



Cabinet

Date **Wednesday 25 January 2012**
Time **10.00 am**
Venue **Committee Room 2 - County Hall, Durham**

Public Question and Answer Session

9.30 a.m. to 10.00 a.m.

An opportunity for local people to have a 30 minutes informal question and answer session with Cabinet Members.

Cabinet Business

10.00 a.m. onwards

Part A

**Items during which the Press and Public are welcome to attend.
Members of the Public can ask questions with the Chairman's
agreement**

1. Minutes of the meeting held on Wednesday 14 December 2011
(Pages 1 - 6)
2. Declarations of interest, if any.

Key Decisions:

3. Report on a Review of Learning Disability Respite Services and Recommendations on Changes to the In-house Services - Report of Corporate Director Adults, Wellbeing and Health [Key Decision AWH/03/11] [MTFP Ref: 5] (Pages 7 - 42)
4. Library Strategy - Report of Corporate Director Adults, Wellbeing and Health [Key Decision AWH/04/11] [MTFP Ref: AWH10]
5. Management Options Appraisal Phase 1: Setting up of a Charitable Trust to Manage the Council's Sport, Leisure, Cultural and Library Services - Joint Report of Corporate Director Neighbourhood Services and Corporate Director Adults, Wellbeing and Health [Key Decision NS/05/2011] [MTFP Ref: NS 20.1] (Pages 43 - 88)

Ordinary Decisions:

6. Annual Report of the Director of Public Health County Durham and Director of Public Health Darlington 2010/11 - Report of Corporate Director Adults, Wellbeing and Health (Pages 89 - 92)
7. NHS Reforms - Joint Report of Corporate Director Adults, Wellbeing and Health and Corporate Director Children and Young People's Services (Pages 93 - 110)
8. Transfer of Public Health Functions to Local Authority - Report of Corporate Director Adults, Wellbeing and Health (Pages 111 - 116)
9. Children and Young People's Services: Ofsted Assessments and Inspections - Report of Corporate Director Children and Young People's Services (Pages 117 - 124)
10. Heart of Teesdale Landscape Partnership: Governance - Report of Corporate Director Regeneration and Economic Development (Pages 125 - 142)
11. North Pennines Area of Outstanding Natural Beauty (AONB) Building Design Guide and Planning Guidelines - Report of Corporate Director Regeneration and Economic Development (Pages 143 - 146)
12. European Social Fund, Families with Multiple Problems Programme - Joint Report of Corporate Director Regeneration and Economic Development, Corporate Director Children and Young People's Services and Corporate Director Adults, Wellbeing and Health (Pages 147 - 158)
13. Such other business as, in the opinion of the Chairman of the meeting, is of sufficient urgency to warrant consideration
14. Any resolution relating to the exclusion of the public during the discussion of items containing exempt information

Part B

Items during which it is considered the meeting will not be open to the public (consideration of exempt or confidential information)

15. The Former Easington Colliery School - Report of Corporate Director Regeneration and Economic Development (Pages 159 - 164)
16. Such other business as, in the opinion of the Chairman of the meeting, is of sufficient urgency to warrant consideration

Colette Longbottom
Head of Legal and Democratic Services

County Hall
Durham
17 January 2012

To: **The Members of the Cabinet**

Councillors S Henig and A Napier (Leader and Deputy Leader of the Council) together with Councillors N Foster, L Hovvels, M Nicholls, M Plews, C Robson, B Stephens, C Vasey and B Young

Contact: Ros Layfield

Tel: 0191 383 4205

This page is intentionally left blank

DURHAM COUNTY COUNCIL

At a Meeting of **Cabinet** held at the Civic Centre, Crook on **Wednesday 14 December 2011 at 10.00 a.m.**

Present:

Councillor S Henig in the Chair

Cabinet Members:

Councillors Foster, Hovvels, Napier, Nicholls, Plews, Robson, Stephens, and B Young.

Other Members:

Councillors Avery, Murphy, Temple and Tomlinson.

1 Minutes

The Minutes of the Meeting held on 16 November 2011 were agreed as a correct record and signed by the Chairman.

2 Declarations of Interest

There were no declarations of interest.

**3 2012/13 General Fund, Budget, Medium Term Financial Plan 2012/13 – 2015/16 and Council Plan Update
Key Decision CORP/R/11/1**

The Cabinet considered a joint report of the Corporate Director, Resources and Assistant Chief Executive that provided an update on the 2012/13 Budget, Development of the 2012/13 – 2015/16 MTFP Model, MTFP consultation process to date, and Equality Impact Assessments (for copy see file of Minutes).

Cabinet noted that the 2012/13 Formula Grant announced by the Government was very close to that forecast by the Authority, and would be subject to formal sign off by the Government at the beginning of February.

Resolved:-

That the recommendations contained in the report be approved.

**4 Housing Revenue Account Medium Term Financial Plan 2012/13 to 2016/17
Key Decision Corp/R/11/1**

The Cabinet considered a joint report of the Corporate Director, Resources and Corporate Director, Regeneration and Economic Development that provided an update on the Government's Self Financing proposals for the Housing Revenue Account (HRA) that will come into effect on 1 April 2012; consider the draft HRA Business Plan for the next 30 years and Medium Term Financial Plan (MTFP) for 2012/13 to 2016/17 (for copy see file of Minutes).

Resolved:-

That the recommendations contained in the report be approved.

**5 Council Tax – Calculation of Tax Base 2012/13
Key Decision CORP/R/11/4**

The Cabinet considered a report of the Corporate Director, Resources to determine the Council's Council Tax Base which is an important component in the Council's budget setting process for 2012/13 (for copy see file of Minutes).

Resolved:-

That the recommendations contained in the report be approved.

**6 Digital Durham - Superfast Broadband
Key Decision CORP/R/11/2**

The Cabinet considered a joint report of the Corporate Director, Resources, and Corporate Director, Regeneration and Economic Development that provided an update on progress with the Digital Durham Programme and the options for the programme in the areas of match funding, the procurement process, governance arrangements, and state aid implications (for copy see file of Minutes).

Resolved:-

That the recommendations contained in the report be approved.

**7 Stock Options Appraisal Project – Update and Next Steps
Key Decision R&ED/02/11**

The Cabinet considered a report of the Corporate Director, Regeneration and Economic Development that advised of the outcome of financial analysis and consultation on potential options for the future financing, ownership and management of Durham County Council's housing stock. Approval was sought of the proposed next steps in the appraisal process and in determining the best options or mix of options for the future of the housing stock (for copy see file of Minutes).

Cabinet members thanked all of those involved in the consultation process so far, and particularly to the Stock Options Appraisal Working Group for their contribution.

Resolved:-

That the recommendations contained in the report be approved.

8 Blue Badge Reforms

The Cabinet considered a report of the Corporate Director, Adults, Wellbeing and Health that provided information relating to the Blue Badge (Disabled Persons Parking) Reforms and which sought an increase in the fee for a Blue Badge (for copy see file of Minutes).

Resolved:-

That the recommendations contained in the report be approved.

9 Voluntary and Community Sector Strategy

The Cabinet considered a report of the Assistant Chief Executive that sought agreement to improve how we support front line voluntary and community sector (VCS) organisations in County Durham (for copy see file of Minutes).

Cabinet was advised that the recommendation relating to the Council's vision for the future of VCS infrastructure support, be amended to reflect that the vision was detailed in Paragraph 8 and not 9 of the report.

Resolved:-

That the recommendations contained in the report be approved.

10 Quarter 2 2011/12 Performance Management Report

The Cabinet considered a report of the Assistant Chief Executive that presented progress against the Council's corporate basket of performance indicators and report other significant performance issues for the second quarter of 2011/12 (for copy see file of Minutes).

Resolved:-

That the recommendations contained in the report be approved.

11 County Durham Partnership Update Report

The Cabinet considered a report of the Assistant Chief Executive that provided an update on issues being addressed by the County Durham Partnership (CDP)

Board, the five Thematic Partnerships and all Area Action Partnerships (AAPs). The report also includes updates on other key initiatives being carried out in partnership across the County (for copy see file of Minutes).

Resolved:-

That the report be noted.

12 Implications for Durham County Council of the Government's policy programme

The Cabinet considered a report of the Assistant Chief Executive that provided an update on the major policy developments and announcements and analyses the implications for the Council and County Durham (for copy see file of Minutes).

The Assistant Chief Executive advised of an amendment to paragraph 119 of the report, in that that the current project to install panels on council-owned domestic properties would be affected by the proposed introduction of the new tariff.

Resolved:-

That the recommendations contained in the report be approved.

13 Review of Indoor Sport & Leisure Facilities Update - Ferryhill Leisure Centre

The Cabinet considered a report of the Corporate Director, Neighbourhood Services that sought approval to enter into discussions with Ferryhill Community Partnership for the lease of Ferryhill Leisure Centre (for copy see file of Minutes).

The Corporate Director of Neighbourhood Services advised of an amendment to the recommendation in the report in that the delegated approval would be subject to satisfactory arrangements.

Cabinet members congratulated Councillor Avery, the local member and the community for their commitment in coming forward with the alternative proposal. Councillor Avery thanked Cabinet members and officers for their ongoing support.

Resolved:-

That approval be granted to commence discussions with Ferryhill Community Partnership for the lease of Ferryhill Leisure Centre, giving delegated approval for the agreement of the lease to the Corporate Director of Neighbourhood Services and Portfolio holder for Strategic Environment, subject to satisfactory arrangements relating to finance and operational matters being concluded by 31 March 2012 when the lease should be assigned to the partnership.

14 Conservation Area Character Appraisal Programme- Boundary amendments and character appraisals for Edmundbyers, Eggleston, Ireshopeburn/Newhouse/West Blackdene, Muggleswick, Newbiggin and Shildon Conservation Areas

The Cabinet considered a report of the Corporate Director, Regeneration and Economic Development to approve amended boundaries and character appraisals for the Edmundbyers, Eggleston, Ireshopeburn/Newhouse/West Blackdene, Muggleswick, Newbiggin and Shildon Conservation Areas (for copy see file of Minutes).

Resolved:-

That the recommendations contained in the report be approved.

15 Business Durham: Business Space Plan 2011-2016

The Cabinet considered a report of the Corporate Director, Regeneration and Economic Development that presented the Business Durham: Business Space Plan 2011-2016, which puts forward the Council's strategic role and investment plan for its portfolio of business accommodation (for copy see file of Minutes).

Resolved:-

That the recommendations contained in the report be approved.

16 Playing Pitch Strategy

The Cabinet considered a joint report of the Corporate Director, Regeneration and Economic Development, and Corporate Director, Neighbourhood Services which sought adoption of the Playing Pitch Strategy to assist in determining planning applications, formulate policies within the County Durham Plan, and deliver corporate objectives (for copy see file of Minutes).

Councillor Plews, in responding to a question from Mr J Shaw, advised of the range of grants provided by the Football Foundation to support football in the County, and of the discussions currently underway on a number of projects, including one at Consett.

Resolved:-

That the recommendations contained in the report be approved.

This page is intentionally left blank

Cabinet

25 January 2012



**Report on a Review of Learning Disability
Respite services and recommendations on
changes to the in- house services**

[Key Decision AWH/03/11]

MTFP Reference 5

Report of Corporate Management Team

**Report of Rachael Shimmin, Corporate Director of Adults, Wellbeing and
Health**

Councillor Morris Nicholls, Portfolio Member for Adult Services

Purpose of the Report

1. The purpose of this report is:
 - To present findings following the review of Durham County Council (DCC) learning disability respite services;
 - Make recommendations on the future of Dean Lodge in the light of the Medium Term Financial Plan (MTFP).

Background

2. Respite is a service which provides periods of care for a person away from their carer. It is intended as a positive experience for both the person requiring care and their carer. Respite services can be planned in advance or provided in an emergency, for example, when a carer is unwell. Respite services are important to service users, their families and carers. The Council remains committed to meeting the needs of service users through the use of respite services but it also needs to take account of: changes in demand; new opportunities being offered in the social care market; and the need to ensure that services operate efficiently and represent the best value for money. DCC spends approximately £1.7M annually on learning disability respite services and is providing new forms of respite where possible. As at 21.10.11 there were 343 learning disability service users accessing respite services.
3. In County Durham most learning disability respite services are provided through:
 - Durham County Council building-based services at Hawthorn House (Newton Hall, Durham) and Dean Lodge (Ferryhill).

- A 'Shared Lives' service where service users take respite in a family or individual's home. The people who provide this service in their homes are paid by the Council. The Council oversees the service to ensure it meets quality standards.
- Independent residential care services provided by the market.
- Independent specialist respite services offering different models of service (e.g. respite in the service users own home).
- Service users also have the option of using a Personal Budget to purchase a respite service of their choice.
- All services provided or purchased by the Council are monitored for quality and performance and protected by safeguarding procedures and are only provided in response to assessed needs.
- The percentage split of service users accessing the above provision is as follows: Hawthorn House 28%; Dean Lodge 12%; Shared Lives 39%; Independent Sector 12%; Direct Payments 9% (figures as at 21.10.11).

Reasons for review

4. The need to secure value for money to meet the MTFP and changes in demand and occupancy levels have prompted a review of in house building based learning disability respite services. The review has focused on a number of factors including demand, achieving value for money, carer and service user views and the future shape of services.
5. The Council needs to ensure that services are commissioned which:
 - Support the Personalisation agenda helping people to have more choice and control over services.
 - Ensure value for money and improve choice.
 - Meet the changing needs and expectations of current service users and those of young people coming into adult services (e.g. people who require specialist services).
 - Ensure services are of good quality and meet the needs of service users as part of their care plan.

These issues are discussed in more detail in this report.

Medium Term Financial Plan

6. The Council's 2011 – 2014 MTFP set out its plans to achieve savings of £123.5M over the four year MTFP period, almost 30% of the Council's net revenue budget. The Adults, Wellbeing & Health (AWH) element of those savings totals £33M.
7. The Medium Term Financial Plan demonstrates that where possible savings are being made against back office costs rather than front line services, and by securing services that represent good value for money.
8. If the changes to respite services recommended in this report are agreed and implemented it will enable Durham County Council to make savings by reducing capacity which is not needed. Those who are assessed as needing respite services will continue to receive them and the most significant change will be where and with whom they receive their respite care. Durham County Council will ensure that service users will

not face a reduction in the amount of respite they can access (on the basis of assessed need) as a result of the recommendations in this report.

Review Findings

Unit Cost Comparisons

9. The operation costs for Dean Lodge and Hawthorn House are approximately £630,000 each per annum and these costs are incurred even when the service is not full because the operating costs are largely fixed and cannot be adjusted to reflect fluctuations in occupancy.
10. A typical individual's attendance at Dean Lodge costs £1,730 and £1,680 at Hawthorn House per week (based on 100% occupancy). Both cost more than alternative services in the independent sector where DCC is able to purchase respite services for similar levels of need at an average weekly cost of £1,295 per person. A weeks respite in Shared Lives costs a maximum of £390 in provider costs. The Council has a support team for providers at a cost to it of £60 per provider per week.
11. If Dean Lodge closed the net saving allowing for reprovision costs would be approximately £510,000. The costs of reprovision (calculated at £120,000) include costs of alternative respite at Shared Lives, an additional staff member at Hawthorn House and the costs of purchasing emergency respite in the independent sector.

The reason for considering the closure of Dean Lodge

12. The review considered existing in house services provided at both Dean Lodge and Hawthorn House. It is clear that:
 - Occupancy levels at Dean Lodge have reduced between 2006/07 and 2010/11.
 - Hawthorn House has seen an increase in occupancy levels over the same period of time.
 - Demand for Dean Lodge is expected to reduce to 48% of its capacity as a result of planned moves to other services and reductions in demand for this service (see paragraph 17 onwards for more details).
 - Hawthorn House continues to have higher occupancy levels and is currently predicted to be occupied at 89% of its eight bed capacity or 70% of its 10 bed capacity. The proposed closure of Dean Lodge would offer the opportunity to reduce under use in Hawthorn House and improve efficiency.
 - Currently over 95% of people who are likely to use DCC building based respite in the future could be accommodated in Hawthorn House. This would fully utilise accommodation at Hawthorn House and improve value for money in this service. These figures are subject to minor fluctuations.
 - Dean Lodge is a smaller building and could not accommodate total predicted demand for DCC accommodation based respite.
 - Hawthorn House is a newer building opened in 2007 and has better facilities including a sensory room for service users, en suite facilities in bed rooms and office space for staff. It has 8 standard respite rooms and 2 emergency respite rooms.
 - Dean Lodge opened in 1999, initially as a 3 bed unit. It was extended in 2001 to provide a further 4 bedrooms.

Demand and occupancy

13. Regular monitoring of services has shown that there have been changes in the occupancy levels as illustrated in the table below:

Table 1: Performance data for Dean Lodge & Hawthorn House:

Service	Capacity	2006/07	2007/08	2008/09	2009/10	2010/11
Dean Lodge	2548	89.78%	86.26%	84.46%	71.08%	83.30%
Hawthorn House	2912 (8 units); 3650 (10 units)	79.73%	77.36%	81.78%	87.33%	87.54%
Emergency bed						34.4%

The two emergency beds have been available at Hawthorn House since it opened however the service has only monitored occupancy levels for this service since 2010/11. The beds are kept available for situations such as placement or carer breakdown. They are intended to be used for up to 72 hours.

14. There have been some reductions in occupancy for Dean Lodge between 2006 and 2010. There was a greater decrease in occupancy in 2009/10 which resulted from a number of service users successfully moving to supported living. This meant it was no longer necessary for them to access respite services.
15. Attempts were made to increase the occupancy levels in in-house services throughout 2010/11 and at the same time reduce expenditure on external learning disability respite. This involved supporting individuals to move from taking respite in the independent sector to in house services. This activity resulted in an increase in the occupancy levels of Dean Lodge in 2010/11 as can be seen in the table above. However some of this increase was self generated as additional respite was offered when the service had capacity, and did not represent improvements in efficiency.
16. In order to ensure resources are properly prioritised and care provision is fair, the council took steps to consistently and effectively apply existing eligibility criteria. This was carried out through a process of reassessments. Whilst the service continues to support the same number of people there was a reduction in occupancy of the service.

Future demand

17. The following section explores the factors that will impact on demand for future respite services.

Current users

18. Ten existing Dean Lodge service users are currently considering moving to alternative services. The remaining service users would use 48% of the capacity at Dean Lodge based on the number of sessions they are assessed as needing. Similar projections for Hawthorn House are 89% for 8 beds or 71% for 10 beds. Some of the current

service users live at home with aging carers and it is possible that this may create an increase in demand in the short term. However as carers become less able to meet need it is likely that service users will move into full time care and support and will therefore not require respite in the longer term.

New referrals and Transitions

19. Predictions of future use must take into account the likely demand from young people coming through transitions and into adult services. Adult services must ensure that there are appropriate services available for approximately 100 young people who move into adult services on an annual basis, (not all of these will require respite). The best predictor of future demand for this group is their current use of similar services, recognising that the demand for this type of service is reducing (see paragraph 27). There are currently 39 young people who use Park House, the Durham County Council service for young people with learning disabilities which operates a similar model to Dean Lodge and Hawthorn House. The table below shows the numbers of people who will move into adult services from Park House.

2011	2012	2013	2014	2015	2016	2017	2018	2019
5	5	9	2	4	6	3	2	3

Service throughput

20. There is a natural turnover of people who use respite services and there have been 11 people move from Dean Lodge and Hawthorn House to Shared Lives in 2011 (as at October 2011) creating additional capacity in these services. Given the through put from Hawthorn House (8 people by October 2011 and a further 11 planned) the number of people moving into adult services that currently access Park House could be accommodated in Hawthorn House or alternative services in the independent sector.

Service Growth

21. There are some young people who require specialist services to meet their needs. The table below shows the numbers of young people with very high level needs resulting from autism identified by Children's and Young Peoples Services as potentially requiring specialist autism services and the year that they will move into adult services. These people are unlikely to use Dean Lodge or Hawthorn House as a result of their needs which require specially trained staff and accommodation.

Autism Cases					
Year reach 18 years	2011	2012	2013	2014	2015
Number of cases	11	9	11	7	7

22. Adults Wellbeing and Health are working with independent service providers to ensure there are specialist autism providers in place who are able to meet this level of demand.

23. There are also young people with other conditions requiring specialist services to support them with health conditions and again there is a requirement to work with

service providers to meet these needs as Dean Lodge and Hawthorn House could not meet their needs.

Predicted demand for growth in respite

24. On average the net growth in demand for respite amounts to 1480 nights per annum. Currently there are approximately 9500 nights of learning disability respite provided annually.
25. Within the in house Shared Lives service and independent sector combined there is currently additional capacity of over 3600 nights available for respite, and an additional 1400 will be available by April 2012. This market development will continue and is a flexible and efficient way of increasing supply to meet new demand.

Changes in demand for type of service

26. Making Changes Together (MCT) is a group set up through Children's and Young People's Service in County Durham as a way of ensuring parents and professionals can work together to improve services for children and young people with additional needs. A large number of families have given feedback to MCT that young people are requesting alternative respite services, or activity and holiday style breaks, rather than traditional building based provision. The Council must respond by ensuring alternative services are available. The Council are confident that these needs can be met through available providers, some of whom already have specialist services. This is in accordance with clear policy direction linked to personalisation and greater choice and control for service users.

Consultation

27. The demand levels described in this report continue the general trend set in previous years. They raise concerns over the efficiency and value for money of the existing in house services as the costs remain the same irrespective of occupancy levels.
28. Given the MTFP requirements and following the review of demand and performance a consultation exercise was undertaken. This included consultation on the future of the in house services and a proposal to close Dean Lodge and meet respite needs through the service at Hawthorn House, Shared Lives and use of the independent sector. The reasons for considering Dean Lodge for closure are described at paragraph 12.
29. The consultation was carried out on the future of learning disability respite care in County Durham, and the potential closure of Dean Lodge between 6 May 2011 and 24 June 2011.

Methodology

30. As part of the consultation the following key groups were identified and processes were designed and implemented to enable meaningful consultation with:
 - Respite service users of Dean Lodge and Hawthorn House, and their carers;
 - Staff at Dean Lodge and Hawthorn House;
 - Elected Members and members of the public;

- Stakeholders, community groups and partner organisations;

31. The main method of consulting was via questionnaires. A protocol established by the Learning Disability Partnership Board was followed which recommended that service users be contacted via their carers. A total of 164 questionnaires were sent out to service users. Stakeholders were sent e mails or letters advising them of the consultation. There were a total of 172 questionnaires completed and returned. This was broken down as 92 service user questionnaires and 80 stakeholder returns. There are currently 138 service users accessing Dean Lodge and Hawthorn House, although this fluctuates as people move in and out of services.
32. Meetings were arranged with those carers who requested more detailed discussions. In addition to the questionnaires feedback to the consultation was provided via written correspondence including a letter from a representative of 10 service users and correspondence from 3 carers.
33. Further information on the consultation is available in the separate and more detailed report which presents and analyses feedback. Copies are available in the Members' Library.

Key Messages from Consultation

34. The following is a summary of all responses received during the consultation. The stakeholder and service user questionnaires are in the feedback report at Appendices 1 and 5.

Service user needs

35. The most common concern raised related to service user needs and the challenges they may face if changing to an alternative service. 140 statements concerning service user needs were contained within the total number of returned questionnaires. These comments largely represent the views of service users currently accessing Dean Lodge. The following are summarised examples of the comments made:
- Some service users find it difficult to adjust to change.
 - A significant number of service users at Dean Lodge have health needs and must access a service that is able to meet these.
 - There is a view amongst some service users that these needs could not be met in independent sector services.
 - Access to respite services should be based on individual need and not a policy based targeted length of stay.
 - Service users and carers want more information about alternative respite services.
 - DCC needs to ensure it considers the best interests of those service users who lack capacity.

Carer Needs

36. There were a total of 55 comments relating to carer needs in the returned questionnaires. Many carers of Dean Lodge service users are anxious about the potential change in service and the majority do not want Dean Lodge to close. There is a significant level of trust in the staff and positive comments about their caring

attitude, and level of knowledge and skill in meeting service user needs which in turn provides reassurance to carers and enables them to relax on a break in their caring role.

37. Some carers have made reference to respite requirements when they have been unwell and been unable to look after the service user. Some carers also made the point that they were older and less able to care for service users all of the time and therefore may need more respite or a permanent accommodation based service at some point in the future.
38. Some carers have indicated that they intend to challenge any decision made to close Dean Lodge on the basis of the change to their care package and have alleged that the consultation process was flawed. If the decision is taken to close Dean Lodge it is possible that solicitors will be instructed to apply to judicially review the decision. The Council has responded to the solicitors and will prepare a defence to any individual challenge.

Alternative Services

39. 51 respondents have made comments on alternative services. Responses ranged from reference to the funding of alternative services and the use of personal budgets, to the outcomes that these services should help achieve and the specific activities that should be undertaken within a service. This information will be of use in the design of future services.

Community Impact

40. There were a number of comments in this area that related to the impact on staff if Dean Lodge was to close. Comments also referred to the service at Dean Lodge as being well integrated into the community at Ferryhill, and that if the service was to close then it would be a loss to that community.
41. Some concerns were also raised that if the respite service closed then the building could be a target for vandals.

Positive comments re Dean Lodge

42. There were 43 comments made via questionnaire describing the positive aspects of the service at Dean Lodge. These include caring attitude of staff, their skills and knowledge, and some specific activities in their work (e.g. communicating with parents). There were also positive comments about the building and that Dean Lodge has a homely environment.

Service efficiency

43. There were 55 comments made about service efficiency and they gave a broad range of recommendations about how the service could be made more efficient. This includes suggested changes to staff terms and conditions, replacement of the in house staff with staff employed by the independent sector. Comments were also made about the need to avoid making a false economy by closing a preventative service and creating the need for more intense and higher cost service if carers were unable to continue to provide support as a result of the loss of respite.

Mitigating factors

44. This section describes some of the steps that would be taken to mitigate against those factors that caused the most concerns, should members make the decision to close Dean Lodge.

Service user needs

45. The consultation raised a number of concerns over service user care needs and whether they could be met via alternative services. Mitigating factors include the following:

- Hawthorn House has suitably trained staff in place to meet the needs of service users with support needs resulting from poor health. Support to the staff and service is available from primary health services.
- Specialist independent sector providers operate in County Durham to meet the needs of people with specific needs e.g. in relation to autism, physical disabilities, and health needs.
- Appropriate monitoring and review procedures are in place to ensure independent sector organisations provide high quality services.
- The Council have extensive experience in successfully managing transitions of service users between learning disability services (for example a number of people have already been supported to make the transition from Dean Lodge and Hawthorn House to Shared Lives).

Travel

46. Consultation comments included a view that there will be additional travel required for service users if they were to move from Dean Lodge to Hawthorn House. Of the current service users at Dean Lodge thirty would have additional journeys which work out as an average increase of 5.6 miles to travel one way to Hawthorn House. The maximum additional miles travelled by one individual would be 10.4 miles. There are ten service users who would have a reduction in their journey averaging 3.5 miles. Travel needs are assessed and met on an individual basis through application of the transport policy. Using respite services generally only involves a journey to and from the service making these changes a minor disruption for some individuals.

Carer needs

47. The scale of concern and anxiety highlighted by carer feedback has to be acknowledged. However the issues raised can be addressed by careful and sensitive planning in relation to moves. The consultation responses identify the key concerns of carers which DCC could respond to by providing, for example, additional reassurance and practical assistance (e.g. introductory visits to services) during any change in service. Carer assessments will also be offered.

Community Impact

48. There were a number of comments in this area about the impact on staff if Dean Lodge was to close. It is not yet known what the full impact would be although it is anticipated that there may be opportunities for staff to transfer to alternative services

where there are vacancies. A full Human Resource consultation would be required in the event of the decision being made to close Dean Lodge.

49. Concerns were also raised over the impact on the building if the service was decommissioned. DCC has procedures for managing empty buildings and would ensure all appropriate services were involved to maintain the value of the building, and prevent anti social behaviour etc. Alternative uses for the building would be considered in accordance with the asset management plan of the Council.

Positive comments re Dean Lodge

50. It is clear from the consultation that Dean Lodge is a popular service amongst existing service users and carers. If Dean Lodge were to close then steps would be taken to ensure the most positive aspects of the service are replicated in other respite facilities.

Human Rights Act 1998

51. If DCC decided to close Dean Lodge it would need to consider the appropriate Articles of the European Convention on Human Rights as set out in the Human Rights Act 1998.

Article 2 “right to life”

52. The consultation has identified that there are a number service users in Dean Lodge with poor physical health who require specific interventions in relation to their conditions. Service users can be provided with these interventions whilst in respite either by appropriately trained staff in the establishment or through a Community Nurse. If an individual changed the location of their respite then steps would be taken to ensure the same procedure could be carried out at the new service. This is regular practice within learning disability services.

53. A full Equality Impact Assessment has been undertaken and included at Appendix 2 of this report. Further information is at paragraph 60.

54. Article 8 “right to respect for one’s private and family life, home and correspondence.”

55. To close a respite service and support an individual into a different service may be considered to constitute an interference of the human rights of that individual. Article 8 does allow for such interference, but there must be a justification which is necessary, reasonable and proportionate.

56. A balancing exercise must be undertaken by the County Council to determine that this action is justified while taking into account the human rights considerations of those affected by the decision to close that particular service. (Proposed mitigations have been described at paragraph 44 above).

57. As part of the consultation exercise information was collected to ensure all needs could be considered if an individual had to change their service. This includes many of the practical steps that would be taken to ensure there was a smooth transition between services including the use of introductory visits to a new service and the appropriate transfer of data between services. This information would be underpinned

by the detailed care plans which each individual has based on assessment from the multidisciplinary learning disability teams.

58. **Article 14.** This prohibits discriminations on any ground for example, sex, race, colour, language, religion, political or other opinion.

- These proposals have been subject to a full equalities impact assessment and officers are satisfied that these proposals are not discriminatory and have at their heart the need to modernise care and ensure that resources are allocated appropriately to meet the needs of service users with a learning disability and their carers.

Equality Act 2010

59. DCC is committed to its responsibilities under the Equality Act and recognises it has the following duties:

- Eliminating unlawful discrimination & harassment;
- Advancing equality of opportunity;
- Promoting good relations between people who share a protected characteristic and those who do not.

60. An Equality Impact Assessment (EIA) has been undertaken to identify any potential negative consequences from proposed changes to respite care, and to mitigate against these. The full EIA is at Appendix 2 of this report and it sets out the specific steps that have and may be undertaken to ensure the Council complies with the above duties should the recommendations in this report be agreed. The assessment also identifies the mitigating actions that will be undertaken if the decision is made to close Dean Lodge and these are summarised in the paragraph below.

61. The EIA has identified the main impacts that would arise from the closure of Dean Lodge, and also the mitigating factors that could be put in place to reduce any negative impact. Examples are set out below and they indicate that there are potential impacts relating to age, gender and disability which would need to be managed in any transitional arrangements:

- Some service users will need time to adjust to change;
- Some service users may have to travel further to use a different service;
- As carers grow older it may result in increased demand for respite;
- Dean Lodge provides care and support to people with health problems and high needs;
- Information from children's services suggests that younger people want access to alternatives to traditional building based respite;
- There would be an impact on staff based at Dean Lodge.

62. If the decision is taken to close Dean Lodge, any users of that service would continue to have their assessed respite care and support needs met. This could mean transferring to a different respite care service such as Hawthorn House, Shared Lives or an independent sector provider. There are sufficient services available to meet the needs of people with high needs. Durham County Council would make any transition as smooth as possible and ensure that the new service was fully aware of care and health needs, personal preferences and any other important factors. Where required

service users would be introduced gradually to a new service to help them with the change process. Service users will also be offered the opportunity to choose a different type of service using Direct Payments or Personal Budgets. The guidance which the Council must follow when charging an individual varies depending on the type of service being provided. In general people taking respite in a residential care setting will be able to keep less money than when using a respite service which is not a residential care service. A recent analysis of 123 cases identified that almost 90% of people using Shared Lives are better off under the Fairer Charging system that is used than they would be if the residential charging system was used. All service users and carers will be offered advice on welfare benefits to mitigate the impact of any additional costs in transition to a new service, carers will also be offered a needs assessment.

63. The consultation and impact assessment identified the value of respite services to carers and the pressures experienced by some carers (e.g. older carers). If the decision is made to close Dean Lodge Durham County Council will ensure that this does not result in a reduction of the amount of respite an individual can access (subject to assessed need). Carers have the opportunity to access a range of services that are both provided and commissioned by Durham County Council to meet the needs of carers.

Conclusion

64. The consultation on the future of learning disability respite has identified that the majority of Dean Lodge service users are opposed to its potential closure. Amongst the reasons put forward by service users and stakeholders for retaining Dean Lodge are the difficulties some service users would have in adjusting to change, perceptions about the expertise within the service for supporting people with high level health needs and concerns over whether there is sufficient capacity in existing services to be able to meet demand. Adults Wellbeing and Health has extensive experience and expertise in supporting vulnerable service users through change. The service is confident that it could mitigate against negative impact on service users.

