABLE**

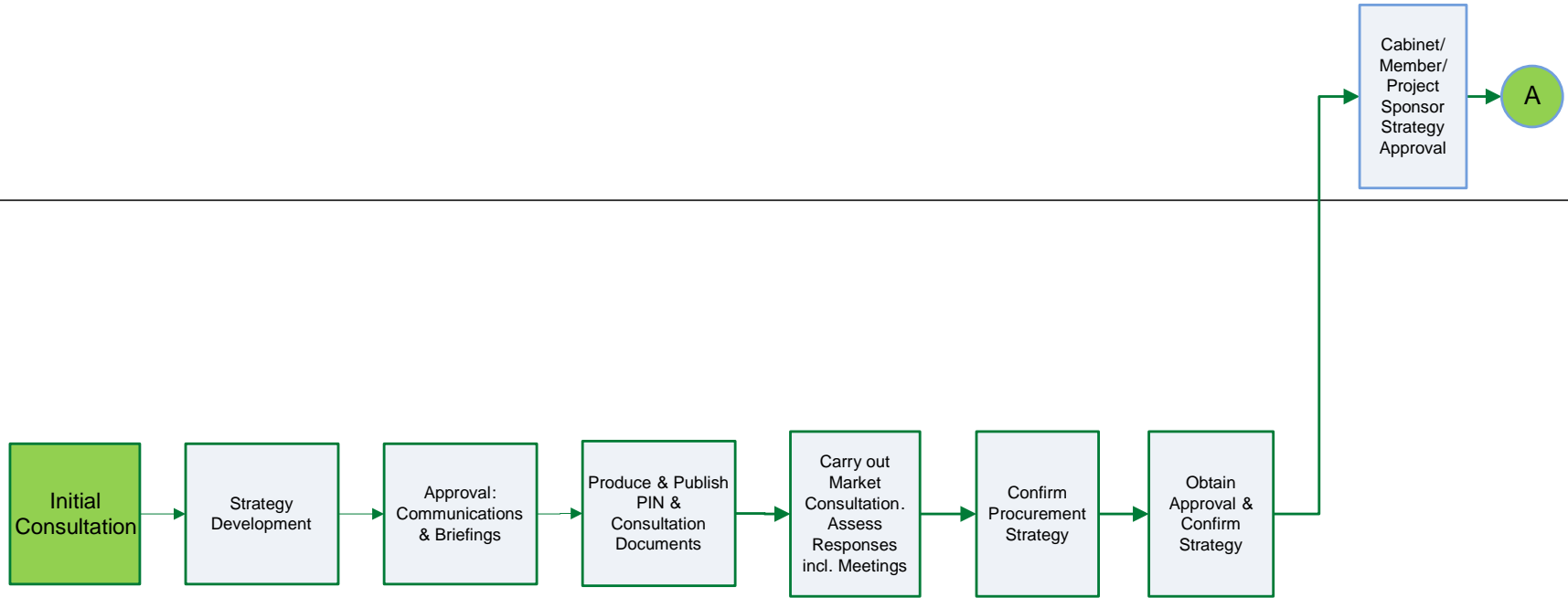
<b>STAGE</b>	<b>ANTICIPATED DATES</b>
PIN Sent for Publication in OJEU	28 <sup>th</sup> January 2016
<b>Market Consultation Documents Available</b>	<b>Documents available no earlier than 12:00 noon 2<sup>nd</sup> February 2016</b>
Consultation Appointments Available	18 <sup>th</sup> February – 15 <sup>th</sup> March 2016
<b>Closing date for return of Market Consultation Survey</b>	<b>24<sup>th</sup> March 2016 12:00 noon</b>
Market Consultation Feedback Summary Available	Onwards from w/c 18 <sup>th</sup> April 2016
Confirmation of Procurement Strategy. Approval of strategy at Cabinet Meeting 16 <sup>th</sup> June plus 3 working day call-in period.	18 <sup>th</sup> April – 21 <sup>st</sup> June 2016
Contract Notice Sent for Publication in OJEU	(Anticipated) 22 <sup>nd</sup> June 2016
<b>PQQ Documents Available</b>	<b>Documents available on no earlier than 12:00 noon on the 24<sup>th</sup> June 2016</b>
Clarification Period Closes	14 <sup>th</sup> July 2016 12:00 noon
Clarification Answers Published By:	21 <sup>st</sup> July 2016
<b>Closing date for return of PQQ</b>	<b>28<sup>th</sup> July 2016 12:00 noon</b>
Confirm Candidates to be invited to Submit Outline Solutions: Debrief during voluntary standstill (meetings to be held w/c 5 <sup>th</sup> September). Standstill period to close midnight on 12 <sup>th</sup> September. <b>(From this point onward dates are indicative only.)</b>	19 <sup>th</sup> August 2016
<b>Broadcast ISOS</b>	13 <sup>th</sup> September 2016
Hold 1 <sup>st</sup> Round OS Dialogue Appointments (1 per Participant)	w/c 19 <sup>th</sup> September 2016
Hold 2 <sup>nd</sup> Round OS Dialogue Appointments (1 per Participant)	w/c 3 <sup>rd</sup> October 2016
Clarification Period Closes	12 <sup>th</sup> October 2016
Clarification Answers Published By:	18 <sup>th</sup> October 2016
<b>Closing date for submission of Outline Solution</b>	<b>24<sup>th</sup> October 2016 12:00 noon</b>
<b>Written debrief &amp; Broadcast ISDS</b>	8 <sup>th</sup> November 2016
Hold 1 <sup>st</sup> Round DS Dialogue Appointments (1 per Participant)	w/c 14 <sup>th</sup> November 2016
Hold 2 <sup>nd</sup> Round DS Dialogue Appointments (1 per Participant)	w/c 28 <sup>th</sup> November 2016
Clarification Period Closes	7 <sup>th</sup> December 2016 12:00 noon
Clarification Answers Published By:	13 <sup>th</sup> December 2016
<b>Closing date for submission of Detailed Solution</b>	<b>21<sup>st</sup> December 2016 12:00 noon</b>
Confirm Participants to be Invited to Submit Refined Solutions: Debrief during Voluntary Standstill	13 <sup>th</sup> January 2017
Additional Dialogue Meetings (1 per Participant)	16 <sup>th</sup> – 20 <sup>th</sup> January 2017
Broadcast ISRS	25 <sup>th</sup> January 2017
Hold 1 <sup>st</sup> Round RS Dialogue Appointments (1 per Participant)	w/c 30 <sup>th</sup> January 2017
Strategic Briefing Meeting with Director for Economy Communities and Corporate	7 <sup>th</sup> February 2017
Hold 2 <sup>nd</sup> Round RS Dialogue Appointments (1 per Participant)	w/c 13 <sup>th</sup> February 2017

Clarification Period Closes	7 <sup>th</sup> March 12:00 noon
Clarification Answers Published By:	14 <sup>th</sup> March 2017
<b>Closing date for submission of Refined Solution</b>	22 <sup>nd</sup> March
<b>Confirm Participants to be Invited to Submit Final Tenders</b>	13 <sup>th</sup> April 2017
Debrief and Clarification Teleconferences (3 per Participant)	19 <sup>th</sup> April – 25 <sup>th</sup> May 2017
Close of Dialogue	1 <sup>st</sup> June 2017
Clarification Period Closes	1 <sup>st</sup> June 2017
Clarification Answers Published By:	7 <sup>th</sup> June 2017
<b>Closing date for submission of Final Tender</b>	<b>15<sup>th</sup> June 2017 12:00 noon</b>
Intention to Award Approval at 20 <sup>th</sup> July 2017 Cabinet Meeting (date to be confirmed) plus 3 working day call-in period.	27 <sup>th</sup> July 2017
<b>Issue of Intention to Award &amp; Start of Mandatory Standstill Period</b>	27 <sup>th</sup> July 2017
<b>Confirmation of Intention to Award of Contract</b> (Contract Implementation onwards <i>from 9<sup>th</sup> August 2017</i> )	8 <sup>th</sup> August 2017

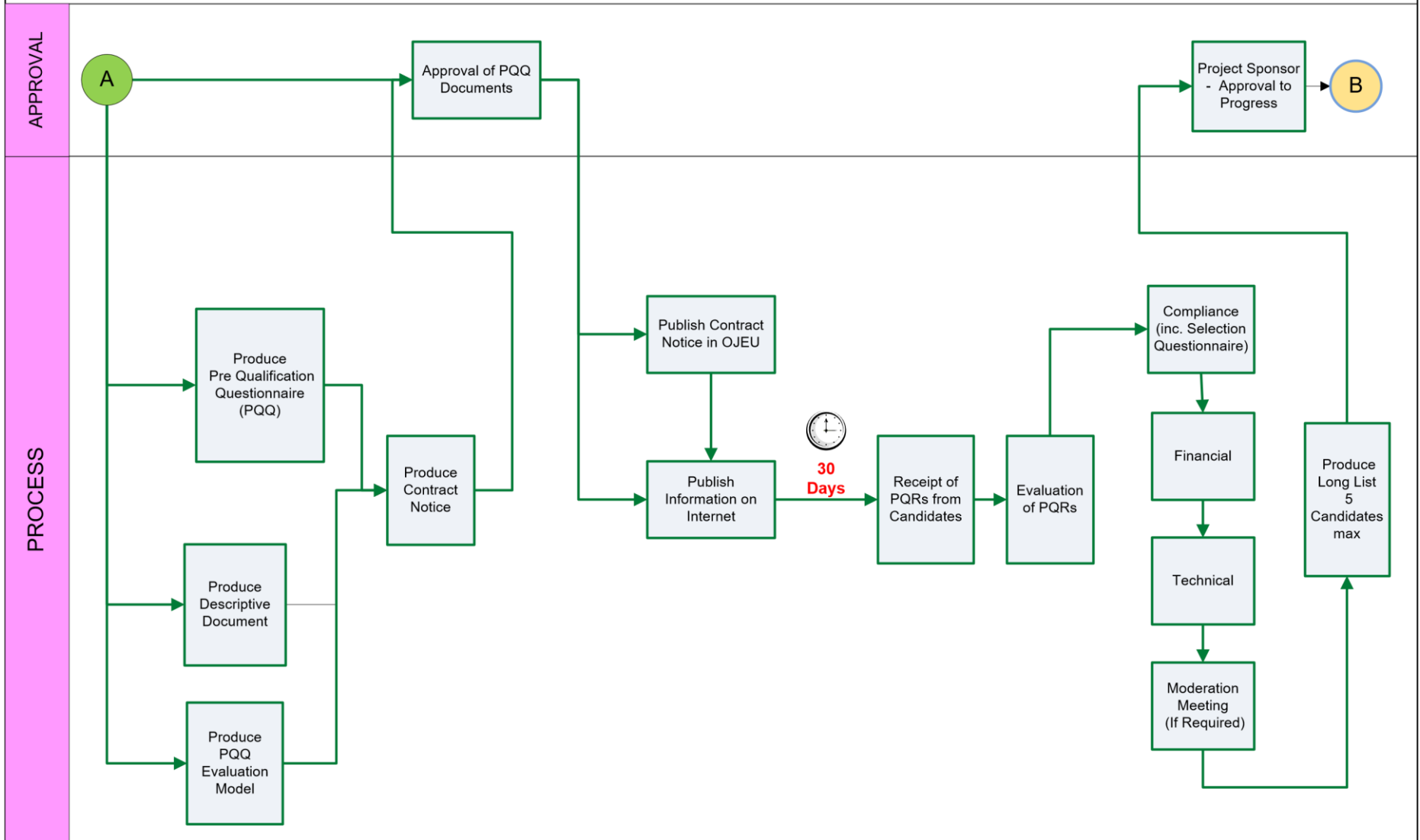


STANDARD

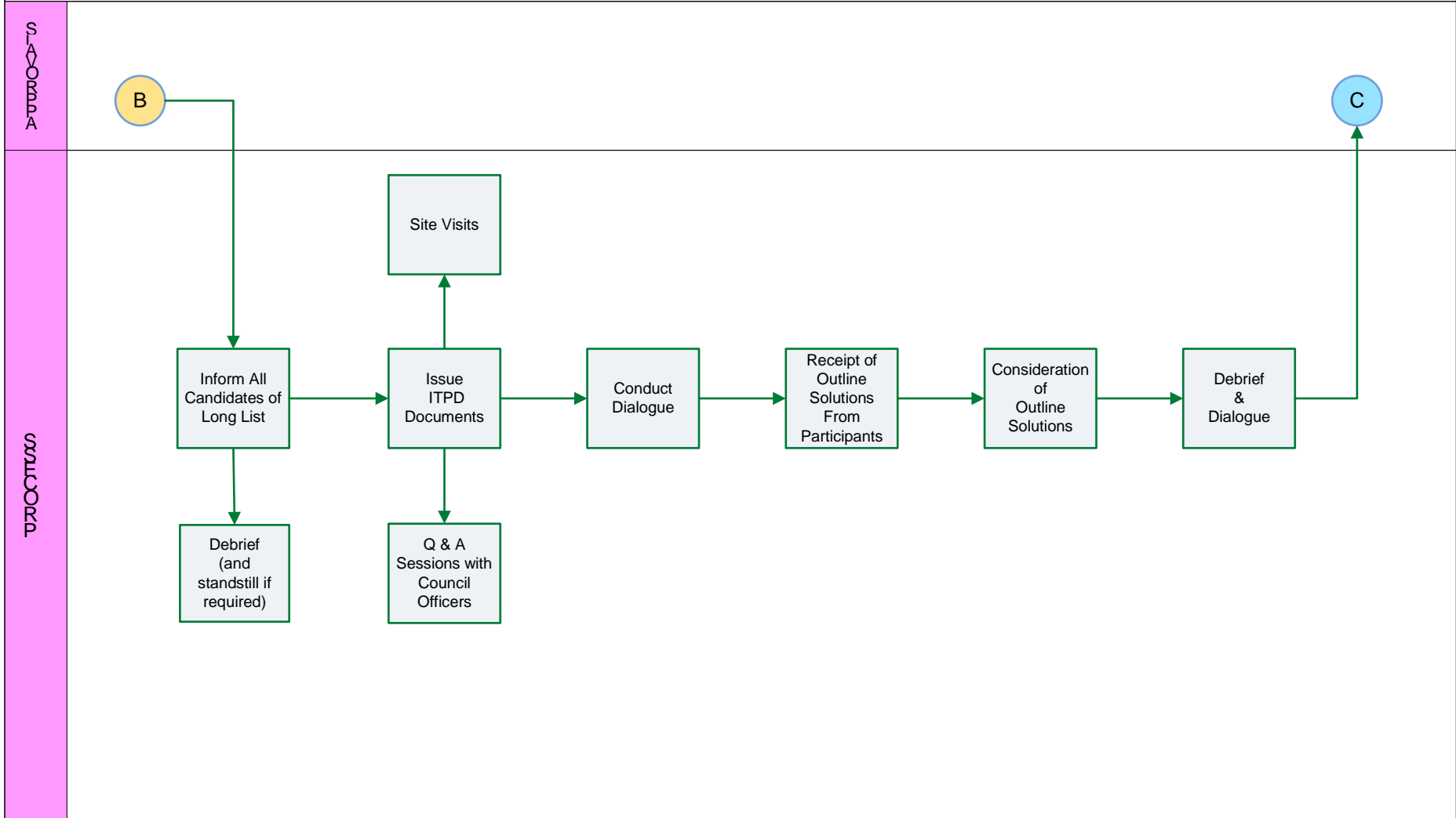
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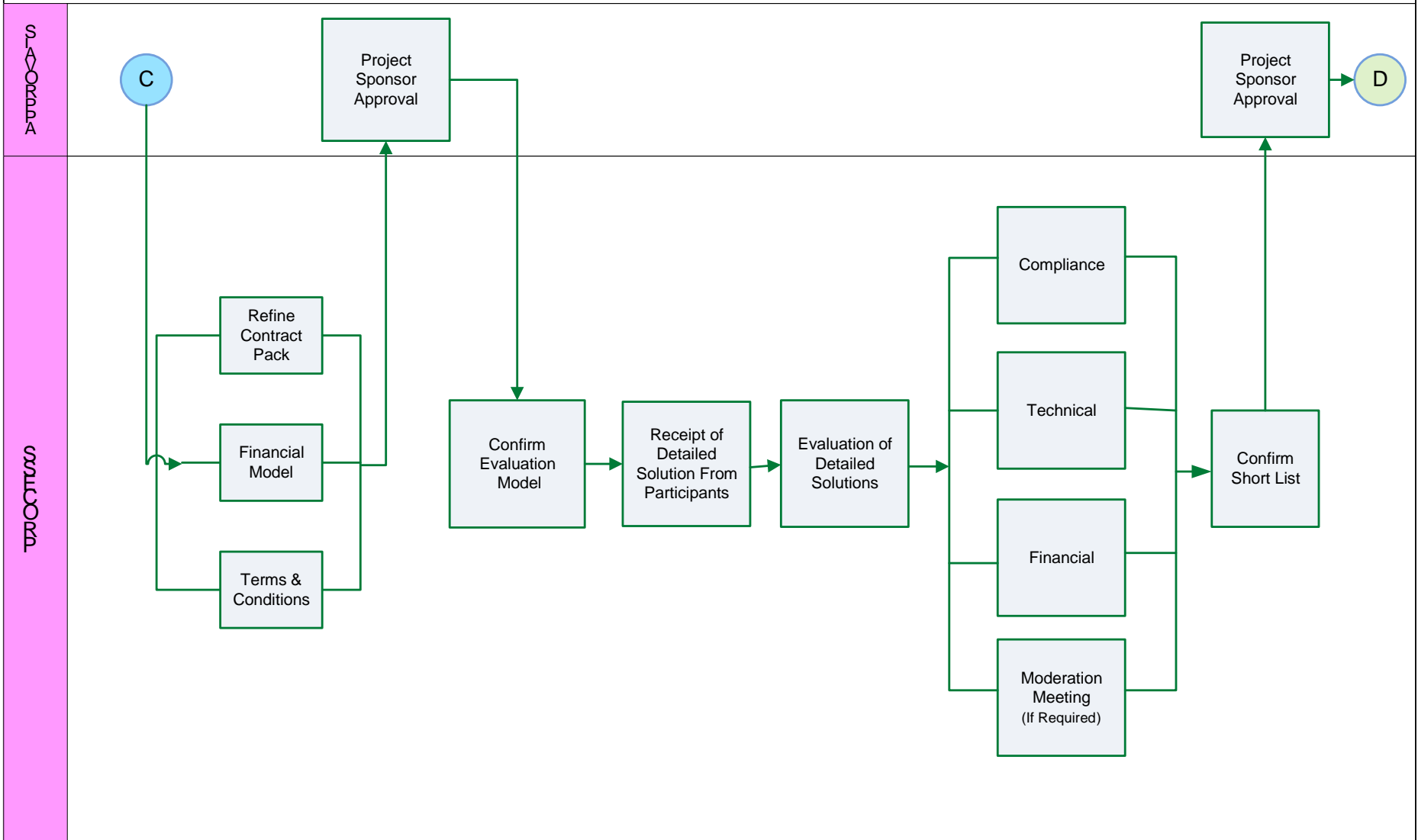


