

**COUNTY SECRETARY AND SOLICITOR**  
Marie Rosenthal

**TO: ALL MEMBERS OF THE COUNCIL**

Your Ref:

Our Ref: MR/CD

Please ask for: Mrs. C. Dyer

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5th May, 2005

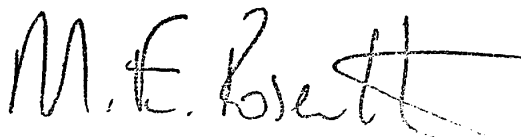
Dear Councillor,

**YOU ARE HEREBY SUMMONED** to attend the meeting of the County of Herefordshire District Council to be held on **FRIDAY, 13TH MAY, 2005** at The Shirehall, Hereford at **10.30 a.m.** at which the business set out in the attached agenda is proposed to be transacted.

**Council will be asked to approve the Herefordshire Crime, Disorder and Drugs Reduction Strategy 2005-08, which is enclosed with the agenda. Please bring this document to the meeting.**

Please note that 30 car parking spaces will be reserved at the Shirehall and 10 car parking spaces at the Town Hall for elected Members.

Yours sincerely,



**M.E. ROSENTHAL**  
**COUNTY SECRETARY AND SOLICITOR**





# A G E N D A

## COUNCIL

Date: **Friday, 13th May, 2005**

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Time: **10.30 a.m.**

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Place: **The Shirehall, Hereford**

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

*For any further information please contact:*

*Christine Dyer, Members' Services  
Manager and Executive Officer*

**Tel: 01432 260222, e-mail:  
[cdyer@herefordshire.gov.uk](mailto:cdyer@herefordshire.gov.uk)**

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# AGENDA

## for the Meeting of the COUNCIL

To: All Members of the Council

	Pages
<p><b>1. CHAIRMAN</b> To elect the Chairman of the Council.</p> <p><b>Note: The outgoing Chairman of the Council will preside during the election for the Chairman of the Council.</b></p>	
<b>2. PRAYERS</b>	
<p><b>3. APOLOGIES FOR ABSENCE</b> To receive apologies for absence.</p>	
<p><b>4. DECLARATIONS OF INTEREST</b> To receive any declarations of interest by Members in respect of items on this Agenda.</p>	
<p><b>5. VICE-CHAIRMAN</b> To appoint the Vice-Chairman of the Council.</p>	
<p><b>6. MINUTES</b> To approve and sign the Minutes of the meeting held on 11th March, 2005.</p>	1 - 32
<p><b>7. APPOINTMENT OF THE LEADER OF THE COUNCIL</b> To appoint the Leader of the Council.</p>	
<p><b>8. APPOINTMENT TO OFFICES RESERVED TO COUNCIL, ALLOCATION OF SEATS TO POLITICAL GROUPS AND APPOINTMENTS TO COMMITTEES</b></p> <p>(a) To make appointments to the positions of Cabinet Members, Chairmen and Vice-Chairmen of committees, the appointment of which is reserved to Council;</p> <p>(b) to establish the allocation of seats to political groups based on proportionality and to agree arrangements for making the necessary adjustments to proportionality based on appointments to individual committees in order that proportionality can be applied across the Council as a whole; and</p> <p>(c) to make arrangements for such appointments to committees and other bodies as may be necessary.</p> <p><b>Note 1: This item will be taken after consideration of the proposed Constitutional amendments in the Cabinet Report at item 13.</b></p> <p><b>Note 2: The Council may be asked under this item to confirm or agree alternative arrangements for appointments to Committees and other bodies pursuant to Regulation 20 of the Local Government (Committees and Political Groups) Regulations 1990 as amended.</b></p>	33 - 40
<p><b>9. CHAIRMAN'S ANNOUNCEMENTS</b> To receive the Chairman's announcements and petitions from members of the public.</p>	

<b>10. QUESTIONS FROM MEMBERS OF THE PUBLIC</b>	To receive questions from members of the public.	
<b>11. QUESTIONS TO THE CABINET MEMBERS AND CHAIRMEN UNDER STANDING ORDERS</b>	To receive any written questions.	
<b>12. NOTICES OF MOTION UNDER STANDING ORDERS</b>	To consider any Notices of Motion.	
<b>13. CABINET</b>	To receive the report and to consider any recommendations to Council arising from the meetings held on 17th and 24th March and 14th and 28th April, 2005.	<b>41 - 68</b>
<b>14. STANDARDS COMMITTEE</b>	To receive the report and to consider any recommendations to Council arising from the meetings held on 4th February and 1st April, 2005.	<b>69 - 72</b>
<b>15. REGULATORY COMMITTEE</b>	To receive the report and to consider any recommendations to Council arising from the meetings held on 15th February, and 1st and 15th March, and 12th April, 2005.	<b>73 - 76</b>
<b>16. STRATEGIC MONITORING COMMITTEE</b>	To receive the report and to consider any recommendations to Council arising from the meetings held on 15th April, 2005.	<b>77 - 82</b>
<b>17. PLANNING COMMITTEE</b>	To receive the report and to consider any recommendations to Council arising from the meeting held on 22nd April, 2005.	<b>83 - 86</b>
<b>18. WEST MERCIA POLICE AUTHORITY</b>	To receive the report of the meeting of the West Mercia Police Authority held on 15th February, 2005 Councillor B. Hunt has been nominated for the purpose of answering questions on the discharge of the functions of the Police Authority.	<b>87 - 94</b>
<b>19. HEREFORD &amp; WORCESTER FIRE AND RESCUE AUTHORITY</b>	To receive the report of the meetings of the Hereford & Worcester Fire and Rescue Authority held on 16th December, 2004 and 16th February, 2005.	<b>95 - 100</b>
<b>20. DATES OF FUTURE MEETINGS</b>	To confirm dates for Council meetings in the year 2005/06 as follows:	
	Friday, 29th July, 2005	
	Friday, 4th November, 2005	
	Friday, 10th February, 2006	
	Friday, 10th March, 2006 (To set the Council Tax)	
	Friday, 12th May, 2006 Annual Council (Shirehall)	

All meetings will commence at 10.30 a.m. and will be held in the Council Chamber, Brockington, 35 Hafod Road, Hereford unless advised otherwise.

# **The Public's Rights to Information and Attendance at Meetings**

## **YOU HAVE A RIGHT TO:-**

- Attend all Council, Cabinet, Committee and Sub-Committee meetings unless the business to be transacted would disclose 'confidential' or 'exempt' information.
- Inspect agenda and public reports at least five clear days before the date of the meeting.
- Inspect minutes of the Council and all Committees and Sub-Committees and written statements of decisions taken by the Cabinet or individual Cabinet Members for up to six years following a meeting.
- Inspect background papers used in the preparation of public reports for a period of up to four years from the date of the meeting. (A list of the background papers to a report is given at the end of each report). A background paper is a document on which the officer has relied in writing the report and which otherwise is not available to the public.
- Access to a public Register stating the names, addresses and wards of all Councillors with details of the membership of the Cabinet, of all Committees and Sub-Committees.
- Have a reasonable number of copies of agenda and reports (relating to items to be considered in public) made available to the public attending meetings of the Council, Committees and Sub-Committees.
- Have access to a list specifying those powers on which the Council have delegated decision making to their officers identifying the officers concerned by title.
- Copy any of the documents mentioned above to which you have a right of access, subject to a reasonable charge (20p per sheet subject to a maximum of £5.00 per agenda plus a nominal fee of £1.50, for postage).
- Access to this summary of your rights as members of the public to attend meetings of the Council, Cabinet, Committees and Sub-Committees and to inspect and copy documents.
- A member of the public may, at a meeting of the full Council, ask a Cabinet Member or Chairman of a Committee any question relevant to a matter in relation to which the Council has powers or duties or which affects the County as long as a copy of that question is deposited with the County Secretary and Solicitor more than seven clear working days before the meeting i.e. by close of business on a Tuesday in the week preceding a Friday meeting.