Information indicates that there is sufficient capacity to meet the needs of service users within alternative DCC services and the wider care market. Alternative services could be provided with improved value for money for the Council.

There are a number of other re-provision costs that would be incurred if Dean Lodge closed. The total re-provision cost is calculated as £120,000 and net savings of £510,000 could be made by closing this service without reducing the amount of respite that service users and carers access. Durham County Council is providing two building based respite services where one would be sufficient to meet needs.

Balancing Competing Priorities

65. In order to make a decision on the future of learning disability respite and Dean Lodge, Members must take into consideration the following factors:
- The views expressed in the consultation process by participants and the mitigating evidence provided above.
 - Legal responsibilities such as those pertaining to adult social care, the Human Rights Act 1998 and Equality Act 2010.

- Potential impact on service users, carers and families.
- Financial impact on the authority and its Council Tax payers.
- Responsibilities to staff.
- Future demand and needs as expressed by Adult Care Teams, Children and Young Peoples Services and commissioning strategies.
- Research and knowledge about demand for learning disability respite services.
- Central Government policies, directives and financial targets.
- Value for money in service delivery.
- Current standards of care.
- Supply and demand for respite in County Durham.
- Occupancy levels of existing services.
- The availability of alternative provision and the ability of Durham County Council to ensure that individuals do not face a reduction in the amount of respite that they can access (on the basis of assessed need).
- Whether the MTFP can be achieved by making savings in other ways.

66. These issues have been considered extensively and are examined in this report.

Recommendation

67. Cabinet is recommended to:

- Agree to close Dean Lodge learning disability respite service.
- Note that service users will continue to receive respite in line with their assessed level of need, and carer assessments will also be offered.
- Delegate to the Corporate Director for Adult Wellbeing and Health, in conjunction with the Portfolio holder, responsibility for developing and implementing a plan to close the service and re-provide for existing service users in a time scale which maximises positive outcomes and minimises and manages risks.

Contact: Nick Whitton Tel: 0191 3834619

Head of Commissioning, Adults, Wellbeing and Health.

Appendix 1: Implications

Finance – Potential to achieve revenue savings of approximately £500,000 in a full year.

Staffing – If recommendation to close was agreed then full HR consultation would be required. There are implications for 18 staff at Dean Lodge.

Risk – There are no reportable risks in this Key Decision. All risks identified within the consultation are included in this report, along with their mitigating factors. See paragraphs 8; 38; 44 – 49.

Equality and Diversity / Public Sector Equality Duty

Full Equality Impact Assessment is at Appendix 2.

Accommodation – Building and land is owned by DCC. Capital investment costs could be recovered. Durham County Council owns the land and the Dean Lodge building. It was originally built in 1999 at a cost of £202,000 and was extended by 4 bedrooms in 2001 at a further cost of £111,000 bringing the total capital investment to £313,000.

The building is leased to Accent Group and DCC pay them an annual management fee of £14,060. Under this agreement Accent made a one off payment to DCC of £25,000.

The indications from Accent group are that they would not challenge any withdrawal from the Funding Agreement and would agree to surrender.

Crime and Disorder – If decision was taken to close service appropriate security measures would be put in place to safeguard the building and local community.

Human Rights – Implications identified in main body of the report.

Consultation – A full consultation has been carried out and the report is available from Members Library.

Procurement – There will be no significant procurement activity.

Disability Issues – Service is for people with learning disabilities and some of their cares may also be in poor health. Issues are identified in the Equality Impact Assessment

Legal Implications – Potential Judicial review although mitigating evidence has been provided. Council's solicitors have been actively involved in the preparation of this report.

Appendix 2 Durham County Council – Altogether Better equality impact assessment form

NB: Equality impact assessment is a legal requirement for all strategies plans, functions, policies, procedures and services. We are also legally required to publish our assessments.

Section one: Description and initial screening

Section overview: this section provides an audit trail.

Service/team or section: Adult Wellbeing & Health. Commissioning.

Lead Officer: Alan Curry Commissioning Policy And Planning Officer

Start date: 26.1.11 Following JMT report Updated 6.5.11 re consultation.

Updated 23.8.11. to incorporate the Consultation Report Performance information updated within the report with relevant date specified.

Subject of the Impact Assessment: (please also include a brief description of the aims, outcomes, operational issues as appropriate)

This Impact Assessment reviews the equality impact of the future of LD respite services at Dean Lodge and Hawthorn House in Durham, consultation on the potential closure of Dean Lodge and the recommendation to Cabinet to close Dean Lodge.

Back ground - How are learning disability respite services provided in County Durham?

Learning Disability respite care in County Durham is provided by the following services:

- Durham County Council building-based services at Hawthorn House (Newton Hall, Durham) and Dean Lodge (Ferryhill).
- A 'Shared Lives' service where service users take respite in a family or individual's home. The people who provide this service in their homes are paid by the Council for this service. The Council oversees the service to ensure it meets quality standards, ensure carers are fully trained and the service meets the needs and aspirations of service users in an individual way.

- Independent residential care services;
- Independent specialist respite services.

The two building based services at Dean Lodge and Hawthorn House are the focus of the proposals to change services to provide respite at Hawthorn House and not at Dean Lodge. This would enable Durham County Council to continue to provide the same standard of respite in one of the buildings and also reduce expenditure at the same time.

The proposal to close Dean Lodge was supported for the following reasons:

- It supports fewer people (approximately 43 as opposed to approximately 95 at Hawthorn House).
- Hawthorn House is a larger building and can support up to 10 people at any one time, whereas Dean Lodge can support only 7 at any one point in time. This improves value for money and efficiency within the Council.
- Hawthorn House has enough space to provide respite to 95% of people currently using Dean Lodge and Hawthorn House based on assessed need as at 21.10.11. One of the reasons for this is that Hawthorn House has emergency accommodation which is not regularly in use.
- Hawthorn House is more modern and has en suite facilities in all rooms.
- Hawthorn House has some additional specialist disabled facilities such as a sensory/therapy room.
- Hawthorn House has 6 “specialist beds” suitable for people with physical disabilities. This includes the 2 emergency beds.
- Hawthorn House has 2 emergency beds and the occupancy of these beds is approximately 35%. There is potential for the emergency beds to be used as permanent provision.

General information

There has been much publicity in recent months about the importance of Councils using all their resources in an effective manner to ensure value for money at all times. Linked to this Durham County Council is required to make savings of over £120m in line with the Medium Term Financial Plan.

The required savings affect almost all areas of Council activities and this includes learning disability respite services, where there has been a reduction in demand at Dean Lodge. This was noticeable over a 5 year period. As a result of this change in demand, the Council is reviewing its services with a view to reducing costs.

Learning Disabilities Respite Services

Traditional respite is a service which provides periods of care for a person away from their carer. It is intended as a positive experience for both the person requiring care and their carer. Respite services can be planned in advance or provided in an emergency situation, for example, when a carer is unwell.

Provision of Durham County Council respite services

Since April 2010, the Council has attempted to reduce expenditure on respite care by reducing the number of people using independent sector respite and attempting to maximise the use of Durham County Council services. This alone is not enough to achieve the savings required and has not achieved full occupancy levels for the services. There has been an increase in the number of people using Direct Payments and this will impact on services.

The provision of respite services in County Durham has been formally monitored and reviewed and it has now been identified that there is less demand for the Council's respite services than had been the case previously. This is mainly because people have been assisted to move into Supported Living, which is accommodation with care and support attached to enable people to live as independently as possible. Demand for Dean Lodge has fluctuated at around 80% of its capacity, despite attempts to increase its use. In the past the average amount of respite care that a person has taken has not always been based on their assessed eligible needs but linked to the availability of services. Prior to this practice ceasing there was a variation in the average number of nights accessed by each individual annually at different services in 2010/11: Dean Lodge 45, Hawthorn House 27 and independent sector 19. The respective averages are approximately 35, 31 & 24 (as at 21.10.11).

Consultation

It was decided that service users would be contacted c/o their carers in line with feedback from learning disability carer representatives and a protocol established by the LD Partnership Board. Carers were asked to support service users to complete the questionnaire with the views of service users. Carers were also given the opportunity to present their own views via a stakeholder questionnaire if they wanted to.

Additional reasonable adjustments were made to the process including the option of using an advocacy service for support in responding to the consultation, and any specific adjustments requested by service users. This was a preferred option to a generic service user questionnaire which may not have met all communication needs.

The consultation period was used to continue to analyse the demand for services and assess whether all needs could be met in one service. For example account must be taken of new people coming into services. Attendance at services changes as people move in and out, care needs are reviewed on an ongoing basis and more people access Direct Payments or individual budgets.

Who are the main stakeholders: General public / Employees / Elected Members / Partners/ Specific audiences/Other (please specify) –

138 service users of Dean Lodge and Hawthorn House, their carers, staff at both services. Other stakeholders in the consultation include affected Members, Ferryhill Town Council, learning disability Integrated Teams, LD Parliament, Carer Reps, MP's. The consultation period enabled DCC to analyse information on people using the service and ensure information was up to date on the individuals who use the service following moves in and out of each establishment. This has now been carried out and at the time of this update there are 43 people using Dean lodge and 95 using Hawthorn House for respite. Letters were originally sent to 164 service users who had links to Dean Lodge or Hawthorn House.

Is a copy of the subject attached? **Yes/ No**

Page 124

Is not, where could it be viewed? :

- Associated documents available: Consultation document, and Communication Plan

Initial screening

Prompts to help you:

Who is affected by it? Who is intended to benefit and how? Could there be a different impact or outcome for some groups? Is it likely to affect relations between different communities or groups, for example if it is thought to favour one particular group or deny opportunities for others? Is there any specific targeted action to promote equality?

Is there an actual/potential negative or positive impact on specific groups within these headings?

Indicate : Y = Yes, N = No, ?=Unsure

Gender	Y	Disability	Y	Age	Y	Race/ethnicity	?	Religion or belief	?	Sexual orientation	?
--------	---	------------	---	-----	---	----------------	---	--------------------	---	--------------------	---

How will this support our commitment to promote equality and meet our legal responsibilities?

Reminder of our legal duties:

- Eliminating unlawful discrimination & harassment
- Promoting equality of opportunity
- Promoting good relations between people from different groups
- Promoting positive attitudes towards disabled people and taking account of someone's disability, even where that involves treating them more favourably than other people
- Involving people, particularly disabled people, in public life and decision making

There is potentially a negative impact for some service users/carers and staff by removing provision from this location. For example an alternative venue may involve increased travel for some of the above along with associated costs and familiarisation with new provision or staff. Some staff may be at risk as a result of closing Dene Lodge.

Based on the current users, carers and staff the initial assessment suggests potential impact on gender, age, disability and to a lesser extent race, religion or belief.

There is currently no evidence in relation to transgender or sexual orientation.

Durham County Council will still be required to provide respite services to those people with an assessed need, this would include maintaining

equality of opportunity by offering a range of options. The proposal includes potential to provide the majority of respite in the Hawthorn House for those people who want to use a DCC building based service. Alternatively people can choose to use a different service with a personal budget or direct payment which may have a positive impact for some service users and carers. In addition Hawthorn House has improved facilities for people with disabilities including en suite facilities (to provide improved dignity) in all rooms and a therapy/sensory room.

What evidence do you have to support your findings?

Further equality information is set out in section two, including consultation analysis.

In some cases access to respite services has been linked to the availability of service rather than need which means that some service users potentially benefit more than others. Evidence of this includes the amount of respite that people access at different facilities and managers within the service have confirmed that they contacted parent carers when there was capacity within the service to offer additional respite to their assessed need.

Performance monitoring of services has identified the following occupancy levels:

Service	2006/07	2007/08	2008/09	2009/10	2010/11
Dean Lodge	89.78%	86.26%	84.46%	71.08%	83.30%
Hawthorn House	79.73%	77.36%	81.78%	87.33%	87.54%

Update 23.8.11 Following updates of the occupancy figures to reflect changes in service attended and revisions to the list of service users identified to services, the following levels of demand have been predicted as at 21.10.11:

Dean Lodge 48 %

Hawthorn House – 89% of 8 units and 71% of 10 units.

It should be noted that these figures will change as individual need and the people using services changes.

DCC was required to consult on the proposals and has given significant consideration over how to ensure fair access for service users who have a learning disability and reduced capacity to understand the issues and communicate their views. The following methods were therefore adopted for the consultation, based on feedback from carer representatives:

- Questionnaires sent to service users care of their carers.
- Carers were requested to assist in completion of the questionnaire.
- Independent advocacy was put in place through the Citizens Advice Bureau and service users could request support from this service.
- DCC offered to make additional adjustments for service users based on individual needs (e.g. information in alternative formats).

- Face to face meetings have taken place with the LD Parliament MP's & Locality Groups.
- Carers could complete a questionnaire with their own views.
- Reminders were sent to service users requesting completion of the questionnaire, and also to stakeholders.
- Following requests from carers some individual meetings with representatives from DCC were made.

Decision: Proceed to full impact assessment – Yes/No— Date: 26.1.11
If you have answered 'No' you need to pass the completed form for approval & sign off.

Section two: Identifying impacts and evidence- Equality and Diversity

Section overview: this section identifies whether there are any impacts on equality/diversity/cohesion, what evidence is available to support the conclusion and what further action is needed.

	Identify the impact: does this increase differences or does it aim to reduce gaps for particular groups?	Explain your conclusion, including relevant evidence and consultation you have considered.	What further action is required? (Include in Sect. 3 action plan)
Gender	<p>Gender split amongst service users is relatively even overall, however there are more female than male service users at Dean Lodge.</p> <p>There are no gender specific impacts in relation to service provision though access to en suite facilities at Hawthorn House offers greater privacy and maintains dignity.</p>	<p>Dean Lodge 25 female; 18 male. Hawthorn House 49 male; 46 female Total: 67 male (49%); 71 (51%) female. Equality Questionnaire identified that response rate from service users was 47.6% male and 52.4% female). (as at 21.10.11)</p> <p>Carers – female 71; male 20, couples 71. Split by location Dean Female 21; Male 7; couple 29. Hawthorn female 50; male 13; couple 42. (as at 24.6.11)</p>	<p>Based on consultation report action required to maintain friendship groups in respite provision where possible which may be based on gender differences. This is linked to feedback that identifies aspiration to provide respite for people based on shared interests etc. Whilst this is not necessarily based on gender the action of a booking system of shared interests would benefit many service users. A similar rota system would also enable the service to match service users based on other needs including those arising from challenging behaviour.</p>

	<p>There are more female than male carers & therefore any changes to the service will impact on more female than male carers.</p> <p>There are more female than male staff members and therefore any changes will impact on more women.</p>	<p>National evidence indicates that women are less likely to have access to private transport and are more likely to be primary carers so they are more likely to use local services for a number of reasons including limited access to transport and lower income.</p> <p>Staff Dean – 5.5% Male:94.5% Female Hawthorn 17% Male 83% Female There are staff vacancies at HH. Staff have been given the opportunity as stakeholders to participate in the consultation and any further HR issues will be managed via agreed corporate procedures.</p> <p>There is no evidence to indicate a particular impact on transgender people in relation to service users, carers or staff.</p>	<p>Carers will be offered a needs assessment. Consultation has identified that there are some carers who have not been offered carer assessments, whilst others have been offered but declined carer assessments. The Carers Assessment Procedure has recently been updated to direct Care Coordinators to initiate assessments where need is identified.</p> <p>If decision is made to close service there will be a full HR consultation. Trade unions have been notified of the consultation.</p>
<p>Age</p>	<p>Evidence of changing demand amongst younger people coming into adult services who have chosen alternative services to traditional respite e.g. family holidays.</p>	<p>Making Changes Together (MCT) report has identified that there are some changes in the type of service that people want to access. Data has also been provided on the DCC children's service which will facilitate predictions on demand.</p> <p>The age profile of service user respondents who provided information was as follows: Under 25 – 13.2% 25 – 34 28.9%</p>	<p>DCC will aim to ensure a range of respite options are available to meet aspirations and the needs of service users and carers.</p> <p>DCC has expanded the support service that is available to older carers and put in additional funding to ensure it can operate County wide.</p>

<p>Page 28</p>	<p>Impact on older carers.</p>	<p>35 – 44 35.5% 45 - 54 18.4% 55 – 64 3.9%</p> <p>The age profile of stakeholder respondents, which includes providers was as follows:</p> <p>25 – 34 11.9% 35 – 44 16.9% 45 – 54 28.8% 55 – 64 22% 65 – 74 16.9% 75+ 3.4%</p> <p>The % figures do highlight that there are some stakeholders over 55 and above who may be carers however the actual response counts (e.g. 2 people 75+) does not reflect the numbers of all older carers whose needs will be identified through Care Coordination process.</p> <p>One carer has recommended that DCC ensures the service is age appropriate and young people can go when there are others of a similar age and vice versa.</p> <p>It is identified in the LD Commissioning strategy that older carers are a vulnerable group. There are potential impacts on older carers, depending on which service they use and how far they would need to travel. Generally older people are less likely to have access to private transport, for example those who give up driving for age or health related reasons, others use free public transport as a low cost alternative. Some carers will have</p>	<p>This service will support access to appropriate services including welfare benefit advice to meet mobility costs where eligible.</p> <p>Needs are assessed on an individual basis but additional respite can be provided if required by carers and service users. There is data to show that there are sufficient providers available to meet this demand with up to 5000 nights available from the in house and independent sector by April 2012.</p> <p>Any decision taken in relation to</p>
----------------	--------------------------------	---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

	<p>access to transport via Motability vehicles. Other considerations include low income as a concern for older people, particularly women as there are more older women than men in the general population.</p> <p>There are clear messages from older carers in the consultation that their role places them under pressure and that increasing age can lead to the need for increased provision of respite. However a point may be reached where the adult son or daughter moves to alternative accommodation with alternative support which means they are no longer eligible for respite and therefore overall demand reduces. This applies to carers who may face an increased prevalence of poor health through aging. Demand and capacity of respite services represented a significant amount of feedback in the consultation and these are dealt with in the Cabinet report. Commissioners are reassured that there is sufficient provision in the County to meet demand.</p> <p>Change in location of service may require some carers to travel further to drop and collect people from respite service.</p> <p>Consultation has identified the importance of respite to siblings of people with a learning</p>	<p>Dean Lodge should not accelerate the need for permanent care as alternative provision will be available.</p> <p>DCC has recognised impact of reductions in transport provision and Integrated Transport Unit will report on possible alternative provision.</p> <p>Proposal to close Dean Lodge would not impact on the amount of respite that an individual is able to take and</p> <p>Some of the siblings are under 18 and it is recognised that respite for their brother/sister can have a positive impact for them.</p>
--	-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

Disability

	<p>disability who also require a break from the service user.</p>		<p>therefore the impact on siblings should be low.</p>
<p>Both services are accessible for service users. Facilities are more modern at Hawthorn House than Dean Lodge including en suite rooms and sensory room.</p>	<p>Consultation feedback. Trade Unions identified concern that there have been incidents in respite provision that have resulted in injuries to staff. They identified that there are people using services that cannot safely have their needs met. Some carers have remarked that it is better that some service users don't have access to ensuite facilities to prevent any risks arising from this. A further area of concern identified by carers is in relation to service users coping with change in services Respite Operations Group has identified that there is limited access to services for people who have more complex needs and behaviours that may impact on other service users.</p>	<p>Identified by manager within the provider service.</p>	<p>DCC should ensure that there is a service available to all potential service users, including those people who currently have difficulty in accessing the service. Provider market is responding to gap in service identified in commissioning strategy. Durham Information Guide has identified other respite providers. Carers and service users will be supported to look at different services where appropriate. This could help improve access to services for people who have previously been unable to access respite.</p>
<p>There is a shortage of office space for staff at DL which could potentially restrict access for a disabled member of staff.</p>			

	<p>Consultation</p> <p>Access to transport for carers with a disability.</p> <p>Learning disability and high support needs.</p>	<p>Reasonable adjustments in consultation methods are identified above (e.g. advocacy, individual meetings with cares and support to complete questionnaires etc.)</p> <p>Transport may be more restricted to carers with a disability, and they may also have lower incomes, therefore increased transport costs would have a negative impact. Motability scheme may improve access for some carers with a disability.</p> <p>Consultation has identified the needs of people with learning disability and high support needs and the need for respite that arises from this. This includes people with autism, Profound and Multiple Learning Disabilities, health needs, behaviour management needs and physical disabilities. Service users with high support needs will access respite based on their assessed needs and this is separate from any decision on Dean Lodge.</p> <p>The consultation has identified the difficulties that some individuals will have in coping with change in a respite establishment.</p>	<p>Make any further adjustments as and when they arise to ensure effective and appropriate information is provided to service users and carers.</p> <p>Issues to be identified from consultation and resolved through individual assessment and application of the transport Eligibility Criteria. 33 service users are known to currently receive the mobility component of DLA;</p> <ul style="list-style-type: none"> • 5 at lower rate and 28 at higher rate. <p>All service users have been supported with change in relation to their first attendance at Dean Lodge and if there were to be any changes this would be managed in a way that meets individual needs. This would include measures to ensure that assessment information is shared appropriately with a new service provider following a change in the service. This would involve respite providers, care coordinators, service users, carers and any other appropriate individuals.</p> <p>All learning disability services have experience in managing change and the programmes that DCC has managed demonstrate that this has been successful with service users</p>
--	---------------------------------------------------------------------------------------------------------------------------------	-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

	<p>Geographical spread of services.</p>	<p>Specialist beds There are a number of service users who require specialist bedrooms at their respite facility (900 nights from current Hawthorn House) and (750 from current Dean Lodge service users). These are where people have needs in relation to moving and handling, bathroom facilities etc.</p> <p>Consultation has identified that Dean Lodge has traditionally covered the South of County Durham and some respondents said its closure would mean that there were no services available in this area. The reality is however that there are services available in the South of the County and as outlined below travelling distances to other services in the North of the County are not a significant factor. In the last two years Dean Lodge and Hawthorn House have both operated as County wide services. 30 service users currently at Dean Lodge would have an average increase of 5.6 miles to travel one way to Hawthorn House. The largest additional</p>	<p>who have the highest needs (e.g. during hospital resettlement programmes). Measures are in place in Dean Lodge and Hawthorn House to meet health needs through community based NHS services. This practice will continue. Amongst available alternative services there are providers with specific expertise in relation to autism and high health needs.</p> <p>There are 2190 nights available in the specialist beds at Hawthorn House. Hawthorn House could therefore meet the current demand for specialist beds from both services with capacity to meet growth in demand in the future.</p> <p>All service users and carers will be offered advice on welfare benefit entitlement which will take into account additional travel costs where applicable.</p> <p>Some of the feedback relating to service users was specific to their needs and included difficulties in staying on a bus for a prolonged period of time. This would be dealt with through the care coordination process and specific transport difficulties addressed in line with the DCC transport policy</p>
--	-----------------------------------------	----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

	<p>Information to service users</p> <p>Impact of savings hits the most vulnerable (e.g. older people and people with disabilities, people who cannot speak for themselves).</p>	<p>journey would be 10.4 miles. 10 service users would have a reduction in their journey of 3.5 miles on average. There are also new Shared Lives providers recruited to the Dales and Easington areas of Durham to increase provision in these areas. Independent sector providers are also developing new services including one provider who will offer respite to an individual in their own home whilst the cares are out. This model has operated successfully in other areas and it is used by some people in Durham and can assist with or resolve transport difficulties.</p> <p>Consultation has identified that carers and service users with a learning disability will need accessible information about the future of their respite.</p> <p>There were some consultation responses that suggested this impact.</p>	<p>Information must be communicated in an appropriate format. Methods used in the consultation appear to have been appropriate but alternatives will continue to be available on an individual basis.</p> <p>MTFP identifies areas where savings will impact and this includes all components of DCC from back office staff, management structures and front line services. Where possible front line services are being protected but the level of savings required over the next 4 years is such that front line services cannot be fully protected. In relation to Dean Lodge the potential to make efficiency whilst not reducing the amount of service an individual will</p>
--	---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

	<p>Impact on choice</p>	<p>Consultation has identified that some service users have a strong affinity with Dean Lodge and would prefer to continue their respite in this service. Consultation has also identified instances where people may not have wanted to access Hawthorn House initially but have been supported to continue to access and now enjoy their stays there.</p>	<p>access has been identified.</p> <p>Where possible DCC will continue to support people to access the service of their choice, however commissioning authorities must balance choice with the interest of the broader community and ensure the provision of value for money services. DCC has a responsibility to meet needs however it also has a role in determining how these needs can be met.</p>
<p>Accuracy of needs assessments.</p>	<p>Consultation included response that raised concerns over the care plans of service users and whether they did not reflect the level of need.</p>	<p>Additional checks have taken place of 20 people who appeared to have had a reduction in their assessed need for respite. Most of these changes were done with the approval of the families and reflect needs. Following representation from 2 families respite provision was increased. In one case a family were reluctant to take respite but eventually agreed to it following recommendations from Care Coordinator.</p> <p>10 families made representation during the consultation about assessed respite need and their cases were investigated further. As a result 2 service users have had further valid reassessments of need.</p>	

Race/Ethnicity	There is currently no evidence to show a negative impact in relation to race.	Consultation responses were predominantly from those of a white British background; 2 respondents were from a black or minority ethnic background.	Individual care reviews will identify needs in relation to ethnic origin.
Religion or belief	Change in location could potentially impact on attendance at places of worship whilst in respite.	County Durham's religious population is predominantly Christian and this is reflected in places of worship. Any service user wishing to access a place of worship other than Christian would need individual arrangements to be made. Consultation responses reflect the predominantly Christian population with 93.8% who answered the question indicating they were Christian; 5% of no religion or belief and just over 1% indicating 'other'.	Individual care packages will be provided based on this.
Sexual orientation	There is currently no evidence of negative impact based on sexual orientation.	Services are available to anyone who meets FACS eligibility criteria, regardless of their known or perceived sexual orientation. Individual needs in this area are considered through established care planning. Consultation responses indicated that, of those who answered the question, 98.5% were heterosexual and 1.5% were bisexual.	Individual care packages include needs related to sexual orientation.

How will this promote positive relationships between different communities?

If there are any changes to the services then management of this process should preserve existing friendships between service users where possible and support them to build new relationships. The process should also ensure a smooth transition if new service users are to move to HH.

Consultation has identified that the service is accepted well by the local community and that there are positive relationships. Concern is raised that closing Dean Lodge would result in Learning Disability population becoming less visible in the local community. There is a growth in community based provision as people move from more institutional services (e.g. residential care) and that this programme will continue. Remaining respite services will continue to have a profile within the community.

Other impacts on the community identified in the consultation include potential loss of jobs and the impact that this would have on the local economy. The impact on DCC employment would be the subject of a full HR consultation and there may be opportunities for redeployment. In addition the exercise in relation to DCC residential care homes has demonstrated interest in the vacated properties and it is anticipated that this would apply to Dean Lodge. It cannot be assumed therefore that local businesses etc would be adversely affected.

If Dean Lodge building was unused for any length of time appropriate security measures would be put in place.

Section three: Review and Conclusion

Summary: please provide a brief overview, including impact, changes, improvements and any gaps in evidence.

Summary of steps

- Consultation with service users and carers took place between 6 May 2011 and 24 June 2011 The focus of the consultation was on changing the location of a person's respite rather than ending a service and the consultation was initially intended to run over a 4 week period. However it was decided to extend this to provide maximum opportunity for people to participate.
- Consultation with stakeholders took place at the same time and included consultation with Learning Disability Parliament Members and Care Coordinators;
- A report prepared for Cabinet.

Summary of impacts

The initial impact assessment screening identified the following areas which may have an impact on service users and/or carers if Dean Lodge were to close:

- Additional travel distance and associated costs for those who live nearer to and use Dean Lodge: there is potential for impact on female carers, older carers and disabled carers as they are more likely to be on low incomes and have limited access to private transport. Additional travel time may also have an impact on some service users due to the nature of their disability.
- Changes associated with a new location and new staff: some service users may be unsettled by a change to their respite location, this could lead to loss of confidence and time taken to build relationships with staff.
- Maintaining existing friendships and contacts in a new location: many service users have established friendships with others at Dean Lodge and loss of contact through changes to provision may affect their wellbeing.

There is also an impact on staff who could be at risk of redundancy or redeployment if Dene Lodge closes. This is likely to affect more female staff than male given the current staffing profile.

Due to the nature of the service the main area of impact relates to disability and the specific needs of service users. There is also evidence of potential impact on older and/or female carers in relation to changes in service provision. Some service users and carers may benefit from understanding the wider choices available to them in relation to respite care, there is some evidence that younger service users and carers may prefer to use personalised budgets or alternative respite provision rather than traditional DCC provision. There was no evidence of negative impact in relation to race, religion or belief or sexual orientation as a result of this proposal.

Mitigating actions

If the decision is taken to close a service there will be a full Human Resource consultation undertaken to ensure fair treatment for any staff at risk.

The management of any transition between services will require careful management to minimise disruption including:

- Involve service users and carers in advance;
- Facilitate choice over alternative services;

• Transfer between services with friends;

• Take account of feedback in the consultation on issues relating to moves between services.

If a service was to close, any users of that service would continue to have their assessed care and support needs met. This could mean transferring to a different respite care service such as Hawthorn House or Shared Lives. If this was to happen, Durham County Council would make any transition as smooth as possible and ensure that any new service was fully aware of care and health needs, personal preferences and any other important factors. Service users will also be offered the opportunity to choose a different type of service using Direct Payments or Personal Budgets. All service users and carers will be offered advice on welfare benefits to mitigate the impact of any additional costs in transition to a new service, carers will also be offered a needs assessment.

Service eligibility is being applied to enable DCC to provide services consistently and ensure similar needs are met with an equitable service response.

Dependency Summary

• Using the high, medium and low categories as well as taking into account the Care Coordinators assessed need, and health needs of service users, the needs of people accessing Dean Lodge are as follows:

HIGH DEPENDENCY	MEDIUM DEPENDENCY	LOW DEPENDENCY
13 females	10 females	2 females
7 males	9 males	2 males
Total 20	Total 19	Total 4

High dependency defined as individuals who are totally dependant upon staff for all care and health needs, including Autism. Also in this category are the service users who currently have 1:1 staffing input.

Medium dependency defined as needing assistance with dressing, bathing, mobility (including the use of mobility equipment both indoors and whilst accessing the community), communications and may require support with toileting and meal times.

Low dependency defined as needing prompts, including minimal support and observation to carry out personal care.

Moving Service Users

In the event of service users changing respite services DCC would;

- 1) Ensure a comprehensive assessment is carried out which fully explores alternative options with the individual and their relatives.
- 2) This assessment would ensure existing provider staff who are familiar with the person's needs and care regime liaise with the incoming provider to exchange information on preferences, effective care regimes, e.g. moving and handling, medication administration, feeding, toileting etc. A critical part of the handover would be to identify the communication problems the person has and how best they can be supported.
- 3) Establish face to face handover/s of medical information from skilled nurses in integrated teams where necessary.
- 4) Ensure the move is planned as far as possible at the pace suited to the individual. Introductory visits which gradually extend to cover mealtimes and social activities then overnight stays all help people to adjust to a different environment.
- 5) During the introductory period the incoming provider can also visit the person within their own home to establish rapport and to reassure carers.
- 6) We would also ensure that the receiving provider staff are fully trained on areas pertaining to someone's care and if necessary current staff will work alongside those in receiving homes on a short term basis.
- 7) DCC would aim to replicate good practice from an existing respite service into any new service.
- 8) Offer carer assessments

Managing change

It is acknowledged that change in a service can be a difficult process however this is something that is managed in all learning disability services and there are established methods to achieving this successfully. Durham County Council has achieved this over a number of years through successful promotion of hospital resettlement programmes, the Coming Home Programme and the growth in supported living services, for example. A programme of introduction and induction is integral to all learning disability services and this varies according to individual needs.

The following are examples of some of the learning disability change programmes that Durham County Council has successfully managed:

- 327 people have been supported to move from their previous living arrangements to their own tenancies in supported living arrangements since April 2009
- 158 people have been supported through the resettlement process to move from long stay hospitals to living in the community
- 82 people, since April 2009, have been managed in a transfer from a Residential Care accommodation to more independent supported living
- 338 people are currently supported in purchasing their own care via Direct Payments, with 261 people commencing a package since 2009.
- Since April 2009, 79 people have been supported to live independently via the long term Shared Lives service
- Over 80 people were supported to access community based services when the Pontop Day Centre closed in 2007.
- 19 people have moved to Shared Lives from taking their respite in accommodation based respite services.

In relation to the above the same service users may have been part of more than one project. It is clear from the above examples that a significant number of people have been involved in service remodelling.