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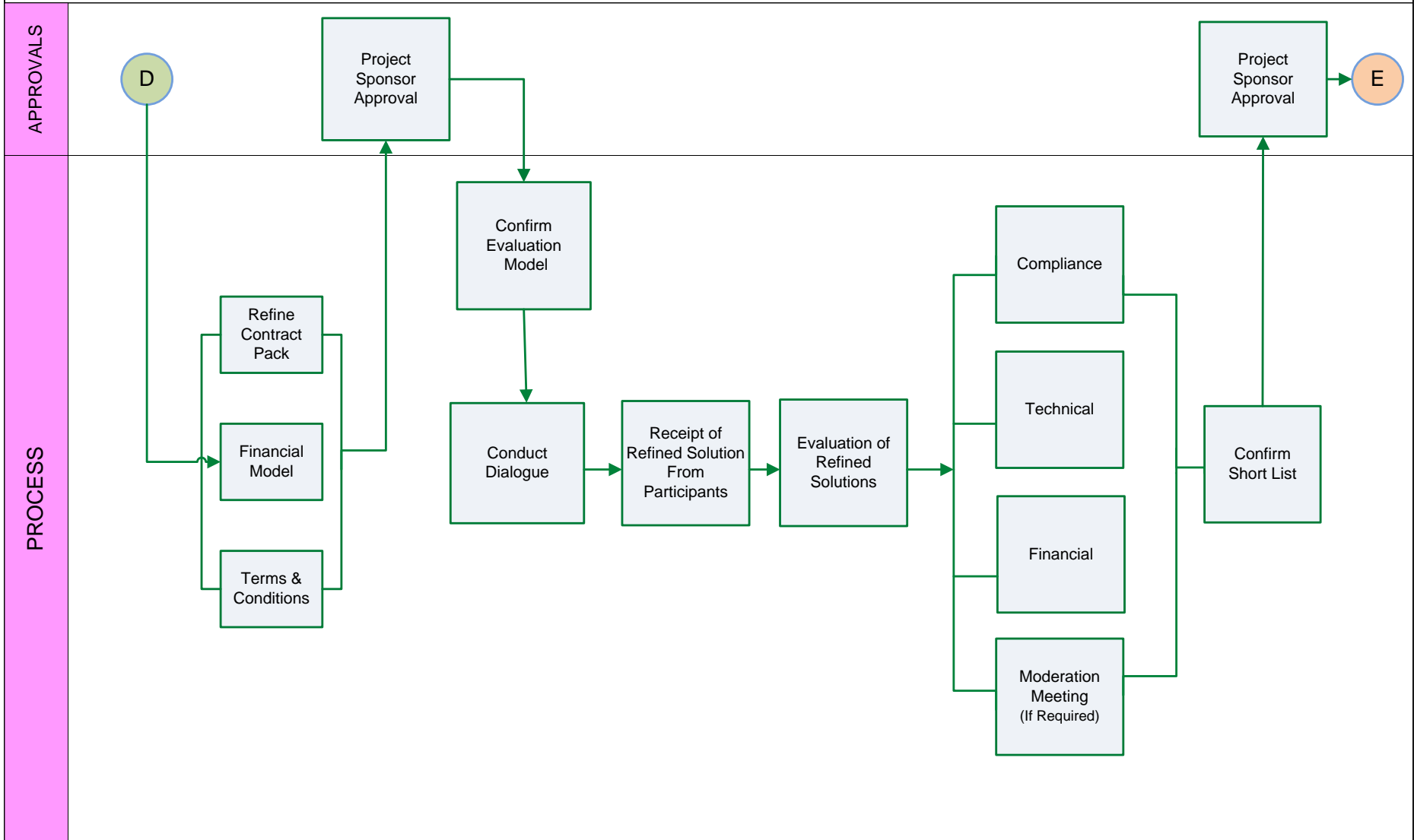


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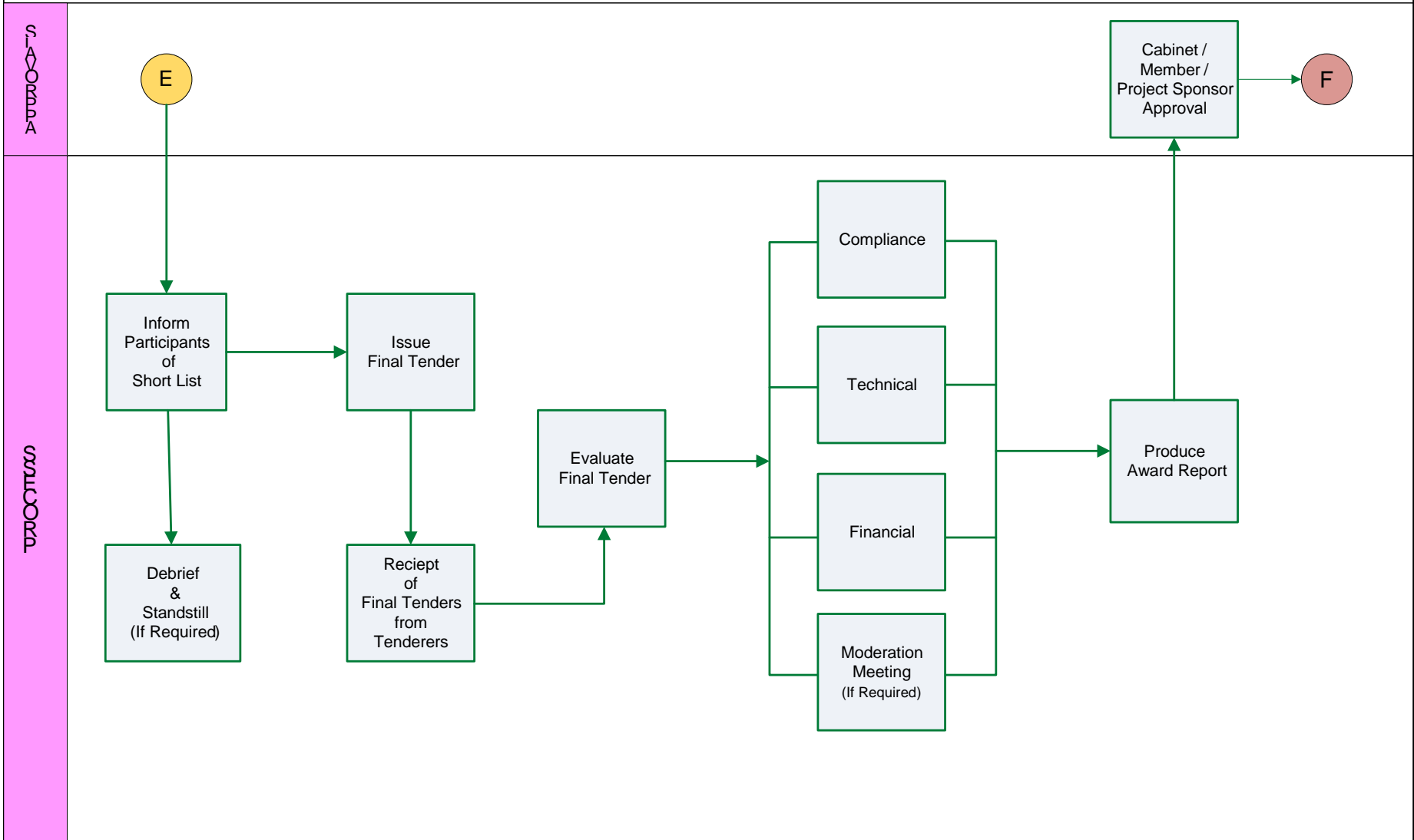




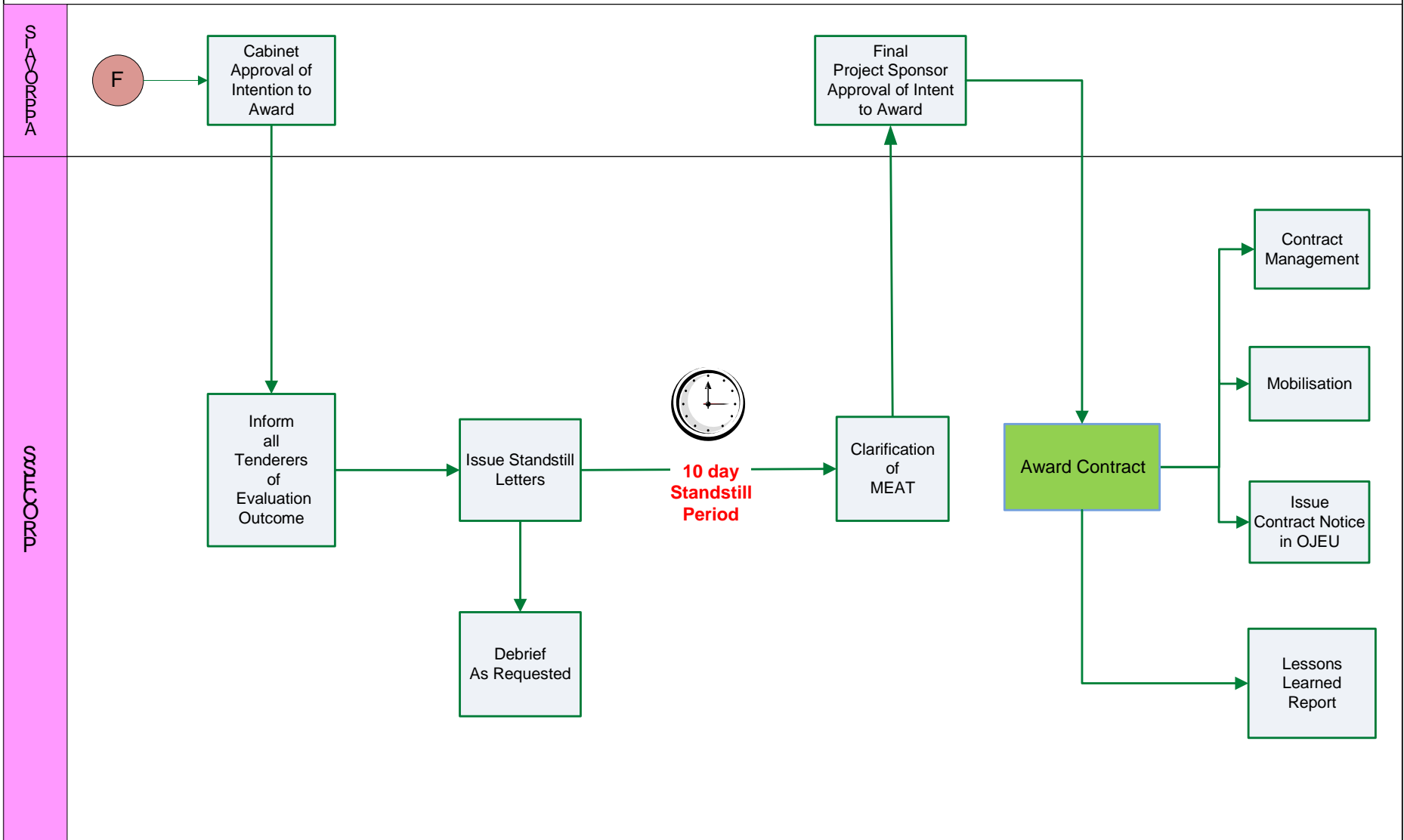
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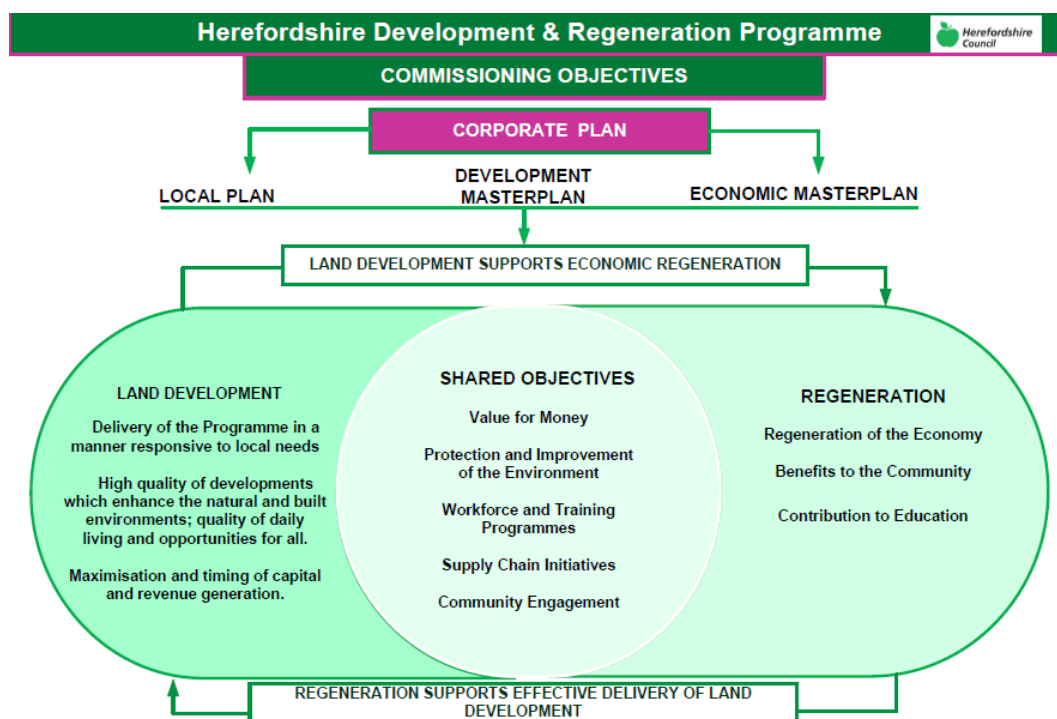
# EQUALITY IMPACT ASSESSMENT – HEREFORDSHIRE COUNCIL DEVELOPMENT AND REGENERATION PROGRAMME PROCUREMENT

## CABINET REPORT JULY 2017

### DEVELOPMENT AND REGENERATION PROGRAMME PROCUREMENT

This report gives an overview of equality impacts of the procurement of a provider for Herefordshire Council’s development and regeneration programme. The procurement will establish a long term relationship between Herefordshire Council and the developer. The developer will support the council to optimise the use of its property assets by developing a range projects from housing for private market sale to civic buildings. The contract will also be open for use by the council’s partner organisations in the public and third sector. The contract will be let for an initial 10 years with the potential to extend for a further 10 years.

As a key long term ‘partnership’ for the council the procurement, which has been done in line with the council’s Equality Policy 2017 – 2019 (extracts included in Appendix A), will aim to i.a. maximise the social value achieved through the partnership. The commissioning objectives of the procurement are illustrated in the following diagram:



## EQUALITY DUTY

The Equality Act 2010 established 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 maternity; marriage and civil partnership; race; religion or belief; sex; and sexual orientation). In particular, the council must have 'due regard' to the Public Sector Equality Duty when taking any decisions on service changes.

Where a decision is likely to result in detrimental impact on any group with 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.

## PROCUREMENT APPROACH

### SOCIAL VALUE

The procurement will include a number of specific questions to encourage the bidders to make specific commitments on benefits to the community in line with the commissioning objectives. The sustainable communities team have been involved in developing these questions, providing feedback to the bidders through the rounds of competitive dialogue, and marking the bidder responses.

The procurement is seeking to maximise the provider commitments to social value during the competitive stage of the process. The implementation of these commitments will be managed, monitored and reported as part of the contract management regime. The performance framework will include KPIs that measure the provider's achievements against these obligations.

The final social value commitments will be available at contract award and will be listed in the Cabinet report at that point.

### EQUALITY REQUIREMENTS

The overarching agreement places sufficient obligations on the provider to ensure that they support the council in fulfilling its duties under Equality Legislation.

Appendix B lists the Equality Requirements as specified in the current draft overarching agreement. This is the main contract underpinning the 'partnership'. The terms have been shared with the bidders and these aspects of the agreement have been accepted and will form part of the final agreement.

## APPENDIX A – HEREFORDSHIRE COUNCIL’S EQUALITY POLICY 2017 – 2019

This policy sets out the council’s duties under the Equalities Legislation and identifies its priorities. The policy identifies six key equality principles:

Principle 1: Promote our values and acceptable standards of behaviour for members and employees

Principle 2: Make fair and equitable decisions

Principle 3: Recruit fairly and support our workforce

Principle 4: Make our services accessible

Principle 5: Understand the needs of the community that we serve

Principle 6: Provide tailored support to vulnerable groups

Specifically Principle 2: Make fair and equitable decisions, provides guidance on

a) Equality Impact Assessments: As a council, we must have due regard for advancing equality (see “The Legal Requirement”). Producing equality impact assessments (EIAs) is one way that we can demonstrate we are meeting this requirement. An EIA is a risk assessment focused on fairness, access and inclusion. It is a way of considering a policy, service or process in terms of how it might impact differently on different groups protected in law. We use EIAs to find and remove barriers in services which might stop people knowing about the service, using it, and getting the best from it. EIAs also help us to open services up to new groups and make services better. Internal procedures require that consideration is given to equality impacts and the equality duty when policies, services or functions are undergoing change, and we provide a copy of any EIA to decision makers before decisions are made. We will provide access to an EIA for anyone who wants to see it.

b) Procurement and contracting: As a council, we aim to commission the right services, from the right provider, at the right price. We embrace the objectives of the Social Value Act and are working to embed social value in all commissioning and procurement practices, and in the direct delivery of services. We will only award contracts to organisations who can evidence that they are fully compliant with the Equality Act, and our terms and conditions stipulate this.

## APPENDIX B – OVERARCHING AGREEMENT EXTRACTS

### DEFINITIONS

**2010 Act** means the Equality Act 2010;

**Equality Requirements** means the requirements set out in Section 149 of the Equality Act 2010 and Schedule 10

Section 149 imposes a duty on ‘public authorities’ and other bodies when exercising public functions to have 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.

### EXTRACTS FROM THE OVERARCHING AGREEMENT

*Personnel policies and procedures to be put in place by the Developer*

6.6 The parties acknowledge that, as at the date of this Agreement, the Council has entered into the Council Policies (including but not limited to those affecting diversity, cohesion, equality, anti-bullying, work life balance and part-time working which for the avoidance of doubt shall for the purposes of this Agreement also include associated codes and guidelines). Without prejudice to the generality of this clause 1 the Developer shall procure that (where not already existing) there are set up and maintained by it, and by all Service Providers involved in the provision of Services, personnel policies and procedures (which the Council acknowledges may not be as extensive or are not as beneficial to any employee of the Developer and/or Service Provider as the Council Policies) covering all matters relating to employees and other Developer personnel (including discipline, grievance, equal opportunities, health, education and safety). The Developer shall procure that the terms and the implementation of such policies and procedures comply with Law and Good Industry Practice and that they are published in written form and that copies of them (and any revisions and amendments to them) are (once published) forthwith issued to the Council.

*Compliance with anti-discrimination legislation*

37.11 The Developer shall, throughout the term of this Agreement, ensure that the Services are provided in such a manner as to comply with the 2010 Act and shall also ensure that no breach of the terms of Schedule 10 (*Equality Requirements*) shall occur.

### SCHEDULE 10 – EQUALITY REQUIREMENTS

## Schedule 10

### Equality Requirements

#### 1 Discrimination and the promotion of equality

1.1 The Developer (including its agents and employees) shall not, and shall procure that Developer Parties shall not:

- (a) discriminate directly or indirectly or by way of victimisation or harassment against any person on Prohibited Grounds; and/or
- (b) contravene the 2006 Act or the 2010 Act,

where appropriate.

1.2 The Developer (including its agents and employees) shall, and shall procure that Developer Parties shall, for purposes of ensuring compliance with paragraphs 1.1(a) and 1.1(b) above, in relation to staff engaged in the provision of Works, Services or Developer Obligations observe as far as possible the provisions of:

- (a) the Equality and Human Rights Commission Code of Practice on Employment;
- (b) the Disability Rights Commission's Statutory Code of Practice on Employment and Occupation and the Code of Practice on the Disability Equality Duty; and
- (c) any other relevant code of practice introduced by a commission or other body set up by Parliament to promote, monitor and enforce Equalities Legislation,

including, but not limited to, those provisions recommending the adoption, implementation and monitoring of an equal opportunities policy.