Please Note:

Agenda and individual reports can be made available in large print, Braille or on tape. Please contact the officer named below in advance of the meeting who will be pleased to deal with your request.

The meeting room is accessible for visitors in wheelchairs via the main entrance by prior arrangement. Please telephone 01432 272395

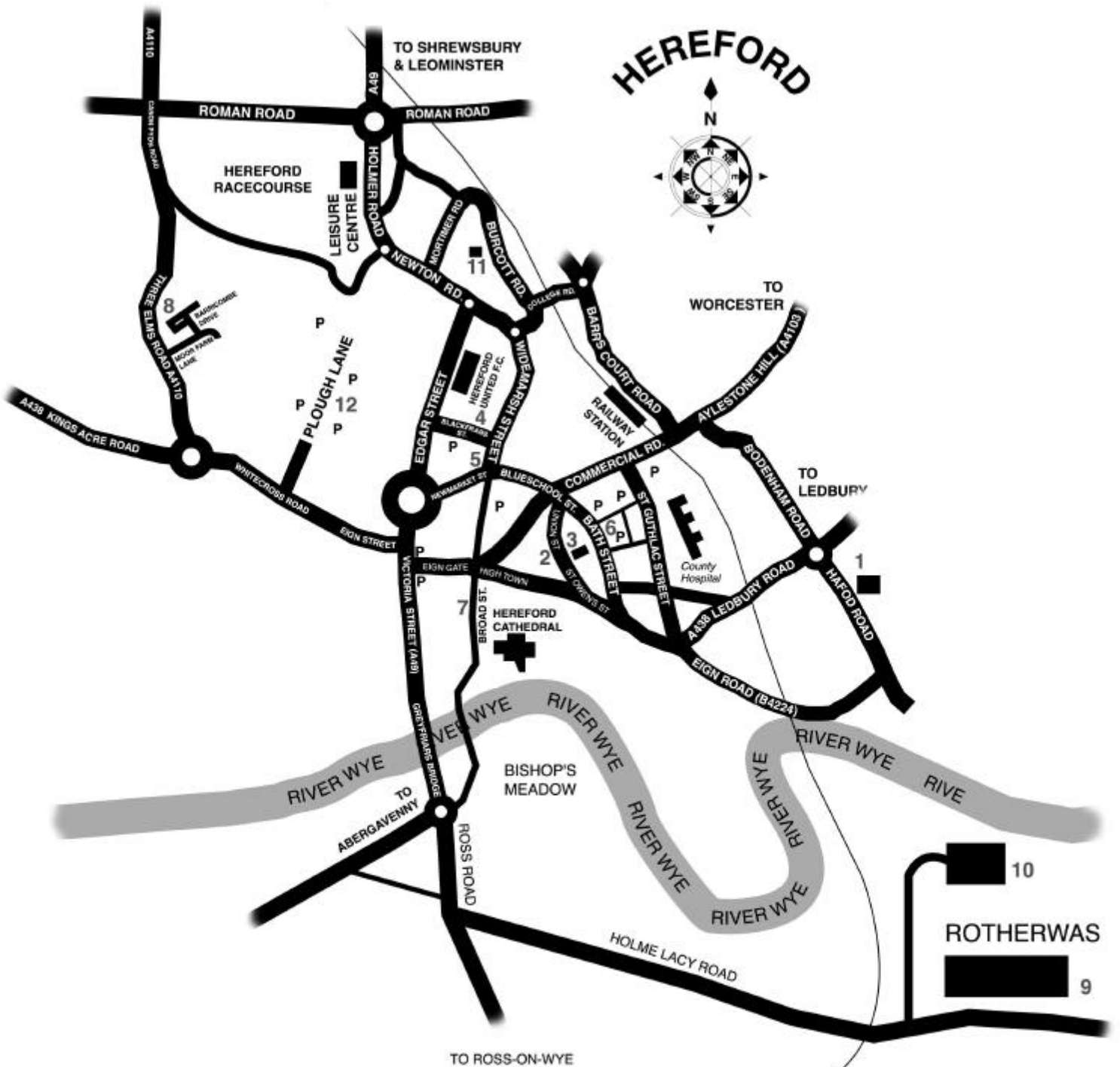
A map showing the location of the Shirehall can be found opposite.

If you have any questions about this Agenda, how the Council works or would like more information or wish to exercise your rights to access the information described above, you may do so either by telephoning Mrs Christine Dyer on 01432 260222 or by visiting in person during office hours (8.45 a.m. - 5.00 p.m. Monday - Thursday and 8.45 a.m. - 4.45 p.m. Friday) at the Council Offices, Brockington, 35 Hafod Road, Hereford.



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- |   |                  |    |                                   |
|---|------------------|----|-----------------------------------|
| 1 | Brockington      | 7  | Kemble House                      |
| 2 | Town Hall        | 8  | Trinity House                     |
| 3 | Shire Hall       | 9  | Thorn Office Centre               |
| 4 | Education Centre | 10 | Herefordshire Commercial Services |
| 5 | Garrick House    | 11 | Merchant House                    |
| 6 | Bath Street      | 12 | Plough Lane                       |



# **FIRE AND EMERGENCY EVACUATION PROCEDURE**

## **IN CASE OF FIRE**

**(no matter how small)**

1. Sound the Alarm
2. Call the Fire Brigade
3. Fire party - attack the fire with appliances available.

## **ON HEARING THE ALARM**

Leave the building by the nearest exit and proceed to assembly area on:

## **GAOL STREET CAR PARK**

**Section Heads will call the roll at the place of assembly.**



**MINUTES of the meeting of COUNCIL held at The Assembly Hall, The Shirehall, Hereford. on Friday, 11th March, 2005 at 10.30 a.m.**

**Present:** Councillor P.E. Harling (Chairman)  
Councillor J.W. Edwards (Vice Chairman)

**Councillors:** Mrs. P.A. Andrews, B.F. Ashton, Mrs. W.U. Attfield, Mrs. L.O. Barnett, Mrs. E.M. Bew, W.L.S. Bowen, H. Bramer, R.B.A. Burke, A.C.R. Chappell, Mrs. S.P.A. Daniels, P.J. Dauncey, N.J.J. Davies, Mrs. C.J. Davis, G.W. Davis, P.J. Edwards, D.J. Fleet, Mrs. J.P. French, J.H.R. Goodwin, Mrs. A.E. Gray, K.G. Grumbley, J.G.S. Guthrie, J.W. Hope MBE, B. Hunt, T.W. Hunt, T.M. James, Brig. P. Jones CBE, Mrs. R.F. Lincoln, Mrs. M.D. Lloyd-Hayes, G. Lucas, R.M. Manning, R.I. Matthews, J.C. Mayson, R. Mills, J.W. Newman, Mrs. J.E. Pemberton, R.J. Phillips, Ms. G.A. Powell, Mrs. S.J. Robertson, D.W. Rule MBE, Miss F. Short, R.V. Stockton, J. Stone, D.C. Taylor, J.P. Thomas, W.J.S. Thomas, Ms. A.M. Toon, P.G. Turpin, W.J. Walling, D.B. Wilcox, A.L. Williams, J.B. Williams and R.M. Wilson

**64. PRAYERS**

The Very Reverend Michael Tavinor, the Dean of Hereford, led the Council in prayer.

**65. APOLOGIES FOR ABSENCE**

Apologies were received from Councillors M.R. Cunningham, Mrs. J. Hyde, G.V. Hyde and R. Preece.

**66. DECLARATIONS OF INTEREST**

There were no declarations of interest made.

**67. MINUTES**

**RESOLVED:** That the minutes of the meeting held on 11th February, 2005 be approved as a correct record and signed by the Chairman.

**68. CHAIRMAN'S ANNOUNCEMENTS**

The Chairman congratulated the Highways and Transportation Service on its designation as a Centre of Excellence in Local Transport Delivery by the Department for Transport.