The activity outlined above illustrates therefore that change can result in positive outcomes for people.

The guidance which the Council must follow when charging an individual varies depending on the type of service being provided. In general people taking respite in a residential care setting will be able to keep less money than when using a respite service which is not a residential care service. A recent analysis of 123 cases identified that almost 90% of people using Shared Lives are better off under the Fairer Charging system that is used than they would be if the residential charging system was used.

Action to be taken	Officer responsible	Target Date	In which plan will this action appear
All carers will be offered a needs assessment and advice on welfare benefits.	Care Coordinators	March 2012	Decommissioning Risk Assessment
If decision is made to close service there will be a full HR consultation. Trade unions have been notified of the consultation. Agreed HR procedures will be followed to ensure fair treatment. Attempts will be made within an HR Framework to reconcile staffing between Dean Lodge and Hawthorn House to promote opportunities for redeployment and continuity of care for service users.	Workforce Support	TBC	Team Plan
DCC will aim to ensure a range of respite options are available to meet aspirations and the needs of service users and carers. This will include actions to maintain friendships, respond to age related preferences and respond to those with profound or multiple needs.	Care Coordinators and Service Provider	April 2012	Decommissioning Risk Assessment
Service users and carers will receive individual support to ensure a smooth transition to new provisions. This would include measures to ensure that assessment information is shared appropriately with a new service provider following a change in the service. This would involve respite providers, care coordinators, service users, carers and any other appropriate individuals.	Care Coordinators and Service Provider	April 2012	Decommissioning Risk Assessment
Older carers' needs will be specifically considered as part of the carers assessment and support provided to ensure that service users are not at greater risk of entering permanent respite services.	Care Coordinators	Ongoing	As part of case allocation

Specific transport difficulties will be addressed in line with the DCC transport policy and care co-ordination process.	Integrated Transport Unit	April 2012	Decommissioning Risk Assessment
Information will be communicated in an appropriate and accessible format.	Commissioning and Marketing teams	Ongoing	Communication Plan
Carers and service users will be supported to look at different services where appropriate. This could help improve access to services for people who have previously been unable to access respite.	Care Coordinators	Ongoing	As part of case allocation
Are there any additional assessments that need to be undertaken in relation to this assessment?	Decommissioning Risk Assessment.		
Lead officer - sign off: Head of Commissioning Manager-	Date:		
Service equality representative - sign off: Head of Social Inclusion	Date:		

Please email your completed Impact Assessment to the Equality team - equalities@durham.gov.uk

Cabinet

25 January 2011



**Management Options Appraisal Phase 1:
Setting up of a Charitable Trust to
Manage the Council's Sport, Leisure,
Cultural and Library Services**

Key Decision NS/05/2011

MTFP Ref: NS 20.1

Report of Corporate Management Team

**Terry Collins, Corporate Director Neighbourhood Services and
Rachael Shimmin, Corporate Director Adults Wellbeing and Health
Councillor Maria Plews, Cabinet Portfolio Holder for Leisure,
Libraries and Lifelong Learning; Councillor Neil Foster, Cabinet
Portfolio Holder for Economic Regeneration; and Councillor Claire
Vasey, Cabinet Portfolio Holder for Children and Young Peoples
Services**

Purpose of the Report

- 1 To set out details of the Management Options Appraisal undertaken to establish the most suitable option(s) available for the future management of a range of services including:
 - Sport and Leisure facilities and services
 - Museums
 - Libraries
 - Outdoor learning centre at Middleton-in-Teesdale

The services are presently managed by Neighbourhood Services, Adults Wellbeing & Health and Children & Young People's Services.
- 2 The report seeks an 'in principle' decision from Cabinet for the potential transfer of some, or all, of these services to a Non-Profit Distributing Organisation (NPDO) subject to further work to establish the best option for the Council whilst agreeing a project plan and milestones to deliver this project.

Background

- 3 The Council's Medium Term Financial Plan (MTFP) includes a number of savings proposals linked to the Management Options Appraisal (MOA) process. The principle aim of the MOA being to identify future management arrangements best suited to providing optimal value for money, whilst still meeting the Council's strategic priorities.

- 4 The services originally included within the scope of the project were Sport and Leisure Services (Neighbourhood Services) and Cultural and Library Services (Adults, Wellbeing and Health). The scope was subsequently expanded to also include Outdoor Learning Centres (Children & Young People's Services).
- 5 The total assumed MTFP savings linked to this project are £865,897; consisting of £615,897 within the Neighbourhoods proposals (NS20 - £369k in 2012/13; and £247K in 2013/14); and £250,000 within the Adults Wellbeing and Health proposals (AWH 10 and 23 – all assumed in 2013/14). All savings targets are based on the 80% savings against the current National Non-Domestic Rates costs to the Council as the new trust would qualify for 80% charitable rate relief (further details provided in sections 21 -26).
- 6 As the services under consideration in this report have cross cutting elements which impact all residents, visitors and businesses, the Council's vision around an Altogether Better Durham provides a key driver for adopting a new service delivery model for Sport and Leisure, Culture and Libraries. The changes under consideration link very strongly to the Council's priority themes of Altogether Wealthier; Altogether Healthier and Altogether Better for Children and Young People. Increased participation in sport, leisure, culture and libraries factor heavily in delivering improved physical and mental wellbeing.
- 7 Having facilities which are accessible and well maintained also factor in the Council's drive for an Altogether Greener Durham; and offering diversionary activities also plays a key role in the Altogether Safer priority theme. The Council Plan's commitment to deliver savings whilst remaining committed to service improvements provides an opportunity for the Council to consider the most appropriate service delivery model which will allow a key focus on improved services whilst exploring innovative ways in which to market and provide value for money services in these areas
- 8 Underpinning the priorities and outcomes set out in the Council Plan are three service specific strategies relevant to the service areas within the scope of the MOA namely; Inspire and Transform: Cultural Strategy for County Durham 2010-2013 (approved by Cabinet 16/06/10), Durham County Council: Sport and Leisure Service Strategy 2010-2013 (approved by Cabinet 02/03/11); and the draft library strategy for County Durham (also to be considered by Cabinet on 25th January, 2012). These key documents outline the challenges faced by these services and highlight the importance of modernising service delivery. Electronic copies of these key strategies are available on the Council's website and hard copies have been deposited within the Members' Library.
- 9 To assist development of the MOA, specialist independent advisors, Winckworth Sherwood, were appointed by the Council in April 2011. They have carried out a wide range of interviews with Officers, Elected Members (including the Leader and Deputy Leader) and key partner stakeholders. Winckworth Sherwood have also reviewed and analysed extensive financial and other relevant information provided by the Council, producing a report detailing their findings. The following terms of reference/assessment criteria were developed to assist in the evaluation of the options available, with the best option being one that would:

- offer the most economically advantageous option to the Council (in terms of delivering existing and future MTFP savings requirements);
- provide a sustainable, robust business model;
- provide the potential to secure capital and revenue from external sources;
- improve community involvement in services;
- deliver the priorities and objectives set out in Inspire and Transform: Cultural Strategy for County Durham 2010-2013; Durham County Council: Sport and Leisure Service Strategy 2010-2013; and the draft library strategy for County Durham, maintaining continuing involvement in service delivery;
- sustain and where possible improve upon the quality of the services under consideration to customers.

10 The scope of the project includes the following services from three service groupings:

Neighbourhood Services: Sport and Leisure Services:

- Directly managed indoor leisure facilities (15)
- Directly managed outdoor leisure facilities, including the Riverside facility, cricket centre, play pitches, parks and allotments (3000+ plots)
- Indoor leisure facilities presently operated by:
 - A local 'Trust' – Leisureworks (3 indoor facilities in addition to broader sports and arts services within the Derwentside area)
 - A National private contractor – Leisure Connection (2 indoor facilities within the Easington area)
- Sports development – club, coach and volunteer development; health interventions; holiday activities; partnerships and community engagement
- Events management
- Countryside services including 3 country parks, 150km of railway paths, 23 nature reserves.

Adults, Wellbeing and Health:

- Libraries (39 public libraries, including Bishop Auckland Town Hall and a mobile library service)
- The Gala Theatre
- The DLI Museum and Durham Art Gallery
- Killhope Lead Mining Museum
- The Arts Team – service team covering arts for social and economic impact, including BRASS and filming friendly

Children & Young People's Services:

- Outdoor Learning Centre at Middleton-in-Teesdale

- 11 The total net revenue cost of these services is £23.730m comprising gross expenditure of £33.041m and gross income of £9.311m. Excluding management and support costs and capital charges, net direct expenditure on these services is £17.474m. The Services collectively have circa 5 million visits and employ approximately 500 members of staff. The current budgeted costs associated with each service grouping are given below.

Table 1: The 2011-12 budgets for the service areas

	Neighbourhood Services	Adults, Wellbeing & Health	Children & Young People Services	Total
	£000's	£000's	£000's	£000's
Service Related Direct Costs	12,216	11,292	129	23,637
Contract Costs	3,148	-	-	3,148
Management & Support Costs	1,611	350	-	1,961
Capital Charges	3,064	1,222	9	4,295
Total Expenditure	20,039	12,864	138	33,041
Income	(5,886)	(3,353)	(72)	(9,311)
Net Expenditure	14,153	9,511	66	23,730

Notes:

- i) The Net Direct Service costs (Service Related Direct Costs + Contract Costs – Income above), less MTFP savings requirements to the Council, would form the basis of the annual contract payment to any outsourced service model;
- ii) Capital Charges would be retained within the Council as the Council retains ownership of all facilities in all of the models considered under the MOA;
- iii) There would be elements of the management and support costs that would be subject to TUPE and therefore potentially included in the annual contract payment under an outsourced model, whilst other remaining areas would need to be reviewed / challenged further. The opportunity exists also to establish Service Level Agreements with the external provider (usually established on a tapering basis) for the Council to continue to provide support services to it and for it to access Council systems / infrastructure.

Potential Delivery Options

- 12 The MOA considered the following service delivery options (further details of the nature of each option are given in Appendix 2):
- a. Retaining the current arrangements for services, ie status quo;
 - b. A private sector partnership, without a pocket/hybrid trust (or Voluntary Contract Transfer (VCT));

- c. Utilising an existing Non-Profit Distributing Organisation (NPDO). This option is commonly referred to as a 'Trust';
- d. Establishing a (NPDO) for some facilities/services;
- e. Establishing a (NPDO) for the entire portfolio;
- f. Creating a Community Interest Company;
- g. A mixed economy of different delivery options.

Evaluation of Delivery Options

- 13 Officers, working closely with the external advisors, have considered in detail the features of the seven different delivery options above.
- 14 Some of the delivery options considered have complex technical and legal characteristics, requiring lengthy explanations. An overview of what each of these would entail, together with the advantages and disadvantages of each and the assessment against the six criteria set out at paragraph 9 is attached at Appendix 2.
- 15 Whilst the following sections of this report consider each of the six assessment criteria and highlights the merits of the various delivery options relevant to each, it is recognised that the financial implications of each option are paramount to fulfilling the wider ambitions of the MOA project. The MOA has clearly demonstrated that the only delivery models able to provide the financial aspirations of the project are those which can secure charitable status and subsequently take advantage of the significant savings that arise from National Non-Domestic Rates (NNDR) relief of 80% and potentially from Value Added Tax (VAT) exemptions. These options are essentially those associated with the use of a Non-Profit-Distributing-Organisation (NPDO), commonly referred to as a 'trust' (options c d and e in paragraph 12 above).
- 16 Taking into account the findings of the detailed MOA and advice from the independent specialist advisors, the recommendation is that the Council should progress one of the NPDO options (i.e. c, d or e)

Non-Profit Distributing Organisation (NPDO)

- 17 A NPDO is a non-profit distributing organisation. This means that as an organisation it cannot distribute any surplus or profit it generates, rather it is restricted to reinvesting its resources to furthering its objectives. In other words, any surplus **must** be used to re-invest in service provision. The key advantages of a NPDO are set out below;
 - All profits to be reinvested in NPDO's business within County Durham (the exception to this being if a NPDO from outside the County is engaged)
 - VAT exemption from sporting and related facilities
 - Single focused body with unitary purpose
 - Opportunity for community involvement in the management of the NPDO
 - Ability to harness the various "Friends Of" organisations to enhance volunteering, fundraising and community initiatives

- Potential to access private finance for improving and enhancing any of the facilities
- A new NPDO would be the only option which would potentially involve a buy-back of any services from DCC
- A NPDO could benefit from the pooled experience of staff currently working within the portfolio, an external body and/or Leisureworks if they merge with the NPDO
- A new NPDO would be “owned” by those committed to County Durham and the delivery of the services
- A NPDO can borrow to invest and improve the facilities outside the local government finance requirements
- A new NPDO could become a strategic partner of the Council and take a leading role in the Durham Cultural Partnership
- This governance model has a proven track record and can develop collaborative working at regional, national and international levels
- Range of fiscal advantages including exemption for corporation tax, opportunity for corporate sponsorship and donations utilising gift aid, plus use of Charitable status to claim mandatory rating relief (80% of the current NNDR costs).
- Greater access for National Lottery funding which is increasingly being directed away from local authorities.
- County-wide NPDO will offer opportunities to attract contracts from commissioning bodies in public health through both arts and physical activity.
- Access to other sources of funding for charities not available to the public sector from national charitable foundations.

18 The key disadvantages of a NPDO are set out below:

- Regulation by the Charity Commission, although this is also seen as an advantage in the public service provision arena.
- Reversibility, as the assets of a charity can only be used for the charitable purposes of that charity or transferred to another charitable body for similar purposes. Therefore bringing the service back in house may prove difficult.
- The trustees of a charity cannot be controlled by any outside organisation or body albeit they will need to respond to the legitimate interests of their funders.
- Potential difficulty recruiting trustees with suitable experience and calibre coupled with the considerable obligations upon them.

19 Whilst the above sets out the general advantages and disadvantages of delivery through a NPDO, the following sections consider this model against the six specific assessment criteria identified earlier in this report.

Criterion 1: Economically advantageous

- 20 As noted above there are some clear and certain immediate financial benefits arising within the NPDO model, whereas others (eg impact on central management and support costs not subject to TUPE) require more detailed consideration over the coming months. The key headline savings are associated with NNDR and VAT implications, explored in detail below.

Financial Implications: NNDR:

- 21 Mandatory rating relief of 80% is available on property that is wholly or mainly used for charitable purposes and occupied by an institution or organisation established for charitable purposes. In this sense, only the NPDO options could be certain of achieving NNDR charitable rating relief.
- 22 Some other models (the pocket / hybrid trust options) currently also gain this relief but this has been subject to challenge by the Charities Commission and there is considerable concern that this will not continue to be available in the medium term, albeit that those organisations benefitting from this continue to explore its availability.
- 23 Local authorities have discretion to grant additional relief to NPDO's in respect of all or part of the remaining 20%, although Durham County Council's Discretionary Rate Relief Policy (approved by Cabinet on 11 November 2009) does not provide for this discretionary top up relief.
- 24 MTFP savings associated with this project were premised on the savings likely to be achieved through mandatory NNDR relief and should be viewed as the main opportunity to achieve cost savings certainty. The assumption therefore is that the NNDR savings would be top-sliced from any contract payment to a NPDO, with the Council benefitting from this relief at the expense of the NPDO. The following table shows the current NNDR budgets and expected savings from the NPDO model.

Table 2: NNDR costs and savings in the NPDO model

	2011/12 Budgeted full NNDR Costs	NPDO Saving @ 80%
	£	£
Sport & Leisure	760,280	608,224
Culture	79,430	63,544
Libraries	267,765	214,212
Teesdale Outdoor Learning Centre	2,000	1,600
TOTAL	1,109,475	887,580

- 25 As noted earlier, the MTFP includes saving requirements totalling £865,897 (£615,897 Sports & Leisure, £250,000 Libraries and Culture) from the MOA. This is broadly in line with the savings expectations under the NPDO delivery model.
- 26 It should be noted that the NNDR savings identified above only relate to the buildings directly managed by DCC, rather than those presently run by Leisureworks and Leisure Connection. Both these organisations are in receipt of the mandatory rate relief currently, with this being reflected in the contracts with these organisations.

Financial Implications: VAT:

- 27 There are significant VAT benefits associated with NPDO options. In Sport and Leisure, and Culture and Libraries, transfer to a charitable NPDO would mean that the majority of fees and charges will be VAT exempt, allowing, if Members approved this approach, the NPDO to charge the same fees as previously without having to pass on VAT to HM Revenues and Customs; essentially gaining 20% of all fees not previously exempt. The two main streams of income that could deliver a VAT gain would be sporting activities and cultural admissions.
- 28 Offset against any VAT gain from income, a NPDO would be unable to reclaim any VAT on the expenditure associated with the income that is no longer subject to VAT. In practice, the VAT-able expenditure is normally less than the income and therefore a net gain is made. Other delivery options would not have this facility available to them, as it is only available to charitable organisations. Consequently, there is little potential VAT gain in transferring to any of the other options.
- 29 As can be seen from Table 3 below, the VAT position associated with NPDO options has the potential to provide significant additional benefits. A number of assumptions have had to be made in this analysis, but officers, working with the advisors and with in-house VAT officers, have determined that the potential net VAT gain may be in the region of £454,013, based upon an output tax VAT gain of £1,070,990 and a non-recoverable input tax VAT loss of £616,977.
- 30 Taking the financial benefits of NNDR relief and VAT gains into account there is a clear case for choosing either the Existing or New NPDO option. In terms of how these savings compare to the MTFP requirements across the various service groups, the following table summarises the key headline figures.

Table 3: Impact of NNDR and VAT against MTFP requirements by service area

	Net VAT (Benefit) / Cost to NPDO	NNDR Benefit to NPDO	Estimated Net NPDO Savings	MTFP Savings Target	Variation (Over) / Under
	£	£	£	£	£
Sport and Leisure Services	(447,748)	(608,224)	(1,055,972)	(615,897)	(440,075)
Cultural Services	(82,776)	(63,544)	(146,320)	(250,000)	(38,087)
Library Services	72,445	(214,212)	(141,767)		
Outdoor Learning Services	4,066	(1,600)	2,466	-	2,466
Total	(454,013)	(887,580)	(1,341,593)	(865,897)	(475,696)

- 31 Whilst it is clear that the savings from NNDR and VAT alone suggest an efficiency that is £475,696 in excess of MTFP targets, future work relating to issues around client monitoring costs (there will be a need for an effective client function to oversee what would be one of the largest NPDO's in the Country); potential additional management and support costs/overheads that the NPDO would need; "profit" margins / contingencies; and commissioning costs will need to be carefully considered. The final variation amount will also

be affected by the specific services that are included in the transfer (see paragraph 44). Whether the additional capacity / resource above will be required to fund the future vehicle or can be declared as a further saving will be a key issue at phase two of the MOA project. It is, however, clear that savings identified within the current MTFP could be achieved with a degree of certainty through furtherance of the NPDO option.

- 32 In transferring the proposed portfolio out to a NPDO it would be further anticipated that other planned MTFP savings identified against out-going services would be embodied within any such arrangements. This would essentially mean that the level and profile of funding to the new entity would reflect not only the savings associated with the MOA project but all related MTFP savings. Not only would such an organisation be better placed to deliver these savings but the Council would achieve greater certainty through its contractual arrangements with the new body.

Criterion 2: Sustainable Business Model

- 33 Maintaining the status quo is not considered a sustainable option, with the current financial pressures making the continuation of the current level of services within scope unsustainable, leading undoubtedly to a reduction in both service standards and levels if retained in-house.
- 34 Other delivery options do not offer the same benefits of reinvestment provided by a NPDO; a NPDO will be required to re-invest 100% of its surpluses back into the service, whereas other models will need to compete with other priorities. The MOA concludes that savings presented through the NPDO option(s) present a more sustainable solution for service delivery over the short, medium and longer term. As NPDO's have the ability to produce surpluses for re-investment into the services, this strengthens the sustainability of this model.

Criterion 3: Potential to secure capital and external funds:

- 35 All options have increased scope / capacity to secure external revenue and capital resources not open to the Council. Whilst private sector contractors are undoubtedly not best placed to access many of the main grant distributor's funds, such as National Lottery, they do have the potential to provide a capital financing facility. There are a number of examples whereby this sector have provided significant investment into facilities but in all instances this is reflected back through the contractual arrangements. It is unlikely that this way of financing would prove cheaper than prudential borrowing already available to the Council. It is also evident that many of the funders of revenue initiatives, ie Sport England, are increasingly more reluctant and in some instances prohibited from distributing their resources to commercial organisations.
- 36 NPDOs on the other hand are well placed to secure grants, as many distributors will only distribute to charitable organisations. Although National Lottery allocations to sport and the arts are to increase, access to these funds is becoming increasingly restricted to a point that even local authorities will find it difficult to apply. NPDOs, with charitable status, therefore, should prove more successful than any of the other options.

Criterion 4: Improved Community Involvement

- 37 For private sector related options it is anticipated that the relationship with the Council would be a transactional one specifically determined by the nature and scope of a contract specification. Management of the organisation would be expected to be through the corporate body. Whilst different organisations will take differing views on establishing 'friends of' or 'service user' groups, the relationship in terms of governance and influence would be expected to be more remote with a private sector operator.
- 38 NPDO options would need to establish a Board of Trustees, where they did not already exist, and this would be required to attract membership from a wide range of community representatives. This would assume that a NPDO organisation would work with, and be closer, to the community. A NPDO from outside the County may, however, already have an established Board and would not be bound to include local members. Establishing a new NPDO would, in addition, allow the authority to determine the rules and basis of operation as it was developed and could therefore be prescriptive about community engagement.

Criterion 5: Delivering Durham County Council strategic objectives and maintaining continuing involvement.

- 39 In considering the transfer of Cultural, Library and Leisure Services to a NPDO, one concern may be the level of influence the County Council will have on the new entity. Given the importance attached to these services as contributors to the well-being of the area, some level of assurance that the activities of any new entity remains in the influence, although not the control, of the local authority will need to be given. Such an influence over the proposed kind of organisation is acceptable provided the independence of the NPDO is not fettered.
- 40 Such influence can be exercised in four ways: through Council Board membership; through the landlord/tenant relationship; through grant / contract funding; and through managing the relationship.

In selecting options there is a clear need to ensure that the Council's objectives are aligned with those of any new organisation and that the performance criteria provides formal links to their achievement. This should provide a clear foundation and motivation for success. Many NPDOs report that by better alignment and a faster, more responsive decision-making structure, the ability to make significant contributions to corporate aims is improved. More formally, the governance arrangements of any new entity would need to be satisfactory. These would need to be put in place and where the organisation is a charity this is a legal requirement. Such a requirement would take the form of a Board on which Council Members would have representation.

The key functions of any board would be to:

- act as the guardians of the organisation;
- make decisions about policy and strategy;
- act as the final point of accountability;
- monitor, supervise and control the organisation.

Criterion 6: Sustain/improve service quality

- 41 The use of surpluses is the main consideration. Whilst other options will have a requirement to generate greater surpluses these will essentially be for the purposes of profit. NPDOs will need to seek to generate surpluses but these will be used solely for re-investment into the service. Such re-investments should make a significant contribution to sustaining and improving the quality of services on offer. The ability to generate surpluses would need to be built into the business case of any option. Whilst in this report only savings emerging directly from the change in delivery model are given, it would be anticipated that any new entity would further develop financial savings and generate a greater surplus. This would result from:
- An ability to provide a more integrated and branded service: the ability to integrate services would be significantly increased by a single operator. In particular the economies of scale would benefit programming, ticketing and booking arrangements. In addition, a single focussed organisation would have the opportunity to develop a single, strong or cultural brand within the County;
 - An increased focus on accessibility and usage of the services: a more integrated and branded service would be able to increase usage and participation through a more efficient and focused marketing effort.

Other Material Considerations Associated with the Preferred NPDO Option

Service Scope

- 42 The MOA has indicated that all services identified in paragraph 10 should be within the scope of any transfer. More detailed work, however, is required at phase 2 to determine whether there is a strong enough business case for all these services to transfer to a NPDO.
- 43 There is some concern that the scale of any proposed entity may be such that the benefits associated with a single focus may be diluted. At the same time a number of areas have been identified as potentially not providing the same degree of obvious synergy.
- 44 The initial conclusion is that work continues on the basis that services should be considered within two broad groupings namely; Primary Services, those most likely to transfer to a NPDO and Secondary Services, those which are secondary considerations, and for which it may be prudent to give some further consideration to their inclusion in the early stages of phase two. These general categorisations have been developed based upon initial indications upon service synergy, financial contribution and disengagement issues. Services falling within the two group are as follows;
- a. Primary Services for transfer
 - i. Directly managed leisure facilities
 - ii. Leisure facilities currently managed by Leisureworks and Leisure Connection on behalf of the Council
 - iii. Library Services
 - iv. Gala Theatre

- b. Secondary Services for transfer
 - i. Sports Development Services
 - ii. Arts Development
 - iii. Outdoor Sport and Leisure Services
 - iv. Museums
 - v. Outdoor Learning Centres
 - vi. Countryside Services

Procurement

- 45 The recommendation of this report is to transfer the management and operation of the leisure and culture portfolio to either an existing or newly established locally based NPDO. The Authority is however required to consider the procurement issues associated with this decision. The portfolio is made up of Part B services. Under the Public Procurement Regulations there is no need to advertise these services nor carry out a competitive tender exercise. However, case law in this area has highlighted the principles of the Treaty of Rome and there is an underlying expectation in the body of case law that for contracts outside the provision of the regulations, advertising of such contracts may be required to comply with those principles.
- 46 Whilst we are advised that it is unlikely that there is an operator in another European member's state or possibly within the UK with sufficient knowledge, expertise and capacity to manage and operate this complex and challenging portfolio of services, this cannot, however, be definitively ruled out.
- 47 It is, therefore, recommended that even where the NPDO option is the approved way forward, that the Council undertakes a soft market testing exercise to determine appetite and test value for money. Clearly any operators expressing an interest in the contract will have to satisfy the Council's overriding objectives for the service as well as meeting financial and operational requirements, which will be stated expressly in any advert or resulting PQQ. The timescales are tight, although this process can be run concurrently with the furtherance of the preferred NPDO delivery model.

HR Issues

- 48 As a general rule the transfer of any services to an NPDO would trigger Transfer of Undertakings (Protection of Employment) Regulations 1981 ("TUPE"). In such a case all employees essentially dedicated to the Services within the scope of the exercise would transfer on existing terms and conditions and there would be no break in their continuity of service. This would include any revised terms and conditions that are subject to single status proposals.

The position for other employees involved with the facilities/services included in the transfer exercise, but effectively working within other service areas eg. support service functions, would depend on their individual circumstances, and in some cases they may also be subject to TUPE arrangements.

- 49 Any organisational change will, of course, be of concern to staff. The services under consideration have been subject to considerable uncertainty in recent times and it is imperative that any future management options prioritise employee concerns. A transfer of the services to a new NPDO may have considerable benefits to employees as the new organisation would be a focused entity which would enhance management stability and employee security moving forward.
- 50 TUPE Regulations place a legal requirement on both transferor (the Council) and transferee (the new NPDO) to formally consult with affected employees, and their representatives, in relation to the implications of any transfer exercise, and indeed the Council's Change Management protocols facilitate this process when a TUPE scenario has been agreed. However, in this complex and large-scale exercise it is important that early identification of, and engagement with, those employees who are likely to be affected by the proposals takes place in relation to how any 'in principle' decision may affect them. Therefore, having identified those employees who will essentially make up the potential TUPE list, a detailed employee and Trade Unions communications plan will need to be implemented which will allow for full, meaningful and timely engagement ahead of and throughout the transfer process.
- 51 Assuming the Council enters into a contract with a NDPO to carry out functions previously carried out by the Council, and staff have their employment compulsorily transferred from the Council to the NDPO, the NDPO will have to provide the transferring employees with either continuing access to the Local Government Pension Scheme (LGPS) or access to a broadly comparable pension scheme.
- 52 In practice, the expense of setting up and maintaining a 'broadly comparable' scheme makes it very probable that the new organisation would become an 'admitted body' employer in the Durham County Council Pension Fund (part of the LGPS). The Council and the new organisation will have some options when establishing the new organisation as an admitted body in the Pension Fund; the main choices are set out in Appendix 3.

Leisureworks and Leisure Connection

- 53 Leisureworks has a long-term contract with the Council (until 1 June 2042) inherited from a previous constituent authority (Derwentside District Council) for the operation of 3 leisure centres and 2 Arts Venues. In recommending a single new or existing NPDO, it is clear that the transfer of Leisurework's engagements, assets and business into a single NPDO would be beneficial, given that:
- Leisureworks have trustees already skilled in this key strategic role and some could be invited onto the new wider NPDO Board, subject to resolving conflicts of interest;
 - There are potentially additional savings possible through a reduction in overhead costs for a new enlarged NPDO, building on the existing infrastructure within Leisureworks;
 - The opportunity to combine the Gala Theatre/Cinema and the two facilities managed by Leisureworks would significantly enhance the performing and visual arts service offer within County Durham.

- 54 Leisureworks have been consulted throughout the MOA process and have responded in relation to the various options under consideration. Not surprisingly, their preferred option would be to have the entire portfolio transferred into them. This may have some benefits worthy of further exploration at phase 2. They have also indicated that where any other option with the exception of, the creation of a new County wide NPDO, is preferred they would wish to remain running their existing portfolio under their current contractual arrangements. In such a situation the Council would need to be minded of the contractual relationship that currently exists with Leisureworks.
- 55 Leisureworks have, however, indicated that should the Council determine that it wishes to create a new NPDO it would be supportive and would wish to work with the Council with the intention of facilitating a merger with the new entity. This would not preclude Leisureworks from engaging in any future procurement process or being the vehicle for the development of a single County Durham NPDO.
- 56 Leisure Connection are a private sector provider who currently run and manage the Council's leisure facilities at Peterlee and Seaham. The existing contractual arrangement, instigated by the former Easington District Council, runs until June 2013. It is anticipated that these arrangements would continue for their full term, albeit that the management of this arrangement could be transferred to any new NPDO until a decision to terminate or renew the contract is made in 2013.

Corporate Issues

- 57 The Council's Cultural, Library and Leisure services have a significant role in the quality of life and health and wellbeing of people who live, work in or visit the County. All facilities under consideration are used by local residents and visitors; and the latter have a major impact upon the economy of Durham. In addition, there are a number of consequential impacts that the outsourcing of all the services to a NPDO could have upon the Council's infrastructure, in particular its central management and support services.
- 58 Corporate Capacity: It is assumed that the Council would wish to retain a strong corporate "client or commissioning" role after transfer. The Council will, therefore, need to ensure it retains sufficient capacity, skills and experience to effectively manage the relationship with what would be one of the largest and most complex NPDO's in the country. The nature and scope of this resource will be developed in phase 2 through consideration of the Council's specific requirements and from a range of visits to Authorities who have already established similar arrangements.
- 59 There will also be the need to carefully consider / address potential impacts on central support services in order to manage and balance the relationship with a new NPDO.

Whilst this may not have an immediate impact on the overall cost to the Council, as it will take a little time to restructure and determine these sums, savings beyond those identified within this report should be achievable.

- 60 It is common practice for newly established NPDOs to purchase support services from their sponsoring authority, particularly in the early years. This would be within the powers of the Council, subject to ensuring that a new

NPDO was designated as a public body under the Local Authorities (Goods and Services) Act 1970.

However, it is normally provided on a tapering basis, with the level of reliance on the Council (and recharges into it) reducing over a period of time. Careful consideration of fixed costs elements within any SLA's will need to be a key feature of the financial modelling at phase 2. The purchase of services from the Council would be unlikely from existing NPDOs

VAT Partial Exemption Issues:

- 61 There are a range of VAT exempt activities currently carried out by the Council relating to the services currently included in scope for transfer. The recovery of input tax (amounts recovered on vatable expenditure) on expenditure relating to the generation of this income is permissible, providing in totality across the Council this does not exceed 5% of total input tax recovered by the Council. Breaching this threshold results in the Council having to repay **all** VAT recovered in generating exempt income, not just the sums above the 5% threshold.
- 62 The Council's partial exemption threshold in 2010/11 (ie 5% of all input tax recovered) was £2.454m. The Council's Partial Exemption calculation for 2010/11 shows that the Council currently operates comfortably within the threshold.
- 63 The externalisation of a large number of services has the potential to have a negative effect on the Council's Partial Exemption calculation. The MOA Project Team have had support and input from VAT specialists in Resources and have taken advice from the Council's VAT advisors in this regard.
- 64 With regards to the services which are potentially being transferred, where the exempt percentage of activity undertaken is greater than 5%, then the input tax associated with that cost centre is currently having a negative impact on the Council's VAT Partial Exemption position. Advice from colleagues in Resources is that removal of these services would have a positive impact on the Council's VAT Partial Exemption position and would reduce the risk of the Council exceeding its 5% VAT de minimis limit.