1.3 The Developer shall, and shall procure that Developer Parties shall, in performing its/their obligations under this Agreement, comply (to the extent permitted by law) with the provisions of the 2006 Act and the 2010 Act.

1.4 Where in connection with this Agreement the Developer (including its agents and employees) or any Developer Party are required to carry out work on the Council's premises or alongside the Council's employees on any other premises, they shall comply with the Council's own employment policy and codes of practice relating to racial discrimination and equal opportunities.

1.5 The Developer shall, and shall procure that Developer Parties shall, notify the Council Representative forthwith in writing as soon as it becomes aware of any investigation of or proceedings brought against the Developer or any Developer Party under the Equalities Legislation.

1.6 Where any investigation is undertaken by a person or body empowered to conduct such investigation and/or proceedings are instituted in connection with any matter relating to the Developer's performance of its obligations under this agreement being in contravention of the Equalities Legislation, the Developer shall, and shall procure that the Developer Parties shall, free of charge:

- (a) provide any information requested in the timescale allotted;
- (b) attend any meetings as required and permit any of its staff to attend;

- (c) promptly allow access to and investigation of any documents or data deemed to be relevant;
- (d) allow itself and any of its staff to appear as witness in any ensuing proceedings; and
- (e) co-operate fully and promptly in every way required by the person or body conducting such investigation during the course of that investigation.

Schedule 13 – Council Policies

**Schedule 13**

**Council Policies**

**EQUALITY AND DIVERSITY**

<https://www.herefordshire.gov.uk/government-citizens-and-rights/equality-and-diversity/equalities-and-diversity-assessment-and-consultation>

## DEVELOPMENT AND REGENERATION PROGRAMME

### RISKS

Risk: Planning and other complexity make it difficult to identify developable sites to include in the programme e.g. flooding. Response: the council will put in place a programme management capability that will identify and progress sites, manage stakeholder involvement, and provide strategic leadership to the programme to ensure that it delivers in line with the council's strategic aims

Risk: There may be a downturn in the property market which will adversely impact the programme. Response: The contract has clauses to allow changes to the phasing of projects in progress which are affected by a downturn in the market. There is also no guaranteed minimum volume of work that will be put through the programme. The council will, therefore, be able to react to longer term changes in the market by altering the number of sites entered into the programme.

Risk: The council does not adequately manage the contract(s) meaning that benefits are not realised. Response: the council will utilise the contract management capability developed through managing partnerships in service areas such as the public realm. An integrated contract management team will be developed across these related service areas.

Risk: The procurement process is subject to successful challenge. Response: The procurement has followed the prescribed EU competitive dialogue process; this was managed and controlled in cooperation with the council's commercial services team within its legal department; the council has used professional procurement support and advice from an advisor with recent experience of implementing a similar partnership at another council.

Risk: There is a risk that the sites originally identified for inclusion in the procurement will not be available to the programme. This means that they will not be developed meaning wasted work and damaged credibility for the procurement. Response: the sites chosen for inclusion in the procurement were considered to be suitable for development; although the council is not committed to taking forward the designs developed during the procurement. Any development on the first batch sites will be brought to a future Cabinet (via the programme board)

Risk: The council does not put in place the technical resources required to manage the programme (i.a. QS, Legal). The financial, legal and technical assessment of future projects could be undermined as a result. Response: QS resource will be available via the contract management team (which will be built on the public realm contract management team). The project team has engaged with legal services throughout the project and will continue to do so to ensure that the needs of the programme are understood and can be met.

Risk: There is a risk that the deal cannot be finalised. Response: Two appointable tenders were received. If terms cannot be agreed with the preferred bidder then the council will open discussions with the reserve bidder.

Risk: The financial standing of the partner organisation is insufficient to overcome financial challenges during the life of the programme, and the programme is either delayed or undeliverable as a result. Response: The bidders were scrutinised at the PQQ stage of the procurement, with professional external advice provided in respect of financial statements. All bidders were deemed adequate for the size of the programme. Changes to company / consortia structures and named supply chains which have arisen during the procurement process have likewise been scrutinised and confirmed as being of sufficient standing.

Risk: Reputational risks to the preferred or reserve bidder will impact the council; Response: if information comes to light during due diligence activities then the council could switch to the reserve bidder or, in extremis, not award the contract; once awarded, the contract offers an efficient commissioning option but does not automatically provide exclusivity to the provider.

Risk: Financial risks to the preferred or reserve bidder impacts the providers ability to fulfil the contract; Response: If the preferred bidder gets into financial difficulties and cannot fulfil its obligations within the first 6 months then the council can revert to the reserve bidder; beyond that the contract does not automatically provide exclusivity to the provider and has no guaranteed minimum turnover, the only risk is, therefore, to current projects; financial viability assessment will be included in the new project approval process to minimise the risk to new projects.





<b>Meeting:</b>	<b>Cabinet</b>
<b>Meeting date:</b>	<b>27 July 2017</b>
<b>Title of report:</b>	<b>End of May corporate budget and performance report 2017/18</b>
<b>Report by:</b>	<b>Cabinet member, economy and corporate services</b>

## Classification

Open

## Key decision

This is not a key decision.

## Wards affected

County-wide

## Purpose

To review projected revenue outturn for 2017/18 and invite cabinet members to consider performance for the first two months of the year.

## Recommendation(s)

THAT:

- (a) **performance for the first two months of 2017/18 and projected financial outturn are reviewed and cabinet determines any additional actions required to achieve improvement; and**
- (b) **£200k be vired from the waste management budget to the community services budget.**

## Alternative options

1. Cabinet may: choose to review financial and operational performance more or less frequently; or determine alternative actions to address any identified areas of under-performance, including referral to the relevant scrutiny committee.
2. It is open to cabinet not to approve the proposed virement; this is not recommended because the virement would ensure that community services continue to operate within approved budgets pending delivery of the planned savings during the lifetime of the medium term financial strategy.

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Further information on the subject of this report is available from Richard Ball, assistant director environment and place on (01432) 260965 and Andrew Lovegrove, chief finance officer on (01432) 383519

## Reasons for recommendations

- To provide assurance that progress is being made towards achievement of the agreed revenue budget and service delivery targets, and that the reasons for major variances or potential under-performance are understood and are being addressed to the cabinet's satisfaction.

## Key considerations

- The projected 2017/18 outturn is £1.85m overspend as at the end of May 2017. Action plans are being developed in relevant directorates to address the in-year pressures in addition to those actions contained within the directorate overviews in paragraphs 10-59 are expected to manage this.
- The table below sets out the directorate position at the end of May. Further service detail is available in appendix A.

### *Projected revenue outturn 2017/18 (as at the end of May)*

Directorate Net Budget	Gross Budget	Net Budget	Projected full year outturn	Projected full year variance
				Over / (Under)spend
	£000	£000	£000	£000
Adults and Wellbeing	83,896	51,887	52,376	489
Children's Wellbeing	141,576	21,620	22,981	1,361
Economy, Communities & Corporate	67,753	45,665	45,665	0
<b>Directorate total</b>	<b>293,225</b>	<b>119,172</b>	<b>121,022</b>	<b>1,850</b>
Other budgets and reserves	57,213	25,853	25,853	0
<b>TOTAL</b>	<b>350,438</b>	<b>145,025</b>	<b>146,875</b>	<b>1,850</b>

- Council approved the corporate plan 2016/17-2019/20 in February 2016, framed around the key priorities to:
  - 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
  - secure better services, quality of life and value for money.
- In February 2017 Council approved the 2017/18 budget and, having regard to that budget, the supporting delivery plan was agreed by cabinet in April.
- Progress is measured through a number of agreed performance measures. These have been selected because they demonstrate progress towards achievement of the council's priorities and also provide an overview of the council's performance from a resident's perspective. The databooks, which are available on the council's website, contain the latest performance outturns available. Where monitoring information is only available annually, these measures will be reported at the point it becomes available.

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9. Appendix D provides an overview of performance during the first two months of 2016/17. Whilst 58% of performance measures are showing a positive shift in performance, there are 42% that are currently performing worse than the same period last year, and consideration needs to be given as to required actions to improve performance. A summary of performance and the challenges faced within each directorate is included below in paragraphs 10-59.

### ***Adults and wellbeing (AWB)***

10. The forecast outturn for 2017/18 is a projected overspend of £489k at year end. This assumes the allocation of £2.5m from Improved Better Care Fund (iBCF) money going towards meeting adult social care needs.
11. The forecast overspend specifically within the adult social care client groups is £769k. This is mainly due to increases in the number of nursing client placements with physical support needs, but there has also been an increase in the cost of learning disability (LD) residential placements, along with cost pressures in both LD domiciliary care and day care placements. Within LD residential, there are also unmet savings of £350k that are contributing to the current AWB financial position.
12. A focussed approach to filling vacant block beds and shared lives placements is continuing to operate to ensure that the council gets best value and quality outcomes for service users from the block contracts that it commissions.

### *What is going well?*

13. Further improvement work on the adult social care pathway began in January 2017. The focus of the work includes a redesign of 'front door' services, stronger and clearer pathway control, improved short-term care and urgent care systems, and training in strengths-based practice. The approach taken includes piloting new pathways in several service areas, such as hospital discharge, reablement and rapid response, where there is already evidence of improved performance. The final delivery of this work is planned for September 2017.
14. The Healthy Lifestyle Trainer Service has continued to widen its scope; developing an in-house smoking cessation service (following the withdrawal of existing external service providers), ongoing coaching and support for diabetes prevention courses and development of a training programme for champions of walking and cycling under the transport access fund to support healthy lifestyle behaviour change.
15. In order to increase the take-up of NHS health checks for people over the age of 50, a pilot is being developed with Belmont Medical Centre surveying, all people who opted not to take the opportunity to have a check in the last five years. This will provide greater insight as to why health checks were not taken up, which in turn should identify a number of activities that can be rolled out county-wide.
16. During the last quarter, campaigns have been run to focus on mental health through workplace events, Be Food Smart and Change 4 Life and Only YOU. These represent the local delivery of national campaigns mandated by Public Health England.
17. The WISH website saw 1702 and 1866 hits in April and May respectively, which continues the overall upward trajectory; a report based on web activity for this period identified that dementia is the top result searched for on the website, followed by community transport, personal independence payment, day opportunities, residential care homes for dementia, Addaction, childminders and care homes. The most searched for activities include calligraphy, singing, yoga, gardening and walking. All

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of these activities can contribute to reducing social isolation and provide useful evidence of the wide impact of the WISH approach.

18. A programme to implement assistive technology to support clients with learning disabilities is currently underway. Surveys of all properties have begun; each property has been assigned to a particular phase of the programme. The first tranche of funding has been claimed and used to purchase technologies to meet the identified needs of the properties allocated to the first phase of the programme. This is expected to allow more individuals to maintain independent lives in the community, rather than have to live in residential placements.
19. Improvements within the Home Improvement Agency are ongoing, focussed on streamlining processes and introducing a new shorter application form for disabled facilities grant (DFGs). A pilot 'trusted contractor' agreement has now been established between one local contractor and the council, which is expected to help reduce waiting times by the contractor providing both the surveying and contractor function for each request. The pilot will be evaluated and used to inform future approaches across the system.
20. A decision is scheduled for September 2017 to procure a new 'open' framework for domiciliary care with the intention to award by January 2018 and move providers to the new framework before the current framework ends on 31 March 2018. Work with the market is continuing, a particular area of focus will be the external care workforce and developing strategies to support providers to recruit and retain care workers, thereby improving continuity of care, increasing capacity and reducing the costs associated with the current high levels of staff turnover.
21. There have been a large number of applications for the new community broker roles which will begin in late August/September 2017. These new roles are key to maximising the use of community support as part of a person's support and care offer, thereby maintaining their links into local communities and reducing demand for formal care services.
22. The current reablement and rapid response services are being redesigned following the decision to bring management of the reablement service into the council. The new Home First service will aim to keep people at home with additional support (preventing hospital admission and supporting hospital discharge).
23. A new carers strategy for Herefordshire has been developed through co-production with local carers, building on past consultation and will be considered by cabinet on 20 July. Six priorities are identified including information and advice, identifying and registering carers, access to universal services and assessment and mutual support. The design of new services for carers is being finalised with carers themselves, prior to re-procurement commencing in September 2017.
24. The council is renewing and extending its commitment to supported and targeted housing for vulnerable people. A new accommodation strategy for vulnerable young people appears elsewhere on the cabinet agenda today, and a strategy for people with LD and acquired brain injury is in development. Both strategies will take a three phase approach focusing on utilising current places, new schemes acquired or being built and longer term housing development.

### *Challenges*

25. The DFG approvals and completions in quarter 1 have been lower than anticipated due to staffing shortfalls within the Home Improvement Agency team. This has now been addressed through an interim solution in the short term whilst a permanent

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recruitment has been completed.

26. The provider market continues to be challenging, particularly around the cost of nursing placements due to people's needs being greater and more complex when they require formal care. This issue is compounded by the shortage of care staff within the workforce across the health and social care system.
27. The cost of LD placements remains high. The anticipated savings and timescales to deliver the savings are proving challenging as many of the packages are not seeing reductions due to the limited range of alternative accommodation and services currently available in the market.
28. There are continuing national debates on the use of the iBCF for meeting adult social care needs, which are causing a lack of clarity for local NHS partners and hence hindering their agreement on the use of the funding. Although some of this money will be used to fund recurrent pressures in the adult social care budget, this represents a risk as no commitment for funding beyond 2020 has been made by the government.

### ***Children's wellbeing (CWB)***

29. The forecast outturn for 2017/18 is a projected net overspend of £1.36m at year end. This is due to an increase in looked after children (LAC) of 29 since the budget was set, and the savings targets relating to a reduction in LAC not being realised at this stage. All other savings in the MTFs have been delivered and an additional £600k cut relating to the Educational Services Grant has been applied.
30. Underspends have been identified in all other areas, through delivering on maximising grants, holding on staff vacancies, complex needs panel reducing costs, and continued management on social worker staff costs. An invest to save proposal is being worked up to reduce the long term impact of the pressure.
31. During 2016, CWB delivered significant savings in staffing costs. The use of agency staff reduced from 60 to 12, a reorganisation of management roles delivered £200k and a concerted recruitment drive resulted in 80% of posts being occupied by permanent staff. Work with partners led to a halving of the children subject to child protections and a similar reduction in children need offered support under s17 of the children act 1989.
32. The principal pressure on the delivery of the CWB medium term financial strategy (MTFS) for 2017/18 is the cost of placements associated with our looked after population. The current figure of 309 is unsustainably high and does not reflect the needs of our population. This figure is 85 per 10,000 and our statistical neighbours' average rate is 50 per 10,000. The current LAC population is a legacy from a period when professional practice was more risk averse in the aftermath of our critical Ofsted judgement.
33. Work to reduce our looked after population to a demographically appropriate level began during 2016 when the scale of the challenge was identified. The Threshold of Care Panel came into place in September 2016 to consider all requests for children to become accommodated apart from those subject to court proceedings which are screened through the legal gateway process. This led to a reduction in the numbers of children becoming looked after. In 2015/16 an average 10.2 children became looked after each month; the figure for 2016/17 was 8.6, a 16% reduction. In comparison with our regional neighbours, we have the 11th lowest rate of new entrants in the west midlands for last period where comparative data exists: quarter 2.
34. The challenge has been to move those children who are looked after on into more

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appropriate, permanent arrangements which will include returning home to their families or becoming subject to special guardianship. To support this change, all LAC have been reviewed to explore their suitability for de-accommodation. Those young people who will 'age out' of care have also been identified. In order to progress the reduction in the LAC population, a number of applications to court will be required alongside the supporting assessments, changes to care plans and statements. It will take an average of six months for a court to decide on the application. This work will reduce our LAC population and the changes already noted to manage new admissions should ensure the number remains appropriate.

35. We look after children in a range of provision, some of which is council owned and some of which is purchased from the private sector. We have our own foster carers, approved kinship carers, supported lodgings and short term approved family members. From the private sector we purchase foster care and residential care. At quarter 4, 15% of our LAC were placed in independent fostering provision as opposed to 54% within local authority foster provision. The fostering team have seen a net increase in their carers and continue to recruit new carers to reduce our use of expensive external provision.
36. During the last year Herefordshire Council agreed to offer a total of 25 unaccompanied asylum seeking children (UASC) accommodation. These young people will be additional to those young people within the county who will require our care. At present we look after 10 UASCs and have three supported as care leavers. We can therefore expect to provide care for a further 15 during this financial year.
37. Short term planning for the reduction of looked after children can be problematic because crises will occur which lead to a child becoming looked after appropriately. When this occurs we often have to use external provision because we have limited vacancies within our own resource. Social workers always seek to remedy domestic problems quickly and return children home. Sadly this is not always possible. Since April there have been 12 children placed in external foster provision of which 6 have, or are planned to return home. Only 5 are planned to last for six months.

*What is going well?*

38. At the end of quarter 1 the number of children subject to a child protection plan was 128. This has increased slightly from the end of quarter 4. It reflects concerted effort by directorate and local safeguarding board colleagues. We can be confident that this profile accurately reflects the experience of children within the county because it has been in place since the summer of 2016. A review of those children whose plans were discontinued has found evidence of appropriate decision making.
39. A new approach to referral management has been in place for eight months and has enabled the directorate to have a more accurate picture of demand. Work is continuing to address the issue of referrals being made that do not meet the local safeguarding board threshold for a social care service. A recent review of children who are re-referred did not find cases of the same child being referred repeatedly for the same reason. Children were re-referred either for a new reason or because concerns had emerged about a sibling. The decision-making at the point of referral was validated by the review.
40. The majority of new social work assessments are now completed within the statutory timescale. This is a notable improvement on the same period last year when the majority were not.
41. The recent move of operational social work staff to Nelson House is supporting a more coherent response to young people who are in our care with a particular focus

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on ensuring that those children who can safely return home do so promptly.

42. The directorate has seen a net increase in the number of foster carers recruited by the local authority and this is contrary to local and regional colleagues who have struggled to maintain their numbers. This will enable us to place more looked after children locally and also avoid the additional costs associated with the use of the private sector.
43. As part of the Children and Families Act 2014, Education, Health and Care (EHC) Plans were introduced from September 2014, replacing Statements of Special Educational Need. From receiving the initial request for statutory assessment of a child's special educational needs, councils have a maximum of 20 weeks to complete the process and issue a final EHC Plan (a reduction from 26 weeks for Statements of SEN). The success against this statutory deadline is a key performance measure and we are currently completing 91.5% within the timescale; nationally this is just over 50% and Herefordshire is the highest performing council in the West Midlands.

### *Challenges*

44. During this period the number of our looked after children has increased to 309 (an increase of 7 since the end of the last financial year). As noted previously we have introduced a Threshold of Care Panel to ensure that all new placements meet the appropriate criteria and now monitor our LAC population to identify young people who will leave our care as they return home, reach 18, or are due to be placed in permanent care, such as adoption or special guardianship to ensure that drift is avoided.
45. Further work within the service has identified two key areas for future improvement: the return of children home and the approval of permanency alternatives for those children not able to return home, such as Special Guardianship Orders. Analysis of our current LAC population to identify those children who could be subject to permanency arrangements is underway and will require significant social work over 6-12 months.
46. The percentage of referrals accepted for assessment is of concern because it is too low. We would expect the majority of referrals to be accepted. We have raised our concerns with the local safeguarding children board; because analysis would suggest professional colleagues are not confident in applying the local threshold guidance rather than the imposition of inappropriate criteria by the referral manager; which was evidenced by our peers during our recent casework review.
47. The first stage of the local government peer review took place in June 2017. There were a number of positive observations as well as a number of areas for improvement. The second stage of the peer review is to take place in September 2017 and Children's Scrutiny Committee will review the findings and the actions taking place to improve practice to inform future cabinet consideration of improvement action.