He announced that, following the re-launch of the Council website in January the Council was now in 24th place in the league table of 461 local authority websites, making it the most improved local authority in the country.

Council noted that the next round of Local Area Forum meetings, originally scheduled for April had been rearranged and would now take place in June. Details would be sent to all Members in due course.

The Council joined the Chairman in offering thanks and best wishes to the Chief Fire Officer, David O'Dwyer on his retirement. The Chairman agreed to write to Mr O'Dwyer on the Council's behalf.

The Chairman reminded Council of the arrangements for the Civic Service to be held on Sunday, 13th March, 2005.

There were no petitions.

#### **69. QUESTIONS FROM MEMBERS OF THE PUBLIC**

Under the Constitution a member of the public can ask a Cabinet Member or Chairman of a Committee any question relevant to a matter in relation to which the Council has powers or duties, or which affects the County, as long as a copy of the question is deposited with the County Secretary and Solicitor more than six clear working days before the meeting. No such questions had been received.

#### **70. QUESTIONS TO THE CABINET MEMBERS AND CHAIRMEN UNDER STANDING ORDERS**

**Question asked by Councillor D.C. Taylor of the Cabinet Member (Environment)**

*"I understand that Mr Justice Elias has handed down a judgement against the Council's decision to grant planning permission for a waste site at Madley for Estech Europe Ltd.*

*In his judgement he gave leave for the Council to appeal. Has the Cabinet Member (Environment) considered this Council's position and whether it will be appealing against this judgement?*

*Has the Council also considered what future stance it should take, along with its partner organisations, regarding reducing the landfill deposits to meet the national guidelines, which are to be brought in by 2010."*

Councillor P.J. Edwards, Cabinet Member (Environment) said that although the High Court challenge to the planning permission was on two grounds, site selection and environmental impact, Mr Justice Elias' judgement confirmed that there were no grounds to quash the decision on the basis of site selection. The judgement found that clearer information supporting the applicant's assertion that the treatment process would not result in significant environmental emissions was required from the applicant, Estech Europe Ltd, before the Council could properly make a decision on the application.

He advised that the Council would not appeal against the High Court Judgement, as it was for the applicant to consider how they wished to pursue their planning application which awaits determination.

He reminded Council of the Joint Waste Management Strategy with Worcestershire, which sets out how it will achieve targets including diversion from landfill, and also of the long term contract for waste management which has in-built flexibility to adjust to changes in policy.

Councillor Taylor thanked the Cabinet Member for his answer. There was no supplementary question.

**Question asked by Councillor Mrs. J. Pemberton of the Cabinet Member (Rural Regeneration and Smallholdings)**

*"Acknowledging the valuable role that Parish Plans play with local communities throughout Herefordshire, are there any proposals for the Council to further assist parishes in the provision of resources in the light of reduced funding from Government?"*

Councillor J.C. Mayson, Cabinet Member (Rural Regeneration and Smallholding) thanked Councillor Mrs. Pemberton for her question and said he acknowledged the valuable role that Parish Plans played in local communities particularly in a rural county like Herefordshire.

He reminded Council that the Countryside Agency had launched the Parish Planning process in March 2002 to encourage Parish Councils throughout the country to engage with their local communities and take a more active role in the development of their Parishes. A grant of £5,000 per Parish, subsequently reduced to £3,500 per Parish, had been made available. The Countryside Agency has confirmed that this grant scheme would close in March 2005.

Of the 238 parishes in Herefordshire approximately 41 Herefordshire parishes had either already successfully completed a Plan or were in the process of completing, and although the Council recognises the important role that Parish Planning takes, it would not be possible for the Council to fund the financial gap created by the closure of the Countryside Agency grant support.

He said that the Council would continue to support Parishes with appropriate advice to help them develop and implement Parish Plans, together with their continuing endorsement by Planning Committee. The Council was also in discussion with the Government over the development of its Second Local Public Sector Area Agreement (LPSA2). One of the possible initiatives being explored as part of this process was further provision of advice and guidance to support the Parish Planning process.

There was no supplementary question.

**Question asked by Councillor A.C.R. Chappell of the Leader of the Council**

*"Will the Leader explore ways of funding for flood defences for the city and in particular for the areas around Belmont roundabout and Greyfriars Avenue?"*

*Very little apparent effort has been made by the Council to put pressure on the Environment Agency of the Department of the Environment to hasten the implementation of flood defences.*

*Will he actively promote flood defences for the city and bring whatever pressure is possible on the agencies that are able to deliver results?"*

Councillor R.J. Phillips, the Leader of the Council, said that the Council had fully supported the work undertaken by the Environment Agency to develop a flood defence scheme for Hereford and had secured a substantial developer contribution to the scheme through the approved ASDA development.

Responsibility for implementation of a flood defence scheme currently rested with the Welsh Region of the Environment Agency's Flood Defence Committee structure but

would transfer to an enlarged Severn Trent Regional Flood Defence Committee on behalf of the Environment Agency from 1st April. The Council has written to the Department for Environment, Food and Rural Affairs seeking confirmation that preparations for this transfer of responsibilities would be taken forward well in advance of April next year and asking for reassurance that the changes would have no adverse impact on the local priority for flood defences in Hereford. DEFRA has confirmed that it is considering how best it might prepare for the change to the boundaries and that this Council would be consulted on any proposals.

DEFRA has pointed out that, under the new administrative arrangements, it would be for the Regional Flood Defence Committee to decide on the programme of works for the area. It would be possible for the Committee to raise funding through a local levy for priority schemes. However, schemes such as that proposed for Hereford were classified as major works, funded from flood defence grant aid and would be subject to national prioritisation applied to all schemes in England.

The Cabinet Member reported that the Local Authority representation on the Severn Trent Regional Flood Defence Committee was being reviewed by DEFRA to ensure fair and proportionate representation and the Council would be consulted on any proposed changes. He assured Councillor Chappell that the Council would continue actively to promote flood defences for Hereford within both existing and future national systems of flood management.

**Question asked by Councillor J. Stone of the Cabinet Member (Highways and Transportation)**

*"Approximately 23% of personal injury accidents in Herefordshire occur on trunk roads like the A49, jeopardising the County's national targets on casualty reduction. Will the Cabinet Member for Highways and Transportation make representations to the Department of Transport over the lack of urgency shown by the Highways Agency in improving road safety on the A49?"*

Councillor R.M. Wilson, Cabinet Member (Highways and Transportation) thanked Councillor Stone for his question and said that he was in the process of preparing a letter to the Transport Minister. He advised that the need for higher priority to be given to casualty reduction measures on trunk roads in Herefordshire would be stressed in the next Local Transport Plan due to be submitted to the Government in July this year and discussed with them in draft well before then.

He said that the Council's concerns were also incorporated in the draft Local Public Service Agreement which was currently under negotiation with the Government and in which the Highways Agency would be asked to grant greater flexibility to give priority to reducing accidents in Herefordshire.

Councillor Stone thanked the Cabinet Member for his answer and asked if the relatively low costs involved in the introduction of speed limits, warning signs, white lining or road resurfacing would be money well spent in relation to the costs involved in just one fatal accident. The Cabinet Members said he was well aware of the costs but that the A49 was the responsibility of the Environment Agency. He would continue to lobby on this point.

**71. NOTICES OF MOTION UNDER STANDING ORDERS**

There were no Notices of Motion.



**72. CABINET**

Before calling on the Leader of the Council, Councillor R.J. Phillips, to present the report of Cabinet, the Chairman advised that the Revenue Budget and Council Tax for 2005/06 would be debated at page 12 of the agenda. If any Member wished to move an amendment, they should do so once the Leader had proposed the Council Tax and Budget. Once the Council had agreed the whole of the Cabinet report, it would move to item 10 of the agenda to set the Council Tax and Revenue Budget for 2005/06 formally in accordance with the legislation.

The Leader of the Council, Councillor R.J. Phillips, presented the report of the meetings of Cabinet held on 17th and 24th February, 2005.