Grant Funding

- 65 Positioning the particular range of services outside the local authority has the potential to be strategically advantageous as the Council's commissioning role increases. Of particular interest is the in-sourcing of the public health function from 2012 and the wide range of functions sport and leisure services provide in this area; GP referral and cardio rehabilitation, together with a wide range of physical activity developments. An externalised NPDO would provide a more transparent relationship for commissioning services than an internal service would.

Legal Considerations

- 66 DCC has a number of powers through which it can manage or outsource the services and facilities within the scope of the MOA. The key powers, which include an ability to provide grant aid, are given in Appendix 1 of this report.

Future Project Costs

- 67 If the Council is minded to pursue the development of an NPDO, there will be a number of costs that will be incurred in establishing such an organisation. It is estimated that these costs will be circa £200k. These costs would need to be accommodated from within the cash limit reserves held by the service groupings involved in the MOA project.
- 68 There would be two main elements to these costs associated with advice and support in developing a service delivery or business plan for the new entity and those incurred for legal work in procuring and establishing the entity. For example the following documents would need to be developed and enacted to bring an NPDO into existence:
- Service Delivery Plan
 - Transfer Agreement
 - Funding Agreement
 - Rules
 - Support Service Agreements
 - Building Leases
 - Admissions Agreement (Pensions)

Conclusions and Next Steps

- 69 It is important that Members are aware of the scope of making an 'in principle' decision to transfer services into a charitable NPDO so that there is an appreciation of what is being committed to and what further information is to be provided, prior to a full decision to transfer being made.
- 70 In the first instance, acceptance of the recommendations of this report do not commit the Council to the transfer of services at this stage. What this report seeks is a clear steer as to the Council's aspirations and intent thus allowing detailed information, based specifically on the preferred arrangement to be prepared, for future consideration. Members may, if not fully satisfied, at a future date decide not to proceed with a transfer and reconsider its MTFP proposals.
- 71 Subject to an 'in principle agreement', officers will prepare information on which a decision as to whether to transfer services into a charitable NPDO can be made. In order to make that decision, detailed information relating to transfer arrangements will need to be given. These will be contained within a Service Delivery Plan that will form the main proposal from any new entity for the provision of services.

In addition, it will be necessary to satisfy the Council that arrangements for staff, legal issues and corporate impact matters have been adequately dealt with, together with the confirmation of financial savings. This information, together with the Service Delivery Plan, will form the basis of a future report.

It would be proposed that a Members seminar also be held in relation to the Service Delivery Plan, prior to it being presented to Cabinet.

- 72 The phase 1 of the MOA concludes that the Council establishes a charitable NPDO or transfers its services into an existing NPDO. The Council's in-house services, together with those managed through Leisureworks, at their discretion, should form part or all of the new arrangement. This will require the Council and Leisureworks to work collectively to consider the detailed implications of such a move before any transfer is undertaken. This will represent a significant amount of work for both parties. It is, therefore, recommended that a framework be put in place through which all issues can be considered and communicated including the exact form and legal structure of any new NPDO
- 73 Consideration to the Leisure Connections contract would also be addressed in phase 2 of the project.
- 74 In order to progress matters a Project Board has been established of relevant senior officers and portfolio-holders. This group will oversee the development of any future work on the project.

Timescales / Key Milestones

- 75 In working towards the establishment of a new cultural and leisure trust, there is a great deal of detail to be worked out and arrangements put in place. A detailed schedule has been drawn-up which suggests that a reasonable timeframe, subject to Members' approval, to transfer to a new entity would be autumn 2012.
- 76 Whilst a detailed project plan for establishing a NPDO is being developed the key milestones for the creation and the transfer of the services are seen as follows:

Milestone/Decision	Target Date	Approval
In principle decision to embark upon the NPDO project.	January 2012	Cabinet
Commencement of Market Testing and Procurement	January 2012	
Preparation of Service Delivery Plan	January to August 2012	
Negotiations on documentation and grant-funding arrangements	February to August 2012	
Negotiations on service level agreements	February to August 2012	
Decision to transfer	September 2012	Cabinet
Staff consultations and LGPS matters	January 2012 onwards	
Establish NPDO and charitable registration	Autumn 2012	
Transfer	Date to be confirmed at September Cabinet	

Recommendations and reasons

77 It is recommended that:

- (a) an 'in principle' decision to establish a charitable Non Profit Distributing Organisation as the preferred vehicle for those services outlined in Section 10 of this report is approved;
- (b) subject to confirmation of a non-contestable market from the existing NPDO sector, work to develop a new NPDO be progressed in-house;
- (c) further consideration is given to the inclusion of service areas identified in section 44b;
- (d) that both recommendations (b) and (c) are subject to a delegated decision of the Corporate Directors of Neighbourhood Services , Adults, Wellbeing and Health and Children's and Young People's Services, in consultation with their respective portfolio holders and in consultation with the Corporate Director of Resources and the Cabinet Member for Resources;
- (e) a further report is prepared, in relation to any final decision to transfer, in line with the schedule proposed in section 75 of this report.

Background papers

Durham County Council, Management Options Appraisal; Winckworth Sherwood 2011

Medium Term Financial Plan 2011/12 to 2014/15

Inspire and Transform: Cultural Strategy for County Durham 2010-2013 (approved by Cabinet 16/06/2011)

Durham County Council: Sport and Leisure Service Strategy 2010-2013 (approved by Cabinet 02/03/2011)

Contact:	Steve Howell	Tel: 0191 3729180
	Nick Whitton	Tel: 0191 3834188
	Gerald Tompkins	Tel: 0191 3833176

Appendix 1: Implications

Finance

The report identifies the achievement of significant savings, in-line with the Councils MTFP programme, for all services within scope. It also identifies additional efficiencies beyond this which will need to be considered in the development of a sustainable Service Delivery Plan for any future NPDO.

As part of the phase 1 MOA analysis, officers have carefully considered potential impacts on the Council's partial exemption position, whereby the Council is permitted to reclaim all the VAT on expenditure associated with VAT exempt activities, providing that the annual amount of VAT recovered on exempt activities does not exceed 5% of the total VAT incurred on expenditure. The Council carries out a calculation each financial year to confirm that the annual amount of VAT recovered in respect of exempt activities does not exceed 5% of total input tax incurred. This is called the Partial Exemption annual adjustment calculation. The total amount of input tax reclaimed in 2010/2011 was in excess of £47m, resulting in a 5% value of £2.35m. Should the 5% limit be exceeded, then the whole of the £2.45m would be due to HM Revenues and Customs and not just the amount by which the limit is breached.

Staffing

As a general rule the lease of any facilities to an NPDO would trigger Transfer of Undertakings (Protection of Employment) Regulations 1981 ("TUPE"). In such a case, all staff within scope would transfer on existing terms and conditions and there would be no break in their continuity of service. This would include any revised terms and conditions subject to single status proposals. The position for other staff involved with the facilities, but working with other services, would depend on their individual circumstances.

A list of all staff affected by these proposals has been identified. There are, however, currently 271 staff employed within the library service who would be affected by the move to a NPDO. However, the library service would transfer following the implementation of changes to the level of service that will be subject to consultation during 2012. If these changes are agreed there will be a reduction in the number of staff employed in the library service transferring.

The Service will work closely with representatives from the HR Team to ensure that all affected employees and the trade unions are fully engaged in the consultation processes associated with these proposals, and that the Council's Change Management protocols are adhered to in this regard.

Risk

A comprehensive risk assessment has been completed and all reportable risks are attached in Appendix 4

Equality and Diversity / Public Sector Equality Duty

An initial equality impact assessment has been undertaken and will be developed further if the proposal is approved in principle. Any potential impacts on service delivery and staff will be included in a final impact assessment to inform future decision making; essentially we would need to ensure that safeguards are in place to meet our responsibilities under the Public Sector Equality Duty alongside the general provisions of the Equality Act 2010

Accommodation

Whilst those services within the scope of this project currently run and manage a large number of buildings it is anticipated, at this stage, that the Council will enter into long term leases with any new entity. It is further envisaged that the Council will retain repair and maintenance responsibility. Although in phase two it may be determined that some elements of work, small works and repairs together with internal presentation issues, will pass to the new organisation(s).

In general terms, however, the Council will still need to make provision on both a revenue and capital basis for the upkeep of the buildings. So whilst in future there may be the opportunity for investment from the new organisation in relation to this, in the short term there will be no savings to be achieved from this area of expenditure; similarly there will be no additional cost either.

Crime and Disorder

None

Human Rights

None

Consultation

It is not anticipated that public consultation will be undertaken in relation to any transfer, as there would be no changes to the level of service, as a direct result.

Consultation with Members will be undertaken via the Overview and Scrutiny process together with Member workshops.

Staff consultation will take place in line with the management of change toolkit.

Procurement

Contained within the main body of the report.

Disability Issues

Any potential impact in terms of disability will be considered in the full EqIA developed to inform Phase 2 of the MOA.

Legal Implications

See Appendix 5

Appendix 2 : Potential Delivery Options Considered

The MOA has reviewed seven options, as follows:

- Status quo
- VCT
- Existing NPDO
- New NPDO with some facilities and services
- New NPDO with entire portfolio
- Social enterprise
- Mixed economy

The key features of each option are set out below:

Status Quo

This option assumes no change in the ownership or management of any service or facility so that Leisure Connection and Leisureworks would continue to manage their services in accordance with the respective contracts. In other respects, DCC would continue to manage and control the services and facilities as well as being financially responsible for them.

Outsourcing to a Private Contractor with or without Hybrid Trust (“VCT”)

Pure VCT arrangement

The VCT arrangement involves DCC seeking a contractor through the normal competitive tendering procurement route with key issues being as follows:

- use of a negotiating process to enable contracts to be signed with a contract specification setting out DCC’s aspirations for the services and facilities
- normal contract length of between 10 and 15 years
- staff would transfer to the private contractor under Transfer of Undertaking (Protection of Employment) Regulations 2006 (“TUPE”) although contractor may see to negotiate change
- the contractual arrangements would set out anticipated facility and service improvements (if any)
- the facilities would be leased to the VCT contractor or held by the contractor on licence
- the VCT contractor is responsible for national non domestic rates (“NNDR”) and gains no VAT advantage

VCT and Hybrid Trust

Many VCT contractors either wholly own or work closely with a voluntary body or non-profit distributing organisation (“NPDO”) often described as a “hybrid trust”. These organisations, through the VCT contractor, will manage the facilities along the lines of the existing Leisure Connection/Leisure in the Community Trust arrangements.

The principal advantage of the VCT/hybrid trust route is the ability to reclaim NNDR which involves 80% mandatory relief for a charitable trust and the potential for discretionary relief on the basis that the hybrid trust is an NPDO. The hybrid organisation would be wholly owned/controlled by the VCT contractor and there would be no opportunity for DCC involvement at board level or spreading of DCC’s overheads to the VCT contractor.

Outsourcing to an Existing Non-Profit Distributing Organisation

The essence of an NPDO is that its profits are not distributed (e.g. to shareholders) but are retained by the organisation for reinvestment in the business to further its objectives and improved the services or facilities. The other key features of an NPDO are:

- although the NPDO board would generally consist of volunteers with a range of skills, they will not necessarily have local involvement or knowledge
- contractual arrangements between DCC and the NPDO setting out the Council’s aspirations and anticipated facility and service improvements (if any)
- contract length of between 10 and 15 years which is conventional for VCT arrangements
- staff transfer under TUPE
- opportunity for mandatory NNDR relief for charitable NPDO
- savings due to VAT exemption on sport charges arising from the nature of the NPDO as a voluntary body – such exemption arises from EU directive and applies to sporting charges only
- the facilities would be leased to the NPDO direct or held by the NPDO on licence.

In the case of an existing NPDO DCC would undertake a procurement exercise as for the VCT route with NPDOs competing against private contractors. As most of the existing free standing NPDOs are registered with charitable status, they will be able to take advantage of savings in NNDR by virtue of mandatory relief and VAT exemption on sports charges. As with the VCT/hybrid trust approach, there would be no opportunity for DCC involvement at board level or spreading of DCC’s overheads to the NPDO.

Newly created local NPDO with some facilities and services

This option assumes that some of the facilities and services would transfer to the NPDO and the remainder would continue to be run in house or through Leisureworks or Leisure Connection. For the facilities transferred to a newly created NPDO the key features would be:

- the new NPDO would only have locally based or community volunteers on the board including DCC elected members with a broad range of skills
- contract length of up to 35 years with break clauses which is conventional for NPDO outsourcing and reflects the Leisureworks arrangements
- staff transfer under TUPE
- opportunity for mandatory relief for charitable NPDO on transferred facilities only
- savings due to VAT exemption on sport charges and VAT payable on management fee

Newly Created local NPDO of Entire Portfolio

This option would involve transfer of all the facilities and services currently managed by DCC to one new NPDO with Leisure Connection managing their facilities under existing contracts subject to the issues raised below:

- locally based NPDO whose board would consist of locally based or community volunteers and DCC elected members with a broad range of skills
- contract length of up to 35 years with break clauses which is conventional for NPDO outsourcing and reflects the Leisureworks arrangements
- staff transfer under TUPE
- the NPDO is likely to be registered with charitable status and thus able to obtain mandatory NNDR relief on entire portfolio
- savings due to VAT exemption on sport charges and VAT payable on management fee

Social Enterprise (Community Interest Company) with opportunity for Private Shareholders

This option for a community interest company or CIC, was recently permitted under the Companies (Audit, Investigations and Community) Act 2004 which is likely to be the vehicle of choice where an entrepreneur wishes to invest in an enterprise managing a social business. The key features are:

- the private sector investor would not have control of the CIC and could only receive dividends capped at a rate dictated by HM Treasury
- all CICs incorporate an asset lock
- a CIC can never be charitable which thus affects its ability to obtain NNDR relief other than on a discretionary basis

In other respects a CIC involvement would follow along the lines for an NPDO. Appendix D sets out the issues for this type of vehicle.

Mixed Economy

This option would involve a process of selecting all of the facilities and services for one or more of the options referred to above with the likelihood of one or more NPDOs for some facilities, VCT contractor for those facilities where there is private sector appetite and the remainder continuing to be managed in-house.

Precedents

We have undertaken an overview of the precedents in respect of all the facilities and services in the light of these options. The matrix below has been scored on the basis that no known precedent is “x” and √s are used for known examples with √√√ being the most frequent.

Facilities or Services	New NPDO	Partnership with existing NPDO	Private Sector contractor	Private sector with hybrid trust	Community interest company	Comments
Indoor sport and leisure facilities	√√√	√√√	√√√	√√√	x	Sports and leisure facilities are relatively easy to transfer to NPDO or private contractor
Outdoor sport and leisure facilities including parks and allotments	√√√	√√√	√√√	√√√	x	
Sports development	√√	√	√	√	x	Transfer takes place alongside sport and leisure facilities to reflect synergy
Events	√	√	√	x	x	Free-standing Events NPDOs are rare
Countryside Services	√	√	x	x	x	Little interest in such services from private sector although Hardwick Park would be the exception
Theatre	√√√	√	√	x	√	Many theatre NPDOs operate and there are a

Facilities or Services	New NPDO	Partnership with existing NPDO	Private Sector contractor	Private sector with hybrid trust	Community interest company	Comments
						number of private sector management organisations who would be interested in the Gala Theatre
Museum, heritage and art gallery	√√√	√√	x	x	x	Many operating museum, heritage and art NPDOs but little interest from private sector
Libraries	√√√	√	√	x	x	Three known private contractors currently managing libraries
Arts development	√√√	√√	√	√	x	Transfer takes place alongside arts facilities to reflect synergy
Whole Portfolio	√√√	√√√	x	x	x	Only NPDO approach could be appropriate such as those at Wigan, Peterborough and Bournemouth
Mixed economy	√√	√√	√√	√√	x	Outsourcing could be achieved in possibly two or three separate vehicles as indicated

Advantages and Disadvantages of each option.

Status Quo

Advantages

- Control – DCC would retain control of the services and facilities and thus be able to spread their overheads subject to the existing contractual arrangements with Leisureworks and Leisure Connection.
- Staff – employment by a local authority (with pension provision remaining with the Local Government Pension Scheme (“LGPS”)) is perceived as more comfortable for staff than any of the alternatives.

Disadvantages

- Risk – remains with DCC and thus the public opprobrium if any of the facilities are forced to close through lack of investment or finance as the Council has already experienced on their leisure centre restructuring
- Accordingly, whilst DCC would maintain complete and direct control over the facilities (subject to the Leisureworks and Leisure Connection arrangements) and be able to spread their central overhead costs, all risks would remain with DCC and they would have to bear the full NNDR costs and the costs of VAT on sporting charges. In addition DCC staff morale may well be affected if no further significant investment is made.
- Disparate facility managers and service providers confuses customers, hinders successful partnership working and increases overheads.
- Capital Funding – access to HLF grants and charitable trust funding is increasingly difficult for local authorities and there is positive discrimination in favour of charitable entities.
- Revenue Funding – deficit-financing of the services is arguably a more serious risk for DCC, particularly where income generation is difficult or the public's interest is fickle particularly as the services being discretionary in nature are subject to disproportionate financial stringency.
- Maintenance of buildings – whilst most of the options predicate retention by DCC of some structural maintenance obligations, the status quo involves a 100% commitment which could potentially become greater if inadequate funds are allocated for this purpose.
- Some of the facilities will deteriorate with lack of investment following diminishing capital budget and reduced revenue funding as discretionary services. This may erode their customer base and give rise to health and safety concerns for some such facilities in the future.
- Need to consider new methods of meeting statutory duties which may give rise to potential closure of countryside sites with consequent risk of liability claims and/or grant repayments.
- Closure – this involves a risk for DCC's staff at any relevant facility or service.

The status quo option would require the Council to:-

- review their investment priorities and take risks similar to those that the private sector would take to optimise financial performance.
- consider regular changes to the operating arrangements at each facility to reflect changing leisure time expectations.
- consider significant re-prioritisation of its capital programme to permit some of the desirable expenditure on replacements and improvements (such prioritisation would probably be at the expense of statutory services and take place in addition to planned investment).
- introduce innovative marketing and promotion techniques, particularly to ensure both income generation and solid objectives are achieved/balanced.
- contemplate further restructuring of the services if capital investment was not forthcoming (this may well involve disposal of sites).
- the Local Government Act 2003 allows local authorities to borrow within “prudential” limits after appropriate public consultation against income from their assets. Whilst this might appear to benefit cultural and leisure facilities as one of the significant income-earners for the Council, this will depend upon DCC’s overall capital investment strategy priorities. The DCC Borrowing Strategy 2010/11 – 1012/13 indicates a cautious approval to its treasury strategy and mandatory services are likely to benefit from any prudential borrowing.

VCT

Advantages

- Most of the short term risk transfers to the private operator.
- Private sector contractors would be able to access funding immediately and the amount of funding would be dictated by the length of the management contract.
- Whilst the relationship will be subject to one contract, and thus comparatively simple, there may well be three separate relationships.
- DCC could share “super-profit” on any success with the contractor.

Disadvantages

- In the case of a truly private sector company, the venture would be solely profit-driven and less likely to pursue participation in the health agenda or community engagement. There is little evidence of them embracing these issues when income generation and return on investment is perhaps higher on their agendas.
- Desire for increased profits may interfere with the integrity of some of the services and objectives for residents.

- The contractor would be seeking a 20/25% return on any capital injection and a management fee of well over 2.5% based upon turnover. This would impact upon the financial benefits to DCC as any capital funding would reduce or eliminate any prospect of a service fee.
- Lease of the facilities to the private sector operator and operation of the contract would represent the only involvement of the Council in the future management of any services outsourced. This lease would have to stipulate in some detail the investment requirements and repairing obligations as well as DCC's income expectations.
- No NNDR or VAT savings (subject to use of hybrid trust) particularly if the hybrid trust is non charitable when DCC does not provide discretionary relief. Even if a hybrid trust was used the NNDR risk would be borne by DCC.
- No scope to spread the Council's central overhead costs as the private contractor would employ its own staff and charge for the expenditure.
- Depending upon the nature of the private sector operator, staff terms and conditions may be adversely affected despite the provisions of TUPE.
- Lottery funding/grant aid may well be more difficult, particularly if the services are run by a privately-controlled entity.
- There might be less local loyalty from an entity running the facilities with no direct local connections.
- In view of the range of facilities and services, a number of contractors may need to be involved with a corresponding increase in monitoring arrangements on the part of DCC.
- There could be a complex client/contractor relationship multiplied by the number of contracts with potential problems following contractor failure.
- Less control over programmes at most facilities which would particularly affect the Gala Theatre.
- Significant procurement costs arising from desirability of possibly three separate contracts for the facilities and services. We estimate that these could amount to £1 million in legal and other consultancy fees.

VCT and Hybrid Trust

A number of private sector operators (such as Leisure Connection) have created wholly-owned charitable or (usually) non-charitable NPDOs to take leases/licences of the facilities to attract discretionary NNDR relief which DCC does not provide. However, although these arrangements are widely used, there are some misgivings about providing discretionary NNDR relief to a wholly-owned subsidiary of a private sector with-profit entity and the NNDR risk would remain with DCC.

This latter arrangement would need to take into account the legislative provisions as outlined in Appendix E. The facilities would be leased to either an existing NPDO or an NPDO created for this contract which would then take transfer of the staff under TUPE, perhaps jointly with the contractor.

This approach has some of the same advantages and disadvantages as the pure VCT model subject to the following:

Advantages

- Although the Council might retain a greater role in the management of the facilities through a free-standing NPDO private sector contractors usually control their hybrid trusts.
- The private contractor and/or hybrid trust would have greater freedom than DCC to access private finance and undertake investment in the facilities.
- NNDR savings for charitable entities and, subject to careful drafting, some potential for VAT savings.

Disadvantages

- There would still be an element of profit driving the process through the desire of the partner contractor to seek an appropriate return for its investment which would result in few funds for investment remaining within hybrid trust.
- DCC does not usually provide NNDR discretionary relief for non-charitable entities which affects viability of this option.
- No scope to spread DCC's central overhead costs as the private contractor would employ its own staff and charge for the expenditure.
- To date the private sector leisure contractors have been successfully managing local authority facilities by introducing investment, generating increased income and expanding usage of their facilities. However, this work has tended to be carried out under a commercial arrangement between the client and contractor with the local authority subsidising special entrance charges pursuant to its social objectives, and thus losing the opportunity for cross-subsidy benefits. Leisure contractors are increasingly required to take into account issues relating to community benefit, social inclusion and partnership. There is little evidence of them embracing these issues when income generation and return on investment is perhaps higher on their agendas.

Outsourcing to an existing NPDO

NPDOs are managing more leisure and cultural facilities than the private sector. Indeed increasingly local authorities are tendering out their facilities seeking interest for existing NPDOs who are, in practice, competing with the private sector although these NPDOs need to look for a “commercial” return on their management contracts.

NPDOs are thus creating group structures to undertake local management transferring the facilities to locally-based NPDOs within a group structure. In particular this has taken place widely throughout the UK and we have no doubt that there would be considerable interest in your facilities with more interest in some facilities (such as leisure) than others although this would only extend to your leisure centres. Leisureworks one of two of the nearby NPDOs would be interested.

However, we consider that as there are unlikely to be many NPDOs able to manage the whole portfolio (such as Wigan Cultural and Leisure Trust), DCC could be faced with letting up to three contracts with the attendant procurement costs.

Advantages

The outsourcing to an existing NPDO would provide all the advantages associated with the traditional VCT route and few of the disadvantages, thus:

- All profits would be reinvested in the NPDO's business although its overheads will be realised outside County Durham
- On the outsourcing DCC would be able to utilise the existing skills of the NPDO to facilitate the transfer although there would be less scope to spread DCC's overheads
- As a charitable entity the NPDO would be able to take advantage of the benefits that such status affords

Disadvantages

- The potential procurement costs associated with up to three separate contracts

The position of Leisureworks

Leisureworks (the trading name for Derwentside Trust for Sport and the Arts) run three former Derwentside DC leisure centres and two arts / culture venues on the basis of long (35 year) leases inherited by DCC together with a range of other services. We have discussed the potential options for Leisureworks if a new County-wide NPDO was created with both the Chair and Chief Executive and have received a helpful note from Leisureworks on their review of an earlier draft of this MOA.

The terms of the Leisureworks documentation anticipated a long term arrangement with an initial five year period expiring in April 2012. There are a number of termination provisions in their Funding and Management Agreement, principally arising on breaches of covenant although Leisureworks could opt to terminate the agreement in whole or in part. Although DCC could negotiate a termination of the arrangements with Leisureworks, we are not aware of any circumstances giving rise to termination as a result of breaches.

Consequently, Leisureworks could well seek to put in a formal proposal under any VCT involving an existing NPDO although we question if they would be able to undertake the management of such a significant portfolio, including libraries and museum, with a turnover approaching £27 million.

However, we consider there is a critical role for Leisureworks in any proposed new NPDO, as outlined below in paragraph 6.6.

Newly Created Local NPDO for entire portfolio

The key advantages and disadvantages of the NPDO model are set out below:

Advantages

- All profits reinvested in NPDO's business with County Durham
- VAT exemption from sporting and related facilities
- Single focused body with unitary purpose
- Opportunity for community involvement in the management of the NPDO
- Harnessing the various Friends' organisations to enhance volunteering, fund raising and community initiatives

- Potential to access private finance for improving and enhancing any of the facilities
- The new NPDO would be the only option which would involve a buy back of any services from DCC
- The NPDO would benefit from the pooled experience of staff currently working within the portfolio and Leisureworks if they merge with the NPDO
- The NPDO would be “owned” by those committed to County Durham and the delivery of the services
- The NPDO can borrow to invest and improve the facilities outside the local government finance requirements
- The new NPDO would become a strategic partner of the Council and take a leading role in the Durham Cultural Partnership
- This governance model has a proven track record and can develop collaborative working at regional, national and international level
- One new NPDO for the entire portfolio would hugely contribute towards regularising charging and cross-selling across the facilities and services

Additional Advantages through charitable status

- NNDR savings
- Range of fiscal advantages including exemption for corporation tax.
- Opportunity for corporate sponsorship and donations utilising gift aid.
- Greater access for National Lottery funding which is increasingly being directed away from local authorities.
- County-wide NPDO will offer opportunities to attract contracts from commissioning bodies in the public health area through both arts and physical activity.
- Other sources of funding for charities not available to the public sector from national charitable foundations.
- Possibility of saving tax by directing Newcastle International Airport to pass dividend direct to NPDO and thereby creating additional savings for DCC.

Disadvantages

- There are a number of “disadvantages” which should be borne in mind including some affecting only charitable NPDOs:
- Regulation by the Charity Commission although this is also seen as an advantage in the public service provision arena.
- Reversibility as the assets of a charity can only be used for the charitable purposes of that charity or transferred to another charitable body for similar purposes.

- The trustees of a charity cannot be controlled by any outside organisation or body and their discretion must not be fettered in any way.
- Potential difficulty recruiting trustees of suitable experience and calibre coupled with the considerable obligations upon them.
- Loss of direct Council control although there would be greater community involvement with an NPDO.

We expand upon the NPDO issues in Appendix C.

Social Enterprise or Community Interest Company

Advantages

- The key opportunity arises from the possibility of outside investment to create the social enterprise where the investor can achieve a modest return on shares dictated by HM Treasury. However, such a private or institutional investor may well have more interest in some facilities and not others due to the varied opportunities for income generation. This type of entity is particularly common in town centre management organisations and health service outsourcings.

Disadvantages

- A CIC can never be charitable and thus able to take the advantages afforded by such designation such as NNDR relief
- A CIC is better able to function with a single purpose facility or service which is income producing
- A CIC would have difficulties raising funding from other sources due to its non-charitable status
- The external investor would benefit from dividends on their shares limiting opportunity for reinvestment

We do not consider that the CIC option is appropriate for further detailed consideration from both a practical and financial point of view. CICs are a comparatively new social enterprise vehicle with no track record in the sport, leisure, culture and library area. Whilst CICs incorporate an asset lock, their non-charitable status does not render this governance model feasible from a financial point of view.

Mixed Economy

The adoption of a mixed economy approach to DCC's facilities will inevitably take into account the relative advantages and disadvantages of each option which will build upon the status quo where DCC already has outsourced leisure facilities under VCT with a hybrid NPDO (Leisure Connection) and leisure/cultural facilities to a local NPDO (Leisureworks). DCC could create one or more NPDOs for the services and facilities it currently manages or undertake VCT for one or more of them.

Disadvantages

These are significant:

- Little opportunity for economies of scale and combined marketing
- Confusion amongst residents and customers as to the service providers
- Considerable difficulty relating to health commissioning bodies
- Unhealthy competition between the wide range of providers for revenue and capital funding, trustees and charitable donations

This option is likewise inappropriate both in terms of the significant procurement and outsourcing costs but the uncertainty of establishing the financial savings in advance.

Consequently, it is not practicable to incorporate this option in the financial appraisal.

Appendix 3 : Pension options

Decision making body	Decision	Comments
Council	Whether to transfer a share of Pension Fund deficit to the new employer	Transferring deficit will reduce the Council's requirement to pay deficit payments. However it will increase costs for the new organisation – these costs will presumably be passed back to the Council in some form.
Council	Whether to ask the new organisation to provide a Guarantee Bond (to protect the Pension Fund from additional costs in the event of the new organisation's insolvency), or (alternatively) to offer to guarantee the new organisation's pension liabilities	Insisting on a Guarantee Bond will increase overall costs. The actuary is likely to use more cautious assumptions when setting the employer contribution rate for an admitted body whose pension liabilities are not guaranteed by the Council. Offering a guarantee will mean the pension risk is retained by the Council.
New organisation	Will the new organisation operate a 'closed' pension scheme? – in other words, only the transferring members would have access to the LGPS, not any individuals who are subsequently employed by the new organisation.	A 'closed' scheme is the likely decision. Whilst it will result in a higher employer contribution rate, operating a 'closed' scheme will reduce long-term costs. In an 'open' scheme the Council would be unlikely to offer a guarantee covering pension rights of anyone joining after the transfer.

Appendix 4 : Risk Assessment

Risk Description	Potential Impact	Measures to mitigate the risk (if not already in place state implantation date)	Risk Owner
Risk 1 The chosen solution is not fit for purpose.	1. Adverse impact on the area Masterplans. 2. MTFP Savings for Sport & Leisure are not achieved in 2012-2013 & Culture/Arts in 2013/2014 3. The quality of service delivery is reduced. 4. Reputational damage.	1. Brief written by and approved by project Board/Sport and Leisure Management Team. 2. Project Initiation Document which lays out governance arrangements and Cabinet Report, this will be tracked by the Project Board and progress reported to Service Management Teams. 3. Winckworth Sherwood using appraisal tool.	Steve Lister
Risk 2 Project not adequately resourced	1. Inability to meet requirements of existing partners. 2. Adverse impact on the Area Masterplans. 3. Major impact on pulling together the three services (not just Sport & Leisure). 4. MTFP Savings for Sport & Leisure are not achieved. 5. Decision based on inaccurate data/wrong assumptions. 6. The quality of service delivery is reduced Newco has inadequate resources to manage unforeseen liabilities. 7. Reputational damage	1. Monitored by Project Board. 2. Milestones to be closely monitored by project team and reported to Project Board with early escalation of problems issues to Service Management Teams. 3. Issues log to be used to highlight problems and to be discussed at each project team and board meeting. 4. Project Board needs consider where budget for MOA, asset transfer issues and Implementation will come from.	Steve Lister; Ann Davison; Neil Hillier
Risk 3 Staff resistance	1. Solution not delivered within timescale. 2. Three services do not reach consensus on preferred solution. 3. Lack of political appetite. 4. Inability to meet requirements of existing partners. 5. MTFP Savings for Sport & Leisure are not achieved. 6. The quality of service delivery is reduced. 7 HR issues, low staff morale.	1. Outsourcing of sport and leisure services is common place the majority of Sport and Leisure Staff have some knowledge of and therefore less 'fear'. 2. This risk is more likely within Libraries Service. Employee terms and conditions covered by TUPE, Management Vehicle likely to be an admitted body to the LGPS. 3. Overall this risk is currently considered as possible however it is less likely for Sport & Leisure Services it should therefore be considered more carefully by Arts and Libraries. 4. Communication Plan, FAQ sheet for staff	SL; AD & NH
Risk 10 The solution is not delivered within the required timescale	1. MTFP Savings for Sport & Leisure are not achieved, or there is slippage	1. Project Management, PID, and project plan timelines to adhere to. 2. Project plan to be updated and agreed which ensure tracking of milestones	NSMT/HoS SL
Risk 12 Inability to attract the right quality of trustees if charitable status is selected	Flag as post project but may need to be highlighted at this early stage as it could inform future decision making.	1. 'Job Description' and person spec to be approved at project board and NSMT	
Risk 13 Loss of strategic control,	1. Adverse impact on the area Masterplans. 2. Major impact on pulling together three services.	1. Ongoing communication to Cabinet	SL; AD & NH
Risk 17 The solution not sustainable because of lack of resources	1. Reduction in service standards, potential liability claims. 2. New operation becomes insolvent. 3. Reputational damage	Joint report by HoS for S&L and services to NSMT regarding budget pressure	ND/SH

Appendix 5:

Powers of Local Authorities to provide cultural and recreational facilities

- Section 19(1) of the Local Government (Miscellaneous Provisions) Act 1976 (“the 1976 Act”) provides that “a local authority may provide, inside or outside its area, such recreational facilities as it thinks fit”, including the power to provide:
- Indoor facilities dance studios.
- Premises for use of clubs or societies having athletic, social or recreational objects.
- Staff in connection with any such facility.
- Any ancillary facility such as parking spaces and food and drink counters, and also any equipment, supplies or other assistance required (Section 19(1) of the 1976 Act).