### ***Economy, communities and corporate (ECC)***

48. The ECC directorate is currently projecting a nil variance at year-end. In previous years ECC have delivered a budget underspend to support the overall corporate position. However, savings delivery and mitigation of budget pressures is becoming increasingly challenging. There is limited scope for an ECC underspend in 2017/18 based upon current service delivery.
49. The directorate is projecting an underspend of £200k in waste management, through

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a number of collection and disposal efficiencies, as well as positive gains in trade waste customers. It is recommended that this excess budget is vired to the communities service area which is facing a number of challenges in delivery of MTFS savings including libraries, museums and modern records. The savings are still anticipated to be delivered in full over the life of the MTFS, however the virement will assist in managing timing variances. In year budget risks remain, particularly in relation to significant areas of income, including car parking and planning.

#### *What is going well?*

50. The Invest Herefordshire economic strategy was successfully launched on 23 June 2017 at Eastnor Castle, Ledbury. The event was extremely well attended and included speakers from British Land, NMiTE (the new university in Hereford), the Business Board and the council. The event outlined the key strategic investment opportunities within the county, providing overall strategic vision for sustained economic and housing growth for the county, and established the framework under which the strategy will be driven forward with the support of private business and public sector partners.
51. Main roadworks for the new Hereford city centre link road are progressing well. The main contractor has brought additional resource to site to accelerate works and completion of the road is programmed to finish by the end of the year. Works are continuing at Station Approach and in the middle section of the site. Traffic management has commenced on Commercial Road with night-time works being carried out at this junction to complete online tie-in works and minimise traffic disruption.
52. The parliamentary election ran effectively in Herefordshire on 8 June, led by the elections team, with a high turnout of over 70% and as this was a snap election, much less preparation time than usual.
53. Following its recent refresh, the Herefordshire Council website was awarded a 4\* Better Connected score from SOCITM (industry review body for local government websites). This score reflects how simple it is to perform a variety of tasks on the website and for website accessibility (previously scoring was two or three stars). The site performed well above average on all aspects of testing and due to the 4\* status, the council was nominated for two awards: Best Council – English Unitary; and Best Council - category, search and navigation. The council won both these awards.
54. Hereford has been awarded Purple Flag status for its evening and night-time economy. Purple Flag is a town and city centre award – similar to the Blue Flag for beaches – which aims to raise the standard and broaden the appeal of town and city centres between the hours of 17:00 and 05:00.
55. The EnviRecover Plant at Hartlebury was officially opened by HRH the Duke of Gloucester. The plant will deliver a massive reduction in the use to landfill for the disposal of household waste.
56. The smallholdings disposal has progressed according to plan and the estate was marketed by our appointed agent in April.

#### *Challenges*

57. The time taken to process new benefit claims has seen an increase from 24.22 days at the same point in 2016 to 29.26 days in May 2017 (an average of 26.56 days year to date), against a target of 19 days. A plan is in place to bring the work up to date to within a reasonable time limit and a separate plan identified for sustaining the position

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Further information on the subject of this report is available from Richard Ball, assistant director environment and place on (01432) 260965 and Andrew Lovegrove, chief finance officer on (01432) 383519



and improving. The backlog will be worked through in May and should see an improvement from June.

58. The number of people killed or seriously injured (KSI) on Herefordshire roads continues to be a challenge. However, there were fewer KSI's during the first quarter of the calendar year compared to the same period in 2015 and 2016. An action plan has been prepared to address the issues highlighted from analysis of data, and is just starting to be implemented.
59. Delivery of the Blueschool House joint customer services hub capital project within the original cost estimate is unachievable. A separate report on this issue appears elsewhere on the cabinet agenda.

### ***Capital forecast***

60. The capital forecast outturn will be reported as part of the quarter 2 corporate budget and performance report.

## **Community impact**

61. Regularly reviewing performance with a view to identifying actions which will deliver further improvement in outcomes or efficiencies helps ensure the council achieves its corporate plan priorities.

## **Equality duty**

62. Under section 149 of the Equality Act 2010, the 'general duty' on public authorities is set out as follows:

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 that is 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.

63. 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. As this is a factual report on performance achieved we do not believe that it will have an impact on our equality duty. As part of our decision making processes we ensure that individual directorates and service areas assess the potential impact of any proposed project, leading to fairer, transparent and informed decisions being made.

## **Financial implications**

64. Included within the report.

## **Legal implications**

65. None.

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Further information on the subject of this report is available from Richard Ball, assistant director environment and place on (01432) 260965 and Andrew Lovegrove, chief finance officer on (01432) 383519

## Risk management

66. The risks associated with any delivery plan objectives and projects are entered onto the relevant service or directorate risk register and escalated as appropriate. The corporate risk register is available on the council's website and an overview of the significant risks are included within appendix B.
67. The council is required to close the accounts by 30 June 2018 which includes the approval of statutory statements by the chief finance officer. Failure to meet statutory deadlines carries a reputational risk for the council in relation to its corporate governance role.

## Consultees

68. None in relation to this report. The development of the delivery plan was informed by the evidence base already gathered during the year and which includes user, resident and partner feedback where available.

## Appendices

Appendix A Revenue forecast

Appendix B Scorecards: Adults and wellbeing  
Children's wellbeing  
Economy, communities and corporate  
Organisation wide

## Background Papers

- [Adults and wellbeing databook](#)
- [Children's wellbeing databook](#)
- [Economy, communities and corporate databook](#)
- [Corporate risk register](#)

## Projected Revenue Budget Position 2017/18 (as at the end of May)

Directorate Net Budget	Gross Budget	Net Budget	Projected full year outturn	Projected full year variance
				Over / (Under)spend
	£000	£000	£000	£000
Adults and Wellbeing	83,896	51,887	52,376	489
Children's Wellbeing	141,576	21,620	22,981	1,361
Economy, Communities & Corporate	67,753	45,665	45,665	0
<b>Directorate total</b>	<b>293,225</b>	<b>119,172</b>	<b>121,022</b>	<b>1,850</b>
Other budgets and reserves	57,213	25,853	25,853	0
<b>TOTAL</b>	<b>350,438</b>	<b>145,025</b>	<b>146,875</b>	<b>1,850</b>

## Adults and Wellbeing: Projected Revenue Budget Position 2017/18 (as at the end of May)

Directorate Net Budget	Gross Budget	Net Budget	Projected full year outturn	Projected full year variance
				Over / (Under)spend
	£000	£000	£000	£000
Learning Disabilities	20,159	16,946	17,855	909
Memory and Cognition/Mental Health (Inc. Safeguarding)	8,201	6,351	6,055	(296)
Physical Support	27,883	19,146	19,243	97
Sensory Support	450	379	438	59
<b>Client Sub-Total</b>	<b>56,692</b>	<b>42,822</b>	<b>43,591</b>	<b>769</b>
Operations	7,762	5,587	5,469	(118)
Commissioning	5,364	3,200	3,286	86
Directorate Management	3,167	(865)	(1,110)	(244)
Public Health	9,660	119	119	0
Transformation & Safeguarding	1,250	1,025	1,022	(3)
<b>Non Client Sub-Total</b>	<b>27,204</b>	<b>9,065</b>	<b>8,786</b>	<b>(279)</b>
<b>Adults and Wellbeing</b>	<b>83,896</b>	<b>51,887</b>	<b>52,376</b>	<b>489</b>

## Children's Wellbeing: Projected Revenue Budget Position 2017/18 (as at the end of May)

Directorate Net Budget	Gross Budget	Net Budget	Projected full year outturn	Projected full year variance
				Over / (Under)spend
	£000	£000	£000	£000
Directorate	319	191	93	(98)
<b>Directorate</b>	<b>319</b>	<b>191</b>	<b>93</b>	<b>(98)</b>
Additional Needs	3,247	3,199	2,858	(341)
Children's Commissioning	532	532	411	(121)
Commissioning Management	561	(285)	(315)	(30)
Development and Sufficiency	4,223	2,128	2,236	108
Early Years	67	67	67	0
Education Improvement	80	80	40	(40)
DSG	116,183	0	0	0
<b>Education &amp; Commissioning</b>	<b>124,893</b>	<b>5,721</b>	<b>5,297</b>	<b>(424)</b>
Safeguarding and Review	942	674	674	0
Early Help and Family Support	1,200	898	898	0
Fieldwork	2,321	2,317	2,317	0
Looked After Children	10,383	10,300	12,380	2,080
Safeguarding Development	359	360	312	(48)
Safeguarding & Early Help Management	1,159	1,159	1,010	(149)
<b>Safeguarding &amp; Family Support</b>	<b>16,364</b>	<b>15,708</b>	<b>17,591</b>	<b>1,883</b>
<b>Children's Wellbeing</b>	<b>141,576</b>	<b>21,620</b>	<b>22,981</b>	<b>1,361</b>

## ECC: Projected Revenue Budget Position 2017/18 (as at the end of May)

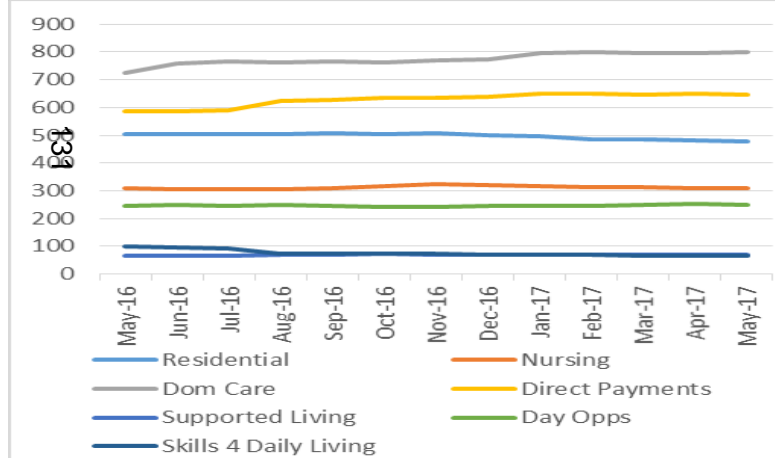
Directorate Net Budget	Gross Budget	Net Budget	Projected full year outturn	Projected full year variance
				Over / (Under)spend
	£000	£000	£000	£000
Directors	919	916	916	0
Commissioning	40,032	25,512	25,312	(200)
Resources	15,241	9,825	9,825	0
Growth	2,406	2,039	2,039	0
Communities	9,155	7,373	7,573	200
<b>Total ECC and Chief Executive</b>	<b>67,753</b>	<b>45,665</b>	<b>45,665</b>	<b>0</b>

Staffing													
	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17
FTE	264	267	264	265	267	266	263	268	264	266	267	265	270
Headcount	294	294	291	292	296	295	292	297	296	297	298	296	300
Permanent Costs (£k)	635	735	725	748	779	753	731	771	743	716	624	771	744
Agency (FTE)	25.6	25.6	28.05	25.32	25.37	25.18	23.7	21.18	19.04	20.98	22.27	23.62	19.94
Agency Cost (£k)	101	124	104	57	258	127	93	114	119	22	164	59	96
Absence - days lost per FTE	15.70	16.23	15.89	15.55	15.38	14.86	14.51	14.73	14.76	14.57	14.15	13.81	13.58
Turnover (annualised) - based on FTE	11.8%	11.5%	11.5%	10.9%	10.7%	10.6%	10.8%	12.2%	12.2%	10.6%	10.6%	11.6%	11.7%

**Performance Management update**

Whilst it is still early in the year, performance for reviews is ahead of the early target. Admissions of people aged 65+ to residential placements is an improvement on the same point last year, this is also true for those under the age of 65. Health check attendance has dropped in early 2017/18, a pilot project is being developed in one locality in order to see whether overall uptake can be increased. † Please be aware we are yet to confirm BCF targets, this is because BCF national guidance has still not been received.

**Service User Numbers**

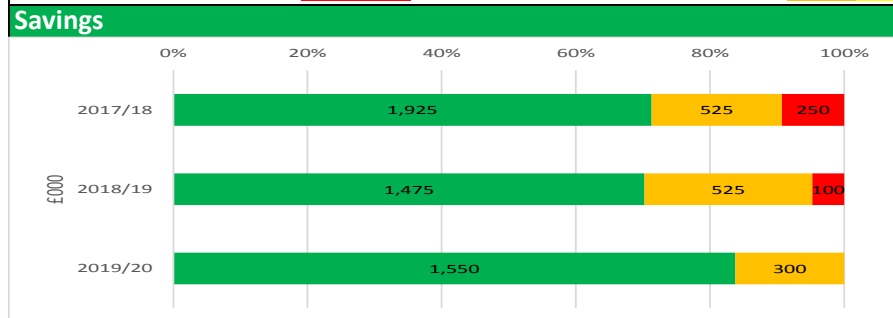


**Notes**

Measures identified in italics in the Indicators section are cumulative measures

Indicators				
Measure	Target	Latest Period	Trend	
<i>Permanent admissions - U65</i>	†	0.93	May /	
<i>Permanent admissions - 65+</i>	†	73.0	May /	
Social Care Delayed Transfers	†	5.4	Mar	
Reablement - 91 days after discharge	†	82.7%	May /	
Safeguarding - outcomes met	80%	54.5%	May \	
<i>Direct Payment recipients</i>	45%	37.9%	May \	
Timeliness of Service (28 days of referral)	80%	96.3%	May	
Reviews undertaken	80%	19.2%	May	
Affordable housing units delivered	200	14	May /	
Households in temporary accommodation	45	45	May /	
NHS Health checks	60%	30%	Apr	

Risk Management									
Risk	Original			Mitigation			Residual		
	L	I	Risk	L	I	Risk	L	I	Risk
Increasing demand for SC services is creating pressure on the social care workforce	5	5	25	Working with providers to support their business development. Further consideration required	4	4	16		
DOLS Capacity	4	5	20	Staff Training, additional legal support, constant re-evaluation of prioritisation. BIA training programme	3	4	12		
Increased nursing costs impacting on overall nursing budget	5	4	20	Engagement and soft market testing underway. Working with providers to ensure good quality provision, minimising the future risk of extra capacity issues.	4	3	12		
Reduced access to social and affordable housing available for allocation via Homepoint. Without access to properties and a revised allocation policy the letting system will fail	4	5	20	New programme structure established involving CEOs of main housing providers. External programme management, robust monitoring and escalation procedure. A new approach has once more been adopted to moving the redesign process on in response to latest setbacks.	3	5	15		
Add Action delivery of substance misuse contract	5	4	20	Meeting fortnightly with provider and service improvement plan and staff development plan developed. Working with border authorities looking at an different model of service delivery.	4	3	12		
Awaiting agreement on the additional iBCF money with CCG	5	5	25	Working closely with CCG on current proposals in order to demonstrate system benefits. Planning of schemes is already taking place, but we are still waiting for final BCF guidance.	3	3	9		



Programme																	
Projects	Status	Project Tags				2017							2018				
		Strategic Lead	Pri.Ass	Pj Lead	Commissioning Lead	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb
<b>Prevention Programme</b>																	
Development of the Prevention Approach	G	EA	DE	DM	-	Delivery											
Connecting Communities - Mapping the county	G	SV/CB	DE	AC	-	Delivery							Closure				
WISH: System Redevelopment (Phase 2 and 3)	G	EA	DE	HS	-	Phase 2 Delivery							Phase 3 Scoping/Delivery				
Health & Wellbeing Network Model	S	GE	DE	SH	-	Scoping and Initiation		Phase 1 Delivery			eryP2 S		Phase 2 Delivery				
Talk Community - Implementation	G	SV	Audit	JB	-	Scoping		Delivery							Closure		
People First	S	EA		DM	-	Scoping											
Carers Strategy	G	EA	DE	DM	-	Delivery											
Public Health - Diabetes prevention	S	GE	-	-	-	Scoping											
<b>Integrated Pathway Design</b>																	
Development of the Community Broker service	A	SV	Audit	JB	LT	Delivery							Closure				
Redesign of adult social care front door	S	SV	Audit	EM	-	Delivery							Closure				
Process redesign including changes to paperwork	A	SV	Audit	JB	-	Delivery							Closure				
Workforce training and development to support pathway (inc Commissioning and Public Health)	G	SV	Audit	JB	-	Delivery							Closure				
Pathway design - Home First	G	SV	Audit	AP	-	Delivery											
Early Years Redesign (CWB/PH)	G	AH/LB		PKJ	-	Delivery											
<b>Housing and Accommodation</b>																	
Young Persons' Accommodation Strategy	A	EA		HC	-	Delivery											
Community led housing	G	EA	DE	TW	-	Delivery											
Housing system redesign	S	EA	-	TC	-	Scoping											
<b>Contract and Market Management</b>																	
Public Health - Substance Misuse service improvement	S	RT	-	-	-	Scoping											
<b>Digital and Technology Implementation</b>																	
MOSAIC phase 2 including Portal Development and Implementation	S	SV	DE	NM	-	Scoping											
Implementation of Project Management tool (VERTO)	S	DE	AC	AC	-	Scoping		Delivery			Closure						
<b>Research and Needs Assessment</b>																	
JSNA Refresh (AN)	S	-	-	-	-	Scoping											
<b>Commissioning</b>																	
Care at Home	G	LT	-	IG	-	Delivery											
Supported Living Framework	G	LT	DE	AR	-	Delivery											
Telecare & Assistive Technology (TECS)	G	AP	DE	EM	-	Scoping (and			Delivery								

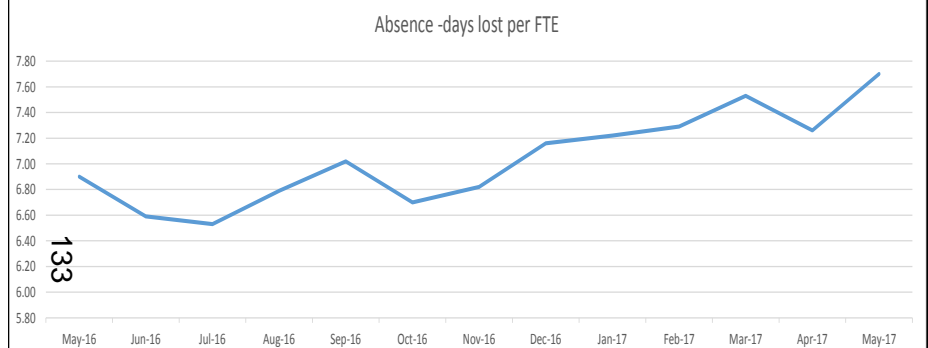
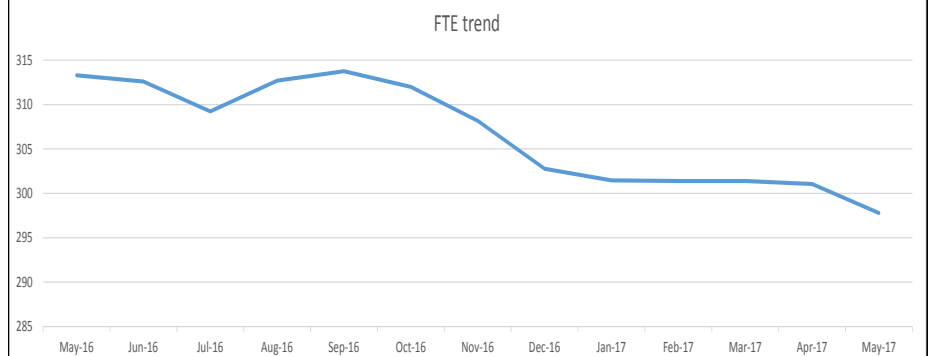
Finance				
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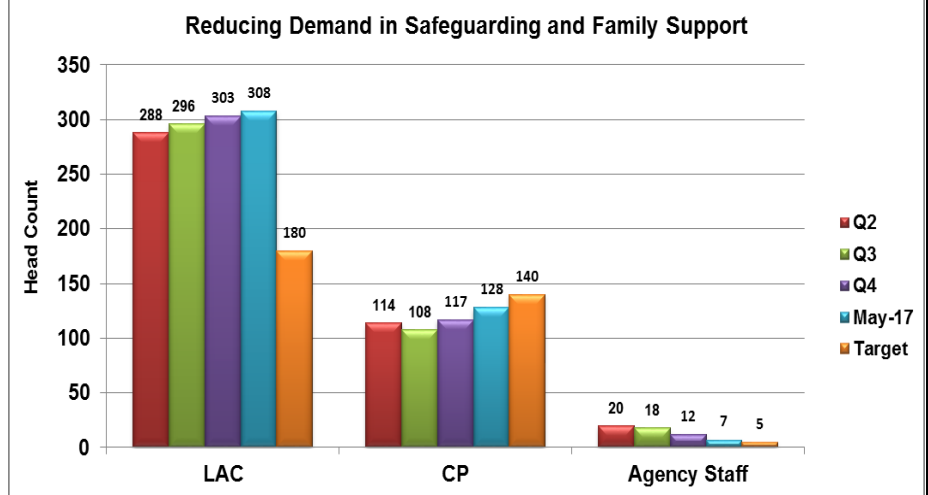