**In relation to item 1.1 - Corporate Plan 2005-2008** - Councillor Phillips reminded Council that this was an important document which sets out the Council's priorities for the next three years and how it intends to achieve them. In response to a query about the lack of targets relating to drug abuse and bullying in schools he stated that the Council could work with the schools to set these targets.

**In relation to item 1.2 - Capital Programme 2005/06** - the Leader said that some of this money would help achieve the priorities in the Corporate Plan. He proposed that the supported borrowing for Education, Transport and Housing be distributed in accordance with government allocations. He advised of the prudential borrowing allocations from 2004/05 which had ongoing commitments in 2005/06 and the additional schemes recommended for approval in 2005/06. He spoke, in particular, of the need for investment in the Crematorium, the contact centre (Info by Phone) and the proposed enhancements for Hereford City Centre.

In response to a query about the provisional nature of the proposed funding for enhancements to Hereford City Centre, he stated that this was part of an overall funding package and the Council would work towards the best interests of the City and the County. In response to a comment that £2 million could be needed to improve the Buttermarket alone and that £10-£15 million would be required to bring Hereford City Centre up to standard he invited suggestions as to how that money could be raised.

**In relation to item 1.3 Revenue Budget and Council Tax 2005/06** - Councillor Phillips reminded Council that it needed to achieve savings of around £5 million and that the proposed budget was recommended by the Cabinet following consultation with the Budget Panel which included representatives from all the political parties and the trades unions. It had also taken account of proposals from the Strategic Monitoring Committee. He proposed a budget of £184,889,000 equivalent to a 4.31% rise in Council Tax, the lowest ever set by the Council.

In response to a comment that the 4.31% increase was to make up for the previous year's Council Tax capping and rebilling, and a query about the impact this would have on the population, many of whom were on low or fixed incomes, Councillor Phillips referred to the content of the capping decision which led to an amendment of £253,000 to the Council's budget. The Leader indicated that whilst the Council had been capped for an 'overspend' of £253,000 the Government had had no hesitation in making a retrospective amendment of £300,000 in the current settlement to reflect alleged discrepancies in the 2001 Census Data. He was also aware of the number of people on low or fixed income, including pensioners.

In response to a query about the relocation of Tourist Information Centres (TICs) and whether the process would be scrutinised to make sure it was truly effective, the

Leader explained that many Focus Groups, including the Tourism Group, had been consulted on the budget proposals and they were received very favourably. He said £450,000 was spent on tourism, half of that on TICs. He confirmed that the TICs would retain a presence in the market towns and that it would be necessary to review their stock, leases and ensure that properties were fit for purpose.

The Leader of the Liberal Democrat Group said that government settlements were usually more generous prior to a general election. He said that the Council had no option but to set the budget at this level to avoid capping. He was worried that there was little flexibility in the budget and took issue on a number of proposals such as increased charges for green waste bags, car parking charges at Queenswood, and increases to the crematorium and burial charges. He also urged a closer look at the Herefordshire Partnership and was concerned that the Council had no control over the number of people requiring Social Care. Although he supported the level of the council tax rise, he warned that the Chancellor might not be so generous next year. The Leader responded by saying that the budget concentrated, not on one year but on a three-year period. He said there would be a £3 million investment in the crematorium. He agreed that the costs of the Herefordshire Partnership would need to be closely examined. He also shared Councillor James' concerns about the demands on the Social Care budget in light of the County's population profile. He said that vulnerable people were owed a sustained level of services and that challenging discussions would be taking place in order to come to terms with this issue.

He also advised that there would be a seminar on Procurement and ICT and the Council's Service Improvement Plan. He urged all Members to attend the seminar which would be held sometime in April.

In response to a question from Councillor Mrs. Lloyd-Hayes he agreed to provide a written response about the pavilion which had been burnt down at College Hill and whether it would be rebuilt and available for use by young people in the same area.

In response to a query about the Council's presence at the Three Counties Show, he said he would always advertise the County but could not justify £45,000 plus officer time except possibly in the year that Herefordshire hosted the Show.

Council voted on the Council Tax and Revenue Budget 2005/06 as follows:

For - 40

Against - 0

Abstentions - 14

**In relation to item 1.5 Draft Crime, Disorder and Drugs Reduction Strategy 2005 - 08** - The Leader advised that it would not be possible for the Council to approve the Strategy as some of the figures were still not available. He hoped that the final document would be ready for approval at the May meeting.

**In relation to item 7.1(i) - Herefordshire Council Support to the Community and Voluntary Sector** - in response to a question the Leader confirmed that, now that the Budget had been set, any changes to the Council's policy on support to the voluntary sector would be put in place as soon as was expedient.

**In relation to item 7.1(ii) - Courtyard Review** - In response to a comment from the Chairman of the Review Panel, the Leader confirmed that the Panel would be invited to continue to be involved in scrutinising the Courtyard's operation and financial position.

In relation to item 13.1(ii) **Developing Services to People with Learning Disabilities** - The Cabinet Member (Social Care and Strategic Housing) was unable to give any assurances about respite care facilities at this early stage.

**RESOLVED:** That the reports from the meetings of Cabinet held on 17th and 24th February, 2005 be received and the recommendations set out below be adopted:

- That
- (a) the Corporate Plan be approved on the basis that the Local Public Service Agreement (LPSA) 2G performance indicators and targets will be included as and when they are agreed with central government;
  - (b) the supported borrowing for Education, Transport and Housing be distributed in accordance with government allocations (Appendix 1);
  - (c) the future years funding commitments resulting from 2004/05 allocations of Prudential Borrowing, as stated in Appendix 2, be reaffirmed;
  - (d) a capital sum of £2 million be provisionally allocated to the refurbishment of Hereford City Centre and the County Treasurer be asked to make the necessary additional provision within the Revenue Budget and within the Prudential Borrowing requirements;
  - (e) Prudential Borrowing for 2005/06, for 2006/07 and for 2007/08 be approved to meet projects as set out in Appendix 3;
  - (f) the Revenue Budget for 2005/06 be set at £184,889,000 (representing the figure reflected in the budget report to Cabinet plus a further £200,000 being the capital financing costs associated with the Hereford City Centre improvements proposal);
  - (g) the consequential Council Tax Band D figure for 2005/06 be £996.94 representing a 4.31% increase as detailed in the Council Tax Resolution 2005/06 set out at Minute 73;
  - (h) the Prudential Indicators detailed in Appendix 4 which includes the projected Capital programme, subject to confirmation of the inclusion of £2 million for refurbishment of Hereford City Centre, be approved;
  - (i) the Treasury Management Strategy in Appendix 5 be approved;
  - (j) the borrowing limits outlined in Appendix 5 be approved; and
  - (k) that the Crime, Disorder, and Drugs Reduction Strategy 2005-08 be finalised and re-submitted to Council in May for final approval.