Section 19(3) provides that “a local authority may contribute by way of a grant or loan towards the expenses incurred or to be incurred by any voluntary organisation in providing any recreational facilities which the authority has the power to provide pursuant to Section 19(1) “For the purposes of this sub-section, the “voluntary organisation” means any person carrying on or proposing to carry on an undertaking otherwise than for profit, i.e. a NPDO.

Local Authority functions in relation to the provision of entertainment, arts and crafts, theatres, concerts and other such activities are contained in Section 145 of the Local Government Act 1972 (“the 1972 Act”). This Section empowers a local authority to provide these services itself or arrange for the provision of the services by a third party and then contribute towards the expenses of a third party or do anything necessary or expedient for the delivery of entertainment or the arts.

Conference centres and tourism are covered in Section 144 of the 1972 Act in similar terms and libraries and museums are governed by the Public Libraries and Museums Act 1964.

Section 7 of the 1964 Act states that “it shall be the duty of every library authority to provide a comprehensive and efficient library service”. “In fulfilling its duty ... a library authority shall in particular have regard to the desirability of ... securing ... by any other appropriate means”. Section 9 entitles the authority “to make contributions towards the expenses ... of any other person providing library facilities”. Local authority powers in respect of museums are contained in Section 12 of the 1964 Act and are far wider. They may “so all such things as may be necessary or expedient for or in connection with the provision or maintenance thereof”.

Under various provisions of the Public health Acts and the 1972 Act, local authorities may lease or purchase land for use as public walks and pleasure grounds and may support or contribute to the support of public walks and pleasure grounds provided by other bodies, including, for example, charitable trusts.

The National Parks & Access to the Countryside Act 1949 gives local authorities wide powers to take all action expedient for the presentation and enhancement of the natural beauty of public parks and open country. Further powers are conferred on planning authority under the Wildlife & Countryside Acts to give financial assistance to any person (or body) to do anything deemed conducive to attainment or natural beauty of parks.

Section 2 Local Government Act 2000 (“the 2000 Act”)

The promotion or improvement of well-being power contained in Section 2 of the 2000 Act provides sufficient powers to DCC to establish the NPDO, including incurring costs associated with its establishment.

- “Every local authority are to have power to do anything which they consider is likely to achieve any one or more of the following objects:-
 - A. *the promotion or improvement of the economic well-being of their area;*
 - B. *the promotion or improvement of the social well-being of their area; and*
 - C. *the promotion or improvement of the environmental well-being of their area.” (s.2(4))*

- “The power under Sub-Section (1) includes the power for a local authority to:-
 - A. *Incur expenditure;*
 - B. *give financial assistance to any person;*
 - C. *enter into arrangements or agreements with any person;*
 - D. *co-operate with, or facilitate or co-ordinate the activities of any person;*
 - E. *exercise on behalf of any person the functions of that person; and*
 - F. *provide staff, goods, services or accommodation to any person” (s.2(4)).*

Section 3 of the 2000 Act prohibits the Council from doing anything which it is unable to do by virtue of any prohibition or limitation on powers contained in any enactment and also places a restriction on the raising of money by use of the power.

Section 2(3) provides that when determining whether or how to exercise the power or well-being, a local authority must have regard to the community strategy prepared under Section 4 and clearly DCC’s strategies envisage the developments outlined in this study. Further, Section 3(5) requires that before exercising the well-being power, a local authority must have regard to any guidance issued by the Secretary of State. (section 2(3) will be repealed under the Localism Act 2011)

Guidance was issued by the Secretary of State in March 2001. Section 6 of the Guidance sets out the Government’s purpose in introducing the well-being power as “to reverse the traditionally cautious approach, and to encourage innovation and closer joint working between local authorities and their partners to improve communities’ quality of life.”

Section 111

Section 111 of the Local Government Act 1972, gives a local authority power to do anything (whether or not involving the expenditure, borrowing or lending of money or the acquisition or disposal of any property or rights) which is calculated to facilitate, or is conducive or incidental to the discharge of any of their functions.

Localism

Under the Localism Act 2011, The Council will have a general power of competence from 1 April 2012. This will permit all local authorities to undertake any activity which an individual can engage in subject to the proviso that it is not excluded by other legislation, does not involve charging for statutory services and does not provide tax raising powers. It is believed that this part of the act will be in force by April 2012

This new power will provide the vires for DCC after from April 2012 and commercial activities must be undertaken through a company or community benefit society.

Provision of Services to and from the New Body

Section 1 of the Local Authorities (Goods and Services) Act 1970 provides that a local authority may enter into an agreement with another local authority or “public Body” for the supply of goods and materials, the provision of professional or technical services or for the use of vehicles or plant.

Procurement

Dealt within the body of the report.

The powers and duties detailed above, would give the authority power to enter into the sort of arrangements being considered in this report.

Equalities and Diversity Impact Assessment

Management Options Appraisal Phase 1: Setting up of a Charitable Trust to Manage the Council's Leisure, Museum and Library Facilities

(NS20)



Durham County Council – Altogether Better equality impact assessment form

NB: Equality impact assessment is a legal requirement for all strategies plans, functions, policies, procedures and services. We are also legally required to publish our assessments. You can find help and prompts on completing the assessment in the guidance from page 7 onwards.

Section one: Description and initial screening

Section overview: this section provides an audit trail.

Service/team or section: Indoor Leisure Services, Sport and Leisure, Neighbourhood Services	Start date: 26-05-2011
Lead Officer: Strategic Manager Indoor Leisure Strategic Manager Libraries Support Officer(s) Planning and Policy Team Leader	Refreshed 14-12-2011 following receipt of NSMT report by Policy & Planning

Subject of the Impact Assessment: (please also include a brief description of the aims, outcomes, operational issues as appropriate)

Background

The Council is undertaking a Management Options Appraisal (MOA) to establish what options there are for the future delivery of the Sport and Leisure services, the cultural aspects of Adults, Wellbeing and Health services and the Outdoor Education Centres within Children and Young People's services, and to identify which options provide optimal value for money, in line with the Council's strategic priorities. The MOA will involve an independent assessment of all the service delivery options available to operate these scoped services. There are three stages to this project: 1 – Scoping; 2 – MOA; 3 – Implementation. The initial scoping stage concluded that the proposed mix of services optimises the benefits available to the Council. The MOA will consider and compare the relative benefits and viability of the various service delivery options with each other and the current forms of service delivery and recommend a preferred option that is strategically, socially and financially most suitable to the Council's needs.

The scope of the project includes the following services:

Sport and Leisure Services

- Directly managed indoor leisure facilities (14 subject to Facilities Review project)
- Directly managed outdoor leisure facilities including Riverside facility, cricket centre, play pitches, parks and allotments

(3000+ plots)

- Indoor leisure facilities presently operated by:
- Local 'Trust' – Leisureworks (3 facilities in addition to broader sports and arts services)
- National private contractor – Leisure Connection (2 facilities)
- Sports development – club, coach and volunteer development; health interventions; holiday activities; partnerships and community engagement
- Events
- Countryside services including 3 country parks, 150km of railway paths, 23 nature reserves, etc

Adults, Wellbeing and Health Services

- Libraries (38 libraries and one library support headquarters, and a fleet of six mobile library vehicles, responsibility to deliver a public library service to the prisons in County Durham)
- Bishop Auckland Town Hall (a library, gallery and theatre multi purpose centre)
- The Gala Theatre
- The DLI Museum and Durham Art Gallery
- Killhope Leadmining Museum
- The Arts Team - covering arts for social and economic impact, includes BRASS and filming friendly

Children & Young People's Services

- Middleton in Teesdale Outdoor Centre
- The Westgate Outdoor Learning Centre

Initial Management Options

Consideration will be given to all potential delivery options including:

- retaining the services in-house;
- establishing a third sector enterprise (Non-Profit Distributing Organisation - NPDO);
- utilising existing NPDO, eg Leisureworks 'Trust' delivery vehicle;
- partnership with another NPDO;
- extension of the private sector partnership;
- new Voluntary Competitive Tender contractor with "pocket trust";
- Community Interest Company;
- Mixed economy of delivery ;
- Other Big Society options as appropriate.

14th December Refresh – Policy & Planning

The MOA has now been completed and this has informed the development of a report recommending that:

- (i) 'in principle' a new charitable Non Profit Distributing Organisation is endorsed as the preferred vehicle for those services outlined in Section 4 of this report subject to:
 - i. Confirmation of a non-contestable market from the existing NPDO sector;
 - ii. further consideration as to the inclusion of museums and outdoor sport services, and
 - iii. that both recommendations (i) and (ii) are subject to a delegated decision of the Corporate Directors of Neighbourhood Services and Adult, Wellbeing and Health Services together with their respective portfolio holders.
- (ii) A detailed Service Delivery Plan is prepared in relation to the provision of services via a charitable NPDO.

Who are the main stakeholders: General public / Employees / Elected Members / Partners/ Specific audiences/Other (please specify) –

- All staff who dedicate more than 50% of their time to delivery of abovementioned services.
- Customers of the abovementioned services

Is a copy of the subject attached? No

If not, where could it be viewed? Contact Indoor Leisure Services, Sport and Leisure, Neighbourhood Services

Initial screening

Staff

The employment of all staff currently involved in the delivery of services within the scope of the MOA may be transferred to a different organisation, as recommended by the MOA. TUPE will apply to staff transfer therefore their future terms and conditions of employment will be equivalent to their current terms and conditions of employment. Staff will experience no negative impact as a consequence of their potential transfer.

Customers

In order to ensure that access to future services provided by the new delivery model do not disproportionately impact on equality groups, the Council needs to ensure that appropriate safeguards are put in place during transfer of services to ensure access to customers is not affected. Given that the management vehicle has not yet been identified, it is not yet possible to clarify the precise nature of possible associated impacts therefore the EqlA will be subject to review once the nature of the management vehicle has been determined.

Refresh 14th December 2011

The Cabinet report makes recommendation for 'in principle' endorsement of transfer to a Non Profit Distributing Organisation / Trust. The precise arrangements for transfer of staff and services will be set out with a 'Transfer Agreement', and the agreement represents the vehicle through which the Council can ensure safeguards are in place to meet our responsibilities under the Public Sector Equality Duty alongside the general provisions of the Equality Act 2010.

A further report in relation to a final decision to transfer will be presented to Cabinet on July 2012 and at this stage it is envisaged that greater detail will be made available regarding the new organisation and the content of the Transfer Agreement. Managers should ensure that the Transfer Agreement includes safeguards that ensure the Council meets its responsibilities under the Public Sector Equality Duty alongside the general provisions of the Equality Act 2010.

Prompts to help you:

Who is affected by it? Who is intended to benefit and how? Could there be a different impact or outcome for some groups? Is it likely to affect relations between different communities or groups, for example if it is thought to favour one particular group or deny opportunities for others? Is there any specific targeted action to promote equality?

Is there an actual/potential negative or positive impact on specific groups within these headings?

Indicate : Y = Yes, N = No, ?=Unsure

Gender	?	Disability	?	Age	?	Race/ethnicity	?	Religion or belief	?	Sexual orientation	?
--------	---	------------	---	-----	---	----------------	---	--------------------	---	--------------------	---

How will this support our commitment to promote equality and meet our legal responsibilities?

Reminder of our legal duties:

- Eliminating unlawful discrimination & harassment
- Promoting equality of opportunity
- Promoting good relations between people from different groups
- Promoting positive attitudes towards disabled people and taking account of someone's disability, even where that involves treating them more favourably than other people
- Involving people, particularly disabled people, in public life and decision making

What evidence do you have to support your findings?

Decision: Proceed to full impact assessment – Yes/No- Date: 14/12/2011

If you have answered 'No' you need to pass the completed form for approval & sign off.

Section two: Identifying impacts and evidence- Equality and Diversity

<p>Section overview: this section identifies whether there are any impacts on equality/diversity/cohesion, what evidence is available to support the conclusion and what further action is needed.</p>		
<p>Gender Age Disability Race/Ethnicity Religion or belief Sexual Orientation</p>	<p>Identify the impact : does this increase differences or does it aim to reduce gaps for particular groups? At this stage the management vehicle and asset transfer arrangements have yet to be clarified. The Leasehold Agreement will need to include assurance of compliance with the Public Sector Equality Duty.</p> <p><u>14th December Refresh</u> The report recommends a Trust model and identifies the need for a Transfer Agreement</p>	<p>Explain your conclusion, including relevant evidence and consultation you have considered.</p>
		<p>What further action is required? (Include in Sect. 3 action plan)</p> <p>The potential impacts to equalities groups should form a material consideration when determining the management structure and mechanism for asset transfer.</p> <p><u>14th December Refresh</u> Managers should ensure that the Transfer Agreement includes safeguards that ensure the Council meets its responsibilities under the Public Sector Equality Duty alongside the general provisions of the Equality Act 2010.</p>

How will this promote positive relationships between different communities?

Section three: Review and Conclusion

<p>Summary: please provide a brief overview, including impact, changes, improvements and any gaps in evidence.</p> <p>The specific impacts to equalities groups relate to the type of organisation created as a management vehicle, and the arrangements for transfer of assets to the new organisation. The potential impacts to equalities groups should form a material consider when determining the nature of the new organisation and mechanism for asset transfer.</p>			
Action to be taken	Officer responsible	Target Date	In which plan will this action appear
Further review following drafting of leasehold and identification of management structure.	Planning and Policy Team Leader	December 2011	MOA project Plan
The potential impacts to equalities groups should form a material consideration when determining the nature of the new organisation and mechanism for asset transfer.	Strategic Manager Indoor Leisure/ Planning and Policy Team Leader	December 2011	MOA Project Plan
<u>14th December Refresh</u>	Strategic Manager Indoor Leisure	July 2012	Neighbourhoods Service Equalities Monitoring
Managers should ensure that the MOA Transfer Agreement includes safeguards that ensure the Council meets its responsibilities under the Public Sector Equality Duty alongside the general provisions of the Equality Act 2010.			MOA Project Plan
When will this assessment be reviewed?	Date: July 2012		
Are there any additional assessments that need to be undertaken in relation to this assessment?	Target date will be confirmed once the asset transfer arrangements have been clarified		
Lead officer - sign off: Head of Sport and Leisure, Neighbourhood Services		Date: 20 Dec 2011	
Service equality representative - sign off: Policy, Performance and Communications Manager		Date: 6 January 2012	

Please ask us if you would like this document summarised in another language or format.

العربية (Arabic) (中文 (繁體字)) (Cantonese) اردو (Urdu)
polski (Polish) ਪੰਜਾਬੀ (Punjabi) Español (Spanish)
বাংলা (Bengali) हिन्दी (Hindi) Deutsch (German)
Français (French) Türkçe (Turkish) Melayu (Malay)

klambert@durham.gov.uk

Tel. 0191 372 8201



Braille



Audio



Large Print

Cabinet

25 January 2012



Annual Report of the Director of Public Health County Durham and Director of Public Health Darlington 2010/11

**Report of Corporate Management Team
Report of Anna Lynch, Director of Public Health, County Durham
Councillor Lucy Hovvels, Cabinet Portfolio Holder for Safer and Healthier Communities**

Purpose of Report

1. This report presents the joint 2010/11 annual report of the Director of Public Health for County Durham and the Director of Public Health for Darlington. The report is available in the Members library.

Background

2. The annual report of the DPH is an independent professional statement about the health of local communities, based on sound epidemiological evidence and objectivity. Directors of Public Health in PCTs were tasked with publishing an annual report by the Chief Medical Officer.
3. The aims of the independent annual report are to:
 - Contribute to improving the health and wellbeing of local populations
 - Reduce health inequalities
 - Promote action for better health through measuring progress towards health outcomes
 - Inform the planning, commissioning and monitoring of local programmes and services that impact on health locally.
4. The annual report for 2010/11 is different to those published over the last four years in that it is a 'slimmed down' version that highlights some of the key public health programmes across County Durham and Darlington. The report references earlier board reports and specific annual reports that are publically available, either through the PCT website or on request.

5. In addition, the reader is directed to the two joint strategic needs assessments, both available on the PCT and the local authorities' websites. Further information on all public health programmes can also be found in the public health business plan.
6. Former DPH annual reports included a chapter that provided updates and progress on recommendations made in the previous year's report. This is being captured by a project undertaken by a public health specialist registrar based within NHS County Durham and Darlington as part of the national training programme.
7. In addition, former reports included a chapter provided by the Health Protection Agency North East (HPA NE) on local health protection related issues. The HPA NE has changed its reporting method and for 2010/11 has published two north east-wide reports which are available on request. These are 'Protecting the population of the north east from communicable diseases and other hazards, annual review 2010' and 'Protecting the population of the north east from communicable diseases immunisation report 2010'.

Key messages

8. County Durham has higher uptake rates than the North East and the England average for most childhood immunisation programmes but needs to reach a 95% uptake rate for each one to ensure children are protected from specific diseases. The One Point integrated children and young people's service has an important role to play by encouraging parents to have their children vaccinated.
9. The seasonal flu vaccination is highly protective of pneumonia, hospital admissions and deaths from flu in the elderly and at risk groups. A higher uptake rate is necessary to ensure as many vulnerable and at risk individuals are protected in County Durham. Staff working with these clients groups should promote the seasonal flu vaccination.
10. During the NHS transition year 2012/13 it is important that emergency planning and resilience infrastructure and plans are robustly sustained to protect the health of communities in County Durham. The DPH must continue to ensure these plans are in place.
11. Cardiovascular diseases (coronary heart disease and strokes) are the main causes of deaths in County Durham accounting for almost one third of all deaths between 2007 and 2009.

Early deaths (under 75 years) from CVD have fallen by 56% in County Durham since 1995, faster than the England average but still account for 26% of all early deaths in County Durham residents.

Reducing early deaths from CVD requires action by partner organisations. The Durham County Council Healthy Heart Programme

is a comprehensive starting point together with development of the NHS Health Checks programme.

12. Cancer is the second most common cause of death in County Durham after CVD. Earlier diagnosis of cancer could prevent 200 deaths a year in County Durham. Good progress is being made on raising awareness of symptoms and signs and the death rate for cancer is reducing. Screening is very important in reducing deaths from cancer and both breast and cervical screening rates are higher than both the NE and England average.
13. Smoking remains the major cause of lower life expectancy, higher heart disease and cancer rates in County Durham. For this reason tobacco control and smoking reduction remains a top priority and work through the County Durham Tobacco Alliance should continue to be supported by partner organisations.
14. Alcohol consumption remains a major public health issue in County Durham with hospital alcohol related admissions one of the highest in the UK for both adults and young people under 18. Partners should continue to support the multi-agency strategy and action plan to reduce the impact and harm alcohol causes in communities across County Durham.
15. Reducing teenage pregnancy continues to be challenging in County Durham but there has been a reduction in the rate of almost 20% since 1998. Although very positive, County Durham is still significantly higher than the England average and the emphasis on partnership working to reduce the rate further must be maintained.

Recommendation

Cabinet is requested to:

- receive the joint annual report of the Director of Public Health for County Durham and the Director of Public Health for Darlington,
- note the different report format and references to publically available documents
- note the key messages that inform partner organisations commissioning plans
- note that from 2013 Directors of Public Health will be employed by local authorities and will be directed under the Health and Social Care Act to publish an independent annual report about the health of local communities.

Contact:

Anna Lynch, Director of Public Health, County Durham
0191 3744131
anna.lynch2@nhs.net

Appendix 1: Implications

Finance

No implications directly from the report but potential implications related to commissioning in response to identified health needs.

Staffing

No implications from the report.

Risk

Independent DPH annual report will be a statutory responsibility for all local authorities.

Equality and Diversity/Public Sector Equality Duty

DPH annual report provides evidence that whole population health needs are assessed and considered.

Accommodation

No implications.

Crime and Disorder

No implications.

Human Rights

No implications.

Consultation

No need for consultation. DPH annual report is independent and based on health needs identified by the DPH.

Procurement

No implications unless report outcomes lead to commissioning changes.

Disability Discrimination Act

No implications.

Legal Implications

No implications.

Cabinet

25 January 2012

NHS Reforms



Report of Corporate Management Team

Rachael Shimmin, Corporate Director of Adults, Wellbeing and Health

David Williams, Corporate Director of Children and Young People's Services

Cllr Lucy Hovvels, Cabinet Portfolio Holder for Safer and Healthier Communities

Cllr Morris Nicholls, Cabinet Portfolio Holder for Adult Services

Cllr Claire Vasey, Cabinet Portfolio Holder for Children & Young People's Services

Purpose of Report

1. The purpose of this report is to provide an update on recent developments in relation to NHS reforms. A separate report will be presented to Cabinet on 25th January 2012 regarding the Transition Arrangements for Public Health.

Background

2. The Health and Social Care Bill was introduced to Parliament on 19th January 2011. The Bill sets out the Government's plans to reform the NHS detailed in the White Paper 'Equity and Excellence: Liberating the NHS', which was published by the Department of Health on 12th July 2010.
3. The Health and Social Care Bill is currently progressing through the Committee stage of the House of Lords. This is where line by line examination of the Bill takes place. This process began in November 2011, as yet no date has been provided as to when this stage will finish. The next stage after this will be the Report stage. Government key milestones can be found in Appendix 2.

National Policy Developments

The NHS Operating Framework for the NHS in England 2012/13

4. This Framework sets out the planning, performance and financial requirements for NHS organisations in 2012/13 and the basis on which they will be held to account. It also sets out the practical steps that need to be taken by the NHS through the transition over the next year.
5. The Operating Framework sets out key areas for all NHS organisations to deliver a high standard of care and service delivery for patients:
 - Putting patients at the centre of decision making in preparing for an outcomes approach to service delivery, whilst improving dignity and service to patients and meeting essential standards of care;
 - The Operating Framework puts patients at the centre of decision making with their experience of health and supporting care services central to the drive for further improvements.
 - Completion of the last year of transition to the new system, building the capacity of emerging clinical commissioning groups (CCGs) and supporting the establishment of Health and Wellbeing Boards so that they become key drivers of improvement across the NHS;
 - It will be imperative that CCGs are supported so that the NHS Commissioning Board is in a strong position to authorise them as ready, willing and able to take on statutory responsibilities from April 2013.
 - Transparency, as well as integration and joint working across the health and social care sector, continues to be of vital importance throughout move to a system with an emphasis on local accountability, supporting Health and Wellbeing Boards and a new public health system.
 - Increasing the pace on delivery of the quality, innovation, productivity and prevention (QIPP) challenge;
 - While funding over the Spending Review period will increase in real terms, the QIPP challenge has identified the need to achieve efficiency savings of up to £20 billion over the same period, to be reinvested in services to provide high-quality care.
 - The NHS must prioritise the adoption and spread of effective innovation and best practice.
 - CCGs will need to take on the QIPP challenge within their local community.
 - Maintaining a strong grip on service and financial performance, including ensuring that the NHS Constitution right to treatment within 18 weeks is met.
 - The Operating Framework aims to limit the key performance measures that will be subject to national assessment in order to support more local decision making on priorities. The national measures can be grouped in three categories, quality, resources and reform.

- The Government's Spending Review for 2011/12 to 2014/15 protected the total health budget with real terms increases in each of those years. Success will be judged during 2012/13 in the areas of quality, reform, finance and business rules and planning and accountability.
6. The Operating Framework 2012/13 emphasises that central to the new system will be the establishment of Health and Wellbeing Boards, who will provide local systems leadership across health, social care and public health. SHA and PCT clusters should support shadow Health and Wellbeing Boards and encourage CCGs to play an active part in their formation, including participation in the programme of accelerated learning sets. Health and Wellbeing Boards will contribute to the authorisation process and will play a part in supporting the NHS Commissioning Board in holding CCGs to account.

Integrated Approach to Planning and Assurance between Department of Health and the NHS for 2012/13

7. The Department of Health (DoH) has issued guidance on the single planning process for 2012/13, which has been developed across the DoH and with Strategic Health Authority (SHA) clusters. The guidance supports the delivery of the NHS Operating Framework 2012/13 and provides more details on accountability set out in the Framework.
8. The guidance advises that by the end of March 2012 all PCT clusters should have an integrated plan as required by the NHS Operating Framework 2012/13. The plan must be assured by the SHA clusters, through a process overseen by the DoH. There will be 2 stages of submissions by SHA clusters, 27th January 2012 for first submissions and final submissions on 5th April 2012.
9. The DoH requires the following from each SHA cluster:
- Data trajectories for all PCTs for the relevant indicators set out in the annex to the Operating Framework 2012/13
 - Milestones for each PCT cluster (drawn from their integrated plan), covering transformational change elements of Quality, innovation, Productivity and Prevention (QIPP) and reform.
 - Milestones for each SHA cluster about the transition of the functions within the SHA to new bodies; and
 - A short narrative outlining the SHA cluster assurance process of PCT cluster integrated plans.
10. National minimum expectations for key milestones have been set out in the guidance. These include milestones relating to Health and Wellbeing Boards and to Public Health. Relevant milestones from the guidance have been incorporated into the Government key milestones found in Appendix 2 of this report.

NHS Future Forum Consultation

11. The Government asked the NHS Future Forum to carry out a new phase of consultation with patients, service users and professionals, following the recent listening exercise on proposals to modernise the NHS. Views were requested on information, education and training, integrated services, the NHS's role in Public Health.
12. The NHS Future Forum has published its interim advice on integrated care, patient information and public health in a modern NHS. These recommendations are aimed at informing the 2012/13 NHS Operating Framework and the plans around a new public health system.
13. The advice stresses that information about health and social care services must be published in a transparent and usable form and patients must have better access to health care records. It also calls for a national partnership across the NHS and public health.

Clinical Commissioning Groups

14. The Department of Health has published guidance to help emerging Clinical Commissioning Groups (CCGs) (groups of GPs and other health professionals who will commission health services) consider the steps towards authorisation. Authorisation is the process by which CCGs are assessed as ready to take on responsibility for health care budgets for their local communities.
The guidance describes the processes that may need to be in place to ensure that CCGs are highly effective, with the leadership and confidence to discharge their healthcare and financial responsibilities.

The proposed timeline for CCG authorisation is as follows:

- October to December 2011 – invitation to participate in risk assessment of the proposed configuration.
 - The first phase is a risk assessment of the proposed 'configuration' of a CCGs is specifically designed to assist CCGs understand whether their current proposed arrangements are likely to meet the criteria defined in the Health and Social Care Bill, understand any risks associated with their proposed arrangements and give them time to consider how to manage these risks.
- October 2011 onwards – Preparation for authorisation.
 - During this period emerging CCGs can gain experience. PCT clusters will support emerging CCGs to take on delegated responsibilities within the existing legislative framework, so that they can increasingly lead various key elements of work such as the delivery of the QIPP (quality, innovation, productivity and prevention) challenge for the local health system, the planning round for 2012/13, begin to

build up relationships with local authorities and patient and public groups and play an active role in developing the new health and wellbeing boards.

- Summer 2012 – Application to the NHS Commissioning Board for establishment and authorisation (subject to the passage of the Health and Social Care Bill).
- October 2012 – Formal authorisation process.
 - The final stage of the process is the full ‘authorisation process’ where emerging CCGs will need to apply to the NHS Commissioning Board to be established and authorised.
- April 2013 – All of England covered by established CCGs (It is the intention that the majority of CCGs will be fully authorised by this time).

Developing Clinical Senates and Networks

15. Clinical Senates are intended to bring together a range of experts, professionals and others from across different areas of health and social care to offer access to independent advice about improvements in quality of care across broad geographical areas of the country.
16. Clinical Networks are usually specific to a client group, disease group or professional group. Networks can undertake a range of functions, including supporting improvement in pathways and outcomes of care.
17. A review of the role of clinical networks and their range, function and effectiveness will be carried out in the near future. This work is expected to lead to a suggested operating model, or a set of operating models for networks, which the NHS Commissioning Board would consider.
18. The number of clinical senates (likely to be in the order of 15), who will be part of them and what their specific roles will be are all yet to be determined, and this will be consulted on while developing proposals for their operation.

Social Work Reform

19. From July 2012 the regulatory functions from the General Social Care Council will be transferred to the HPC.
20. On 25th October 2011 the Social Work Reform Board published a Framework for the Continuing Professional Development of Social Workers. The reforms set out within the framework are intended to help social workers maintain and develop the core standards required for re-registration, which will be overseen by the Health Professions Council (HPC) from July 2012.

21. The HPC does not define either the content or how much Continuing Professional Development (CPD) is to be undertaken. Instead, every two years a random sample of social workers will be required to provide detailed written evidence of their CPD. The earliest possible audit for social workers will be in 2014.

HealthWatch

22. The Health and Social Care Bill makes provisions for the establishment of HealthWatch. HealthWatch will be the independent consumer champion for the public - locally and nationally - to promote better outcomes in health for all and in social care for adults.
23. Local HealthWatch will also provide information and advice to help people access and make choices about services as well as access independent complaints advocacy to support people if they need help to complain about NHS services.
24. Subject to Parliamentary approval HealthWatch England will be established in October 2012 and Local HealthWatch in April 2013.
25. The Care Quality Commission has set out important landmarks in the development of HealthWatch England including:
 - The Chair is expected to take up the post in April 2012 (as Chair designate until the Health and Social Care Bill receives Royal Assent).
 - Appointing staff (senior staff to be in place by June 2012).
 - Developing information and briefings for local HealthWatch organisations by June 2012.
 - Developing a work plan for the new organisation by summer 2012.
 - Agreeing the budget with the Department of Health by summer 2012.
 - Agreeing how the relationship between HealthWatch England and the Care Quality Commission will work by summer 2012.
 - Agreeing the composition of and appointing the HealthWatch England committee (which will take up its role in October 2012).
 - Developing the HealthWatch England web site to launch in October 2012.

Local HealthWatch

26. The Department of Health published a letter on 3rd January 2012 from David Behan, Director General for Social Care, Local Government and Care Partnerships. This letter explained about a new start date for establishing Local Healthwatch, which will take place in April 2013 instead of October 2012.
27. The letter also stated that funding would be made available for HealthWatch pathfinders in Q4 of 2011/12 and that the Department of

Health will be funding expertise from the sector to draw together and share the learning.

28. Local HealthWatch will receive new funding of £3.2m that will be made available in 2012/13 for start up costs in setting up Local Healthwatch. These costs include staff recruitment/training, office set up costs, and branding. The funding will be allocated as part of the Department of Health learning disabilities and health reform grant in 2012/13.

NHS Commissioning Board

29. The NHS Commissioning Board's overarching role is to ensure that the NHS delivers better outcomes for patients within its available resources. The NHS Commissioning Board will also play a vital role in providing national leadership for improving outcomes and driving up the quality of care.
30. The NHS Commissioning Board will take responsibility for commissioning services that can only be provided efficiently and effectively at a national or a regional level. This will include primary medical, dental, ophthalmic and community pharmaceutical services, services for members of the armed forces or their families and for those persons who are detained in prison.
31. The NHS Commissioning Board Authority, a special health authority and the shadow form of the NHS Commissioning Board (the Board), became operational on 31st October 2011. Subject to the successful passage of the Health and Social Care Bill 2011 through Parliament, over the next 12 months the Board Authority will work in partnership with clinical commissioning group leaders, GPs and the Department of Health to agree the method for establishing, authorising and running clinical commissioning groups (CCGs).
32. In addition, the NHS Commissioning Board Authority will create the infrastructure and organise the resources to allow the NHS Commissioning Board to operate successfully as an independent body from October 2012.
33. It is anticipated the NHS Commissioning Board will become fully operational on 1 April 2013, when it takes on its complete legal responsibilities for managing the NHS Commissioning system.

Health and Wellbeing Boards

34. The NHS Confederation published Operating Principles for Health and Wellbeing Boards on 18th October 2011. These operating principles are intended to help board members consider how to create really effective partnerships across local government and the NHS. These operating principles are embodied within the operating principles of the County Durham Shadow Health and Wellbeing Board.