### Staffing

	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17
FTE	313.29	312.6	309.23	312.7	313.75	312	308.18	302.78	301.47	301.39	301.4	301.06	297.78
Headcount	360	361	357	362	363	360	354	348	348	348	347	346	342
Permanent Costs (Ek)	824	957	950	928	951	936	935	934	934	953	912	917	934
Agency (FTE)	31.53	29.61	33.89	22.13	19.65	28.58	21.23	17.78	20.57	19.60	21.69	21.77	21.17
Agency Cost (Ek)	180	198	138	141	191	82	114	87	67	96	120	70	83
Absence -days lost per FTE	6.90	6.59	6.53	6.79	7.02	6.70	6.82	7.16	7.22	7.29	7.53	7.26	7.70
Turnover (annualised) - based on FTE	18.92%	18.43%	18.86%	17.88%	17.48%	17.00%	17.21%	19.12%	19.00%	19.01%	17.60%	15.33%	14.68%



### Numbers of children and Agency Staff



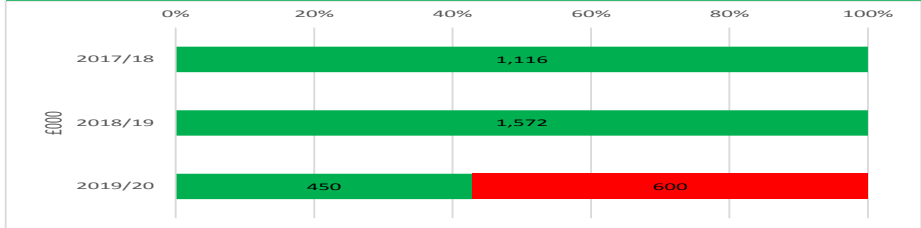
### Indicators

Performance Measure	Target 2017/18	Outturn		Frequency	Polarity	Direction of Travel
		2016/17	2017/18 End of May			
Increase the proportion of pupils attending a school and or setting that is good or outstanding:	88%	92%	90.6%	Monthly	Bigger is better	▲
			87%	80%	68.4%	Monthly
Reduce the number of children being referred to children's social care for a service	40%		741	Monthly	Smaller is better	
Decrease the number of children requiring accommodation help from the local authority	<180	301	308	Monthly	Smaller is better	▼
Increase the number of 17 and 18 year olds sustaining a place in education, training or employment including apprenticeships	Q1: establish baseline Q2: set target	-	89.90%	Monthly - 3 month rolling average	Bigger is better	
Care proceedings completed within 26 weeks	100%	New	100%	Monthly	Bigger is better	

### Risk Management

Risk Reference	Risk Description	Opened	Risk score before controls	Existing Controls in Place	Risk score after controls	Risk Owner (Name & Title)
CR.034	Short Breaks Re-commissioning IF/AS: Short breaks re-commissioning is delayed THEN: Significant reputational damage may be caused	Jul-14	16	Regular monitoring to continue to ensure that placements are prioritised. Timely recruitment process in place for staff changes.	12	Children's Joint Commissioning Manager
CR.035	Early Help IF/AS: The new early help strategy is not implemented quickly and effectively THEN: The child protection system will come under pressure again; OR children and their families will be waiting for support which if not available within a reasonable time, may lead to an increase in risk of harm.	Dec-16	16	Implementation programme under development	12	HoS Education Development

### Savings



### Programme

Projects	RAG	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Connecting Communities - Mapping the county	G	◆	◆	◆	◆	◆	◆	◆						
WISH: Development of the contracted service	G		◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆
WISH: System Redevelopment (Phase 2 and 3)	G	?	?	?						◆	◆	◆	◆	◆
Carers Strategy	G	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆
Children with Disabilities Transformation Programme 2017-18 (inc Integrated)	G	Scoping												
Early Years Redesign including Health Visiting and School Nursing (CWB/PH)	G		?	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆
Young Persons' Accommodation Strategy	A	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆
Young Persons Housing	A		◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆
Carers re-commissioning (Current year and from April 2018)	A													◆

### Outturn Detail

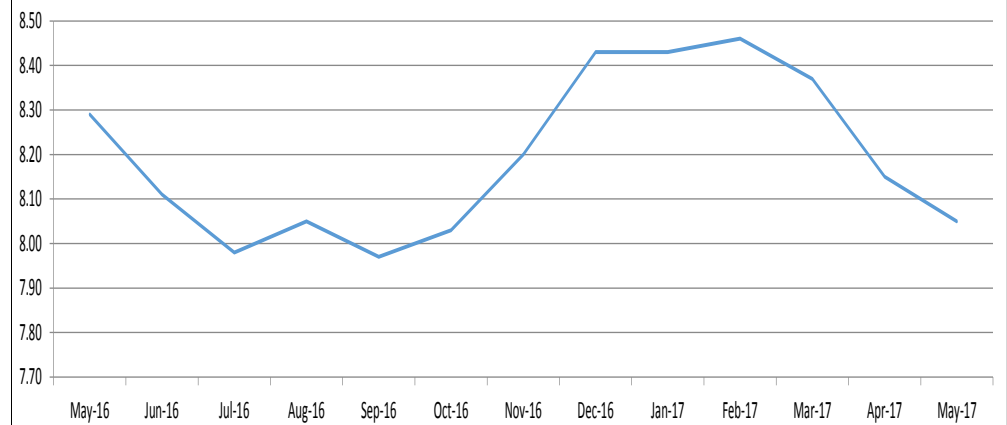
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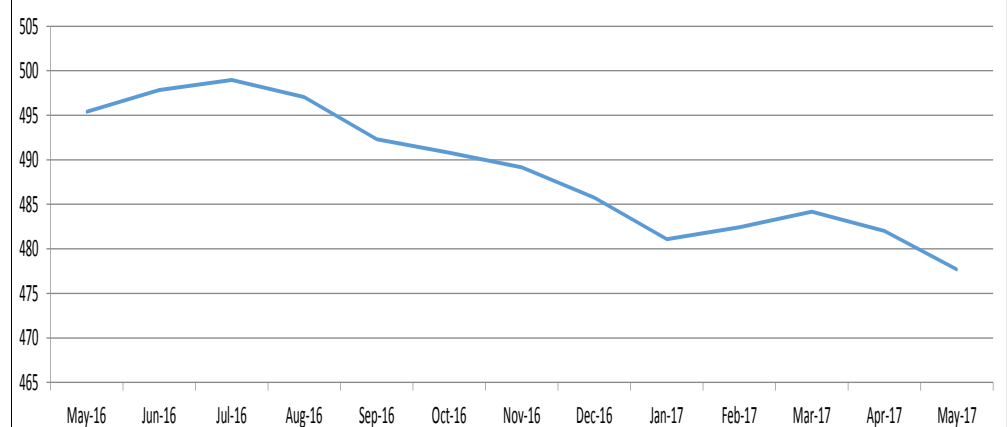
**Staffing**

	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17
FTE	495.41	497.83	498.95	497.03	492.31	490.80	489.15	485.76	481.07	482.44	484.17	482.00	477.70
Headcount	602	605	604	601	595	593	590	585	580	582	583	578	570
Permanent Costs (£k)	1,213	1,445	1,420	1,409	1,408	1,422	1,412	1,408	1,482	1,375	1,407	1,429	1,424
Agency (FTE)	10.34	13.55	18.55	12.72	13.31	16.37	13.98	10.85	11.57	12.84	11.17	13.88	12.67
Agency Cost (£k)	30	41	33	9	134	110	61	31	48	47	73	30	54
Absence -days lost per FTE	8.29	8.11	7.98	8.05	7.97	8.03	8.20	8.43	8.43	8.46	8.37	8.15	8.05
Turnover (annualised) - based on FTE	9.29%	9.40%	9.88%	9.95%	8.79%	9.02%	9.05%	9.62%	10.44%	9.93%	9.14%	10.64%	10.76%

Absence-days lost per FTE



FTE trend

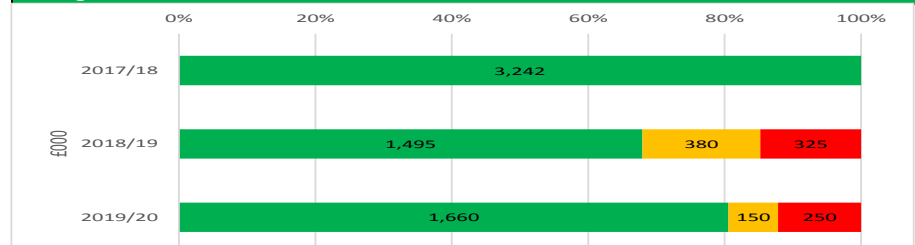


**Indicators**

Performance Measure	Target 2017/18	Outturn		Frequency	Polarity	Direction of Travel
		2016/17	2017/18			
Minimise the number of people killed or seriously injured in road traffic collisions (3 year average)	75	94 (2016)	90 (to April 17)	Monthly (in arrears)	Smaller is better	▼
Improve processing rates for planning applications (24 month rolling period):						
Major	60%	82%	80.1%	Monthly	Bigger is better	▲
Non-major (Minors and Others aggregated)	65%		72.9%	Monthly	Bigger is better	▲
Increase the proportion of appeal decisions that are dismissed	65%		86%	Monthly	Bigger is better	
Reduce the amount of Residual Household Waste per Household per year	<540kg	540kg (provisional)	44.75 (to April)	Monthly (in arrears)	Smaller is better	▼
Increase the % of household waste that has been recovered for recycling and reuse	41%	41.6% (provisional)	41% (provisional to April)	Monthly (in arrears)	Bigger is better	▲
Increase the number of new council tax registrations	Compare to 16/17	592	54	Monthly	Bigger is better	▼
Improved collection rates for Council Tax	98%	97.97%	22.3%	Monthly	Bigger is better	▲
Improved collection rates for Business Rates	98.6%	98.59%	27.5%	Monthly	Bigger is better	▲
Net new business rates achieved	Compare to 16/17	112	6 (to April)	Monthly	Bigger is better	▲
Improve the processing of housing benefit claims	19 days	20.25 days	26.56 days	Monthly	Smaller is better	▼
Reduce absence (sickness rates)	10	9.57	9.34	Monthly	Smaller is better	▲

**Risk Management**

There are no significant risks still rated Red after controls



**Programme**

ECC major projects	Update
<b>Hereford City Centre Transport Package</b> City Link Road and Public Realm Improvements (including Transport Hub)	Main roadworks progressing - contractor has brought additional resource to site to accelerate and remains on target to finish by end 2017. Compensation events continue to be scrutinised and programme reviewed on an ongoing basis. Works continuing at Station approach and in middle section of the site. Traffic Management has commenced on Commercial Road. Night time works at this junction to complete online tie-in works and minimise traffic disruption.
<b>City Centre Improvements</b> . High Town Refurbishment, St Owen Street Contraflow, On Street parking and Residents Parking	On Street Parking charges report currently being drafted for cabinet member decision this summer. High Street refurbishment was completed and scope of next phase currently being considered. St Owen Street cycle contraflow and pedestrian improvement progressing well with advance co-production stakeholder meeting positively received. Public consultation on proposals due to take place over the summer.
<b>Enterprise Zone development / sales / jobs</b>	Preparation continues for involvement at Infosec 2017 and other events associated with the Midlands Engine sponsored visit of Cyber Maryland businesses to the UK (and the Midlands) in June. Work continues on putting the funding package together for the Shell Store Incubation project. Legal documentation is being finalised for 2 sales which should be concluded by the end of June.
<b>South Wye Transport Package</b> Southern Link Road and associated Active Travel Measures	Detailed design works continue. Business Case development is progressing. Cabinet decisions regarding Active Travel Measures and making of CPO and SRO for the scheme scheduled over the next quarter.
<b>Hereford Transport Package</b> Hereford Bypass and Active Travel Measures	Route option appraisal progressing. Travel surveys completed. Traffic modelling development and validation continues. Programme of surveys continuing over the summer. Topographical survey and ground investigations of the corridor is progressing. Phase 1 consultation closed end May 2017. Feedback is being collated and analysed for feedback to cabinet with decision scheduled to commence consultation on detailed route options in the autumn.

**Budget outturn**

	Gross Budget	Net Budget	Projected full year outturn	Projected full year variance
<b>Directorate Net Budget</b>				<b>Over / (Under)spend</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Directors	919	916	916	0
Commissioning	40,032	25,512	25,312	(200)
Resources	15,241	9,825	9,825	0
Growth	2,406	2,039	2,039	0
Communities	9,155	7,373	7,573	200
<b>Total ECC and Chief Executive</b>	<b>67,753</b>	<b>45,665</b>	<b>45,665</b>	<b>0</b>



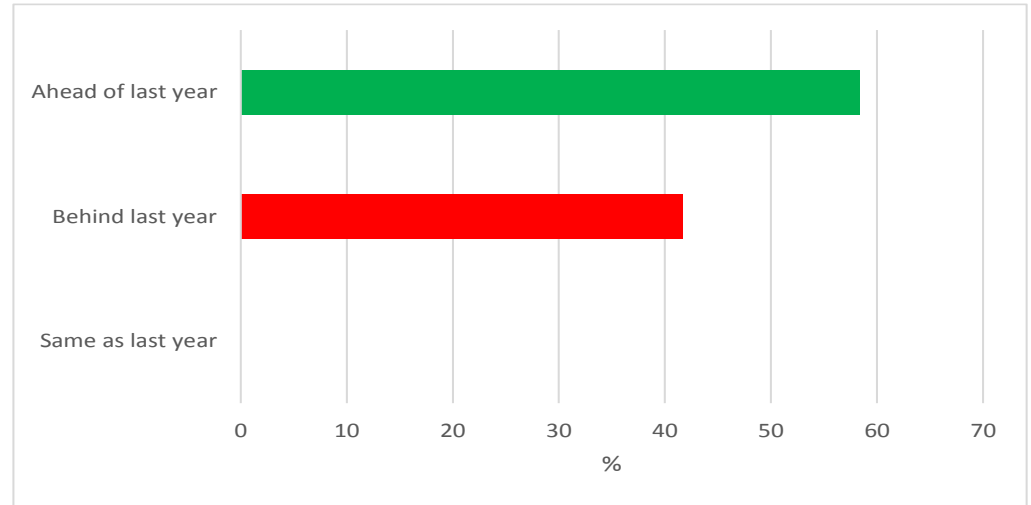
Overview

FINANCE

Directorate Net Budget	Gross Budget	Net Budget	Projected full year outturn	Projected full year variance
				Over / (Under)spend
	£000	£000	£000	£000
Adults and Wellbeing	83,896	51,887	52,376	489
Children's Wellbeing	141,576	21,620	22,981	1,361
Economy, Communities & Corporate	67,753	45,665	45,665	0
<b>Directorate total</b>	<b>293,225</b>	<b>119,172</b>	<b>121,022</b>	<b>1,850</b>
Other budgets and reserves	57,213	25,853	25,853	0
<b>TOTAL</b>	<b>350,438</b>	<b>145,025</b>	<b>146,875</b>	<b>1,850</b>

Direction of travel (measures compared to last year)

PERFORMANCE



137

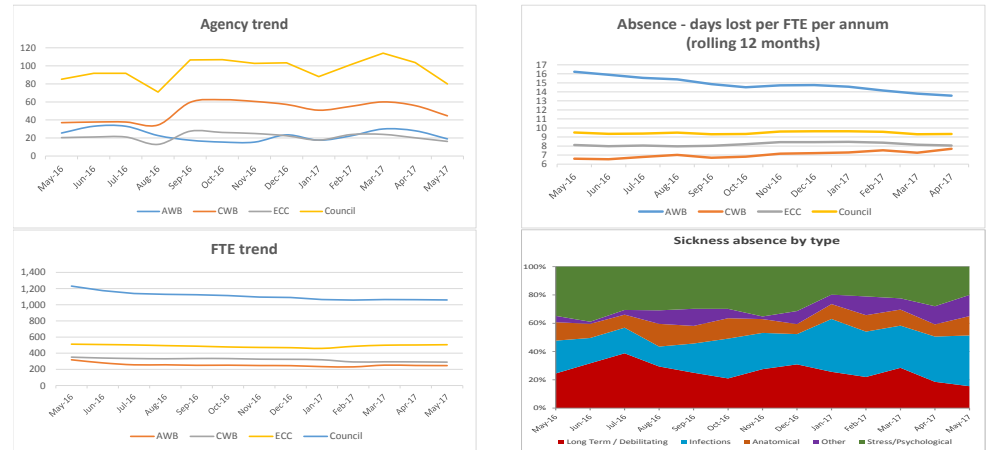
Significant corporate risks

RISK

There are no corporate risks rated Red after controls.

	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17
FTE	1073.15	1077.01	1072.26	1075.00	1073.54	1068.93	1060.09	1056.49	1046.99	1049.50	1052.68	1048.45	1045.63
Headcount	1,256	1,260	1,252	1,255	1,254	1,248	1,236	1,230	1,224	1,227	1,228	1,220	1,212
Permanent Costs (£k)	2,672	3,137	3,095	3,085	3,138	3,111	3,078	3,113	3,159	3,044	2,943	3,117	3,102
Agency FTE	67.46	68.76	80.49	60.17	58.00	70.13	58.91	49.80	51.18	53.43	55.12	59.26	53.79
Agency costs (£k)	311	363	275	206	563	319	268	232	234	165	357	159	233
Absence -days lost per FTE	9.54	9.50	9.35	9.38	9.48	9.30	9.33	9.60	9.63	9.63	9.57	9.31	9.34
Turnover (annualised) - based on FTE	12.72%	12.54%	12.87%	12.49%	11.80%	11.76%	11.85%	12.98%	13.36%	12.70%	11.94%	12.22%	12.12%

WORKFORCE







<b>Meeting:</b>	<b>Cabinet</b>
<b>Meeting date:</b>	<b>27 July 2017</b>
<b>Title of report:</b>	<b>Joint customer services hub – budget update</b>
<b>Report by:</b>	<b>Chief finance officer</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

Widemarsh

## Purpose

To approve an increase in capital expenditure to deliver a joint customer services hub at Blueschool House.