**73. COUNCIL TAX AND REVENUE BUDGET RESOLUTION 2005/06**

Following the resolution at Minute 72 above, it was **unanimously** formally **RESOLVED**:

**THAT: (1) In respect of the Council's 2005/06 Budget:**

- (a) a council tax of £996.94 be levied (at Band D);**
- (b) programme areas contain expenditure within "cash limits" i.e. outturn budgets with no further allowance for pay or price inflation beyond that already provided;**

**and**

**(2) in respect of council tax for 2005/06 that the following amounts be approved by the Council for the year 2005/06 in accordance with Sections 32 to 36 of the Local Government Finance Act 1992:**

- (a) £270,134,997** being the estimated aggregate expenditure of the Council in accordance with Section 32(2)(a) to (e) of the Act;
- (b) £83,267,000** being the estimated aggregate income of the Council for the items set out in Section 32(3)(a) to (c) of the Act;
- (c) £186,867,997** being the amount by which the aggregate at (a) above exceeds the aggregate at (b) calculated by the Council in accordance with Section 32(4) of the Act, as its total net budget requirement for the year;
- (d) £117,942,196** being the aggregate of the sums which the Council estimated will be payable for the year into its general fund in respect of redistributed non-domestic rates, revenue support grant, additional grant or relevant special grant, increased by the transfer from the Collection Fund;
- (e) £1,026.41** being the amount at (c) above less the amount at (d) above all divided by the amount of the Council Tax base calculated by the Council, in accordance with Section 33(1) of the Act, as the

basic amount of its Council Tax for the year;

- (f) £1,978,997 being the aggregate amount of all special items referred to in Section 34(1) of the Act;
  - (g) £996.94 being the amount at (e) above less the result given by dividing the amount at (f) above by the amount of the Council Tax base calculated by the Council, in accordance with Section 34(2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no special item relates;
  - (h) that the precepting authority details incorporated in Annex 1 (i-v), relating to Special Items, West Mercia Police and Hereford and Worcester Combined Fire Authority be approved in accordance with Sections 30(2), 34(3), 36(1) and Section 40 of the Local Government Finance Act 1992.
- (3) Pursuant to the requirements of the Local Government (Functions and Responsibility) (England) Regulations 2000, any decisions on the application of reserves and balances as required from time to time during the financial year be taken by Cabinet.

The meeting ended at 11.50 a.m.

CHAIRMAN



## FORECAST SUPPORTED CAPITAL EXPENDITURE (REVENUE)

	SCE(R)	Final Settlement	Estimate		
	2004/05	2005/06	2006/07	2007/08	2008/09
	£	£	£	£	£
<b>Education</b>					
Modernisation - all schools need	1,946,743	1,064,162	984,382	1,014,968	SCE(C)
Modernisation - primary need		774,137	1,020,625	1,020,625	SCE(C)
New pupil places – formulaic	217,834	435,725	464,806	471,881	SCE(R)
Prior basic need commitments	1,440,970	339,863			SCE(R)
Schools Access Initiative	254,862	256,623	255,583	255,583	SCE(R)
Targeted Capital – Sutton			304,350		SCE(R)
Targeted Capital – Weobley			221,350		SCE(R)
Capital investment in primary schools	819,542	-			
<b>Total Education SCE</b>	<b>4,679,951</b>	<b>2,870,510</b>	<b>3,251,096</b>	<b>2,763,057</b>	
Less: Funded by Capital Grants (SCE(C))	(1,468,456)	(1,838,299)	(2,005,007)	(2,035,593)	SCE(C)
Whitecross College addl SCE(R)	100,000				
	<b>3,311,495</b>	<b>1,032,211</b>	<b>1,246,089</b>	<b>727,464</b>	<b>727,464</b>
<b>Environment</b>					
Integrated Transport Allocation (Single Pot)	4,830,000	2,900,000			
Maintenance Block Allocation (Single Pot)	6,242,000	7,559,000			
Rotherwas Access Road bid	Nil	Nil	Nil	Nil	Nil
Contaminated Air	26,000				
Coast Protection	469,700				
	<b>11,567,700</b>	<b>10,459,000</b>	<b>10,459,000</b>	<b>10,459,000</b>	<b>10,459,000</b>
<b>Housing</b>					
Housing (Single Pot)	1,909,500	1,935,500	1,935,500	1,935,500	1,935,500
Private Sector Renewal Kick Start Funds (Ringfenced)	162,500	127,500	-	-	-
	<b>2,072,000</b>	<b>2,063,000</b>	<b>1,935,500</b>	<b>1,935,500</b>	<b>1,935,500</b>
<b>Social Care</b>					
Adults (Single Pot)	97,000	95,000	95,000	95,000	95,000
Children (Single Pot)	30,000	30,000	30,000	30,000	30,000
MHSCE(R)	91,539	-			
	<b>218,539</b>	<b>125,000</b>	<b>125,000</b>	<b>125,000</b>	<b>125,000</b>
<b>Total</b>	<b>17,169,734</b>	<b>13,679,211</b>	<b>13,765,589</b>	<b>13,246,964</b>	<b>13,246,964</b>

## 2004/05 PRUDENTIAL BORROWING ALLOCATIONS

Ref	Total	Budget				Commitments			
		2004/05	2005/06	2006/07	2007/08	2004/05	2005/06	2006/07	2007/08
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Approved Scheme</b>									
<b>Social Development</b>									
	North Herefordshire Swimming Pool	2,258	1,800	395	63	-	-	-	-
16	Friar St Museum Resource & Learning Centre	140	140	-	-	-	-	-	-
19	Aylestone Park	100	100	-	-	-	-	-	-
	Ross Creative Learning Centre	117	117	-	-	-	-	-	-
	Ross Library	10	10	-	-	-	-	-	-
<b>Economic Development</b>									
	Hereford City of Living Crafts	120	60	60	-	-	-	-	-
	Hereford City Shop Front Scheme	150	50	50	50	-	-	-	-
	Hereford City Eign Gate	500	100	400	-	-	-	-	-
	Hereford City High Town & High St	145	145	-	-	-	-	-	-
	Hereford City Victoria Foot Bridge	300	100	100	100	-	-	-	-
<b>P &amp; F General</b>									
14	Ledbury Info	4	4	-	-	-	-	-	-
<b>Property</b>									
2	Disabled Access	200	200	-	-	-	-	-	-
1	Energy Conservation	100	100	-	-	-	-	-	-
<b>Environment General</b>									
9	Crematorium Hereford	100	100	-	-	-	-	-	-
8	Leominster Landfill Infrastructure	45	45	-	-	-	-	-	-
5	Public Toilets Improvements	150	150	-	-	-	-	-	-
	Hereford Cemetery	100	100	-	-	-	-	-	-
<b>ICT Services</b>									
	Network Enhancement	3,170	770	950	500	950	500	950	950
	Continuity / Disaster Recovery	950	250	500	100	100	100	100	100
<b>Social Care</b>									
	Community Equipment	200	200	-	-	-	-	-	-
<b>Housing</b>									
	Disabled Facilities Grants	200	200	-	-	-	-	-	-
<b>TOTAL</b>		<b>9,059</b>	<b>4,741</b>	<b>2,455</b>	<b>813</b>	<b>1,050</b>	<b>1,050</b>	<b>1,050</b>	<b>1,050</b>



## 2005/06 SCHEME SELECTION & PRIORITISATION BIDS RECOMMENDATIONS FOR APPROVAL

Ref	Scheme	Total £'000	Budget		Commitments	
			2005/06 £'000	2006/07 £'000	2007/08 £'000	2008/09 £'000
<b>Allocations agreed in 2004/05 to be funded</b>		<b>4,318</b>	<b>2,455</b>	<b>813</b>	<b>1,050</b>	
<b>2005/06 Priority Bids due to Legal Requirement</b>						
2	Disabled Access	200	200			
3	Leominster Broad Street Car Park - petrol inceptors	100	100			
4	Powell Croft Sewage Plant Improvements – Upton Bishop nr Ross	50	50			
8	Restore Leominster Landfill Site	710	210	500		
9	Crematorium	3,050	450	800	1,800	
19	Aylestone Park - Canal Safety	166	166			
<b>Further bids</b>						
22	Contact Centre	1,500	750	750		
17	Library Refurbishment (Kington)	535	535			
5	Improvement to Toilet facilities	215	215			
15	Relocation Ledbury Library	53	53			
		<hr/>				
City Centre Enhancements		2,000	2,000			
		<hr/>				
<b>Sub-total</b>		<b>12,897</b>	<b>7,184</b>	<b>2,863</b>	<b>2,850</b>	
<b>Bids where Revenue to meet Capital Financing Costs</b>						
11	4 x Minibuses	97	97			
12	Holistic Resource at St. Owens (Cost is £83,000, part funded by £74,000 capital receipt)	9	9			
18	Queenswood Car Park	137	137			
20	2 x Mobile Libraries	180	180			
		<hr/>				
<b>TOTAL</b>		<b>13,320</b>	<b>7,607</b>	<b>2,863</b>	<b>2,850</b>	



## HEREFORDSHIRE COUNCIL

## PRUDENTIAL INDICATORS 2005/06

## 1. INTRODUCTION

The PIs set out below are recommended by the Prudential Code. However members may prefer additional or alternative indicators that will help with the decision making process. The indicators set out below are based on a total of £7,607,000 Prudential Borrowing for 2005/06, of which £423,000 is for schemes for which the capital financing costs are met from existing revenue budgets. The indicators for future years continue to be based on the assumption of a provisional £5,000,000 Prudential Borrowing per year.