35. On 8th November 2011 the Local Government Association and Department of Health published *New Partnerships, New Opportunities: A Resource to Assist Setting Up and Running Health and Wellbeing Boards*.
This document identifies some of the key emerging challenges that Health and Wellbeing Boards are working through such ensuring that the board reflects diverse interests but that. Practical issues are also addressed including the timing and frequency of meetings to enable equal participation by all board members.
The publication provides lessons from some of the early implementers, together with a range of resources for health and wellbeing boards to draw upon.

Early Implementers Health and Wellbeing Board Learning Network

36. In September 2011 the Department of Health announced the Early Implementer Health and Wellbeing Board Learning Network to support health and wellbeing board members to develop knowledge and behaviours that will enable them to work effectively to deliver their shared purpose.
37. The Ministerial launch event for the Health and Wellbeing Board National Learning Network - National Learning Sets took place on the Tuesday 15th November 2011.
38. Learning sets have been incorporated as a main element of the Learning Network and will share learning between Shadow Health and Wellbeing Boards. It is anticipated that the majority of learning set meetings and discussions will take place online. Examples of learning sets include 'creating governance arrangements', 'improving services through more effective joint working' and 'improving the health of the population'.
39. County Durham Shadow Health and Wellbeing Board has recently submitted an application to become an associate member of all learning sets in order to access information and learning in relation to good practice.
The overall objective of the learning sets will be to identify issues and solutions around key themes and disseminate learning and best practice.
40. Learning Set membership will consist of colleagues from the Department of Health, Local Government Group and Health & Wellbeing Board early implementers.

Developments in County Durham

NHS County Durham and Darlington Clinical Commissioning Group Configuration

41. Until Clinical Commissioning Groups (CCGs) are fully authorised they have been established as sub-committees of NHS County Durham and Darlington (PCT) Board.
42. The terms of reference and governance arrangements for the four new sub-committees of the NHS CDD board have now been ratified. The new sub-committees consist of one Commissioning Support Unit (CSU) and three Clinical Commissioning Groups (CCGs) sub-committees (North Durham/ Durham Dales, Easington and Sedgefield/ Darlington). Each CCG Sub-Committee has an aligned Director/ Interim Chief Operating Officer and a Non-Executive Director who will chair the sub-committee.
43. Commissioning Support Units (CSU) are a new type of organisation that will provide Clinical Commissioning Groups (CCGs) with the information and support they need to take effective commissioning decisions and make improvements to public health and well-being a reality.
44. The North East Commissioning Support Organisation, in its draft prospectus advises that it will offer access to a wide range of benefits based on its skills, knowledge, experience and relationships and that services provided for CCGs will be locally focussed. The North East Commissioning Support Organisation will;
 - work with CCGs on a day to day basis as part of CCG's 'home' team,
 - work with CCG key stakeholders to develop services and outcomes,
 - work on the healthcare issues CCGs have prioritised,
 - work with the providers CCGs have commissioned to deliver services for populations.

From April 2013 the CSU will be accountable to the National Commissioning Board that will oversee NHS delivery in England.

45. CCGs will be strategic organisations that will agree what is appropriate health care to deliver locally. The CSU will offer CCGs a comprehensive range of support services across the whole commissioning cycle. These will be in three broad areas;
 1. Business support.
 2. Business development.
 3. Commissioning support e.g. strategic planning, service development, contracting, performance monitoring, procurement and clinical quality.

46. CCGs are required to publish clear and credible plans that describe the organisational development issues that will allow them to proceed to licence i.e. to attain statutory status and lead the commissioning within their CCG area by April 2013.

Local HealthWatch

47. Local HealthWatch will enable people to share their views and concerns about their local health and social care services and understand that their contribution will help build a picture of where services are doing well and where they can be improved
48. The aim of Local HealthWatch will be to give citizens and communities a stronger voice to influence and challenge how health and social care services are provided within their locality.
49. Current key milestones in the commissioning of Local HealthWatch in Durham County Council include the following:
- Development and consultation on a model for Local HealthWatch.
 - Development of a Commissioning Plan for Local HealthWatch
 - Benchmarking with other local authorities on their plans
 - Scope Functions of Local HealthWatch, including finances – Patient Advice and Liaison Services, and advocacy services.
 - Develop and finalise a service specification by April 2012.
 - Procurement of Local HealthWatch by September 2012.
 - Establish Local HealthWatch and the decommissioning of LINK by 1st April 2013.

Joint Strategic Needs Assessment 2011/12

50. The Local Government and Public Involvement in Health Act 2007 requires Primary Care Trusts and local authorities to produce a Joint Strategic Needs Assessment (JSNA) of the health and wellbeing of their local community. The Health and Social Care Bill re-affirms the continued requirement of this needs assessment as a key planning and commissioning document for health and social care organisations. In County Durham four JSNAs have been completed since 2008.
51. The JSNA 2011/12 has incorporated a two staged approach: a new internet webpage will be developed. This new webpage will include an interactive tool, known as Instant Atlas, which allows the user to choose indicators from the JSNA and look at trend data. A JSNA summary document is being produced which analyses the indicators and from which “key messages” have been produced. An indepth look at two areas of health inequality has also been carried out which focuses upon mental health and the impacts of deprivation on health and social care.

52. On completion of the JSNA Cabinet will receive a report on 7th March 2012.

Joint Health and Wellbeing Strategy

53. The Health and Social Care Bill 2011 states that Clinical Commissioning Groups and Local Authorities will prepare Joint Strategic Needs Assessments (JSNA) and Joint Health and Wellbeing Strategies (JHWS) to be considered and agreed by Health and Wellbeing Boards.
54. The JHWS for County Durham will use the key messages from the JSNA and national policy to determine what the priorities for health and wellbeing will be which will guide the commissioning plans of the local authority and clinical commissioning groups.
It will also address the wider determinants of health as identified in 'Fair Society, Healthy Lives 2010 – Marmont Review' which includes housing development and employment. The JHWS will be produced and agreed by the Shadow Health and Wellbeing Board and presented to Cabinet in November 2012.

County Durham Shadow Health and Wellbeing Board

55. The first formal meeting of the Shadow Health and Wellbeing Board was held on 15th December 2011. Meetings will be held bimonthly until the statutory Health and Wellbeing Board is established in April 2013.
56. The Shadow Health and Wellbeing Board will prepare the way for the Statutory Health and Wellbeing Board in April 2013. It is proposed that subject to the passage of legislation the Statutory Health and Wellbeing Board will be a Committee of the Council.
57. The move to the Statutory Health and Wellbeing Board will require consideration at the County Council Constitutional Working Group and will require embodiment in the County Council's Constitution.
58. A reporting relationship is required between the Shadow and Statutory Health and Wellbeing Board, the County Durham Partnership and its thematic partnerships, in particular the Health and Wellbeing Partnership and the Children's Trust. With regard to partnership arrangements, the establishment of both the Shadow and Statutory Health and Wellbeing Board will be considered within the context of a coherent review of partnerships including the County Durham Partnership and its thematic partnerships.
59. The Shadow Health and Wellbeing Board agreed its Terms of Reference and Work Programme at its inaugural meeting on 15th December 2011.
60. At this session the Shadow Health and Wellbeing Board also received awareness presentations regarding the Work of the Local Safeguarding

Adults and Children's Boards and on the links between the Health and Wellbeing Partnership and other partnerships. A report was received on update arrangements for the transition of Public Health Transition Plan by the Shadow Health and Wellbeing Board on 15th December 2011.

The Shadow Health and Wellbeing Board also received a report on high level strategic priorities and commissioning intentions for NHS County Durham and Darlington and Durham County Council for 2012-2013.

Recommendations and reasons

61. Cabinet are recommended to receive this report and:

- Agree to receive a report on the JSNA on 7th March 2012.
- Agree to receive the Joint Health and Wellbeing Strategy in November 2012.
- Note the change in timescales for the establishment of Local HealthWatch.
- Note the change in registration of all Social Workers.
- Note that Adults, Wellbeing and Health Overview and Scrutiny Committee will receive update reports regarding NHS reforms.
- Note that further reports regarding NHS reforms will continue to be provided to Cabinet on a quarterly basis.

Contact: Peter Appleton, Head of Policy, Planning & Performance
Tel: 0191 383 3628

Appendix 1 - Implications

Finance – No direct implications

Staffing – No direct implications

Risk – Failing to establish a Health and Wellbeing Board as laid out in the Health and Social Care Bill (which, subject to Parliamentary approval, will become an Act) may leave DCC open to legal challenge.

Equality and Diversity / Public Sector Equality Duty – Under provisions in the Health and Social Care Bill the Secretary of State, NHS Commissioning Board and Commissioning Consortia will have a duty to reduce health inequalities.

Accommodation – No direct implications

Crime and Disorder – The Joint Strategic Needs Assessment and Joint Health and Wellbeing Strategy which will be discharged by a Health and Wellbeing Board will consider the wider determinants of health and well-being within a Local Authority's area, including crime and disorder issues.

Human Rights – No direct implications

Consultation – The Government has consulted with patients and professionals on the NHS Reforms. The Patient and Public Involvement Toolkit and Framework to Support Health and Social Care Commissioners provide the stages of engagement required to reach a decision where significant service change is required.

Procurement – No direct implications

Disability Discrimination Act – No direct implications

Legal Implications – The Health and Social Care Bill was introduced to Parliament on 19th January 2011. The amended Health and Social Care Bill has passed through the House of Commons and is now at Committee Stage in the House of Lords.

The Health and Social Care Bill states that all upper tier local authorities must establish a Health and Wellbeing Board for their area. Subject to Parliamentary approval, this provision will become an Act and failing to enact a provision will have legal implications for the Council.

Appendix 2 Key Milestones

Date	Key Milestones
July 2010	NHS White Paper 'Equity and Excellence: Liberating the NHS' published
November 2010	<p>White Paper on Public Health</p> <p>Vision for Adult Social Care and Transparency of Outcomes consultation published.</p> <p>Refreshed carers' strategy published</p>
December 2010	<p>Liberating the NHS: Legislative framework and next steps published</p> <p>Initial clinical commissioning group pathfinders identified</p> <p>Government response to Transparency in outcomes and the NHS Outcomes Framework published</p> <p>The Operating Framework for the NHS in England 2011/12 published</p>
Jan 2011	<p>Health and Social Care Bill to be introduced to Parliament</p> <p>Launch of Public Health Responsibility Deal</p>
April 2011	<p>Begin to establish clinical commissioning group in shadow form</p> <p>NHS and social care services to work jointly to support people in the 30 days after discharge from hospital introduced</p>
June 2011	Creation of PCT clusters across all regions of the NHS by June 2011.
July 2011	<p>Review of independent commission on the funding of care and support published</p> <p>Development guidance for NHS Commissioning Boards published</p> <p>Any Qualified Provider guidance published</p> <p>Begin to abolish and transfer functions of ALBs (complete by March 2015)</p>
September 2011	Guidance on the authorisation process for Clinical Commissioning Groups published
October 2011	<p>NHS Commissioning Board established in shadow form as a special health authority</p> <p>SHA cluster arrangements in place</p> <p>Begin to introduce enhanced role for local authorities, through health and wellbeing boards, to promote integration across health, public health and care based on strengthened Joint Strategic Needs Assessment and new joint health and wellbeing strategies</p>
November 2011	Public Health HR Concordat published
December 2011	<p>Overview of new Public Health System published.</p> <p>NHS Outcomes Framework for 2012/13 published.</p>

	<p>NHS Operating Framework for 2012/13 published.</p> <p>PCT Cluster Governance arrangements in place</p>
During 2011/12	<p>Ongoing development and sharing of learning from clinical commissioning group Pathfinder Programme</p> <p>Ongoing development and sharing of learning of early implementers of local health and wellbeing boards.</p> <p>Action Learning Networks for Links and Health watch pathfinders</p>
During 2012	<p>Health Education England and NHS Trust Development Authority established as special health authorities, in shadow form, without full functions</p>
January 2012	<p>Second NHS Outcomes Framework for 2012/13 published.</p> <p>Public Health Outcomes Framework and further detail on public health funding and Workforce Strategy expected.</p> <p>Shadow allocations for Public Health for Local Authorities for 2112/13 to be issued.</p> <p>Draft statutory guidance for JSNA and JHWS expected.</p>
March 2012	<p>Formal transition plans of public health functions to local authorities to be agreed with the Regional Director of Public Health</p> <p>PCT Clusters/ Local Authorities to develop a public health communication and engagement plan, first draft to be produced by March 2012.</p> <p>CCGs to work with Local Authorities to establish their local Health and Wellbeing Board in shadow form and begin refreshing their JSNA.</p>
April 2012	<p>Any Qualified Provider to begin (phased in gradually)</p> <p>Establish local public health budget allocations in shadow form and announce the high level design of a “health premium” for local authorities</p> <p>Social Care Reform White Paper published</p> <p>1st phase HealthWatch website launched</p> <p>CCGs to jointly lead their local Health and Wellbeing Board. Identify high level priorities from JSNA as a basis for JHWS and begin developing JHWS.</p>
May 2012	<p>Public Health England’s Operational design to be published.</p>
June 2012	<p>Local HealthWatch Communication Tool launched.</p> <p>PCT Cluster/ Local Authorities agree approach to the development and delivery of local public health vision.</p> <p>Public Health England People Transition Policy expected.</p>
July 2012	<p>Begin to abolish and transfer functions of ALBs</p>

	Abolition of General Social Care Council and transfer to Health Professions Council
Summer 2012	Clinical Commissioning Groups to apply to NHS Commissioning Board for establishment and authorisation. CCGs to use their JSNA and JHWS as evidence for Authorisation by July 2012.
September 2012	PCT Clusters/ CCGs to use agreed JHWS as foundation for 2013/14 planning process. Involve partners in HWB in the planning process. Begin developing JSNA for 2014/15. PCT Clusters/ Local Authorities to agree arrangements on public health information requirements and information governance.
By October 2012	NHS Commissioning Board established as an independent statutory body, but initially only carries out limited functions - in particular, establishing and authorising clinical commissioning groups Clinical Commissioning Groups enter formal authorisation process PCT Clusters/ Local Authorities to test arrangements for the delivery of specific public health services and the role of public health in emergency planning, in particular the role of the Director of Public Health and Local Authority based public health. Ensure early draft of legacy and handover of documents.
October 2012	Monitor starts to take on its new regulatory functions HealthWatch England established
November 2012	Introduction of legislation to achieve reforms set out in adult social care white paper
December 2012	PCT Clusters/ CCGs to begin developing JHWS for 2014/15. Continue to work with partners in HWB to develop commissioning plans. NHS Outcomes Framework for 2013/14 published. Operating Framework for 2013/14 published.
During 2012/13	PCT Clusters/ Local Authorities will agree arrangements for Local Authorities to take on public health functions – date for local determination.
January 2013	PCT Clusters/ Local Authorities will ensure final legacy and handover documents produced. Public Health England business and operational plans published.
April 2013	SHAs and PCTs are abolished NHS Commissioning Board takes on its full functions Health Education England takes over SHAs' responsibilities for education and training NHS Trust Development Authority takes over SHA responsibilities for the foundation trust 'pipeline' and for the overall governance of NHS trusts

	<p>Public Health England established as an executive agency of the Department of Health</p> <p>Full system of clinical commissioning groups is established. The NHS Commissioning Board will only authorise groups to take on their responsibilities when they are ready.</p> <p>GP practices will be members of either an authorised clinical commissioning group, or a 'shadow' commissioning group</p> <p>Clinical commissioning groups that are ready and willing could be authorised to take on full budgetary responsibility. This will be determined through a robust process of authorisation, run by the NHS Commissioning Board, with input from emerging Health and Wellbeing Boards and local clinicians.</p> <p>Formal commissioning arrangements implemented between Public Health England, NHSCB, clinical commissioning groups and local authorities</p> <p>Public Health England to allocate ring-fenced budgets, weighted for inequalities, to Local Authorities to commission public health services.</p> <p>Health and Well-Being Boards assume statutory responsibilities</p> <p>Local authorities will have a duty to improve the health of their populations</p> <p>Local Authorities and local HealthWatch will take formal responsibility for commissioning NHS complaints advocacy.</p> <p>Local Public Health budgets allocated</p> <p>Personal budgets for ongoing social care granted</p> <p>Monitor's licensing regime is fully operational</p> <p>Local authorities take responsibility for Directors of Public Health and their functions</p> <p>Launch of Local HealthWatch.</p>
April 2014	<p>The majority of remaining NHS trusts will be authorised as foundation trusts. If any trust is not ready, it will continue to work towards foundation trust status under new management arrangements.</p>
April 2016	<p>Monitor's transitional powers of oversight over foundation trusts will be reviewed</p>

This page is intentionally left blank

Cabinet

25 January 2012



**Transfer of Public Health Functions to
Local Authority**

**Report of Corporate Management Team
Report of Anna Lynch, Director of Public Health, County Durham
Councillor Lucy Hovvels, Portfolio Holder for Safer and Healthier
Communities
Councillor Morris Nicholls, Portfolio Holder for Adult Services**

Purpose of Report

1. This report is to provide an update on recent developments related to the transition of some public health functions to local authorities from 1 April 2013.

Background

2. The Public Health White Paper: Healthy People, Healthy Lives, Strategy for Public Health England (November 2010) sets out a vision for the future of public health and also the role of the Director of Public Health (DPH) in local authorities (LA).
3. The "Update and Way Forward" paper published in July 2011 provides some clarity on the public health responsibilities for LAs and the role of the Director of Public Health.

This includes the requirement for LAs to deliver the following:

- appropriate access to sexual health services;
- steps to be taken to protect the health of the population in particular, giving the Director of Public Health a duty to ensure there are plans in place to protect the health of the population;
- ensuring NHS commissioners receive the public health advice they need;
- the National Child Measurement Programme;
- NHS Health Check assessment;
- Elements of the Healthy Child Programme.

Subject to further engagement new responsibilities of local authorities would include local activity on:

- tobacco control;
 - alcohol and drug misuse services;
 - obesity and community nutrition initiatives;
 - increasing levels of physical activity in the local population
 - assessment and lifestyle interventions as part of the NHS Health Check Programme;
 - public mental health services;
 - dental public health services;
 - accidental injury prevention;
 - population level interventions to reduce and prevent birth defects
 - behavioural and lifestyle campaigns to prevent cancer and long term conditions;
 - local initiatives on workplace health;
 - supporting, reviewing and challenging delivery of key public health funded and NHS delivered services such as immunisation programmes;
 - comprehensive sexual health services;
 - local initiatives to reduce excess deaths as a result of seasonal mortality;
 - role in dealing with health protection incidents and emergencies as described in Annex B of the Update and Way Forward paper;
 - promotion of community safety; violence prevention and response; and local initiatives to tackle social exclusion
4. Department of Health guidance in relation to the Operating Model for Public Health and Public Health in Local Government were received in December 2011. Further guidance is awaited in respect of the Public Health Outcomes Framework, Workforce Strategy and funding.
 5. The Department of Health published the Public Health Human Resources Concordat on 16 November 2011 in collaboration with the Local Government Association. This provides guiding principles and Human Resources standards for the transfer of PCT public health commissioning activity and functions to local authorities. The Concordat outlines the indicative timescales for change and the obligations on the NHS and local government employers and trade unions in managing the change process.
 6. It is important to note that Local Authority public health teams will be expected to work closely with Public Health England (PHE), which will be statutorily established in April 2013 to ensure the health of the public is improved, protected against serious health risks and threats and that health inequalities are reduced.

Transition Plans

7. The management processes and assurance frameworks related to the NHS transition are inter-related and complex as a result of the number of organisations involved. Current NHS organisations, including PCTs, are identified as “sender” organisations and local authorities and new NHS infrastructure organisations are classed as “receivers”.

8. The former North East Strategic Health Authority, prior to its inclusion in the new North Strategic Health Authority cluster, established the NE NHS Transition Board with 5 workstreams, one of which was dedicated to public health and chaired by the NE Regional DPH. The Corporate Director for Adults Wellbeing and Health (AWH) is a member of the NE NHS Transition Board.
9. Subsequent to this the Regional DPH has established the NE Public Health Transition Board which reports into the NE NHS Transition Board. The NE PH Transition Board is supported by six workstreams:
 - Local Public Health Transition Planning
 - Communication and Engagement
 - Intelligence and data
 - Public Health Workforce
 - Local Public Health England
 - Health Improvement Legacy

Programme Board and Workstream documentation has been completed with milestones to enable tracking of progress. The inaugural meeting of the NE PH Transition Board took place on 12th December 2011. Membership of the Board includes the NE Directors of Public Health and each Workstream will include a local authority representative.

10. NHS County Durham and Darlington established the County Durham and Darlington NHS Transition Board in June 2010 with workstreams mirroring those of the NE NHS Transition Board, including public health. PCT programme and project improvement documentation enables progress to be tracked. The Corporate Director for AWH and the DPH County Durham are members of this board.
11. The DPH for County Durham is leading the PH Transition, operating through the PH Senior Management Team (PHSMT) and reporting to County Durham and Darlington NHS Transition Board.
12. DCC has established a NHS Transition Board chaired by the Corporate Director of AWH. A programme management approach with agreed workstreams reports into the Board.
13. As detailed in 8-12, there are several PH transition plans, milestones and reporting arrangements. To facilitate synchronised reporting, a master copy, high level County Durham and Darlington PH transition plan has been developed providing read across milestones for populating organisations' project documentation.

Timescales

14. The Department of Health (DH) requires PH transition plans to be signed off by the PCT and respective “receiver” local authority by 31.3.12 with first drafts completed by 31.1.12 and endorsed by the NE Regional DPH.
15. A toolkit is being developed to support the transition describing best practice and new opportunities for transformed public health functions together with the publication of the Local Government Transition Guide by the end of January 2012.
16. Assessment and feedback of the public health transition plan submitted by 31 March 2012 will be provided by the end of April 2012 with a formal assessment of progress in October 2012.

Development Locally

17. The current public health commissioning team works across County Durham and Darlington, led by the two directors of public health, both jointly appointed with the respective local authority.
18. There have been on-going discussions between Durham County Council and Darlington Borough Council (DBC) regarding the shared team and it is anticipated that DBC will align its public health functions with Tees Valley local authorities from April 2013. Relevant changes related to this decision will be managed as part of the transition process.

Recommendations

Cabinet is recommended to:

- Receive the update in relation to the public health functions that will transfer to the local authority in April 2013.
- Note the on-going discussions with Darlington Borough Council.
- Note the timescales for transition
- Note that a further report regarding the public health transition and in particular ‘receiver’ sign off in respect of the public health transition will be reported to Cabinet on 7th March 2012.

Contact: Anna Lynch, Director of Public Health, County Durham
Tel: 0191 374 4131 Email: anna.lynch2@nhs.net

Appendix 1: Implications

Finance

A PH ring-fenced budget will be allocated to DCC by Public Health England.

Staffing

Impact on both PH Staff and DCC health improvement team is likely but not quantified until PH ring fenced budget is clarified.

Risk

Risk register for transition completed and will be updated monthly.

Equality and Diversity/Public Sector Equality Duty

No impact

Accommodation

Accommodation for new PH will be required and managed through the transition process.

Crime and Disorder

No impact.

Human Rights

No impact.

Consultation

Transition process will include full consultation with relevant staff in PCT PH team and DCC staff.

Procurement

DCC will be mandated under the Health and Social Care Bill to commission health improvement services utilising the ring fenced PH budget.

Disability Discrimination Act

No implications.

Legal implications

Likely that some leases will need to transfer to DCC from PCYT and contracts with provided novated. These issues are detailed in the PH transition plan.

This page is intentionally left blank

Cabinet

25 January 2012



**Children and Young People's Services:
Ofsted Assessments and Inspections**

Report of Corporate Management Team

David Williams, Corporate Director, Children and Young People's Services

Councillor Claire Vasey, Cabinet Portfolio Holder for Children and Young People's Services

Purpose of the Report

1. The report provides Cabinet with the outcomes of the Office for Standards in Education, Children's Services and Skills' (Ofsted) Annual Performance Assessment of services for children in County Durham, together with the outcomes of Ofsted inspection activity in a range of settings provided by the County Council.

Background

2. Ofsted publishes an annual assessment of services for children in each local authority area. Cabinet needs to be aware of two underlying aspects of this assessment. Firstly, the assessment does not relate simply to services provided directly by the County Council. It includes, for example, the work of Further Education colleges, childminders, independent residential children's homes, academy, voluntary and community schools as well as services directly provided by the local authority such as children's centres, residential children's homes, the fostering and adoption services and so on. Secondly, the rating is largely a summative judgement of the outcomes of individual inspections of all these providers of services. These inspections may be recent; but some are now in excess of three years old.
3. In addition to the annual assessment of services for children, there are a significant number of Ofsted inspections each year of a range of services provided directly by the County Council. The findings are, in the main, published by Ofsted. This report provides details of the headline judgements of those which have occurred over recent months.

Annual Assessment of Services for Children

4. The annual assessment was published in November 2011. Ofsted uses a four point scale to rate the services for children and young people in each local authority area. The scale goes from 1 (Performs poorly) to 4 (Performs excellently). The full assessment is attached at Appendix 2. Cabinet will note

that the overall assessment is a rating of 3, which means that Durham performs well.

5. Nationally, 28 authority areas are deemed to be performing excellently; 71 are performing well; 33 are adequate; and 15 are performing poorly. In the North East region the figures are: 0 poor; 2 adequate; 7 well; 2 excellent.
6. Cabinet will note the substantial strengths described in Appendix 2. These include:
 - Very young children make good progress in their development and the very large majority of nursery provision is good or outstanding
 - The large majority of primary schools are good or outstanding. Results for 11-year-olds have improved year on year and provisional Key Stage 2 results for 2011 show that standards have been maintained
 - The majority of secondary schools, including academies, are good or better and the 2011 provisional results for 16-year-olds show that GCSE results at grades A* to C including English and mathematics have improved significantly in some schools and in the county overall
 - The local authority provides good support for the very small number of schools that are, or have been, in Ofsted categories of concern
 - Specialist education provision, including the local authority special schools, the special school sixth forms, the independent special school and the pupil referral unit are of good quality overall
 - Three of the four colleges providing post-16 learning are good and one is outstanding. The proportion of young people achieving level 2 or level 3 qualifications by age 19 matches similar areas.
7. Areas identified for improvement include:
 - Half of the childminding provision is only satisfactory
 - Although improving, levels of development at the Early Years Foundation Stage for very young children from low-income families are below the average for such children in similar areas. The gap between them and the majority of children in the same age group in Durham is not closing. This is also the case for older young people. As overall results improve, the attainment gap between the majority of 16- and 19-year-olds and young people from a low-income background is slow to close.
8. It is important that we have the highest ambition for services for children in County Durham. There are two particular areas under the current assessment methodology which, if suitably improved, would boost our assessment rating to excellent, providing that our comparative performance in other factors is maintained. These are the improvement of the quality of childminding provision and improvement in quality of sixth forms in schools.
9. Officers in Children and Young People's Services will seek to influence and improve the quality of childminding provision over the coming months. In particular, we will:
 - Ensure that local authority data is correct, up to date and aligned with the Ofsted data used for the Performance Profile

- Ensure that support is offered to childminders in meeting and exceeding Ofsted registration and inspection requirements
 - Support childminders in the delivery of quality childcare and education in line with the guidance for the Early Years Foundation Stage.
10. Education Development Service staff will work with our 11-18 schools to improve the range and quality of sixth form provision by:
- Providing in-school support and training for teaching and learning strategies related to Level 3 courses
 - Working with school leaders to develop understanding of school sixth form viability issues and their relationship to curriculum breadth
 - Developing understanding in schools of national success measures in relation to exam outcomes and destinations for students in order to ensure that school leaders have a realistic understanding of Ofsted expectations for post-16 provision.

It should, however, be noted that the new Ofsted framework for the inspection of schools does not have within it a separate judgement for sixth forms and so it is unclear how this aspect of the annual assessment will be judged in the future.

Ofsted Inspections of Local Authority Direct Provision for Children

11. In addition to the annual assessment, Ofsted undertakes a range of other inspections of services for children and young people that are directly provided by the County Council. The following paragraphs summarise the outcomes of recent inspection judgements.

Local Authority Residential Children's Homes

12. Ofsted has a duty to inspect residential children's homes twice a year – a full inspection followed by an interim inspection. The following table contains the overall judgements from the latest inspections of the Local Authority's residential children's homes. This shows that as at 31 December 2011, all 12 homes are rated good or better (11 good, 1 outstanding).

Aycliffe Secure Services

13. The Secure Unit at Aycliffe was last inspected in October 2011 and the overall effectiveness was judged to be 'Good'. The provision was rated 'Good' for all aspects of the inspection: Outcomes for children and young people; Quality of care; Keeping children and young people safe and feeling safe; Leadership and management; and Equality and diversity practice.

Local Authority Fostering and Adoption

14. The County Council's Fostering Service was last inspected in 2008 and the Adoption Service was inspected in 2010. Both services were judged to be 'Outstanding'.

Children's Centres

15. Inspections of Children's Centres began to be undertaken by Ofsted in 2010. The following table illustrates that, of the 14 Children's Centres that have been inspected to date, 11 (79%) were judged to be good.

Children's Centre	Inspection Date	Grade
Blackhall	20/10/2010	Good
Chilton	06/04/2011	Good
Coundon	24/01/2011	Good
Dean Bank	09/03/2011	Good
Evenwood & Ramshaw	09/03/2011	Good
Haswell	24/02/2011	Good
Howletch	12/04/2011	Good
Kelloe	17/03/2011	Satisfactory
Middleton-in-Teesdale	09/03/2011	Good
Seaham	17/11/2010	Satisfactory
Seascape	21/02/2011	Good
Weardale	09/03/2011	Good
Wheatley Hill	16/03/2011	Good
Wingate	04/04/2011	Satisfactory

16. 48 inspections have been conducted in relation to our Statistical Neighbours. 6 were judged outstanding, 33 good, 8 satisfactory and 1 inadequate. Action plans are being developed and implemented locally to enable further improvement.

Summary

17. The inspection data in this report shows that, of the provision inspected that is the direct responsibility of the County Council, none is currently deemed inadequate; some is satisfactory; but the vast majority is either good or outstanding. Such results, in a large authority with a significant amount of direct provision, is a significant achievement and an indicator of the quality and commitment of very many staff across Children and Young People's Services. Overall, Ofsted judges that services for children within County Durham are performing well.

Recommendations and reasons

18. Cabinet is asked to note the report.

Background papers

Ofsted inspection reports of all provision named in the report (all available on Ofsted website www.ofsted.gov.uk)

Contact: Suzanne Carty **Tel: 0191 383 3880**

Appendix 1: Implications

Finance - None – report for information only

Staffing - None – report for information only

Risk - None – report for information only

Equality and Diversity - None – report for information only

Accommodation - None – report for information only

Crime and Disorder - None – report for information only

Human Rights - None – report for information only

Consultation - Not applicable

Procurement - None – report for information only

Disability Discrimination Act - None – report for information only

Legal Implications - None – report for information only

Aviation House T 0300 123 1231
 125 Kingsway **Textphone** 0161 618 8524 **Direct T** 020 7421 6666
 London enquiries@ofsted.gov.uk **Direct F** 020 7421 5633
 WC2B 6SE www.ofsted.gov.uk Juliet.Winstanley@ofsted.gov.uk



4 November 2011

Mr David Williams
 Corporate Director, Children and Young People's Services
 Durham County Council
 Children and Young People's Services Department
 County Hall
 Durham
 DH1 5UJ

Dear Mr Williams

Annual children's services assessment

Ofsted guidance published in April 2011 explains that the annual assessment of children's services is derived from the performance profile of the quality of services for children and young people in each local area. This performance profile includes findings from across Ofsted's inspection and regulation of services and settings for which the local authority has strategic or operational responsibilities, either alone or in partnership with others, together with other published data.

In reaching the assessment of children's services, Ofsted has taken account of inspection outcomes including the arrangements for making sure children are safe and stay safe and performance against similar authorities and/or national measures. More weight has been given to the outcomes of Ofsted's inspections and regulatory visits (Blocks A and B in the performance profile).

The annual assessment derives from a four point scale:

4	Performs excellently	An organisation that significantly exceeds minimum requirements
3	Performs well	An organisation that exceeds minimum requirements
2	Performs adequately	An organisation that meets only minimum requirements
1	Performs poorly	An organisation that does not meet minimum requirements

Within each level there will be differing standards of provision. For example, an assessment of 'performs excellently' does not mean all aspects of provision are perfect. Similarly, an assessment of 'performs poorly' does not mean there are no adequate or even good aspects. As in 2010, while the performance profile remains

PROTECT: INSPECTION

central to Ofsted's assessment, meeting or not meeting the minimum requirements alone does not define the grade. The assessment has involved the application of inspector judgement.

Durham County Council children's services assessment 2011

Children's services assessment	Performs well (3)
---------------------------------------	--------------------------

Children's services in Durham County Council perform well. This year's higher grade recognises the improvements made in the overall quality of some settings with very little being inadequate. The very large majority of inspected services, settings and institutions help children and young people stay safe and learn well. The inspection judgements of schools that are now academies have been taken into account in making this assessment.