## Recommendation(s)

**THAT:**

- (a) £50k be allocated from the ICT revenue reserve to provide sufficient ICT equipment at Blueschool House;**
- (b) £200k be allocated from the earmarked economy, communities and corporate revenue reserve to support the increased costs;**
- (c) having regard to the continued revenue benefits identified in the revised business case, a further £720k be approved to deliver a joint customer services hub at Blueschool House, bringing the total estimated cost to £1.92m;**
- (d) the audit and governance committee be asked to identify and recommend improvement actions to strengthen property capital project management and control.**

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Further information on the subject of this report is available from Andrew Lovegrove, Chief Finance Officer on tel (01432) 383519

## Alternative options

- 1 Not to approve the increased capital budget. This is not recommended as significant work has already been undertaken, further work would in any event be required to reinstate the building to a useable standard, and expenditure to date would become abortive. This would result in unbudgeted revenue budget pressures from the abortive costs and the non-delivery of the revenue saving project. It would also have operational implications for both the council and the Department for Work and Pensions (DWP) who will be co-locating to the refurbished Blueschool House. Additionally there may be further costs incurred as a result of early termination of a contract.
- 2 Not to invest in appropriate ICT at Blueschool House. This is not recommended as existing ICT infrastructure is limited in terms of efficiency and flexibility. The ICT investment will facilitate improved working practices including agile working.

## Reasons for recommendations

- 3 On 2 June 2016, the cabinet member contracts and assets approved the establishment of a joint customer services hub at Blueschool House in Hereford. The project involved DWP co-locating with council staff, generating a revenue income for the council resulting in a reduction in the net premises costs for the council.
- 4 As investigative and refurbishment works have progressed it has become apparent that the original capital estimate for the project is insufficient to deliver the full scope of requirements. Value engineering exercises are ongoing to ensure best value is achieved, however the current project estimates total £1.92m (an increase of £970k relative to the original estimate).

## Key considerations

- 5 The cabinet member decision of 2 June 2016 identified a gross capital cost estimate of £950k, of which £250k was to be funded from council resources (capital programme approved by full council in December 2016). The outturn expenditure is forecast to total £1.92m.
- 6 The variances between the original cost plan and current indicative outturn include:
  - Fees and furnishings had not been included in the original decision;
  - Extra roofing costs over the original allowance;
  - Fireproofing of all existing steelwork once exposed;
  - Locating plant in ground area compound as opposed to roof;
  - Landscaping and drainage works and DDA requirements;
  - Small amount of asbestos discovered.
- 7 This has identified a number of weaknesses in cost planning for and monitoring of property related capital projects, which are currently subject to review. The outcome of this review will be reported to Audit and Governance Committee in September.
- 8 Subsequent to the capital programme approval, the cabinet member decisions of 7 July 2016 (Elgar House) and 4 November 2016 (Nelson House) identified ICT revenue budget contributions to be made to the overarching corporate accommodation strategy capital budget. A further £50k contribution from the ICT revenue reserve is sought as a recommendation of this decision report, to provide for sufficient equipment at Blueschool House.

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Further information on the subject of this report is available from  
Andrew Lovegrove, Chief Finance Officer on tel (01432) 383519



- 9 An earmarked revenue reserve was created at the end of 2016/17 from ECC budgets, to meet a number of known future budget pressures of the directorate. Recommendation (b) seeks authority to drawdown £200k from this reserve to meet the cost requirements of the Blueschool House project. The use of this £200k does not have an adverse impact upon other schemes to be supported from reserves.
- 10 The main contract for construction / refurbishment works was procured via the SCAPE framework.
- 11 Internal audit have been commissioned to review the robustness of original estimates, as well as the project management throughout the Blueschool House project to ensure that lessons learned can be used to improve future project management.

## **Community impact**

- 12 The proposal has a number of linkages to elements of the corporate plan, most notably those which related to the securing of better services, quality of life and value for money, in particular:
  - “review the management of our assets in order to generate ongoing revenue savings, focussing on reducing the costs of ownership of the operational property estate by rationalising the estate and improving the quality of the buildings that are retained”;
  - “ensure our essential assets including schools, other buildings, roads and IT are in the right condition for the long-term cost effective delivery of services”;
  - “work in partnership to make better use of resources, including sharing premises costs through co-location of services and local solutions for community used facilities such as libraries”;
  - “support the improvement in quality of the 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”.
- 13 The proposal would see an improvement and integration of services, meaning better coordination and co-operation between services and service providers also providing, due to proximity to other services; savings in time, travel or expense for those accessing the services.

## **Equality duty**

- 14 The proposal is expected to provide positive outcomes in respect of the public sector equality duty. Many of the customers of the services provided share a relevant protected characteristic and the enhancement of the offer to be provided can only be seen to be of benefit to them (e.g. co-location means that users of both services can receive their services at a single location and will not have to travel half a mile between the offices as is currently the case.) The refurbishment of the building will improve accessibility which again supports the council in its Equality Duty. If required, an equalities impact assessment will be carried out for each of the staff moves associated with this element of the accommodation programme.

## Financial implications

15 The cost estimate increase can be summarised as follows:

	Original Estimate £000	Current Estimate £000	Variance £000
<b>Total indicative cost</b>	<b>950</b>	<b>1,920</b>	<b>970</b>

<i>Funded by:</i>			
DWP capital contribution	(400)	(400)	
HCA revenue reserve balance	(300)	(300)	
ICT contribution ( <i>recommendation (a)</i> )		(50)	(50)
ECC revenue contribution 16/17 ( <i>recommendation (b)</i> )		(200)	(200)
Contract administration funded by service revenue budget		(35)	(35) *
Roof works funded by corporate property estate enhancement capital budget		(90)	(90) *
Borrowing supported by DWP revenue		(225)	(225) *
<b>Net capital programme requirement</b>	<b>250</b>	<b>620</b>	<b>370</b> *

\*The £720k referred to in recommendation (c) is the sum of:  
£35k + £90k + £225k + £370k = £720k

16 The approved budget can be illustrated as follows:

	<b>£000</b>
Net accommodation strategy capital budget (Council – December 2015)	1,400
Existing contribution from ICT Reserve	100
Expenditure / commitments to date (other than Blueschool House)	
Elgar House	(720)
Nelson House	(87)
Plough Lane	(35)
Other	(25)
<b>Remaining accommodation strategy budget</b>	<b>633</b>
<b>Blueschool House capital programme requirement (from previous table)</b>	<b>620</b>
<b>Net surplus accommodation strategy budget</b>	<b>13</b>

17 The refreshed financial model for the Blueschool House investment, inclusive of rental income from DWP for Blueschool House as well as removal of property costs for Franklin House, indicates that the council would still achieve a net revenue benefit of over £1m over a 10 year period.

## Legal implications

18 The council has entered into an implied contract, with price and specification agreed, to refurbish Blueschool House with a contractor procured under an EU compliant

framework agreement. Although the contract has not been signed in writing, a contract has been formed. If the council were to terminate the contract upon reasonable notice the council would be liable to pay costs incurred to date. Deciding whether to continue or terminate the contract should depend on whether best value can be achieved.

## **Risk management**

- 19 Investigative works have progressed to an advanced stage and therefore further cost increases are low risk. A contractor has been procured for a detailed quotation. Value engineering exercises will continue in order to try to reduce the overall cost.
- 20 The proposed cladding is not the same as that used on Grenfell Tower, however the inquiry into the tragedy may alter national regulations regarding cladding. This could have a future impact upon the premises.
- 21 This expenditure completes the current accommodation programme, however the council will continue to review its corporate premises and consider future opportunities subject to business cases.

## **Consultees**

- 22 The ward member, Councillor Polly Andrews, has been consulted and is supportive of referral to audit and governance committee. The views of political groups were sought but no comments were received.

## **Appendices**

Appendix 1: Revised financial model

## **Background papers**

- None identified



	Year 0 £000	Year 1 £000	Year 2 £000	Year 3 £000	Year 4 £000	Year 5 £000	Year 6 £000	Year 7 £000	Year 8 £000	Year 9 £000	Year 10 £000
Blueschool House Running Costs <i>(Assume inflation of 2% per annum)</i>	214	218	222	226	231	236	241	246	251	256	261
Franklin House Running Costs	121										
DWP Revenue Contribution		(150)	(150)	(150)	(150)	(150)	(100)	(100)	(100)	(100)	(100)
Additional Security Costs <i>(Assume 15% of running costs)</i>		33	33	34	35	35	36	37	38	38	39
Cost of Prudential Borrowing		108	108	108	108	108	108	108	108	108	108
<b>Net Council Revenue Costs</b>	<b>335</b>	<b>209</b>	<b>213</b>	<b>218</b>	<b>224</b>	<b>229</b>	<b>285</b>	<b>291</b>	<b>297</b>	<b>302</b>	<b>308</b>
<b>BAU Costs (includes Franklin House)</b>	<b>335</b>	<b>339</b>	<b>343</b>	<b>347</b>	<b>352</b>	<b>357</b>	<b>362</b>	<b>367</b>	<b>372</b>	<b>377</b>	<b>382</b>
<b>Net Project (Savings) / Pressure</b>	<b>0</b>	<b>(130)</b>	<b>(130)</b>	<b>(129)</b>	<b>(128)</b>	<b>(128)</b>	<b>(77)</b>	<b>(76)</b>	<b>(75)</b>	<b>(75)</b>	<b>(74)</b>
<b>Total 10 Year Project (Benefit)</b>											<b>(1,026)</b>

<u>Prudential Borrowing Requirement</u>	£000
Gross capital investment	1,920
DWP capital contribution	(400)
HCA revenue reserve balance	(300)
ECC revenue contribution 2016/17	(200)
Service revenue budget	(35)
Roof works funded by corporate property budget	(90)
<b>Net Capital Requirement</b>	<b>895</b>

Additional DWP rental payments of £50k per annum for 5 years equates to circa £225k capital expenditure



<b>Meeting:</b>	<b>Cabinet</b>
<b>Meeting date:</b>	<b>27 July</b>
<b>Title of report:</b>	<b>Review of appointments to outside organisations</b>
<b>Report by:</b>	<b>Cabinet member economy and corporate services</b>

### **Classification**

**Open**

### **Key decision**

This is not a key decision.

### **Wards affected**

Countywide

### **Purpose**

To agree a policy for appointments to outside bodies.

### **Recommendation(s)**

#### **THAT:**

- (a) **the draft policy for appointments to outside bodies at appendix 1 be approved; and**
- (b) **having regard to that policy and the outcome of the recent consultation the council no longer make appointments to the following outside bodies:**
- The Courtyard Board Ltd
  - Jarvis Educational Charity
  - Kington Tourist Group
  - Leominster Area Regeneration Company (LARC) Development Trust
  - Leominster Museum Committee
  - Leominster Undenominational Educational Charity
  - Ross Charity Trustees
  - Shopmobility Hereford
  - Shopmobility Leominster
  - Three Choirs Festival
  - Coppett Hill Trust
  - Encore
  - Herefordshire vision links
  - Welcome to our future, and
  - West Midlands Reserve Forces and Cadets Association

## Alternative options

- 1 The alternative option is to maintain current practices. This is not felt to be satisfactory. Membership of an outside body brings into play different considerations to those which relate to council membership. As members of outside bodies, elected members will have different duties, obligations and liabilities depending upon the type of organisation involved. Members' roles on these outside bodies may appear to conflict, sometimes with each other, and sometimes with their position as a Herefordshire Council councillor. This can be eased by giving clear guidance, which the draft protocol provides. Representation also has a small cost implication to the authority for member's attendance and officer time on those outside bodies that fall outside of the county.

## Reasons for recommendations

- 2 To provide a transparent framework for deciding which bodies the council will make appointments to, and clarity about the roles and responsibilities of those individuals appointed by the council to any outside body.

## Key considerations

- 3 The council may nominate individuals, as representatives of the council, to serve on external organisations referred to as outside bodies. Some appointments are required by statute, some are directly linked to the discharging of executive responsibilities, and other appointments are by invitation from a particular organisation.
- 4 Historically the council made appointments to almost 150 bodies. Over time the number of appointments has reduced. The reasons for these appointments vary to a considerable extent. They range from appointments which enable the council's voice to be heard at a national or local level to appointments which are made for largely historical reasons (with questionable benefit to the council). On a number of occasions, members are approached by an organisation in their capacity as local representatives rather than because the involvement of the council is being sought. There is no existing policy to guide the assessment of new requests for appointees and there has been no review of existing outside bodies to assess the appropriateness of continued council representation on outside bodies.
- 5 It is recommended that a policy be adopted to guide future identification of bodies to which the council will make appointments. The proposed policy is attached at appendix 1.
- 6 A review of appointments has been carried. This sought the views of council appointees and of each outside body about the relevance and added value of continued council representation. In addition, officers sought to review how closely those outside bodies aligned with the draft policy criteria (noted in 5 above). The general findings of the review are summarised as follows:
  - Almost all organisations valued the link with the council and almost all council representatives considered the link with the organisation to which they were appointed to be valuable.
  - The majority of appointments that remain are now required by statute.
  - There were very few areas where continued representation was questioned either by the organisation or representatives.
  - Feedback arrangements are ad hoc. Representatives feed back when they

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Further information on the subject of this report is available from  
John Coleman, Democratic Services Manager on Tel (01432) 260382



consider it necessary, generally via an officer. However, a council officer is not clearly identified as a contact point for each outside body.

- The notification to organisations and appointees of appointments to ensure a smooth transition should be improved and appointees should be consulted on whether they wish to accept an appointment.
- Consideration should be given to handover arrangements when a representative's term of office comes to an end.
- Some training on taking up an appointment would be helpful in some cases.
- There was a general lack of understanding, by members and officers, about the criteria attached to making appointments to outside bodies.

7 Appendix 2 presents the list of outside bodies which members are currently appointed to. Cabinet members are advised that this list is not fully complete. There may be additional outside bodies that the council appoints either a ward member or an officer to. The democratic services team will undertake a further review to ensure that a complete list of outside bodies is established. If cabinet agree to the draft policy on council representation on the bodies (Appendix 1) – democratic services would apply those policy criteria to any additional outside bodies identified as part of this secondary review.

8 Taking into account feedback provided during the recent review and applying the criteria in the draft policy (which is subject to cabinet approval) it is proposed that appointments are no longer made to the following bodies:

<b>Body</b>	<b>Justification</b>
<p><b>The Courtyard Board Ltd</b> <i>To oversee the management of the Courtyard, Hereford.</i></p>	<p>Does not accord with the criteria. Representatives of the council are observers to the board only; HC funding now withdrawn. No need for formal appointment to the body, Councillors can continue as observers on the board through invitation from the Courtyard. To note – Council representatives were split in their opinion – one questioned the value of continued attendance due to observer status. The other believed that as an important local partner, particularly in the bid for city of culture, it is essential to maintain membership. The response from the Courtyard was that the relationship with the Council was valued and that well-informed representatives on the body enhance the relationship.</p>
<p><b>Jarvis Educational Charity</b> <i>The Charity is established to promote education in the Parishes of Staunton-on-Wye, Bredwardine &amp; Letton.</i></p>	<p>Does not accord with the criteria. Local organisation. No response to previous requests for information. No need for formal appointment to the body, the Council representative can continue at the invitation of the group. To note – Response from current representative on body, requested a further enquiry at a later date to allow greater time to assess the benefit to the Council and benefit to the organisation of outside body appointment.</p>
<p><b>Kington Tourist Group</b> <i>To promote tourism in Kington and manage the tourist information centre.</i></p>	<p>Does not accord with the criteria. Local organisation, local member content that it forms part of his local role. No need for formal appointment to the body, the Council representative can continue at the invitation of the group. To note - Local ward member is actively involved. Considers himself to serve as</p>

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	local ward member and that representation can be conducted in that capacity
<p><b>Leominster Area Regeneration Company (LARC)</b>  <i>Charity involved in the preservation of buildings or sites of historical or architectural importance, in particular the building known as Grange Court.</i></p>	Does not accord with the criteria. Local member role, Grange Court has been renovated and is now operating commercial lettings. No need for formal appointment to the body, the Council representative can continue at the invitation of the Trust.
<p><b>Leominster Museum Committee</b>  <i>Responsible for the improvement, repair and equipping of Leominster museum.</i></p>	Does not accord with the criteria. Local member role, the Council representative is very supportive of the body and membership can continue at the invitation of the museum. No need for formal appointment to the body. To note – the current representative considers representation is important: ‘the museum contributes hugely to the local economy, adding to the attractions on offer for residents and for visitors, and HC aspires to a strong local economy.’
<p><b>Leominster Udenominational Educational Charity</b>  <i>Charity supporting bids from local feeder schools to the Minster College for resources to benefit the entire student body.</i></p>	Does not accord with the criteria. Local member role, disbursing a small amount of money to feeder schools for Minster College. No need for formal appointment to the body, Council representatives can continue by invitation of the charity.
<p><b>Ross Charity Trustees</b>  <i>Charity providing accommodation for the disadvantaged of Ross. Involved in the sale of unused land to provide capital to purchase property to lease at low rent.</i></p>	Does not accord with the criteria. Local member role, some confusion on the part of the charity who the representative is, no mandatory requirement on the part of the charity for an HC representative; the charity’s constitution refers to South Herefordshire District Council. No need for formal appointment to the body, the Council representatives can continue at the invitation of the charity. To note – the current representative was content with the proposals that the charity invite a ward member to serve.
<p><b>Shopmobility Hereford</b>  <i>A registered charity based in Hereford providing mobility aids to visitors with mobility issues.</i></p>	Does not accord with the criteria. Local member role, no funding from HC. No need for formal appointment to the body, the Council representatives can continue at the invitation of the charity.
<p><b>Shopmobility Leominster</b>  <i>A registered charity based in Leominster providing mobility aids to visitors with mobility issues.</i></p>	Does not accord with the criteria. Local member role, no funding from HC. No need for formal appointment to the body, the Council representatives can continue at the invitation of the charity. To note – the current representative states that ‘shopmobility provides a huge service to the town, its residents and visitors. As HC has the interests of the community at its heart, Shopmobility is of considerable importance to HC.’
<p><b>Three Choirs Festival</b>  <i>A limited company which manages and arranges a choral festival on a rotational basis in the cathedrals of Gloucester, Hereford and Worcester.</i></p>	Reason for removal: Local member role, limited role for the HC representative on the body. Associate board member role would be more appropriate, at the invitation of the body. To note – the current representative suggested that a lot of the discussion was irrelevant and an associate board member would be appropriate, in essence, to be invited only when there is an item on the agenda that would require input.

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Further information on the subject of this report is available from  
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<p><b>Coppett Hill Trust</b>  <i>The Coppett Hill Common Trust owns and manages Coppett Hill Common, it is a limited company founded in 1985.</i></p>	<p>Does not accord with the criteria. Local in scope, more appropriate for inclusion within the role of the local ward member. Councillors can continue at the invitation of the Trust. To note – the Council’s current representative advocates that representation should be maintained as this is the largest local nature reserve in the county. It is located at the extreme south of the county where the council is seen as largely absent.</p>
<p><b>Encore</b> (Herefordshire Music Education Hub)  <i>Social Enterprise (Community Interest Company)</i></p>	<p>There is no requirement for a Councillor appointment but it is an expectation that there is representation on the hub board (Councillor or Officer) as a lot of the work of the hub board is funded by the Department for Education. It is compulsory (DfE &amp; Arts Council England) to have Music Education Hub Board as part of funding. Every LA area should have one and the majority of these have LA representation.</p>
<p><b>Herefordshire Vision Links</b> (Herefordshire Association for the Blind)  <i>Charity</i></p>	<p>This is, essentially, a contractual arrangement managed by officers.</p>
<p><b>Welcome to Our Future</b>  <i>Charity and Limited Company</i></p>	<p>Member involvement is not a requirement and there is no benefit directly to the Council. Beneficiaries are community groups when grants are made with between £100-£150k per annum being accessed for Herefordshire organisations. Impetus, through the loans to SME’s scheme has existing officer support to assist SMEs through the application process. Given dual hatted role of current member, removal potentially allows influence to remain.</p>
<p><b>West Midland Reserve Forces &amp; Cadets Association</b></p>	<p>The military covenant is addressed though Herefordshire Councils involvement with the civilian military task force. Arguably, this may be a controversial decision to take, given the county’s strong military links. The Association is concerned with the morale and welfare of the TA and Cadet forces and in particular the personal administrative problems which face them as Members of a civilian community who serve part time in the armed forces in peace. The Association is well placed to identify these problems and to represent them to the MOD and to other authorities as necessary. Supports work in respect of the military covenant.</p>

- 9 Guidance for those appointed has also been drafted (at appendix 3) to ensure that appointees understand the extent of their role and that effective communication is maintained with the council.