## 2. ACTUAL AND ESTIMATED CAPITAL EXPENDITURE

This table takes into account new borrowing for which the government is providing support, government grants, capital receipts, other funding (including s106 receipts) and Prudential Borrowing. The second table shows how this programme would be funded.

	2004/05	2005/06	2006/07	2007/08
	£'000	£'000	£'000	£'000
<b>Capital Programme Area:-</b>				
Economic Development	3,805	1,238	245	0
Education	5,857	6,655	3,251	2,763
Environment General	11,974	13,424	11,759	12,259
Policy & Finance - ICT Services	2,803	2,576	2,233	1,933
Policy & Finance - General	265	0	0	0
Policy & Finance - Property	503	350	250	250
Social Care	473	605	125	125
Social Development	2,792	1,958	63	0
Strategic Housing	5,435	10,325	7,705	5,325
Potential Prudential Borrowing to be allocated	0	0	2,137	2,150
	<b>33,907</b>	<b>37,131</b>	<b>27,768</b>	<b>24,805</b>
<b>By funding</b>				
Capital Receipts Reserve	4,925	4,670	3,299	3,324
Grants	7,585	11,055	5,703	3,234
SCE(R)	16,656	13,679	13,766	13,247
Revenue Contribution	0	120	0	0
Agreed Prudential Borrowing	4,741	7,607	2,863	2,850
Prudential Borrowing to be agreed (for £5m total)	0	0	2,137	2,150
	<b>33,907</b>	<b>37,131</b>	<b>27,768</b>	<b>24,805</b>

### 3. RATIO OF FINANCING COSTS TO NET REVENUE STREAM

The net revenue stream is the budget amount to be met from Formula Grant and Council Tax income (the budget requirement). The ratio is the proportion of the budget requirement that relates to the ongoing capital financing costs.

	2004/05 £'000	2005/06 £'000	2006/07 £'000	2007/08 £'000
Net Revenue Stream	175,320	184,889	195,221	205,194
Capital Financing Requirement	7,418	8,562	10,469	12,362
Ratio of financing costs to net revenue stream	4.23%	4.63%	5.36%	6.03%

### 4. CAPITAL FINANCING REQUIREMENT

This indicator represents the Authorities underlying need to borrow for a capital purpose.

	2004/05 £'000	2005/06 £'000	2006/07 £'000	2007/08 £'000
Capital Financing Requirement (as at 31/3)	96,486	112,347	125,149	136,341

### 5. AUTHORISED LIMIT FOR EXTERNAL DEBT

The Authorised Limit for external debt represents the absolute maximum level of debt that may be incurred. This limit would only be reached in exceptional circumstances.

	2004/05 £'000	2005/06 £'000	2006/07 £'000	2007/08 £'000
Borrowing	119,000	133,000	151,000	169,000
Other Long Term Liabilities	3,000	3,000	3,000	3,000
<b>Total</b>	<b>122,000</b>	<b>136,000</b>	<b>154,000</b>	<b>172,000</b>

### 6. OPERATIONAL BOUNDARY FOR EXTERNAL DEBT

The Operational Boundary for external debt is the prudent expectation of the maximum level of external debt.

	2004/05 £'000	2005/06 £'000	2006/07 £'000	2007/08 £'000
Borrowing	73,500	94,500	108,500	121,500
Other Long Term Liabilities	1,500	1,500	1,500	1,500
<b>Total</b>	<b>75,000</b>	<b>96,000</b>	<b>110,000</b>	<b>123,000</b>

## 7. COUNCIL TAX IMPLICATIONS OF THE INCREMENTAL EFFECT OF CAPITAL DECISIONS

This indicator represents the increases in Council Tax resulting from unsupported Prudential Borrowing. These figures will need to be revised following the decisions taken by Council.

	2005/06	2006/07	2007/08
	£ p	£ p	£ p
Increase in council tax (Band D, per annum) based on Prudential Borrowing of £7,607,000 taken for 2005/06 and £5,000,000 per year for subsequent years.	5.66	13.91	20.62

## 8. TREASURY MANAGEMENT INDICATORS

These are specific indicators which relate to the management of the Treasury Management process. The upper limit for variable rate borrowing is recommended to be increased in order to allow more flexibility to react to changes in market conditions.

	2004/05	2005/06	2006/07	2007/08
<b>Upper Limit for Fixed Interest Rate Exposure</b>				
Net principal re fixed rate borrowing / investments	100%	100%	100%	100%
<b>Upper Limit for Variable Interest Rate Exposure</b>				
Net principal re variable rate borrowing / investments	50%	50%	50%	50%
<b>Maturity Structure of new fixed rate borrowing during 2004/05</b>	<b>Upper Limit</b>	<b>Lower Limit</b>		
Under 12 Months	30%	0%		
12 months and within 24 months	60%	0%		
24 months and within 5 years	90%	0%		
5 years and within 10 years	100%	0%		
10 years and above	100%	20%		
<b>Upper Limit for total principal sums invested for over 364 days</b>	<b>2004/05</b>	<b>2005/06</b>	<b>2006/07</b>	<b>2007/08</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
(per maturity date)	10,000	10,000	10,000	10,000

## HEREFORDSHIRE COUNCIL

### TREASURY MANAGEMENT STRATEGY 2005/06

#### 1. INTRODUCTION

- 1.1 The Financial Policy Team is responsible, under the direction of the County Treasurer for the day-to-day management of the Council's treasury management activities. The Treasury Management Strategy for borrowing and Annual Investment Strategy for 2005/06 details the expected activities for the Team in the coming financial year and has been produced in accordance with the Council's approved Treasury Management Policy Statement.
- 1.2 The 2003 Prudential Code for Capital Finance in local authorities introduced new requirements for the manner in which capital spending plans are to be considered and approved, and in conjunction with this, the development of this integrated Treasury Management Strategy.
- 1.3 The Treasury Management Strategy covers the: -
- current treasury portfolio position
  - treasury limits for 2005/06
  - prudential indicators for 2005/06 – 2007/08
  - prospects for the economy and interest rates
  - borrowing strategy
  - debt rescheduling opportunities
  - specified and non-specified investments
  - investment objectives
  - security of capital: the use of credit ratings
  - investment strategy
  - externally managed funds
  - end of year report

#### 2. CURRENT TREASURY PORTFOLIO POSITION

- 2.1 The Council's treasury portfolio position as at 31 January 2005 is as follows: -

<b>DEBT POSITION</b>	<b>Principal (£)</b>	<b>Borrowing Rate (%)</b>
Public Works Loan Board	50,886,555	4.96
Market Debt	12,000,000	2.05
<b>Total Debt</b>	<b>62,886,555</b>	

Estimated Borrowing Requirement for 2005/06 – supported borrowing approvals of approximately £13,679,211, plus the potential for an additional £5,423,000 unsupported borrowing under the Prudential Code. In addition refinancing of maturing debt of £9,423,523 in the year will be required.

<b>INVESTMENT POSITION</b>	<b>Principal (£)</b>	<b>Rate of Return (%)</b>
Internally managed funds	29,846,098	4.79
Externally managed funds	7,094,101	4.82
<b>Total Investments</b>	<b>36,940,199</b>	

**Note:** Total investments will decline sharply in the last two months of the financial year as capital projects near completion.