The inspection of contact, referral and assessment arrangements for children in need and children who may be in need of protection which took place in March 2011 found that all the areas for development identified in 2010 had been addressed. There are no areas for priority action and few areas for development.

Strengths

- Very young children make good progress in their development and, over the past four years, outcomes in the Early Years Foundation Stage have improved faster than nationally. As last year, the very large majority of nursery provision is good or outstanding. Most of the children's centres inspected are good.
- The good quality of primary schools has been maintained and the large majority are good or outstanding. Results for 11-year-olds have improved year on year. They are slightly above the national average and match the average in similar areas. Provisional Key Stage 2 results for 2011 show that standards have been maintained.
- The majority of secondary schools, including academies, are good or better and none are now inadequate. This is an improvement on 2010. However, as reported in last year's assessment, a minority of local authority schools, including over half of the sixth forms, are only satisfactory. The 2011 provisional results for 16-year-olds show that GCSE results at grades A* to C including English and mathematics have improved significantly in some schools and in the county overall. Over the past four years, results have improved at a faster rate than nationally.
- The local authority provides good support for the very small number of schools that are, or have been, in Ofsted categories of concern. Monitoring visits show that support to bring about improvement is effective.

PROTECT: INSPECTION

- Specialist education provision, including the local authority special schools, the special school sixth forms, the independent special school and the pupil referral unit are of good quality overall as they were last year.
- Three of the four colleges providing post-16 learning are good and one is outstanding as reported in last year's assessment. The proportion of young people achieving level 2 or level 3 qualifications by the age of 19 matches similar areas.
- For looked after children, adoption and fostering services, including those that are privately run, are mostly outstanding. The large majority of the local authority children's homes are also good or better and this is an improvement on last year.

Areas for further improvement

- Half of the childminding provision is only satisfactory as reported in 2010.
- Although improving, levels of development at the Early Years Foundation Stage for very young children from low-income families are below the average for such children in similar areas. The gap between them and the majority of children in the same age group in Durham is not closing. This is also the case for older young people. As overall results improve, the attainment gap between the majority of 16- and 19-year-olds and young people from a low-income background is slow to close.

This children's services assessment is provided in accordance with section 138 of the Education and Inspections Act 2006.

Yours sincerely

Juliet Winstanley
Divisional Manager, Children's Services Assessment

Cabinet**25 January 2012****Heart of Teesdale Landscape Partnership:
Governance**

Report of Corporate Management Team**Ian Thompson, Corporate Director Regeneration and Economic
Development****Councillor Neil Foster, Cabinet Portfolio Holder for Regeneration and
Economic Development**

Purpose of the Report

1. This report provides an overview of current governance and management arrangements for the Heart of Teesdale Landscape Partnership (HoT) within the framework of the Heritage Lottery Fund (HLF) national scheme; its relationship with Durham County Council (DCC) and Barnard Castle Vision (BCV); and recommendations as to the future governance of the Partnership during the main implementation phase, programmed to last from late 2011 to early 2016.
2. The prime objective of the Heart of Teesdale Landscape Partnership's work is to inspire people to re-discover the landscapes of Teesdale, celebrate its unique beauty and character, and benefit from its rich cultural heritage and potential. A Local Conservation Action Plan was submitted as part of the HLF bid and contains over 100 locally based projects, put together with extensive community engagement. The Partnership has worked hard to involve a wide range of local interests to bring forward ideas and plans for a programme of activities. The projects arising will be expected to provide major public and community benefit.
3. HLF confirmed a grant of £1,895,700 on the 14 September 2011. The DCC contribution is £519,514 which, together with other match funding gives a total project value of £3,116,300. DCC is the accountable body for the project.
4. The strategic context for this scheme lies within a co-ordinated cache of similar DCC projects including the Limestone Landscapes, North Pennines AONB Partnership and Durham Heritage Coast.

Background*The HLF Landscape Partnership Programme*

5. The Partnership is one of some 45 Landscape Partnerships so far developed across the UK under a national scheme established by the Heritage Lottery Fund. The HLF supports Landscape Partnerships that address its four priority outcomes:
 - A. Conserving or Restoring the Built and Natural Features that Create Historic Landscape Character;
 - B. Increasing Community Participation in Local Heritage
 - C. Increasing Access to and Learning about the Landscape and its Heritage

D. Increasing Training Opportunities in Local Heritage Skills

The HLF provides indicative guidance as to the nature, governance and membership of a Landscape Partnership:

'A partnership approach is central to developing a successful scheme. Landscape Partnerships are normally delivered by a partnership made up of regional, national and local organisations with an interest in the area, community groups and members of the community. We expect the partnership to have a shared purpose to develop, manage and deliver the scheme for the benefit of the landscape and the community as a whole.' (HLF, 2010: 2)

6. The guidelines have been used to inform the development of the Heart of Teesdale Landscape Partnership, and the recommendations for future governance at the end of this report.

History and Development of the Landscape Partnership

7. The original bid to HLF was conceived and fostered through the work of Barnard Castle Vision. BCV has a special focus on the historic townscape but from its original consultation also includes a remit to support the town's role as a rural service centre and lynchpin of a wider rural economy, and links with the outstanding natural environment (EKOS Consulting, 2007).
8. Following a national call, the bid was submitted in competition in late 2009 and the HLF awarded the Partnership £87,200 in Stage 1 Development Funding. Two new staff were recruited to prepare a Stage 2 submission to draw down c £1.9 million of HLF reserved funds. The Stage 2 bid, including a Landscape Conservation Action Plan (LCAP) and substantial supporting evidence, was submitted in early June 2010. HLF sent a written confirmation of grant of £1,895,700 on 14 September 2011.
9. BCV has been the sponsoring and submitting agency for both the Stage 1 and Stage 2 bids, with DCC as the accountable body through the auspices of Regeneration and Economic Development. Although BCV and DCC have been the lead partners in the process to date, they are not the only agencies or interests involved, and it is therefore essential that there is clarity in the new structures that are proposed from late 2011, including the relationships and responsibilities of the different parties.

The Heart of Teesdale Landscape Partnership Area

10. The Partnership covers an area of approximately 140 square kilometres centred on Barnard Castle (See Map at Appendix 7).

HoT Vision and Principal Aims

11. The particular focus and emphasis which the Heart of Teesdale Landscape Partnership has placed within its proposals on the artistic, aesthetic and cultural tradition have been welcomed by HLF. The vision and principles of the Landscape Partnership, as agreed by the Steering Group and stated in its Landscape Conservation Action Plan, are as follows:

"The Heart of Teesdale Landscape Partnership will inspire people to re-discover the lost landscapes of Teesdale, celebrate its unique beauty and character, and benefit from its rich cultural heritage and potential.

In particular the Heart of Teesdale Landscape Partnership will help people:

- a. *To re-discover the particular visual qualities of Teesdale drawing on the historic and cultural legacy of artists, scientist and others who have explored the area and foster creativity and imagination through art, crafts and other media.*
- b. *To understand the historic value of the local landscape and how it has been shaped over time.*
- c. *To conserve or restore the built and natural features that characterise the area.*
- d. *To take action to protect the local environment and wildlife, and increase biodiversity.*
- e. *To enhance the quality and amenity value of public and community spaces, key views and settings for enjoyment and learning.*
- f. *To engage individuals and communities in learning, training, skills and new technology to understand and interpret the local landscape, traditions and heritage and improve access, especially by those who might be disadvantaged or excluded from activities.*
- g. *To promote opportunities for cooperation, mutual support and volunteering within the community to develop strategies and action so that the benefits of partnership can be sustained long term.”*

Current Structure

12. During the Development Phase, the Partnership has had both a Steering Group and a wider Partnership group which in total comprised thirty people. Although these initially had separate meetings they were later combined into one Steering Group to avoid duplication. They have all been invited to contribute by virtue of their relevant expertise, and included representatives of public, private and community interests, as well as individuals. Several officers from DCC have been involved: for example, representing Archaeology, Landscape and Ecology, Rights of Way and Strategic Investments.
13. All members have been active in the Partnership, not just within the committees and working groups but also in supporting the staff team with events and activities, helping to develop project proposals, and acting as advocates for the scheme as a whole. The diversity and contribution of the Partnership members has been a strength, representing the strands of the HLF priority themes and helping to forge cross agency and cross sectoral linkages.

Implementation of the Full Landscape Partnership Programme (Stage 2)

Landscape Conservation Action Plan (LCAP)

14. The LCAP provides the baseline for delivery of programmes of activity and their constituent projects, including assessment of needs, finance and funding, timetables and approaches to monitoring and evaluation (See Appendices 4 & 5 for contents and summary of projects, including programme partners).

Structure of the Landscape Partnership going forward

15. At the core will be a new Heart of Teesdale Landscape Partnership advisory group, supported by a small staff team. There will also be a number of thematic and working groups which will involve particular projects, but are also likely to include a range of additional organisations and expertise. The wider community will also be able to participate in the evolution of the Partnership through an Annual and a Biannual public event, as well as specific conferences, workshops, training sessions and other consultations. A diagram of the proposed structure and relationships is given at Appendix 3.

New Heart of Teesdale Landscape Partnership Advisory Group

16. Although the breadth and depth of the Steering Group has brought many benefits to the Partnership and forged cross disciplinary links, it is recognised that the Partnership governance will have to change. A successor to the Steering Group will need to be installed to respond to the different role required for delivery of a very complex range of programmes and projects. It is felt that this next phase needs a smaller group who have the time and commitment to ensure that implementation is carried out to the highest standard possible.
17. It has therefore been agreed that a new Landscape Partnership advisory group will be put in place, with a new Terms of Reference for itself, members, Chair and an additional position of Vice Chair. Terms of Reference for the group are given in Appendix 2. It is expected that, although several members of the existing Steering Group will transfer to the new group, there will be a review of the individual and group skill set which the Partnership requires, and it is likely that some new members will be recruited to fulfil any gaps in expertise or provide greater balance overall.
18. The Steering Group has drawn attention to the need for clarity as to the different levels of authority held by itself and the BCV and DCC, and their legal status. BCV and DCC will appoint their own representatives, and ratify the appointment of the new Landscape Partnership members, Chair and Vice Chair. The new Partnership will lead in terms of determining its own composition with a total membership in the order of 13 which will include:-
 - DCC member - Councillor Pauline Charlton
 - DCC officer support (1) Sue Berresford
 - Durham Wildlife Trust
 - Groundwork North East
 - North of England Civic Trust
 - Tees Rivers Trust
 - Plus 7 volunteer individuals with landscape skills and expertise

Representation

19. It will be expected that all members of the new advisory group will sign the Partnership Agreement, and comply with the agreed Terms of Reference signalled above, together with any ensuing procedural documents such as Code of Conduct.
20. An outline of the composition of the new advisory group is given within Appendix 2. As well as the formal representation indicated above, this group will draw on a range

of DCC officers for advice and technical support within and beyond meetings, both from RED and elsewhere in the authority.

Developing Community Capacity

21. The advisory Group has expressed a desire to limit the representation by any one body or set of interests so that a diversity of views can be maintained and no agency can dominate. It has also indicated that a process of community nominations by the end of the first year, though still based on the relevant expertise of the individual, would assist greater community collaboration and accountability, and help with issues of succession.

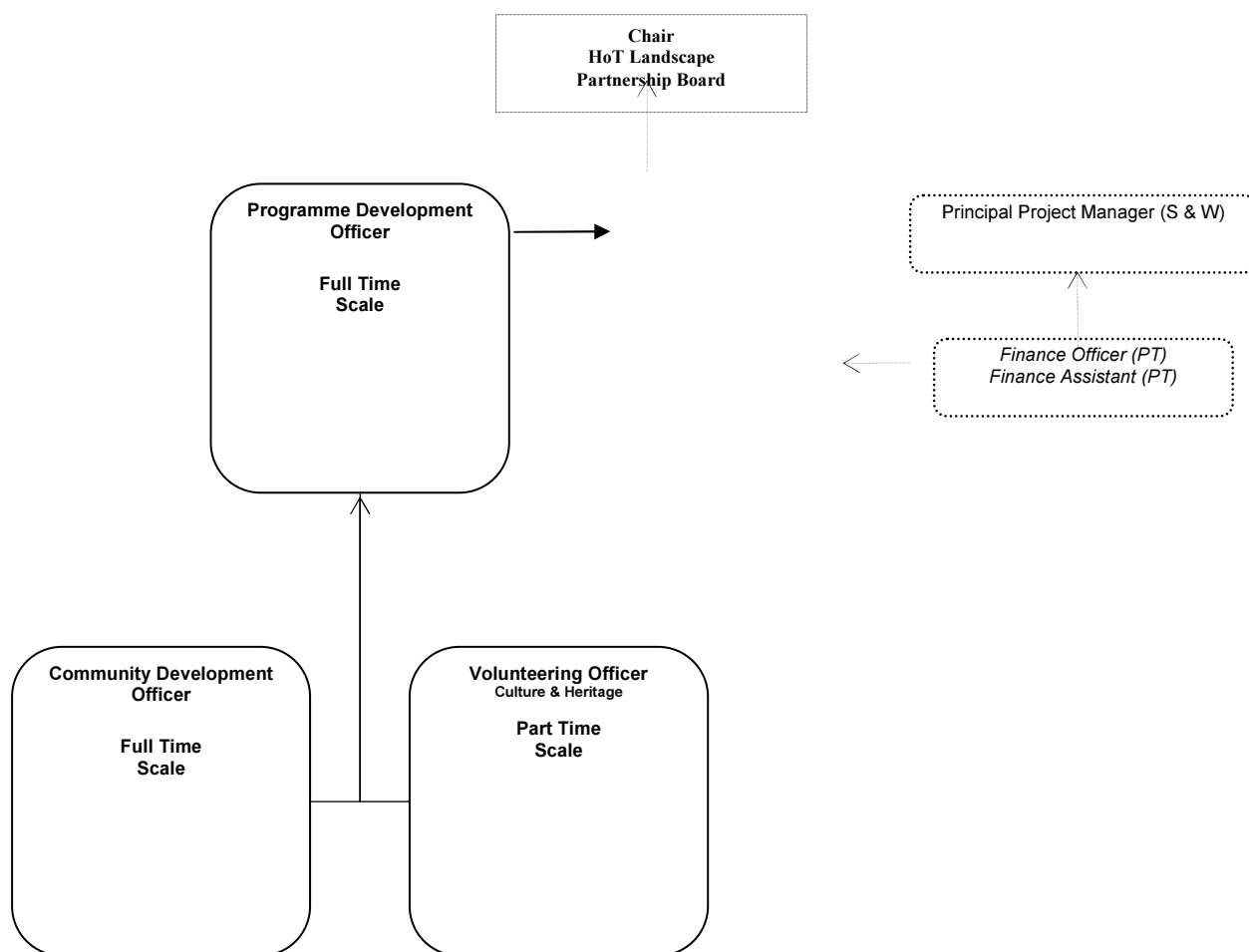
Sustainability and Legacy

22. The Landscape Partnership is required to consider the benefits of its activities beyond its immediate life, and if appropriate, to foster mechanisms that will provide long term continuity, maintenance, and development. If appropriate, there may be specific initiatives to encourage other or new organisations to take on these sustainability roles. This could include, for example, the formation of a charitable trust able to seek other resources to carry forward the investment, and ensure that the Heart of Teesdale legacy is perpetuated.

Staffing and Support

Partnership Staffing and Line Management

23. It is expected that similar arrangements will continue on from the Development Phase into Implementation, though with revised Job Descriptions as Partnership Development Officer and Community Development Officer for the existing two full time staff, and additional recruitment of a third part time post of Volunteering Officer to support volunteer recruitment and development, alongside help to host organisations participating in the Partnership to make more effective use of volunteers, placements and help in kind. Line management will remain within RED, within the Strategic Investment team. The Diagram below illustrates the key relationships.



Key

- Partnership Staff Team
- ... Existing Durham County Council Staff Providing In Kind Support

Accountability

24. Given the particular issues of accountability and transparency attached to a programme funded by several million pounds of public money, it has been agreed that DCC has a specific role in relation to financial oversight, auditing, staffing and both internal and external reporting. It has been agreed that, as well as the contractual arrangements between BCV, DCC and HLF (and any other funders), there should be Memoranda of Understanding between the Landscape Partnership and BCV and DCC to highlight roles and areas of responsibility, as well as mechanisms for resolving any issues arising.

Monitoring, Evaluation and Audits

25. The Partnership will develop a system of monitoring indicators across the programmes and projects to fulfil HLF requirements in relation to its four priority themes, and the national framework of indicators developed in 2010. Support will be given to partnership projects to develop parallel indicators so that there is effective monitoring and evaluation on a quarterly and annual basis, with a common format for all key partners.

HLF Audit and Appointed Monitor

26. The HLF currently operates a range of quarterly, biannual and annual reports and monitoring processes for financial and evaluation purposes. The Partnership will be required to provide regular reports to HLF staff and other agencies, including external audits and reviews where necessary. HLF also appointed an independent monitor to the Partnership throughout its Development Phase and this was felt to be a valuable exercise for all parties. This arrangement will continue during implementation.

Reports to Partners and Stakeholders

27. It is expected that the Partnership staff will provide regular reports to the Landscape Partnership advisory group, to the BCV Board, internally via RED Management Team, and to the general public and community interests through an annual report and annual meeting, other meetings or outlets, including its website.

Liaison with Other Partnerships

28. The Partnership will liaise regularly with allied partnerships and networks within the county including, amongst others: Limestone Landscapes, Durham Biodiversity Partnership, Teesdale Area Action Partnership, the North Pennines Area of Outstanding Natural Beauty, and the North Pennines Dales LEADER Local Action Group.

Media and Public Relations

29. The Partnership will develop a more detailed strategy for media and public relations, in the context of the LCAP submission document on 'Developing Community Capacity' and its commissioned report for a 'Digital Strategy'. It will work closely with colleagues in BCV and DCC to complement their specific activities in this area, and ensure regular communications to stakeholders and the general public through audio visual, print and digital media, as well as a range of face to face events across its area of benefit. It will also seek to extend its reach beyond Durham and Teesdale to gain greater recognition of the Partnership activities, and the assets of Teesdale, through more specialist media at all levels, including national and international outlets.

Specific Issues

Management of Funds

30. It is intended that a specific Community Initiatives Fund (CIF) be established as one of the programmes: primarily to assist local projects with a value of £10,000 or less. This will have its own guidelines and budget, initially set at £101,000 overall, and will issue at least two calls for applications once the Partnership is under way so that new and emerging projects can be supported. There will be a separate panel appointed by the new Partnership to consider and decide on these applications.

Memberships and Accreditation

31. It is expected that the Heart of Teesdale Landscape Partnership will work with other local partnerships and also join an emerging network of Landscape Partnerships at regional and possibly higher levels. Where appropriate it will become members of

other associations and networks, including bodies conferring relevant accreditation and quality standards. It will register under the DCC Partnership Governance Framework, and adopt its procedures for forward monitoring.

Recommendations and Reasons

32. It is recommended that CMT:

1. Approve the new Heart of Teesdale Landscape Partnership Terms of Reference;
2. Note the implications of representation for Durham County Council in relation to the Partnership, particularly in terms of its own nominees and endorsement of other members including the Chair and Vice Chair;
3. Approve Durham County Council's continued role as a key partner and accountable body, including the signing of the new Heart of Teesdale Landscape Partnership Agreement;
4. Endorse the proposals to implement formal Memoranda of Understanding between the Heart of Teesdale Landscape Partnership and Barnard Castle Vision and Durham County Council.
5. Seek delegated approval for the Corporate Director of Regeneration and Economic Development to agree the final documents for circulation.

Appendix 1: Implications

Finance

A DCC contribution to the Partnership has been confirmed at £506,513 to match an HLF allocation of £1,895,700 for the period 2011-2016.

Staffing

The Partnership will continue with existing staffing arrangements, together with on additional Volunteering Officer post to provide support to project delivery across the Partnership, and encourage volunteers and other in kind match.

Risk

Reinforces good governance and probity. A risk register is being kept as part of the project management of the programme.

Equality and Diversity / Public Sector Equality Duty

The Partnership will be required to pay particular attention to access issues, and this has been integrated into both the LCAP and the specific Developing Community Capacity strategies.

Accommodation

The delivery team will require accommodation within Barnard Castle area office for the next five years. At present the team's offices are in Teesdale House.

Crime and Disorder

None

Human Rights

None

Consultation

The Partnership is expected to continue a wide programme of community consultation and engagement, and to involve local interests in developing and managing the specific programmes and projects as a prelude to an independent legacy trust or similar. There will be a minimum of two open fora a year where the Partnership and projects can report and gain community feedback.

Procurement

Procurement will follow both DCC and Heritage Lottery Fund financial regulations and guidelines.

Disability Issues

Complies with DCC general equality duty.

Legal Implications

Legal support is provided by DCC as and when required.

Appendix 2: Heart of Teesdale Landscape Partnership Terms of Reference

The following terms of reference are those which have been discussed by the Landscape Partnership Steering Group, and subsequently by its successor group, which will advise on the implementation of the Stage 2 programmes.

HEART OF TEESDALE LANDSCAPE PARTNERSHIP TERMS OF REFERENCE

The Heart of Teesdale Landscape Partnership advisory group has been established to deliver a series of programmes and projects as part of a Landscape Conservation Action Plan (LCAP) to enable people to re-discover the lost landscapes of Teesdale, celebrate its unique beauty and character, and benefit from its rich cultural heritage and potential.

Role

The role of the Landscape Partnership advisory group is to advise on the delivery of the Landscape Partnership, management of its funding and the full and effective implementation of the Landscape Conservation Action Plan (LCAP).

Duties & Responsibilities

1. To work closely with, and support, the Partnership's staff in delivery of work programmes including administration of resources. Durham County Council is the employing body for Partnership staff.
2. To monitor and review the financial management of the work of the Heart of Teesdale Landscape Partnership with the aim that all funds managed by the Partnership are expended in a proper, efficient and cost effective manner.
3. To support the work of the Partnership and its collective objectives as they form part of the LCAP.
4. To promote good governance at all times of the Landscape Partnership advisory group, and any sub-groups or other working groups, ensuring such groups maintain clear Terms of Reference.

In particular the Landscape Partnership advisory group is expected:

1. To help partners determine the priorities, direction and implementation of the LCAP.
2. To guide and support the staff team and any volunteers appointed to manage and deliver the programmes and projects.
3. To monitor and evaluate all programmes and projects.
4. To consider and agree formal written progress and financial reports at no lesser interval than on a quarterly basis, if appropriate.
5. To ensure that there is proper reporting to the Heritage Lottery Fund, Durham County Council, Barnard Castle Vision and other primary stakeholders including the partnership members, beneficiaries and the wider community, and that reports prepared by staff are brought to the Board for approval in a timely manner, with papers to be issued 7 days before meetings, to enable member consideration.
6. To act as Ambassadors for the development of a wider Partnership
7. To foster links with other agencies in support of mutual objectives.
8. To act in the best interests of the Heart of Teesdale area as a whole to achieve an effective, equitable and sustainable Partnership.

Key Relationships

The Landscape Partnership through its Landscape Partnership advisory group has a special relationship with the Barnard Castle Vision Board, as the submitting partner agency, and with Durham County Council as the accountable body for the programmes. The Partnership will develop a Memorandum of Understanding with these organisations to ensure clear relationships, reporting and accountability, directly and through its Chairman, and via Partnership and other staff.

Other key relationships will be with the Landscape Partnership staff who will be line managed through Durham County Council Regeneration and Economic Development unit. Staff will be expected to support and report to the implementation group in line with the Terms of Reference and their job descriptions.

Membership

To ensure continuity from the Development Phase, in the first year the Landscape Partnership advisory group will comprise at least twelve members, and initially nominations will be from partner bodies and existing individuals put forward by the Partnership Steering Group and ratified by the Barnard Castle Vision Board.

The Landscape Partnership advisory group will have a suggested skill set overall against which members will be sought and selected to ensure a range of complementary expertise reflecting each major topic within the LCAP, and provide a fair balance of representation from public, private and voluntary or community interests, and from across the area as a whole.

In subsequent years the Landscape Partnership advisory group will invite open nominations of suitable candidates to fill any vacancies and there will be up to three additional spaces for nominees from the community. All members will be chosen through a formal selection and election process.

Each Board Member will be expected to have a job description and contribute to the good balance of the Board overall by bringing their own relevant expertise and representation. There will be options for voting substitutes on the understanding that substitutes will in their own right have relevant expertise similar to the member for which they are substituting and be briefed before attending meetings.

No agency will have more than one ordinary individual or partner member, and Barnard Castle Vision and Durham County Council will have no more than two nominees, serving at any one time.

Chairman and Vice Chairman

An independent chairman will be nominated by the Landscape Partnership advisory group at its first meeting for ratification by Barnard Castle Vision and Durham County Council. A vice chairman will similarly be appointed as soon as possible thereafter. The chairman and vice chairman will have formal job descriptions and be subject to annual election but will not have fixed terms of office.

Ordinary Meetings

The Landscape Partnership advisory group will ordinarily meet every six weeks and at least six times a year, excluding any special or public meetings, sub groups or working parties. The advisory group may invite speakers or advisers to attend its meetings in a non voting capacity.

Public Meetings

The Landscape Partnership advisory group will convene at least two public meetings or events a year to report progress. At one of the public meetings a formal written annual report shall be presented.

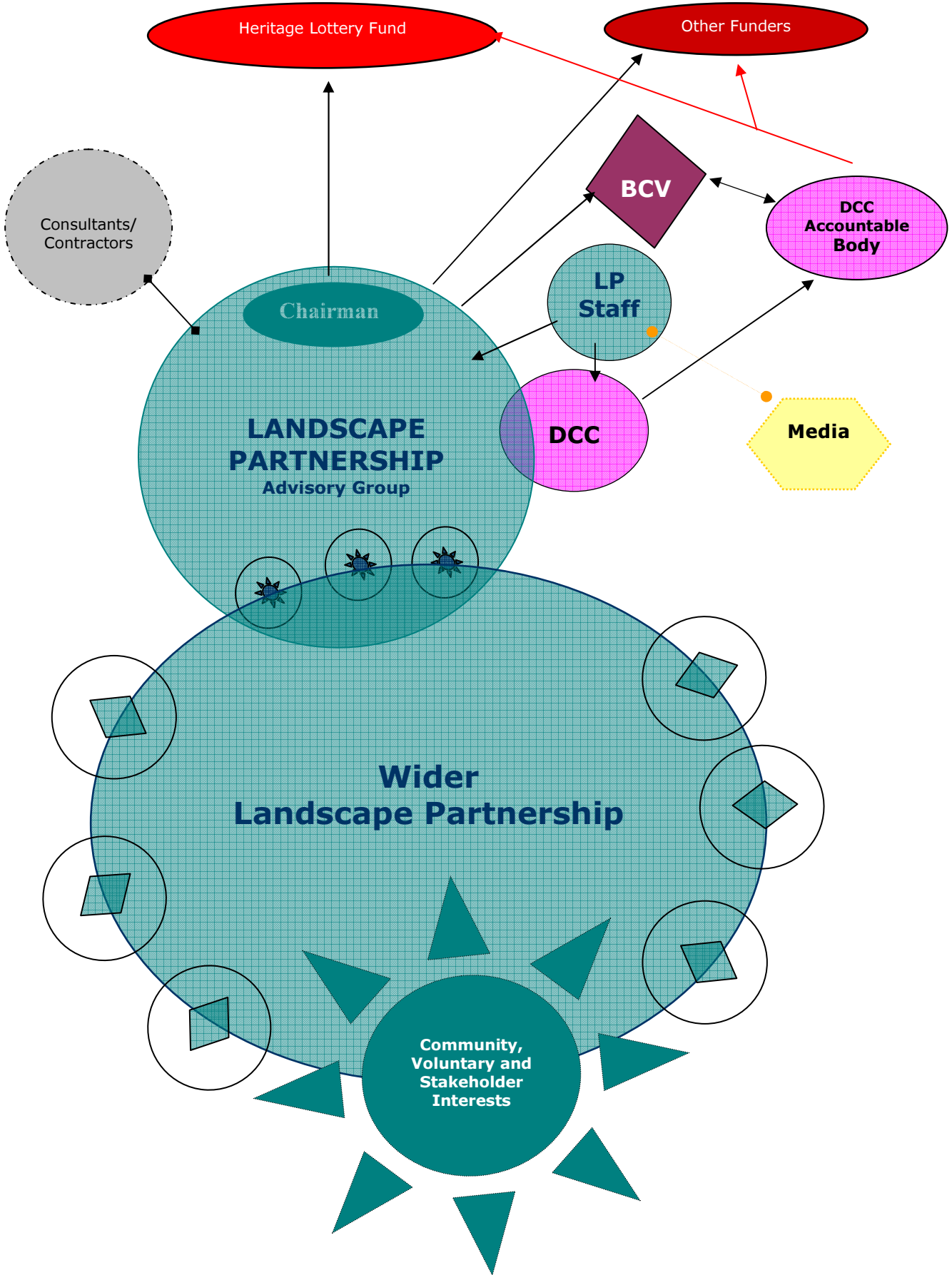
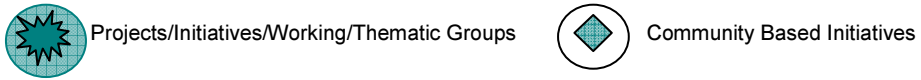
Standing Orders

The Landscape Partnership advisory group will develop standing orders and other procedures to guide its actions, and ensure consistency of approach from meeting to meeting, and between itself and its constituent committees or working groups.