**Community impact**

- 10 The adoption of a clear policy for appointments and guidance for those appointed ensures the council is open and transparent in its decision-making in accordance with the adopted code of corporate governance.

**Equality duty**

- 11 The Equality Duty 2010 has 3 aims (general duty)

- Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the act
  - Advance equality of opportunity between people who share a protected characteristic and those who do not
  - Foster good relations between people who share a protected characteristic and those that who do not.
- 12 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 polices and in the delivery of services.
- 13 As this is a decision is in regards to appointments to outside organisation we do not believe that it will have an impact on our Equality duty

### **Financial implications**

- 14 There is some financial implication linked to this decision. No allowances are paid by Herefordshire Council to individuals appointed to outside bodies. The council will not pay travel or subsistence expenses for individuals appointed to outside bodies where they are entitled to claim such expenses from the body to which they have been appointed.
- 15 Where an individual is appointed to an outside body and is not entitled to claim travel or subsistence expenses from that body, Herefordshire Council will pay expenses for travel to and subsistence at meetings of that body which are held outside the county and where the appointment is part of a cabinet member responsibility or officer duty in accordance with the member scheme of allowances or officer terms and conditions. Legal implications
- 16 The council is only required to make an appointment to an outside body where required by law. Such bodies are identified in appendix 2. All other appointments are discretionary and can be decided based upon the reasonable considerations in the policy.
- 17 Any appointment or revocation is delegated to the chief executive in accordance with the constitution in the functions section 3.2.15(b).

### **Risk management**

- 18 Non-representation on certain bodies may mean having no voice in the way the organisation is run which may reputationally have an adverse effect on the council should there be any criticism.
- 19 Maintaining membership of these bodies will mean the requirement for attendance at meetings of members, drawing their time resources away from other work.

### **Consultees**

- 20 A survey was undertaken of organisations where it was considered the council might be able to exercise some discretion as to whether to make an appointment and over the number of appointments. Members appointed to those organisations were also asked to complete a survey. The survey did not include appointments to school governing bodies; appointments in connection with executive functions; and appointments to joint committees.

- 21 Political group views were sought from group leaders. The Independents' view was that representation should be retained on the Courtyard due to the city of culture bid, and Halo due to previous council funding. The Green group expressed concern that the council appeared to be withdrawing from community groups and the Liberal democrats expressed similar concerns about potential loss of formal links with some key countywide organisations. 'It's Our County' emphasised the benefits involvement of members in outside bodies could have in developing positive relationships with the council and the benefits brought to outside bodies by individual members with particularly relevant skills.
- 22 The policy provides for individual members to take on community roles in their own right, thus ensuring that links between the council and the community can be maintained at an appropriate level and that outside bodies may benefit from the involvement of members with particularly relevant skills or interests. The council maintains relationships with key countywide bodies, such as HALO and the Courtyard, or initiatives such as the City of Culture bid through a range of other mechanisms including formal and informal partnerships, legal agreements or service delivery contracts and the proposed policy seeks to identify where additional engagement through the appointment of an individual to the outside body, would be beneficial to achievement of the councils priorities.
- 23 Political group leaders also expressed concern that some outside bodies' governing documents required them to include a council representative on their boards and not making an appointment may leave such organisations in difficulty. It is suggested that if the recommendations are accepted and a group with a constitutional requirement for a councillor representative is no longer on the list of approved outside bodies, the organisation is provided with advice on amending its governing documents as necessary.

## **Appendices**

Appendix 1 - Draft: Policy on council representation on outside bodies

Appendix 2 - List of appointments to outside organisations

Appendix 3 - Guidance for council representatives on outside bodies

## **Background papers**

- None identified.





## Policy on council representation on outside bodies

Outside bodies are external organisations which have requested that the council appoint a representative to them. Outside bodies have separate governance structures to the council. Appointments to outside bodies can be an important mechanism for:

- community leadership, especially in new initiatives which may have originated from the council;
- enabling achievement of the council's corporate plan priorities; or
- safeguarding an investment or protect an interest of the council.

This policy does not cover the appointment of school governors, or appointments to joint committees of the council for which separate policies and processes apply.

### Criteria

Requests for council representation will be assessed against the criteria below:

- Is there a statutory requirement to appoint a council representative?
- Does the organisation allocate significant council funding within the community?
- Does the organisation co-ordinate the activity of particular sectors or groups within the community in an area that are essential to the achievement of council's corporate plan priorities?
- Would the council's interests be prejudiced if an appointment was not made?
- Are the organisation's activities essential to achievement of the council's corporate plan priorities?
- Does the opportunity strengthen the council's influence regionally or nationally?
- If the body is a partnership does the partnership agreement comply with the council's approved partnership governance framework?

### Appointment process

Bodies to which the council appoints three or more representatives will be subject to the rules of political proportionality unless the appointments arise by reason of a membership subscription or are a purely executive (cabinet) function. Council will determine political proportionality and political group leaders will nominate members of their political group to fulfil the places allocated to their group.

Where the council makes appointments which relate specifically to executive (cabinet) functions, appointments will be made by the leader of the council.

All other appointments will be made by the chief executive who will consult with the political group leaders before making the appointment.

All potential appointees will be consulted before their appointment is confirmed to ensure they are willing to take on the role and do not have any relevant conflicts of interest.

Appointments will normally be made for a four year period and/or to coincide with the electoral cycle.

## **Appointees**

Those appointed may be elected members of the council, an officer of the council, or a relevant independent person. Members and officers serving on outside bodies as representatives of the council have responsibilities to the council and their conduct is governed by the member and officer codes of conduct respectively. Individuals who are not members or officers will be asked to confirm in writing that:

- they are willing to take on the role;
- when serving on the outside body on behalf of the council they will comply with the seven (Nolan) principles of public life;
- they will abide by the principles set out in the guidance on outside bodies; and
- they will provide, at least annually, a report on the work of the body to which they have been appointed.

## **Allowances and expenses**

No allowances are paid by Herefordshire Council to individuals appointed to outside bodies.

The council will not pay travel or subsistence expenses for individuals appointed to outside bodies where they are entitled to claim such expenses from the body to which they have been appointed.

Where an individual is appointed to an outside body and is not entitled to claim travel or subsistence expenses from that body, Herefordshire Council will pay expenses for travel to and subsistence at meetings of that body which are held outside the county or where the appointment is part of a cabinet member responsibility or officer duty in accordance with the member scheme of allowances or officer terms and conditions. The councillors allowances scheme is set out in Part 6 of the constitution (para 6.1.11) and para 4 of appendix 3 (Draft protocol for council representation on outside bodies).

## **Roles and responsibilities**

All appointees will be expected to comply with the guidance provided on roles and responsibilities.

The council will identify a lead officer contact within the council for each relevant outside body to act as the point of contact between the council and the appointee.

## **Local or ward specific bodies**


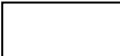

Where a local or ward specific body wishes to invite their ward member to take on a role within the organisation it will be a matter for the relevant ward member to determine. Any such appointments will be at the discretion of the ward member concerned and will not be council appointments. Expenses will not covered by Herefordshire Council.



## Appendix 2: Outside Bodies List

Outside bodies are external organisations and partnerships which make a request to the council for the appointment of an elected member or other representative. The participation of representatives of the council on outside bodies should directly advance the delivery of the strategic objectives of the council. In addition, involvement on an outside body should: ensure its viability or good management; fulfil a statutory requirement; or provide an opportunity for oversight of the use of public money allocated by the council.

Key:

Recommended for removal from the OB list.	
Recommended to be retained on the OB list	
Statutory Body – retain on OB list	

Body	Outside body type: ltd company; unincorporated body; trust; statutory body; representative body.	Appointee	Commentary in relation to criteria set out in draft policy on council representation on outside bodies.
Bringsty Common Manorial Court	From website: non-statutory body. <a href="#">Terms of reference</a>	Cllr N Shaw	Although local in scope the Council owns the Common.
Civilian Military Task Group	<a href="#">Information</a>	Cllr M McEvilly (with support from Cllr J Kenyon and Cllr R Matthews)	Meets all strategic objectives. Military covenant in place and positive work undertaken to date.  <b>Recommendation: Review the current level of membership to explore whether one member is sufficient to attend.</b>
Coppett Hill Trust	Trust Ltd  <a href="#">Website</a>	Cllr P Newman	<b>Reason for removal: Local in scope –more appropriate for inclusion within the role of the local ward member. Councillors can continue at the invitation of the Trust. In addition the Council is entitled to appoint a director who may attend and speak at company meetings but has no vote in the day to day running of the company.</b>
County Council	Representative Body	Cllr S Bowen	Paid subscription, opportunity to exercise influence collectively. We

Body	Outside body type: ltd company; unincorporated body; trust; statutory body; representative body.	Appointee	Commentary in relation to criteria set out in draft policy on council representation on outside bodies.
Network		Cllr T James Cllr A Johnson Cllr R Phillips	currently pay a flat fee which allows for four members to represent Herefordshire. Each member authority nominates up to four elected members to serve on the CCN Council. Top up places are used to ensure political proportionality using the LGA Rallings and Thrasher model for county authorities.
The Courtyard Board	Registered Charity <a href="#">Info</a>	Cllr B Durkin Cllr A Powers  Observers to the Board only: <a href="#">Membership</a>	<b>Reason for removal: Representatives of the council are observers to the board only and self-funded from HC. No need for formal appointment to the body, Councillors can continue as observers on the board through invitation from the Courtyard.</b>
Encore (Herefordshire Music Education Hub)	Social Enterprise (Community Interest Company)  <a href="#">Website</a>	Cllr A Powers	<b>Recommended for removal if draft policy agreed: There is no requirement for a Councillor appointment but it is an expectation that there is representation on the hub board (Councillor or Officer) as a lot of the work of the hub board is funded by the Department for Education. It is compulsory (DfE &amp; Arts Council England) to have Music Education Hub Board as part of funding. Every LA area should have one and the majority of these have LA representation.</b>
Enterprise Zone Executive Board	Enterprise Zone Company <a href="#">Info</a> Board members are directors (minutes – 11/6/13 and 9/7/13)	Cllr D Harlow* (named sub. Cllr A Johnson) G Hughes (named sub. N Webster)	Strategic importance to the Council.
English Severn & Wye Regional Flood Defence and Coastal Committee	Statutory Body - <a href="#">RFCC</a>	Cllr P Price	
European Structural and	Statutory Body	Cllr R Phillips	

Body	Outside body type: ltd company; unincorporated body; trust; statutory body; representative body.	Appointee	Commentary in relation to criteria set out in draft policy on council representation on outside bodies.
Investment Fund (ESIF) sub-committee	<a href="#">Terms of reference</a>		
Halo Leisure	Trust <a href="#">Info</a>	Cllr C Butler	<b>Reason for removal: self-funded from HC.</b>
Herefordshire Vision Links (Herefordshire Association for the Blind)	Charity	Cllr K Guthrie	<b>Recommended for removal if draft policy agreed. This is, essentially, a contractual arrangement managed by officers.</b>
Herefordshire & Worcestershire Joint Members Waste Resource Management Forum	Representative body	Cllr H Bramer	Strategic importance to the council to maximise the potential of joint working between partnership members and develop and review the Joint Waste Strategy.
Herefordshire Housing Ltd	Limited Company <a href="#">Info</a>	Cllr P Rone	Former council function – transfer of entire housing stock to HHL in 2001. Elected member representation, as opposed to officer representation, provides accountability. The organisation considers representation is important because the Council has a 33.3% interest in Herefordshire Housing Limited. The representative also brings valuable local knowledge of our people and property. The organization works in in partnership with the Council, so this relationship is strengthened
Herefordshire LEADER Programme 2015/20 Local Action Group	Statutory Body <a href="#">Info</a> <a href="#">Defra guidance</a>	Cllr R Phillips	

Body	Outside body type: ltd company; unincorporated body; trust; statutory body; representative body.	Appointee	Commentary in relation to criteria set out in draft policy on council representation on outside bodies.
Herefordshire Local Access Forum	Statutory Body <a href="#">Info</a>	Cllr J Bartlett Cllr P Edwards	<b>Recommendation: Review the current level of membership to explore whether one member is sufficient to attend.</b>
Herefordshire Local Nature Partnership	Statutory Body <a href="#">Info</a>	Cllr P Price G Hughes	<b>Recommendation: Review the current level of membership to explore whether one member/officer is sufficient to attend.</b>
Herefordshire Sport	<a href="#">Info</a>	Cllr SD Williams Cllr J Kenyon	To reduce to one member (giving due regard to the consultation response). The role of members was defined by the body to; 'provide the strategic link between the elected representatives that are setting the county framework for the development of the county as a whole and a group that is constituted to maximise sporting opportunities and build partnerships to develop sport across the county and assist sports organisation fulfil their development plans'.
Jarvis Educational Foundation	Charity <a href="#">Info</a>	Cllr C Skelton	<b>Reason for removal: Local organisation. No response to previous requests for information. No need for formal appointment to the body, the Council representative can continue at the invitation of the group.</b>
Kington Tourist Group	? <a href="#">Info</a>	Cllr T James	<b>Reason for removal: Local organisation, local member content that it forms part of his local role. No need for formal appointment to the body, the Council representative can continue at the invitation of the group.</b>
Leominster Area Regeneration Company (LARC) Development Trust	Ltd Company and Charity <a href="#">Info</a>	(Vacancy) Cllr J Stone	<b>Reason for removal: Local member role, following Community Asset Transfer in 2013, Grange Court has been renovated and is now operating commercial lettings. No need for formal appointment to the body, the Council representative can continue at the invitation of the Trust.</b>
Leominster Museum Committee	Charitable Incorporated Organisation <a href="#">Info</a>	Cllr F Norman	<b>Reason for removal: Local member role, the organisation is a local body responsible for the improvement, repair and equipping of the museum. The Council representative is very supportive of the body and membership can continue at the invitation of the museum. No need for formal appointment to the body.</b>

Body	Outside body type: ltd company; unincorporated body; trust; statutory body; representative body.	Appointee	Commentary in relation to criteria set out in draft policy on council representation on outside bodies.
Leominster Un-denominational Educational Charity	Charity <a href="#">Info</a>	Cllr J Bartlett Cllr J Stone	<b>Reason for removal: Local member role. Charity disbursing a small amount of money to feeder schools for Minster College. No need for formal appointment to the body, the Council representatives can continue at the invitation of the charity.</b>
Local Government Association	Representative body	Cllr A Johnson Cllr R Matthews Cllr R Phillips Cllr A Seldon	The LGA's political balance is defined by the outcome of the English and Welsh local elections each year. Following the elections, the LGC Elections Centre at the University of Plymouth provides the Association with the definitive figures - at the point of calculation - for the LGA's proportionality. The LGA Leadership Board agrees the proportionality figures as the basis for negotiating the allocation of chairs and vice-chairs and populating all our member structures. The political groups then use their respective methods of selection to populate the seats apportioned to them in time for the start of the new political year on 1 September.
Lower Severn Internal Drainage Board	Statutory body <a href="#">Info</a>	Cllr A Johnson	
Malvern Hills Trust	Statutory/Registered Charity <a href="#">Info</a>	Cllr E Holton	
Malvern Hills Joint Advisory Committee AONB	Statutory <a href="#">Info</a>	Cllr E Holton Cllr A Johnson	<b>Recommendation: Review the current level of membership to explore whether one member is sufficient to attend.</b>
Marches LEP Board	Representative body <a href="#">Info</a>	Cllr A Johnson*	
Marches LEP Joint Committee	Joint Committee/ <a href="#">Info</a>	Cllr A Johnson*	

Body	Outside body type: Ltd company; unincorporated body; trust; statutory body; representative body.	Appointee	Commentary in relation to criteria set out in draft policy on council representation on outside bodies.
River Lugg Internal Drainage Board	Statutory <a href="#">Info</a>	Cllr B Baker Cllr S Bowen Cllr M Cooper Cllr D Greenow Cllr J Hardwick Cllr F Norman Cllr R Phillips	<b>A review of membership is currently being considered in response to a request from the board.</b>
Ross Charity Trustees	Charity	Cllr R Mayo	<b>Reason for removal: Local member role, some confusion on the part of the charity who the representative is, no mandatory requirement on the part of the charity for an HC representative; the charity's constitution refers to South Herefordshire District Council. No need for formal appointment to the body, the Council representatives can continue at the invitation of the charity.</b>
Shopmobility Hereford Liaison Group	Registered charity <a href="#">Info</a>	Hereford ward member TBC by IOC group leader (no appointment made)	<b>Reason for removal: Local member role, no funding from HC. No need for formal appointment to the body, the Council representatives can continue at the invitation of the charity.</b>
Shopmobility Leominster	Registered charity <a href="#">Info</a>	Cllr F Norman	<b>Reason for removal: Local member role, no funding from HC. No need for formal appointment to the body, the Council representatives can continue at the invitation of the charity.</b>
SPARSE Rural	Representative Body <a href="#">Info</a>	Cllr Phillips	SPARSE Rural is a Sub Group of a Special Interest Group of the LGA. Of strategic and representative importance to the Council.
South West Audit Partnership	<a href="#">Info</a>	Cllr Newman	Internal Audit service provider.
2gether trust – Council of Governors	Stakeholder Group <a href="#">Info</a>	Cllr J Bartlett	NHS Foundation Trust – important connection to strategic partner.
Three Choirs Festival	Limited Company, Registered Charity <a href="#">Info</a>	Cllr P Rone	<b>Reason for removal: Local member role, limited role for the HC representative on the body. Associate board member role would be more appropriate, at the invitation of the body.</b>

Body	Outside body type: ltd company; unincorporated body; trust; statutory body; representative body.	Appointee	Commentary in relation to criteria set out in draft policy on council representation on outside bodies.
Welcome to Our Future	Charity and Limited Company <a href="#">Info</a>	Cllr S Bowen (also Chair of Welcome to Our Future)	<b>Recommended for removal if draft policy is agreed: Member involvement is not a requirement and there is no benefit directly to the Council. Beneficiaries are community groups when grants are made with between £100-£150k per annum being accessed for Herefordshire organisations. Impetus, through the loans to SME's scheme has existing officer support to assist SMEs through the application process. Given dual hatted role of current member, removal potentially allows influence to remain with duplication removed.</b>
West Mercia Energy Audit Committee	Joint Committee <a href="#">Info</a>	Cllr D Harlow	Associated with the West Mercia Energy Joint Committee below.
West Mercia Energy Joint Committee	Joint Committee <a href="#">Info</a>	Cllr D Harlow Cllr P Price	
West Midland Reserve Forces & Cadets Association	<a href="#">Info</a>	Cllr J Kenyon	<b>Recommended for removal if draft policy is agreed: The military covenant is addressed though Herefordshire Councils involvement with the civilian military task force (above). Arguably, this may be a controversial decision to take, given the county's strong military links. The Association is concerned with the morale and welfare of the TA and Cadet forces and in particular the personal administrative problems which face them as Members of a civilian community who serve part time in the armed forces in peace. The Association is well placed to identify these problems and to represent them to the MOD and to other authorities as necessary. Supports work in respect of the military covenant, as above.</b>
West Midlands Employers	Representative Body <a href="#">Info</a>	Cllr R Phillips	Subscription paid by HC