### **3. TREASURY LIMITS FOR 2005/06**

- 3.1 It is a statutory duty under Section 3 of the Local Government Act 2003, and supporting regulations, for the Council to determine and keep under review how much it can afford to borrow. The amount so determined is termed the “Affordable Borrowing Limit”. The authorised limit represents the legislative limit specified in Section 3 of the Local Government Act 2003.
- 3.2 The Council must have regard to the Prudential Code when setting their Affordable Borrowing Limit, which essentially requires it to ensure that total capital investment remains within sustainable limits and, in particular, that the impact upon its future council tax levels is ‘acceptable’.
- 3.3 Whilst termed an “Affordable Borrowing Limit”, the capital plans to be considered for inclusion incorporate those planned to be financed by both external borrowing and other forms of liability, such as credit arrangements. The affordable borrowing limit is to be set, on a rolling basis, for the forthcoming financial year and two successive financial years. The Council has already indicated an affordable Prudential Borrowing limit of £5,000,000 per year and the effect of this is set out in the Prudential Indicators below.

### **4. PRUDENTIAL INDICATORS FOR 2005/06 – 2007/08**

- 4.1 The following prudential indicators are relevant for the purposes of setting an integrated Treasury Management Strategy.

<b>PRUDENTIAL INDICATOR</b>	<b>2004/05</b>	<b>2005/06</b>	<b>2006/07</b>	<b>2007/08</b>
<b>(1). Extract from Budget Setting Report</b>				
<b>Capital Expenditure</b>	<b>£’000</b>	<b>£’000</b>	<b>£’000</b>	<b>£’000</b>
	33,907	37,131	27,768	24,805
<b>Ratio of financing costs to net revenue stream</b>				
Net Revenue Stream	175,320	184,889	195,221	205,194
Financing Costs	7,418	8,562	10,469	12,362
Ratio of financing costs to net revenue stream	4.23%	4.63%	5.36%	6.03%

	2004/05	2005/06	2006/07	2007/08
<b>Affordable Borrowing Limit</b>	<b>£ p</b>	<b>£ p</b>	<b>£ p</b>	<b>£ p</b>
Increase in council tax (Band D, per annum) (Prudential borrowing of 2005/06 = £7.607m, 2006/07 = £5.0m, 2007/08 = £5.0m)	£0.00	£5.66	£13.91	£20.62
<b>Capital Financing Requirement (as at 31/3)</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Total	£96,486	£112,347	£125,149	£136,341
<b>PRUDENTIAL INDICATOR</b>	<b>2004/05</b>	<b>2005/06</b>	<b>2006/07</b>	<b>2007/08</b>
<b>(2). Treasury Management Prudential Indicators</b>				
<b>Authorised Limit for External Debt</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Borrowing	£119,000	£133,000	£151,000	£169,000
Other Long Term Liabilities	£3,000	£3,000	£3,000	£3,000
Total	£122,000	£136,000	£154,000	£172,000
<b>Operational Boundary</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Borrowing	£73,500	£94,500	£108,500	£121,500
Other Long Term Liabilities	£1,500	£1,500	£1,500	£1,500
Total	£75,000	£96,000	£110,000	£123,000
<b>Upper Limit for Fixed Interest Rate Exposure</b>	<b>£ or %</b>	<b>£ or %</b>	<b>£ or %</b>	<b>£ or %</b>
Net principal re fixed rate borrowing / investments	100%	100%	100%	100%
<b>Upper Limit for Variable Interest Rate Exposure</b>	<b>£ or %</b>	<b>£ or %</b>	<b>£ or %</b>	<b>£ or %</b>
Net principal re variable rate borrowing / investments	50%	50%	50%	50%
<b>Maturity Structure of new fixed rate borrowing during 2005/06</b>	<b>Upper Limit</b>	<b>Lower Limit</b>		
Under 12 Months	30%	0%		
12 months and within 24 months	60%	0%		
24 months and within 5 years	90%	0%		
5 years and within 10 years	100%	0%		
10 years and above	100%	20%		
<b>Upper Limit for total principal sums invested for over 364 days</b>	<b>2004/05</b>	<b>2005/06</b>	<b>2006/07</b>	<b>2007/08</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
	10,000	10,000	10,000	10,000



## **5. PROSPECTS FOR THE ECONOMY & INTEREST RATES**

- 5.1 The Council retains Sector Treasury Services Limited as its treasury advisers and part of their service is to assist in forming a view on economic trends and the effect on interest rates. This section of the strategy outlines the Council's view of the economy and interest rates based on the advice of its treasury advisers.

### **Economic Background**

#### **UK**

- Above trend Gross Domestic Product (GDP) robust, but indications of weakening activity ahead.
- Slowdown in household spending and weakening housing market.
- Benign inflation at present, may rise in 2005 as high street competition cannot sustain the current situation against the effect of rising oil prices.
- Sterling expected to remain at \$1.80 or above.

#### **International**

- US - measured interest rate raising by the Federal Reserve; weak trend employment data.
- Consumer slowdown shows no signs of abating and this will be compounded by high oil prices, rising interest rates, the fading effects of past tax cuts and a faltering labour market.
- US inflation benign.
- European Central Bank (ECB) has held repo rate at 2.00% since June 2003.
- Weak domestic demand/export led growth indicates an economy about to suffer as world economy expected to slow.

#### **Interest rate forecast**

- The base rate is expected to rise to 5.00% in Q1 2005, but is nearing the peak of the cycle, and is consequently expected to fall back in 2005.

#### **Long term 25 year PWLB rate:**

- Expected to remain around 4.75%
  - Housing market to weaken from fast market increases causing consumers to feel the pinch.
  - Slower global growth driven by weakness in the US

#### **Interest Rates**

- 5.2 Having set the scene in economic terms, the likely impact for interest rates can be assessed and is illustrated in the following tables.

**Table 1 Sector Treasury - Interest Rate Forecast**

(This table represents the view of the Council's Treasury advisors as at January 2005)

%	Q1 2005	Q2 2005	Q3 2005	Q4 2005	Q1 2006
<b>Base Rate</b>	5.00	5.00	4.75	4.75	4.50
<b>10 Year PWLB</b>	5.00	4.75	4.75	4.75	4.75
<b>25 Year PWLB</b>	4.75	4.75	4.75	4.75	4.75

**Table 2 Summary of Independent Forecasts of Base Rate**

(This table represents the views of independent forecasters views of base rate as at November 2004)

%	2005 Year end	2006 average	2007 average	2008 average
<b>Average</b>	4.71	4.81	4.82	4.76
<b>Highest</b>	5.25	5.50	5.25	5.25
<b>Lowest</b>	3.90	4.10	4.10	3.80

## 6. BORROWING STRATEGY

6.1 Based upon the prospects for interest rates outlined above, there are a number of strategy options available. The anticipation is that there is not likely to be much difference between short-term variable PWLB rates and medium and long-term PWLB fixed rate borrowing during 2005/06 provided base rate falls from 5.0% to 4.75% as expected in quarter 3 of 2005. Variable rate borrowing will therefore be slightly more expensive than long-term fixed borrowing during quarter 2, but is expected to become cheaper in quarter 1 of 2006 when base rate is forecast to fall to 4.5%. Thereafter variable rate borrowing is expected to become still cheaper during 2006 and so the gap will widen further between long-term fixed and variable rates. Long-term rates are not currently expected to move significantly in 2005/06 but may drift to the downside.

6.2 These interest rate expectations provide a variety of options:

- that short-term variable rates will be good value compared to long-term rates, and are likely to remain so for potentially at least the next couple of years. Best value will therefore be achieved by borrowing short term at variable rates in order to minimise borrowing costs in the short term or to make short term savings required in order to meet budgetary constraints. Money Market debt will also be considered where opportunities are available to minimise borrowing costs in the short term. These have recently become more attractive than PWLB rates and therefore the County Treasurer will carefully monitor the interest rates available and take advice from the Treasury Management Consultants over the timing of any new borrowing. If fixed PWLB rates should fall significantly, then a suitable trigger point for considering new fixed rate long-term borrowing would be about 4.5%.