Approved:

Signed:

Appendix 3: Heart of Teesdale Landscape Partnership - Proposed Structure



Appendix 4: Contents Summary for the Landscape Conservation Action Plan

Vision and Principal Aims ii

Executive Summary v

Introduction
The Heart of Teesdale Area
History of the Landscape Partnership
Aims and Action 2011-2016

Acknowledgements viii

1. **Introduction to the Landscape Conservation Action Plan 1**
2. **The Character of the Landscape 3**
Introduction to the Heart of Teesdale Area
Landscape Character Assessment
3. **Understanding and Valuing the Landscape and Local Heritage 6**
The Geology and Its Impact
The Physical Landscape
The Natural Landscape and Ecology
The Archaeology
The Built Landscape
The Human and Cultural Landscape
Local Distinctiveness
4. **Community Values and Priorities 19**
Consultation and Participation
Identifying Local Needs and Priorities
Special Audiences and Needs
Access
Developing Future Community Engagement
Developing Volunteering and Community Capacity
5. **Introduction to the Heart of Teesdale Landscape Partnership 25**
History of the Heart of Teesdale Landscape Partnership
Aims and Objectives
Partners and Roles
Key Events
Changes since Stage One
 - a. Revision of the Boundary
 - b. Impact of Community Participation
 - c. Impact of Governmental Changes
 - d. Developing Community CapacityRisk Analysis
6. **The Heart of Teesdale Landscape Statement of Significance 31**
Geological and Physical Landscape Interest
Natural Environment and Ecological Interest
Archaeological Interest
Historic Interest
Architectural Interest
Cultural and Aesthetic Interest
Community and Individual Interest
7. **The Heart of Teesdale Action Plan 36**
Development of Partnership Themes and Priorities
Heart of Teesdale Themes
Approach to Prioritisation of Projects
Description of Programmes According to HLF Priority Outcomes
Summary and Description of Programmes and Projects
Delivery of Programmes and Projects
Special Projects
Action Plan 2011-2016: Timescales, Programmes, Projects and Funding
8. **Sustainability and Legacy 50**
Long Term Benefits of the Landscape Partnership
Physical Capital and Maintenance
Human and Social Capital
Flagship or Special Projects
Monitoring and Evaluation
Investing in the Legacy
9. **Further Information and Resources 56**
10. **Bibliography 57**

Appendices Attached to the Final Documentary Submission

Heart of Teesdale Landscape Partnership Covering Letter
Heritage Lottery Fund Landscape Partnership Stage 2 Application Form
Copy of this Landscape Conservation Action Plan 2011-2016

2. **Agency Support**
 - a. Letter of Support from Barnard Castle Vision
 - b. Letter of Support from Durham County Council
 - c. Regeneration and Development Management Report
 - d. Letters of Support from New Partners
3. **Governance and Management**
 - a. List of Partners
 - b. List of Members of Steering Group
 - c. Diagram of Proposed Partnership Structure
 - d. Draft Terms of Reference for Executive Committee
 - e. Heart of Teesdale Landscape Partnership Agreement
 - f. Adoption of the Landscape Conservation Action Plan 2011-2016
4. **Staffing**
 - a. Management Structure for Partnership Staff
 - b. Partnership Manager Job Description
 - c. Community Officer Job Description
 - d. Volunteering Officer Job Description
5. **Partnership Area**
 - a. Confirmation of Heart of Teesdale Boundary Extension
 - b. CD-Rom of the Heart of Teesdale Boundary (In Binder Front Pocket)
 - c. Map of the Heart of Teesdale Area in Regional Context
 - d. Map of Parishes within the Area
6. **Maps**
 - a. Maps of Natural England Landscape Classifications
 - i. Broad Landscape Types
 - ii. Broad Landscape Areas
 - b. Map of County Character Areas
 - c. Maps of County Historic Landscape Character Classifications
 - i. Analysis Area
 - ii. Broad Class Only
 - iii. Broad Class and Enclosure
 - iv. Time Periods
 - v. Time Depth
 - d. Maps of County Geology Landscape Character
 - i. Solid Geology and Local Geology Sites
 - ii. Drift Geology
7. **Research and Consultancy Reports**
 - a. Heart of Teesdale Landscape Appraisal
 - b. Heart of Teesdale Biodiversity Audit
 - c. Heart of Teesdale Heritage Audit
 - d. Heart of Teesdale Digital Strategy and Toolkit
 - e. County Durham Landscape Character Assessment (Extract)
8. **Developing Community Capacity**
 - a. Community Engagement Strategy
 - b. Volunteering Strategy
 - c. Learning and Training Strategy
9. **Activities, Events and Media**
 - a. Table of Key Events and Activities 2010-2011
 - b. Map of Key Events and Activities 2010-2011
 - c. Heart of Teesdale General Leaflet
 - d. Heart of Teesdale Community Engagement Events Poster
 - e. Heart of Teesdale Community Engagement Events Report
 - f. Teesdale Community Showcase Poster
 - g. Scar Top Exhibition Feedback Form
 - h. Heart of Teesdale Press Releases
10. **Project Development Materials**
 - a. Community Project Outline Template
 - b. List of Expressions of Interest
 - c. Project Full Application Guidance and Template
 - d. Project Assessment Guidance and Template
 - e. Project Exhibition Feedback Form
11. **Compendium of Projects**
 - a. Programme and Project Outlines
 - b. Map of Locations of Projects
 - c. Map of Key Sites for Programmes in Barnard Castle
12. **Finance**
 - a. Budget Scheme Timetable 2011-2016
 - b. Income and Spending Forecasts
 - c. Monthly Cash Flows
13. **Implementation Procedures**
 - a. External Consultants, Contactors and Procurement Strategy for Year 1
 - b. Conservation Management Statements
 - c. Third Party Grants and Agreement Templates

Appendix 5: HoT Summary of Programmes and Projects for Implementation

PROGRAMME A	CONSERVING AND RESTORING THE BUILT AND NATURAL FEATURES THAT CREATE HISTORIC LANDSCAPE CHARACTER	PROGRAMME LEADS
HoT/A1	Flatts Wood and Tees Banks Restoration	Heart of Teesdale/ Groundwork
HoT/A2	Barnard Castle Garden and Open Spaces Identified Projects Include: <i>Amen Corner</i>	Heart of Teesdale/ Barnard Castle Town Council <i>St Mary's Parochial Church Council, Barnard Castle</i>
	<i>Barnard Castle Garden of Remembrance</i>	<i>Barnard Castle Town Council</i>
	<i>Upper Demesnes Hay Meadow</i>	<i>Barnard Castle Town Council</i>
HoT/A3	Teesdale Views	Heart of Teesdale
HoT/A4	Castle and Scar Top Setting Identified Projects Include: <i>A Journey Through Teesdale</i>	Heart of Teesdale <i>Barnard Castle Town Council</i>
HoT/A5	Paths for All People	Durham County Council and Partners
HoT/A6	Historic Landscapes	Heart of Teesdale
HoT/A7	Birds and Farm Landscapes	Farming and Wildlife Advisory Group and Partners
PROGRAMME B	INCREASING COMMUNITY PARTICIPATION IN LOCAL HERITAGE	PROGRAMME LEADS
HoT/B1	Lost Landscapes	Heart of Teesdale
HoT/B2	Community Initiatives Fund Identified Projects Include: <i>Barningham Lime Kiln Restoration</i>	Heart of Teesdale <i>Barningham Parish Council</i>
	<i>Barningham Village Green Bulb Planting</i>	<i>Barningham Parish Council</i>
	<i>St Farmin's Well, Bowes</i>	<i>Bowes Local History Group</i>
	<i>Woodlands Fit for Fairies! Cotherstone</i>	<i>Trees for Cotherstone</i>
	<i>Geology in the Park, Cotherstone</i>	<i>Play@Cotherstone</i>
	<i>Storytelling and Tales, Cotherstone</i>	<i>Play@Cotherstone</i>
	<i>The Natural History of the Tees Banks Woods</i>	<i>Upper Teesdale Botany Group</i>
	<i>A Green Heart for Lartington</i>	<i>Lartington Parish Council</i>
	<i>Winston Millenium Green and Community Wood</i>	<i>Winston Millennium Green Trust</i>
	<i>Kennedy's Ponds, Cotherstone</i>	<i>TBC</i>
	<i>The History of the Ancient Parish of Gainford</i>	<i>Victoria County History of Durham</i>
HoT/B3	Riverbanks Restoration	Heart of Teesdale and Tees River Trust
HoT/B4	InvesTeesgate	Tees River Trust
HoT/B5	Arts in the Landscape Identified Projects Include: <i>Landscape Painting and Photography Workshops</i>	Heart of Teesdale <i>The Bowes Museum</i>
	<i>Music at the Heart of Teesdale</i>	<i>Blaize</i>
	<i>VIVA Community Arts Initiative</i>	<i>TBC</i>
	<i>ArtScapes</i>	<i>TBC</i>
PROGRAMME C	INCREASING ACCESS TO AND LEARNING ABOUT THE LANDSCAPE AND ITS HERITAGE	PROGRAMME LEADS
HoT/C1	Watch out for Wildlife	Durham Wildlife Trust
HoT/C2	Trails through Teesdale	Heart of Teesdale
HoT/C3	Landscapes Legacy Identified Projects Include: <i>Rokeby: Poetry and Landscape; Walter Scott and Turner in Teesdale</i>	Heart of Teesdale and The Bowes Museum <i>The Bowes Museum</i>
	<i>Local Studies Centre for Community Heritage</i>	<i>The Bowes Museum</i>
HoT/C4	Heart of Teesdale Creative Media Identified Projects Include: <i>Interpreting the Landscape</i>	Heart of Teesdale <i>Durham County Council</i>
	<i>Teesdale through the Seasons Film</i>	<i>Teeny Tiny Films and Partners</i>
HoT/C5	Crafts and Skills in the Community	Heart of Teesdale
HoT/C6	Focus on Farming	Heart of Teesdale
HoT/C7	Community Archaeology Programme Identified Projects Include: <i>Prehistoric Settlement</i>	Durham County Council et al. <i>Durham County Council</i>
	<i>Prehistoric Rock Art</i>	<i>Heart of Teesdale</i>
	<i>Deserted and Shrunken Medieval Settlements</i>	<i>Durham County Council</i>
	<i>Roman Forts and Civilian Communities</i>	<i>Durham County Council</i>
HoT/C8	Riverlab	Tees River Trust
HoT/C9	Increasing Access Scheme Identified Projects Include: <i>Rural Enhancement Project</i>	Heart of Teesdale et al. <i>Darlington and Durham Dales MIND</i>
PROGRAMME D	INCREASING TRAINING OPPORTUNITIES IN LOCAL HERITAGE SKILLS	PROGRAMME LEADS
HoT/D1	Field Boundary Programme	Heart of Teesdale
HoT/D2	Landscape Discovery	Heart of Teesdale
HoT/D3	A Future for Heritage Crafts	Heart of Teesdale
HoT/D4	Teesdale Stonecraft Academy	VAR and Partners
HoT/D5	Teesdale Apprentices	Heart of Teesdale
HoT/D6	Environmental Volunteering	Heart of Teesdale

Appendix 6: Key Reference Documents

Barnard Castle Vision (2011) *Governance. Internal Report to DCC Management Team.*

BDP (2008) *Barnard Castle Streetscape Strategy.* Barnard Castle: Teesdale District Council *et al.*

Chris Burnett Associates (2009) *Barnard Castle Landscape Appraisal. Assessment Report prepared for Barnard Castle Vision.* Shocklach: Chris Burnett Associates.

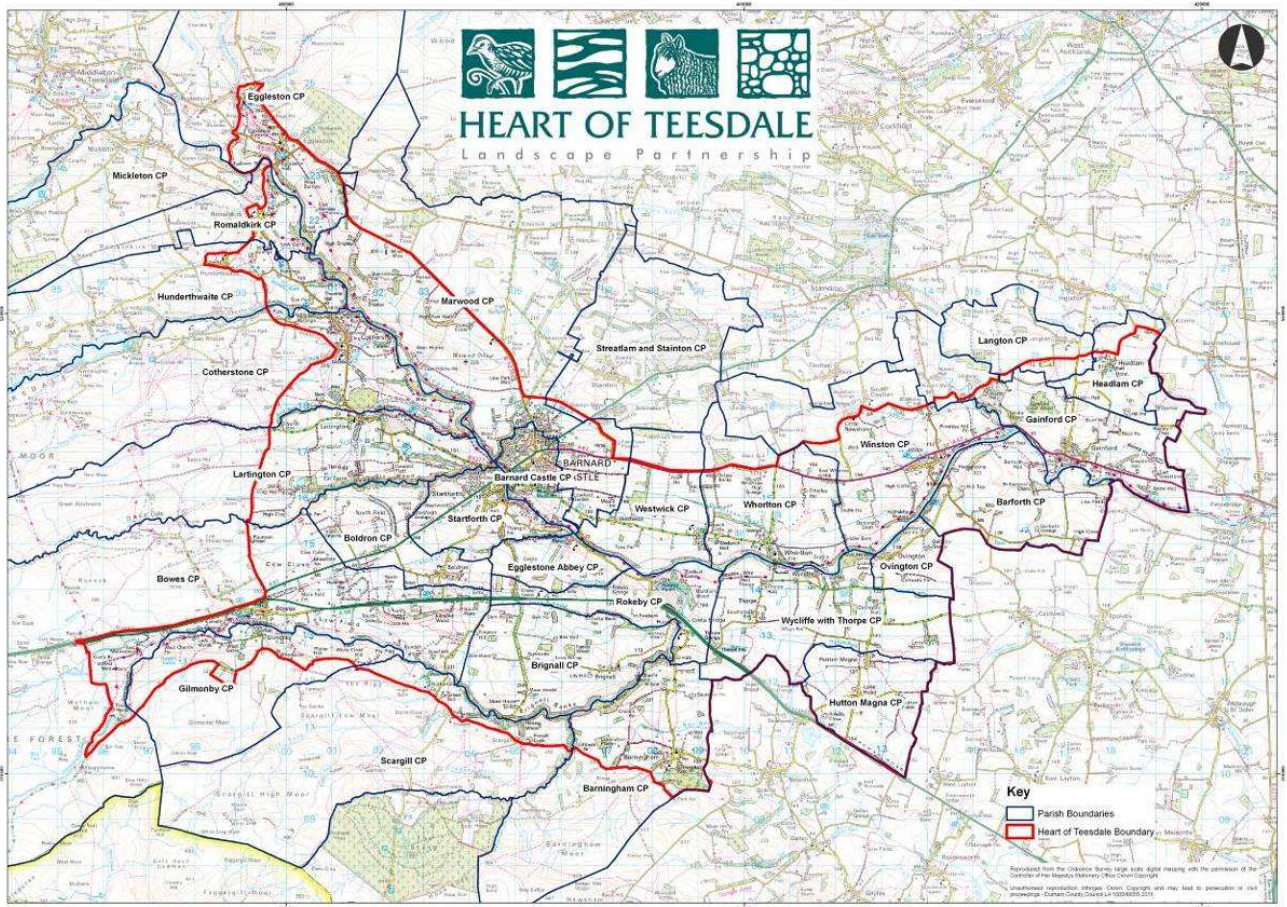
Clarke, R., D. Mount & M. Anteric (2011) *Evaluation of the Heritage Lottery Fund Landscape Partnership Programme 2011. Report prepared for the Heritage Lottery Fund.* London: Birkbeck, University of London & CEPAR.

EKOS Consulting (2007) *Barnard Castle Vision. Report prepared for Teesdale District Council et al.*

Heart of Teesdale Landscape Partnership (2011) *Landscape Conservation Action Plan 2011-2016.* Barnard Castle: Heart of Teesdale Landscape Partnership.

Heritage Lottery Fund (2010) *Landscape Partnerships. Grants of between £250,000 and £2 million. Guidance.* www.hlf.org.uk/HowToApply/programmes/Documents/LPS_AP_Introduction.pdf

Appendix 7: Map of Heart of Teesdale Landscape Partnership Area



This page is intentionally left blank

Cabinet

25th January 2012



North Pennines Area of Outstanding Natural Beauty (AONB) Building Design Guide And Planning Guidelines

Report of Corporate Management Team

Ian Thompson, Corporate Director of Regeneration and Economic Development

Councillor Neil Foster, Cabinet Portfolio Holder for Regeneration and Economic Development

Purpose of the Report

1. The purpose of the report is to consider the North Pennines Area of Outstanding Natural Beauty (AONB) Building Design Guide and Planning Guidelines and to recommend that the Council endorses them as supplementary guidance to be included as part of the County Durham Plan.

Background

2. The North Pennines AONB Partnership is responsible for co-ordinating efforts to conserve and enhance the AONB. The management of AONB's is a statutory function of local authorities under the Countryside and Rights of Way Act (CRoW) 2000.
3. The North Pennines AONB Planning Guidelines is a high level policy document, which seeks to complement the existing national and local policy framework by providing information, design and conservation advice relevant to conserving the appearance and character of the AONB. It provides a context for the cultural history, appearance and environment of the AONB; discusses the forces for change; and suggests approaches to the design of a range of developments with particular regard to key topics such as cultural heritage, biodiversity and geodiversity, water, energy, telecommunications, minerals and waste.
4. The North Pennines AONB Building Design is also a high level policy document, which seeks to provide helpful information for planners, developers, builders and householders on how to design and implement the appearance and sustainability of the built environment within the AONB to complement the area's special character.
5. Both documents have been prepared by the North Pennines AONB Partnership, in consultation with the five Local Authorities representing the North Pennines AONB area: Durham County Council, Northumberland County Council; Cumbria County Council; Carlisle City Council; and Eden District Council. The documents have undergone a comprehensive process of consultation with Local Authorities, the general public, AONB Partnership

members, Ward Members, statutory organisations and other relevant bodies. The documents also underwent an eight week period of consultation by the AONB partnership. Advertisements were placed in the local press throughout the AONB area as well as the documents being available electronically via the North Pennines AONB website. Both documents have been amended in light of representations received.

Key Issues

6. The North Pennines AONB Building Design Guide updates and replaces two documents, already endorsed by the County Council and the former Derwentside, Teesdale and Wear Valley District Councils; the Guide on Good Practice in the Design, Adaptation and Maintenance of Buildings and the Agricultural Building Design Guide for the North Pennines AONB. The new Building Design Guide is designed to help implement planning, design and conservation policies relating to the AONB that are contained in the three relevant Local Authorities statutory development plans. It seeks to help generate increased consistency of approach towards matters of building design and building conservation across the AONB.
7. The North Pennines AONB Planning Guidelines provides more detailed expression to the broad brush AONB related policies of the three Local Authorities statutory development plans and seeks to help developers and planners facilitate development in the AONB which helps to conserve the area's rural character and special qualities whilst also meeting the needs of local communities.
8. The two documents are intended to provide flexible guidance, rather than being prescriptive in assisting developers, householders and planners in bringing forward developments in the AONB which meet local development need whilst at the same time support the conservation of the local environment. Both documents are considered to be in accordance with and to reflect existing national and local policy on the AONB and to provide useful guidance to all relevant parties without being overly prescriptive or restrictive. They seek to ensure increased consistency of approach towards development in the AONB and are considered as being particularly helpful to developers and homeowners in a similar way to the predecessor building design documents, which have contributed to good development in the AONB area.
9. Both documents have undergone a comprehensive process of consultation by the North Pennines AONB Partnership and Northumberland County Council.
10. Planning Policy Statement 12: creating strong safe and prosperous communities through Local Spatial Planning (PPS12) paragraph 6.3 describes how supplementary guidance to assist the delivery of development may be prepared by other bodies for example AONB Committees where this would provide economies in production and the avoidance of duplication. The North Pennines AONB Building Design Guide and AONB Planning Guidelines are considered to meet the requirements of paragraph 6.3.

Conclusions

11. The production of the North Pennines AONB Building Design Guide and AONB Planning Guidelines are considered to meet the requirements of

paragraph 6.3 of PPS12 in relation consultation and sustainability appraisal. The two documents are also considered to be in accordance with and to reflect existing national and local policy on the AONB and provide useful guidance to all relevant parties without being overly prescriptive or restrictive.

Recommendation

12. It is recommended that:

- The North Pennines AONB Building Design Guide and North Pennines AONB Planning Guidelines are endorsed as supplementary guidance under provisions in paragraph 6.3 of Planning Policy Statement 12 to assist the Local Planning Authority in considering and determining planning applications within the area designated as the North Pennines Area of Outstanding Natural Beauty; and

Background papers;

North Pennines AONB, Building Design Guide, April 2011

North Pennines AONB, Planning Guidelines, April 2011

(copies of these documents are available in the Member's Library and electronic copies can be obtained from the Planning Policy Team on request)

PPS 12: Creating strong safe and prosperous communities through Local Spatial Planning

Contact: [Mike Allum] Tel: 01913872228

Appendix 1: Implications

Finance – The endorsement of the North Pennines AONB Building Design Guide and Planning Guidelines as Supplementary Guidance, which have been prepared and are to be published by a separate body, will help to provide economies in production and the avoidance of duplication while maintaining a satisfactory planning policy framework.

Staffing – None.

Risk – None.

Equality and Diversity – An impact assessment is not considered necessary because the documents contain high level, generic policy guidance in relation to conservation of the natural and built environment and do not for example include proposals that are specifically focused on a protected group or specific design details that that may create particular difficulties for any particular vulnerable individuals or groups..

Accommodation – None.

Crime and Disorder – None.

Human Rights – None.

Consultation – Consultation has taken place with Local Authorities, the general public, AONB Partnership members, Ward Members, statutory organisations and other relevant bodies.

Procurement – None.

Disability Discrimination Act – None.

Legal Implications – None.

Cabinet

21 January 2012



European Social Fund, Families with Multiple Problems Programme

Report of Corporate Management Team

Ian Thompson Corporate Director Regeneration and Economic Development, David Williams Corporate Director Children and Young People's Services and Rachael Shimmin Corporate Director Adults Well Being and Health.

Cllr Neil Foster Cabinet Portfolio Holder for Regeneration.

Cllr Claire Vasey Cabinet Portfolio Holder for Children and Young People's services

Councillor Morris Nicholls, Portfolio Holder for Adult Services

Purpose of the Report

1. To provide an update on the Department for Work and Pension's preferred bidder for the North East Contract Package Area (CPA) to deliver the European Social Fund (ESF) Support for Families with Multiple Problems provision and identify the implications for County Durham.
2. The report will also seek approval for the Corporate Director to utilise delegated powers to enter into negotiations and complete contract documentation and deliver the programme in County Durham.

Background

3. Department of Works & Pensions (DWP) is using around £200m of funding it receives from the ESF to help families with multiple problems overcome barriers to employment. This provision will support the wider cross-government Welfare to Work agenda to help improve the lives of families with multiple problems. This is in line with the commitment made by the Prime Minister last year to try to try to support every troubled family in the country before 2015.
4. This provision is aimed at individuals in multi generational families with multiple problems that require support to move into employment. The recent DWP co-design of services report highlights that many of these families are already known to and receiving support from local authorities; therefore, local authorities will be the prime means for identifying families/households to participate in this provision. It is expected that families with multiple problems who could benefit from employment focussed support will be prioritised and this could include families that have been stabilised following intensive

support from family intervention services, people with disabilities and health conditions, lone parents and other disadvantaged parents, older workers, people from ethnic minorities or people with low or no qualifications. To be eligible, families will have to have at least one member on DWP out of work benefits and a history of worklessness in the family.

5. The ESF provision will require a whole family approach to tackling the entrenched worklessness and complex need of these families, with the ultimate aim of improving social inclusion and social mobility and by helping the clients to enter and progress in employment, helping alleviate child poverty.
6. The Government has recently announced a further funding opportunity for Councils to work with Families that currently require multi agency support and have suggested the appointment of a "Family Co-ordinator" within each authority. Initial development funding has been made available to Councils, with the Think Family Board taking a lead on this.
7. While a great deal of service integration and linkage has already been undertaken as part of the roll-out of the One Point service offer, it is envisaged that the appointment of the Coordinator would ensure that delivery of the existing Think Family related projects including this ESF contract will be maximised, ensuring the most appropriate families are targeted, the required interventions are appropriately resourced and duplication of referral does not occur. Further information will be made available once the Durham approach has been agreed with the Department for Communities and Local Government.

Progress to date

8. Since summer 2011 DWP have been completing a procurement process through the Framework for the Provision of Employment Related Services to choose one of nine Prime Contractors to deliver in the North East CPA. On 17th October 2011 DWP announced that the preferred bidder for the North East CPA was The Wise Group. Discussions with the preferred bidder to finalise delivery, financial and contractual arrangements are ongoing. However, on the basis of the wide ranging services already provided to this client group, Durham County Council have been selected to provide end-to-end delivery in County Durham from December 2011 until December 2014. Over the 3 year period it is expected that we will be approximately 1,265 clients from multiple families across County Durham start on the programme.
9. The success of the ESF programme in County Durham will be judged on the following target outcomes (see Appendix 2 for description of client journey):
 - Conversion of starts to progress measure outcomes = 80%
 - Conversion of starts to job sustainability outcome = 25%
10. Unlike previous schemes where providers were paid on the activity they delivered this programme will pay providers based on the results they achieve. Following discussions with the Wise Group it has been confirmed that we will receive the following:

- **Progress Measure Payment** This can be claimed after 26 weeks for individuals who have successfully completed three progress measures.
 - **Job Outcome Payment**– This can be claimed for an individual who has a continuous period of employment of 13 consecutive weeks (26 out of 30 consecutive weeks if JSA claimant)
11. The Wise Group believe that the most effective way to deliver the service within County Durham is to utilise a locally established supply chain partnership. Therefore, part of the Wise Group offer for the ESF Families with multiple problems programme will involve working alongside us to manage a flexible fund throughout the lifetime of the provision to identify any gaps in local services. This funding will be utilised to support local providers to develop innovative service ideas to reduce provision gaps. The Wise Group would welcome the Council’s ongoing input to identify local gaps in provision and review proposals from local partners and particularly specialist providers from the Voluntary & Community Sector (VCS).
12. To support them in this process the Corporate Improvement Team have been engaged to build upon the work being completed to create an integrated, co-ordinated and multi agency approach to supporting families and present a more detailed description of the provision already being delivered by us and partners and the internal processes that are followed when working with families. This work will highlight any gaps in provision of support that is required by families and is intended to enable an informed decision by the Project Board to identify which providers, if any, need to be in our supply chain to deliver specialist provision. A secondary outcome will be the identification of any opportunities to rationalising existing contract or delivery arrangements.

Timescales

13. It is envisaged that the implementation of the ESF Families with Multiple Problems programme will follow the following timescales:

Activity	Timescales
Prime Contractor announced	17 th October 2011
Meeting between Wise Group and DCC to finalise delivery, financial and contractual arrangements	3 rd November 2011
Approval sought from EDMT	w/c 14 th November 2011
Brief Portfolio Holders (CR, NF, CV & MN)	w/c 21 th November 2011
Report progress to Think Family Board	22 nd November 2011
Approval sought from CMT	December 2011
Approval and sign off sought from cabinet for approval	January 2012
Delivery commences	January 2012

Proposed Delivery Model

14. The proposed delivery method across County Durham will be aligned to the existing Think Family Strategy which takes a broader view by ensuring that both parents and children are able to get the support they need, at the right

time, to help their children achieve good outcomes. It means making sure that families receive integrated, co-ordinated, multi-agency, solution focused support. This approach is based on established provision already delivered by us and bringing it together along with specialist providers (where required) to create a seamless family journey. As this programme will tackle numerous barriers around health, Anti Social Behaviour (ASB), poor parenting, child protection, housing, unemployment and skills, debt/financial inclusion it will therefore contribute towards the Council's Corporate Priorities of Altogether Wealthier, Altogether Healthier, Altogether Safer and Altogether Better for Children & Young People.

15. The proposed delivery model will be underpinned by the following established provision:

- Family Intervention Project (FIP) Team
- Derwentside Training
- Housing Solutions
- One Point Integrated Service
- Family Pathfinder Team
- Social Inclusion Team – This team is responsible for tackling issues that cause individuals to be socially excluded from society including Adult/Community Learning, Workable Solutions and Welfare Rights

14. It has been identified that all these service areas will already engage with these potential clients who could then be referred onto the programme assuming they meet the required criteria. They will assess the clients to identify the family issues against their own processes and then provide support to help them overcome these barriers in their specialist field. Therefore, it is expected that service areas will refer families that are currently in the cohort and prevent the need to engage additional families which would cause capacity issues. Once service areas have supported clients in their specialist areas they will refer families to the Family Employment Coaches who will support them to overcome the work-related barriers. The Family Employment Coaches will be additional capacity paid for through the expected income from the programme and it is proposed that they will be managed by the FIP team.

15. From the initial discussions it is anticipated the following capacity will be required across all the services participating in delivery:

- Additional Family Coaches x2
- Job Placement Officers x2
- Contract Administrator plus apprentice (2)
- Training Officers x4

This additional capacity will have indicative costs of £295,000 which, based on the confirmed progress measure fee per client will still leave £79000 per

annum from progress fee income to cover training / mileage and associated costs and to begin to commission any additional personal development and work-related provision. A further regional pot is to be made available by the Wise Group for the commissioning of further services under a method yet to be determined, but which will at a local level be informed by the service mapping currently being undertaken.

16. With regards to the governance structure it is proposed that the Think Family Board will provide the strategic overview of the programme and the 3 geographical sub-groups, with the addition of representatives from Adult Learning and Derwentside Training, will provide the operational overview on the successful implementation, ongoing delivery and progress of the programme.

NEXT STEPS

17. The next steps of the ESF Families with multiple problems programme are as follows:
 - Finalise the delivery, financial and contracting arrangements with Wise Group following the meeting on 3rd November 2011
 - Complete mapping exercise of current provision delivered including details on eligibility criteria and how it is funded to provide us with a menu of support.
 - Identify any specialist provision that is required and engage with the necessary providers.
 - Discussions with delivery staff to talk about the processes involved, the information that needs collecting and how to enhance the existing service offer through this programme
 - Organise and deliver awareness training to make staff clear of the ESF programme
 - Identify and resolve data-sharing protocols
 - Identify the performance management system
 - Recruitment and training of additional staff.

Recommendations and reasons

- 1 Note the extra opportunities provided by the ESF Families with Multiple Problems programme to support disadvantaged individuals and families in County Durham.
- 2 The Corporate Directors for Regeneration and Economic Development and Resources utilise delegated powers to enter into negotiations and complete contract documentation and deliver the ESF programme in County Durham.

Contact: Graham Wood
Lynn Hall

Tel: 03000 262002
Tel: 0191 3872239

Background Documents

- **DWP ESF Support for Families with multiple problems – call for evidence (July 2011)**
- **DWP Worklessness Co-Design of Services (June 2011)**
- **DWP ITT Families with Multiple Problems (July 2011)**

Appendix 1: Implications

Finance – The financial implications of recruiting additional capacity will be approximately £295,000 per annum over 3 years against a minimum contract value of £1,598,644. This is to be met from the progress fees, which are deemed as being achievable based on the work already undertaken by the individual service areas. Subject to demand and client volumes, additional resource may be required, to be fully funded from the remaining progress fees or the work outcome payments.

In the current economic climate, some elements of any outcome payments may need to be recycled into demand stimulating activity to create future employment opportunities for clients of this programme.

Contract payments will be made in arrears and will be output dependent, with a time lag for payment which is at least 26 weeks from the first engagement. Flexibility exists however, to slow or accelerate our engagement and activities dependant on the available staffing resource, client progression and funding profile.

Staffing – It has been identified that additional capacity within the Family Intervention Project Team, Derwentside Training and Sections of Adult Wellbeing and Health will be required to successfully deliver the programme in County Durham. It is envisaged that an additional two workers, along with four additional training staff, a Contract Administrator and an Apprentice will be required. This additional staffing will be fully funded from the fees attached to the progress measures element of the programme and will support the joint working principles demonstrated by the Integrated Service Model. Two Placement officers will be required to source the employment opportunities, to be funded from the Job outcome element of the programme.

Risk – A comprehensive risk assessment has been completed. There are three reportable risks identified in appendix 5

Equality and Diversity / Public Sector Equality Duty – As a co-financed European Social Fund activity both ESF and DWP Equality Impact Assessments are in place to support this work. A County Council Equality Impact Assessment scoping document is being prepared as part of the preparations for project delivery, reflecting the programme aims of reducing inequalities and Social exclusion and improving Social mobility for disadvantaged groups.

Accommodation - no immediate issues

Crime and Disorder - no immediate issues

Human Rights - none

Consultation – Through programme development phase, this was undertaken nationally via DWP as part of the co-design of services. Since the release of the

Invitation to Tender, consultation and engagement at a local level has been primarily through the Think Family Board, with forthcoming sessions planned with Registered Social Housing providers across the County.

Procurement - none

Disability Issues - none

Legal Implications – Wise Group are currently in post tender discussions with DWP to finalise their contract and will also be starting to discuss with their sub-contractors the more formal arrangements between them. Given this, it is likely that the preferred bidders will be in a position to start their discussions with DCC by the beginning of November. Once contracts have been signed with DWP the Wise Group will finalise the sub-contract arrangements with ourselves and provide us with a copy of their bid.

APPENDIX 2: Description of Client Journey

ENGAGEMENT



GENERAL MEASURES



SELECTED MEASURES



JOB SEARCH & PLACEMENT



ONGOING SUPPORT

As we are currently engaged and delivering support to this target group through the internal services of FIP, Family Pathfinder, One Point Integrated Service, Derwentside Training and Adult Learning Service and their multi-agency partners this provides greater certainty that we will have sufficient referrals to the programme and therefore enough individuals to achieve progress measures. This current capacity along with an investment of half the expected progress measures payments will ensure that the delivery of the general and selected progress measures will be fully funded. The payments received for successfully moving individuals into employment will be a bonus. Therefore, once the breakeven point is achieved there is the possibility to re-invest into stimulating job opportunities to sustain the success of the programme.

APPENDIX 3: Overarching Progress Measures Areas:

- **Interventions to Overcome Family Barriers**
 - Effective Parenting; Established Childcare; Enhanced Family Relationships; Improved Carer Responsibilities
- **Reducing Social and Economic Isolation**
 - Improved Financial Management; Reduced Fuel Poverty; Increased positive social activity; enhanced personal development
- **Interventions to Tackle Work-Related Barriers**
 - Developed Vocational Skills; Individual Employability Portfolio; Sector led Vocational Routeway
- **Addressing Health and Housing Related Barriers**
 - Improved Health Outcomes; Introduction of Lifestyle Plan; Improved Housing Environment; increased housing stability
- **Interventions to Enhance Workplace Development**
 - Improved job stability; Career Advancement
- **Addressing Geographical and Technological Isolation**
 - Increased Technological Ability; Improved Geographical Integration
- **Increasing Personal Capacity**
 - Recognition of Strengths and Weaknesses; Improvement in Self Worth

APPENDIX 4: Reportable Risks

Risk associated with not agreeing recommendations

Risk Description	Potential Impact	Measures to mitigate the risk (if not already in place state implantation date)	Risk Owner
Potential, additional income of £1 million will not be generated	Project will not proceed. Detrimental impact on ESF families. Adverse impact on the Council's priority theme Altogether Wealthier.		Graham Wood

Risks associated with agreeing recommendations

Risk Description	Potential Impact	Measures to mitigate the risk (if not already in place state implantation date)	Risk Owner
Insufficient capacity and resource to deliver the programme.	Unable to achieve output targets and receive progress payments	Use current FIP DT/ ALS staff to deliver the programme until new staff are recruited.	Graham Wood
Insufficient jobs available to allow participants of the programme to gain/ sustain employment.	Projected job outcome payment not received. Adverse impact on Service budget.	Links with employers have been made through Derwentside Training, FE Colleges and Enterprise Agencies. Links also made with County Durham Apprenticeship Programme to ensure individuals can be referred to access available apprenticeship opportunities. Links with the Work Programme after 12 months.	Graham Wood

This page is intentionally left blank

Document is Restricted

This page is intentionally left blank