<b>Body</b>	<b>Outside body type: ltd company; unincorporated body; trust; statutory body; representative body.</b>	<b>Appointee</b>	<b>Commentary in relation to criteria set out in draft policy on council representation on outside bodies.</b>
West Mercia Police & Crime Panel	Statutory joint committee	Cllr Wilcox (sub cllr Durkin) Cllr Bowen (co-opted) (sub cllr Matthews)	Membership is a statutory requirement
Worcestershire Local Pension Board	Statutory body <a href="#">Info</a>	Cllr Shaw	
Wye Navigation Advisory Committee	Statutory body <a href="#">Info</a>	Cllr P Price (sub. Cllr E Swinglehurst)	Membership is a statutory requirement
Wye Valley AONB Joint Advisory Committee	Statutory Joint Committee <a href="#">Info</a>	Cllr P Cutter Cllr B Durkin Cllr J Hardwick Cllr E Swinglehurst	Membership is a statutory requirement

### Other Organisations

<b>Body</b>	<b>Group</b>	<b>Councillor</b>
Fire Authority (6 seats)	Conservative	Kema Guthrie
	Conservative	Bruce Baker
	Conservative	Roger Phillips
	Conservative	Steve Williams
	It's Our County	Jim Kenyon or Tracey Bowes (TBC)
	Herefordshire Independents	Bob Matthews
SACRE (3 seats)	Conservative	John Stone
	Conservative	Mark McEvilly
	It's Our County	Liz Harvey



## Appendix 3: Guidance for council appointees to outside bodies

### 1. Introduction

- 1.1 This guidance is intended to assist those appointed to outside bodies to understand their roles and responsibilities as well as the liabilities they may attract in connection with their involvement with these organisations. Councils are increasingly working in partnership with external organisations. This means that it is important that everyone is clear exactly what the role of individuals appointed to these bodies is. Questions of accountability and governance are likely to arise particularly as more funding may be channelled through the council to these outside bodies.
- 1.2 Membership of an outside body brings into play different considerations to those which relate to council membership. As members of outside bodies, appointees will have different duties, obligations and liabilities depending upon the type of organisation involved. Roles on these outside bodies may appear to conflict, sometimes with each other, and sometimes with the individuals position within the council. This can be eased by giving clear guidance, which is what this document aims to do. Paragraphs 7 and 8 of this Protocol provides information on registering interest and information on dealing with conflicts of interest are set out in paragraph 9.
- 1.3 Depending on the legal nature of the body and the role fulfilled the appointee may attract personal responsibility for decisions and actions of the body. It is the appointee's responsibility to ensure that they are aware of their liabilities and any insurance arrangements that are in place where they participate in outside bodies. Paragraphs 2 and 3 of the protocol set out the general roles and responsibilities for members on outside bodies.
- 1.4 The council will indemnify members and officers representing the council on outside bodies in many circumstances. There are however specific statutory limitations as to the extent of indemnification the council is able to provide. These are set out in paragraph 16 of the protocol.
- 1.5 Members can serve on outside bodies in their personal capacity provided that there is no conflict of interest with their duties as a member of Herefordshire Council. Again, advice is available to help members assess their position.
  - consider if there is likely to be any significant conflict of interest between their role in the outside organisation and their council role before accepting the office;
  - clarify the insurance arrangements (does it cover the key risks of the organisation as well as the member and is the liability limited or unlimited) and assess the possibility of any implications on themselves as individuals (specifically consider the nature and function of the body and the amount of money it deals with – always be aware of the added risk where the organisation employs staff);
  - if no insurance exists this must be weighed up in the decision to accept the appointment;
  - ask about any specific legal responsibilities attached to the membership of the organisation;
  - read the constitution of the organisation and be aware of its powers, duties and objectives;
  - attend meetings regularly and present apologies in good time when they are unable to attend;
  - satisfy themselves that they receive regular reports on the activities of the organisation and its financial position;

- satisfy themselves that the organisation has adequate Health and Safety and Equalities Policies;
- obtain a copy of the annual report and accounts to ensure that funds are spent on agreed objectives where the organisation is funded by or through the council; and
- seek advice from the appropriate council officers in the event of any doubt or concerns about the running of the organisation.

## **2. The responsibilities of the councillor**

2.1 In carrying out the role of a representative on the outside body, councillors act both as individuals and as representatives of the council:

2.2 Members should:

- act according to the rules, constitution and framework set by the outside body;
- take an active and informed role in the outside body's affairs;
- make independent and personal judgements in line with their duty of care to the outside body;
- report back to Herefordshire Council annually;
- promote equality as an integral part of the role and to treat everyone with fairness and dignity;
- from time to time it is possible that a conflict of interest may arise between the role of the councillor and the role they are undertaking on an outside body. Members are referred to in paragraph 11. Members are advised to seek legal advice before setting off on a course of action.
- behave ethically and follow as far as applicable the code of conduct for members; and
- wherever possible approach the lead officer for the outside body for a briefing on agenda items before attending meetings of the outside body.

2.3 Members should not:

- represent the political party to which the councillor is aligned;
- consider matters purely from the council's perspective;
- commit the council to any expenditure; (in accordance with the council's financial procedure rules any additional expenditure requests must be authorised by the appropriate person or body).

## **3. The role of the councillor**

3.1 The role of council representatives on outside bodies will vary but essentially the role will be:

- to help to secure any objectives of the council in participating in the organisation;
- to help the organisation to achieve its aims and objectives legally, properly and effectively;
- to meet any specific legal responsibilities attached to membership of the organisation; and
- to safeguard the council's interest on those organisations which are funded by or through the Council.

## **4. Expenses, remuneration and benefits**

- 4.1 As a general rule Members should not benefit personally from their appointment to outside organisations.
- 4.2 Travel and subsistence expenses should be claimed through the organisation if available otherwise through the council in accordance with the constitution (part 6 – councillors allowance scheme).
- 4.3 Any councillors offered any gift or hospitality, in their capacity as members must treat the offer in accordance with the constitution
- 4.4 Free access to a company's facilities should only be accepted where it is necessary to discharge duties and responsibilities as a director and should be declared to the Council.
- 4.5 The code of conduct should be followed at all times.

## **5. Representatives reporting back**

- 5.1 Councillors are under a specific obligation as a result of the 1995 Local Authorities (Companies) Order to report back to the council on their involvement in outside companies to which they have been nominated by the council. Where the council provides financial assistance to a charity or voluntary organisation of over £2,000 per annum then the body is under an obligation to state in writing to the council how the funding has been used (s137A Local Government Act 1972).
- 5.2 While the law now makes this a requirement for involvement in outside companies, it is self-evident that the requirement to report back should apply to involvement in all outside bodies. It is important that anyone who is appointed to an outside body provides appropriate information on what the organisation is doing. Members are not required to disclose information which is commercially confidential to the body.
- 5.3 Accordingly members are required to submit their annual report to the Monitoring Officer. The reports will then be circulated to all members. Where there is more than one member appointed to an outside body a joint submission should be made.
- 5.4 There are a number of organisations to which the council appoints members where more regular feedback from members would be appropriate. In these circumstances members or officers attending the meeting should provide a brief summary for dissemination to all members and relevant officers.

## **6. Further advice**

- 6.1 Relationships between the council, outside bodies and the council's representative can be complex. In any case of dispute or difficulty, Members should seek advice from the secretary or clerk to the outside body, who can then take advice from professional advisors where necessary.
- 6.2 If Members are concerned about the position they find themselves in as a councillor on an outside body, they should contact the Monitoring Officer for further advice.

## **7. Interests**

- 7.1 Members are required to register interests in line with the council's constitution.

## **8. Council's code of conduct – general provisions**

8.1 The council code of conduct requires that a member must observe the code of conduct whenever the Member is acting as a representative of the authority.

## **9. Conflicts of interest**

9.1 Appointment to an outside body can take various forms, and before taking up active membership it is advisable to establish exactly in what capacity the member is being appointed.

9.2 If members are appointed to an outside body they will have a personal interest in that body and will need to consider their position when they sit on council, the executive, a council committee or other decision-making body which is considering a matter which relates to that body.

9.3 If Members attend a meeting where there is an item of business which relates to or affects the outside body, they will need to disclose the interest at the meeting, regardless of whether or not they were appointed onto the outside body by the council, or by the outside body itself. This may not be a report which specifically mentions the body, but will affect it. For example, the budget setting meeting of Full Council can have implications for council funding of voluntary organisations.

9.4 The next issue is to consider whether they also have a Disclosable Pecuniary Interest (DPI) which would require them not only to disclose it but also to withdraw from consideration of that item of business.

9.5 If a Member does decide that they have a DPI, they must disclose this and leave the meeting room and not influence the debate or decision in any way. If the council body making the decision has a policy of allowing members of the public to speak, members can use this avenue legitimately to speak to the meeting but they must follow the rules of the public speaking session and then leave the room as soon as they have spoken on the matter.

9.6 Members should take advice from the Monitoring Officer if any situation arises where they think they might have a problem with an interest arising from their involvement with the outside body.

9.7 Whilst a failure by a member to disclose a personal interest, or to disclose and withdraw for a DPI, may lead to sanctions against the individual councillor, it will not of itself invalidate the decision of the authority in which the councillor participated. However, where there is a real possibility that the decision of the council might have been affected by bias or predetermination on the part of one or more councillor, that decision can be held by a court of law to be invalid. Members therefore need also to be careful about the possibility of bias and predetermination when they are dealing with matters involving an outside body on which they serve.

9.8 Any councillor who is about to take part in a decision, either collectively with other councillors or via decision, must not allow themselves to be unduly influenced by their allegiance to any outside body or individual, nor should they give the impression that they might be influenced by it. That is bias and apparent bias. It arises because of a connection to an outside body or person.

9.9 It also follows that, whilst a councillor may have preferences and predispositions, they must not finish the decision-making process until they have received and considered all the relevant information relating to the matter. To do so would be predetermination. Whilst it is accepted that councillors live in the real world and will discuss matters with colleagues and constituents, and bring the benefit of those

discussions to the committee room, they must still listen to the arguments and be prepared to change their mind if the evidence presented requires it.

- 9.10 From this it will be apparent that particular difficulties arise where a councillor is a member of an outside body such as a pressure group, which is seeking to influence the authority's decision on a particular matter, as such membership can readily be taken as evidence of bias and/or predetermination. On occasion, and particularly in respect of local, single issue pressure groups, a member may have to choose whether to be a campaigning councillor, participating in a pressure group, or to remain outside the campaign but be able to vote on the issue when it comes before the council.
- 9.11 In some instances a member may also find that they are unable to properly carry out their functions as a member of the council and a member of the outside body. In these instances the member may consider resigning from one body or another. Members should seek advice from the Monitoring Officer before taking such action.

## **10. Limited company**

- 10.1 A company has a separate legal personality to its shareholders (also described as company members or subscribers). One of the main advantages of acting through a limited company is that shareholders can claim the benefit of limited liability. In the case of a company limited by shares this means that they will not be liable for the debts of the company if the company makes losses over and above the amount which they have pledged to pay the company for their shares. In a company limited by guarantee this means that the shareholders 'guarantee' to contribute a specified sum if called upon to do so (usually a nominal amount of £1) in the event that the company goes into insolvent liquidation.
- 10.2 An appointment as a director of a company needs to be confirmed by the completion of a form (known as '288') which needs to be signed and submitted to Companies House. The secretary of the outside body should assist you with this.
- 10.3 The directorship should also be recorded in the Council's Register of Members' Interests (within 28 days of the appointment). Directors take responsibility for all the main decisions in relation to the operation of the company, including entering into contracts.
- 10.4 The position of council members acting as company directors is that although members have been appointed by the council they have a duty to act in the best interest of the company.
- 10.5 Although members are advised to consider the specific rules pertaining to the company they have been appointed to, the general legal responsibilities of company directors are:
- to ensure that the company acts within its legal powers;
  - to act honestly and in good faith in the best interests of the company;
  - not to make a personal profit and to take proper care of the assets;
  - to avoid conflicts of interest and not to allow personal interest to influence action as a director;
  - to record personal interests in the company's Register of Director's Interests;
  - to act with reasonable competence and care;
  - to exercise reasonable skill and care (this is a subjective test based upon the individual's own knowledge and experience); and
  - not knowingly allow the Company to trade fraudulently, recklessly or in an insolvent position.

- 10.6 Council appointed directors are advised to:
- clarify the insurance arrangements and assess the possibilities of any implications on themselves as individuals;
  - to be familiar with the Articles and Memorandum of Association of the company;
  - to ensure that their interests are registered with the company;
  - to attend board meetings regularly, read the agenda in advance and seek a briefing from officers where necessary;
  - to ensure that the company has proper procedures for reporting performance and financial information to board members at each meeting;
  - to take an interest in the appointment of the management of the company to ensure that suitable qualified and experienced managers are in place;
  - to ensure that the company has adequate Health and Safety and Equalities Policies; and
  - to seek advice from the appropriate council officers if in any doubt about the financial viability of the company or any aspect of its operation.
- 10.7 Members need to be particularly careful when acting as a company director if there is any prospect of the company becoming insolvent i.e. not having sufficient assets to pay its debts. When a company becomes insolvent, or it is foreseeable that it will be insolvent, directors of the company have a higher duty of competence and attention to company business than when the company is still solvent. If they fail to take every possible step to minimise the company's debts, they may be personally liable for any additional losses suffered by creditors of the company ("wrongful trading"). A director may be found guilty of fraudulent trading (a criminal offence) if they allow the company to trade with an intent to defraud creditors.
- 10.8 If you become a Company Director there are some useful guidance documents to assist you on the websites of the [Institute of Directors](#) and [Companies House](#).
- 10.9 There may be occasions where conflicts of interest arise between the council and the company. Some examples are:
- contracts between the two;
  - negotiations on agreements, such as terms of leases;
  - applications for council permission, e.g. planning consent.
- 10.10 This may mean that the primary responsibility to the company could conflict with the council's interest.
- 10.11 In these circumstances, Members are advised to declare a DPI at any council meetings or discussions and should withdraw from the decision making process.
- 11. Charitable trustees**
- 11.1 To be a charity an organisation must operate for one of the four charitable purposes, namely:
- the relief of poverty and human suffering;
  - the advancement of education;
  - the advancement of religion; and
  - another purpose for the benefit of the community.

11.2 It must operate for the public benefit and have exclusively charitable purposes. An organisation which operates for political purposes will not qualify for charitable status.

11.3 Trustees duties include:

- the need to act in accordance with the constitution of the charity;
- not making a private profit from their position;
- acting honestly and in good faith in the best interests of the charity;
- ensuring that information relating to the charity and trustees is registered with the charity commissioners and annual accounts, reports and returns are completed and sent;
- ensuring that the body acts in accordance with the overriding duty to the beneficiaries of the trust;
- ensuring compliance with all relevant legislation (e.g. in relation to tax and land matters); and
- council representatives are advised to clarify the insurance arrangements and assess the possibilities of any implications on themselves as individuals.

11.4 There is now a statutory duty of care under the Trustee Act 2000 which applies when a Trustee is:

- exercising a general power of investment or any specific power of investment arising from the trust;
- making investments in line with the Standard Investment Criteria under section 4 of the Act or taking independent advice on investments under section 5;
- exercising the power to acquire land or deal in land;
- appointing agents, custodians or nominees or in reviewing their obligations;
- compounding liabilities under section 15 of the Trustee Act 1925;
- insuring trust property; and
- dealing with reversionary interests, valuations or audits.

11.5 The standards of care expected of trustees is that which is reasonable in the circumstances, taking into account any particular skills or competencies possessed by the individual. Additional information relating to the responsibilities for charitable directors and trustees is available on the Charity commission's website <http://www.charity-commission.gov.uk>.

## 12. Partnerships

12.1 The Council representatives on partnerships have three main roles:

- to promote the council's objectives in participating in the partnership;
- to ensure that the partnership delivers its own objectives;
- to safeguard the council's interests within the partnership, particularly where the council is a funding partner or the accountable body for external funding

12.2 Council representatives on partnerships are advised to:

- be clear on the council's own objectives in participating in the partnership;
- read the constitution of the partnership and be aware of its objectives and powers;
- attend partnership meetings regularly, read the agendas in advance and seek briefing from officers where necessary;
- ensure that the partnership has proper procedures for reporting progress and financial information; and
- take an interest in the appointment of key staff.

### **13. Unincorporated organisations**

- 13.1 Groups which are not charitable trusts or limited companies are ‘unincorporated associations’ and have no separate legal identity from their members. The rules governing the Members’ duties and liability will be set out in a constitution, which is simply an agreement between the members as to how the organisation will operate. Usually the constitution will provide for management committees to be responsible for the everyday running of the organisation. An unincorporated organisation may be charitable and therefore register as a charity.
- 13.2 Management committee members must act within the constitution of that outside body and must take reasonable care when exercising their powers.
- 13.3 If Members become involved in the administration of an unincorporated body, they need to be aware that, as the body has no separate corporate status, any liabilities will fall upon the members personally. This means that if something goes wrong and the organisation is sued, the members/owners personal assets are at risk – they cannot stand behind a company or other body which gives them some protection.
- 13.4 If members take on personal responsibilities for the organisation, such as buying equipment or renting premises, they are personally liable for the entire cost, and can only recover those costs from the organisation to the extent that it actually has the money to reimburse them, or from the other members of the organisation to the extent that the membership agreement gives them the right to be reimbursed by each of them.
- 13.5 Members need to be very careful about the risk of personal liability and the extent to which this has been covered by insurance arrangements (either arranged by the organisation itself or by the council or by indemnities).

### **14. Indemnity for members**

- 14.1 The council may only indemnify members in certain circumstances as prescribed by the Local Authorities (Indemnity for Members and Officers) Order 2004.
- 14.2 The council will provide an indemnity in relation to any action or failure to act by any member which:
- is authorised by the council;
  - forms part of, or arises from, any powers conferred, or duties placed, upon that Member at the request, or with the approval of the authority including acting as the council’s representative on an outside body;
  - arises in respect of the cost of defending any claim for an allegation of defamation by a member acting in an official capacity (but not in respect of any punitive or exemplary damages or arising from malicious or injurious falsehood);
  - is in respect of any investigation, hearing or other proceedings for an alleged failure to comply with the code of conduct for members but, if the member is found to have breached the code of conduct, and where an appeal is unsuccessful, then that member shall reimburse the authority or the insurer for their costs incurred in relation to those proceedings;
- 14.3 The indemnity includes an act or omission subsequently found to be beyond the powers of the member in question, but only to the extent that the member reasonably and genuinely believed that the act or omission was within their powers at the time they acted.



- 14.4 The indemnity does not apply to the defence of any criminal proceedings brought against a member unless specifically approved by the council and then only on a similar basis to that relating to proceedings for breaches of the code of conduct.
- 14.5 It is possible in some circumstances for the council to indemnify (i.e. stand behind the councillor and pick up any personal legal liabilities/costs/damages which the councillor incurs as a result of his/her appointment to an outside body). The council currently has Indemnity insurance cover in place which covers members on outside bodies but it may be necessary to consider issues on a case by case basis. Please speak to the Monitoring Officer if you have any cause for concern that an outside body with whom you are involved is getting into difficulty or you have any indication that you might be getting involved in potential personal liability