- that the risks intrinsic in the shorter term variable rates are such, when compared to historically relatively low long term fixed funding, which may be achievable in 2005/06, that the Council will maintain a stable, longer term portfolio by drawing longer term fixed rate funding at a marginally higher rate than short term rates.
- 6.3 Against this background caution will be adopted with the 2005/06 treasury operations. The County Treasurer will monitor the interest rate market and adopt a pragmatic approach to any changing circumstances.
- 6.4 **Sensitivity of the forecast** - The main sensitivities of the forecast are likely to be the two scenarios below. The Council officers, in conjunction with the treasury advisers, will continually monitor both the prevailing interest rates and the market forecasts, adopting the following responses to a change of view:
- ***If it was felt that there was a significant risk of a sharp rise in long and short term rates***, perhaps arising from a greater than expected increase in world economic activity, then the portfolio position will be re-appraised with the likely action that fixed rate funding will be drawn whilst interest rates were still relatively cheap.
  - ***If it was felt that there was a significant risk of a sharp fall in long and short term rates***, due to e.g. growth rates remaining low or weakening, then long term borrowings will be postponed, and any rescheduling from fixed rate funding into variable or short rate funding will be exercised.

## 7. DEBT RESCHEDULING OPPORTUNITIES

- 7.1 Opportunities may exist for restructuring long-term debt into short-term variable rate debt to produce savings later in the year, particularly once base rate has fallen to 4.5%. With variable rate borrowing rates likely to fall significantly during 2005/06, it will be best to avoid restructuring into fixed borrowing for short periods (e.g. one year). Long-term fixed rates are not expected to rise above 5.25% during 2005/06. Consequently long-term debt rates at or above 4.90% would warrant reviewing the potential for undertaking debt restructuring.
- 7.2 Money market debt will also be considered as part of debt rescheduling, where opportunities exist to replace high rated PWLB loans with lower rated market debt to produce interest savings over the short term (between one and four years). The County Treasurer will carefully monitor interest rates and take advice from the Treasury Management Consultants over the timing of any debt rescheduling.
- 7.3 Any positions taken via rescheduling will be in accordance with the strategy position outlined in paragraph 6 above. The reasons for any rescheduling to take place will include:
- the generation of cash savings at minimum risk
  - the borrowing strategy outlined above
  - a better balance in the maturity profile of the long-term debt portfolio
  - a better balance in the ratio of variable to fixed interest rate loans in the long-term debt portfolio.

## 8. SPECIFIED AND NON-SPECIFIED INVESTMENTS

- 8.1 Under CIPFA's Treasury Management Code of Practice and the ODPM's Guidance on Local Government Investments issued in March 2004 the Council is required to formulate a strategy each year regarding its investments.
- 8.2 This Annual Investment Strategy states which investments the Council may use for the prudent management of its treasury balances during the financial year under the headings of **Specified Investments** and **Non-Specified Investments** as detailed in **Annex A**.
- 8.3 This Annex sets out:
- The procedures for determining the use of each category of investment (advantages and associated risk), particularly if the investment falls under the category of "non-specified investments."
  - The maximum periods for which funds may be prudently committed in each category.
  - Whether the investment instrument is to be used by the Council's in-house officers and/or by the Council's appointed external fund managers (Investec Asset Management); and, if non-specified investments are to be used in-house, whether prior professional advice is to be sought from the Council's treasury advisors (Sector Treasury Services Ltd).

## 9. INVESTMENT OBJECTIVES

- 9.1 All investments will be in sterling. The general policy objective for Herefordshire Council is the prudent investment of its treasury balances\*. The Council's investment priorities are:
- (a) the **security** of capital; and
  - (b) **liquidity** of its investments.

The Council will aim to achieve the optimum return on its investments commensurate with the proper levels of security and liquidity.

\* This includes monies borrowed for the purpose of expenditure in the reasonably near future (i.e. borrowed 12-18 months in advance of need).

- 9.2 The ODPM guidance maintains that the borrowing of monies purely to invest or on-lend and make a return is unlawful and the Council will not engage in such activity.

## 10. SECURITY OF CAPITAL: THE USE OF CREDIT RATINGS

- 10.1 The Council relies on credit ratings published by *Fitch Ratings*, *Moody's Investors Service* or *Standard & Poor's* to establish the credit quality of counterparties and investment schemes. The Council has also determined the minimum long-term, short-term and other credit ratings it deems to be "high" for each category of investment in conjunction with its Treasury Management advisor.

## 10.2 **Monitoring of credit ratings:**

- All credit ratings will be monitored monthly: The Council has access to Fitch credit ratings and is alerted to changes from its Treasury Management advisor.
- If a counterparty's or investment scheme's rating is downgraded with the result that it no longer meets the Council's minimum criteria, the further use of that counterparty/investment scheme as a new investment will be withdrawn immediately. Any intra-month credit rating downgrade, which the Council has identified, that affects the Council's pre-set criteria will also be similarly dealt with. The Council will also immediately inform its external fund manager of the withdrawal of the same.
- If a counterparty is upgraded so that it fulfils the Council's criteria, its inclusion will be considered for approval by the County Treasurer.

## 11. **INVESTMENT STRATEGY**

- 11.1 The County Treasurer manages part of the Council's investment portfolio. Investments managed by the in-house team are generally temporary in nature and short-term. All decisions are made in the light of the Council's forecast cash flow requirements.
- 11.2 If, during the course of the year, the County Treasurer detects that the market's expectation for base rates has been too high, the strategy will be to keep investments as long as possible with a view to locking in higher rates of return than may be available at a later stage when market expectations are corrected.
- 11.3 The money market yield curve is currently anticipating falling base rates in 2005/06. The Council will therefore seek to lock in longer period investments at higher rates before this fall starts. For its cash flow generated balances, the Council will seek to utilise short-dated deposits (1-3 months), business reserve accounts and money market funds in order to benefit from the compounding of interest.
- 11.4 In relation to the Council's internally managed funds, the County Treasurer does not currently plan to invest over 364 days. However, the Council's External fund manager could have a maximum 50% of its investment portfolio invested for periods in excess of 364 days. The market will be continuously monitored for opportunities to lock in to higher, longer-term rates, if it is viewed that this will add stability and value to returns.

## 12. **EXTERNALLY MANAGED FUNDS**

- 12.1 A cash fund of £7,065,667.38 (as at 31<sup>st</sup> December 2004) is currently managed by Investec Asset Management on a discretionary basis. The Council, in conjunction with the Council's Treasury Management adviser, will monitor the external fund manager's performance in 2005/06.
- 12.2 The fund management agreement between the Council and Investec Asset Management formally documents the instruments it can use within pre-agreed limits.

## 13. **END OF YEAR REPORT**

- 13.1 At the end of the financial year, the Council will prepare a report on its investment activity as part of its Annual Treasury Report.

## SPECIFIED INVESTMENTS

*All investments listed below must be sterling-denominated*

<b>Investment</b>	<b>Security / Credit Rating</b>	<b>Circumstance of use</b>
<b>Debt Management Agency Deposit Facility (DMADF)</b>	Govt-backed	In-house
<b>Term deposits</b> with the UK government or with UK local authorities	High security although LAs not credit rated.	In-house and by external fund manager
<b>Term deposits</b> with credit-rated deposit takers (banks and building societies), including callable deposits, with maturities up to 1 year	Yes-varied <i>Minimum rating "A" Long-term and "F1" Short-term (or equivalent)</i>	In-house and by external fund manager
<b>Certificates of Deposit</b> issued by credit-rated deposit takers (banks and building societies): up to 1 year.  <i>Custodial arrangement required prior to purchase</i>	Yes-varied <i>Minimum rating "F1+" Short-term (or equivalent)</i>	External fund manager
<b>Gilts:</b> up to 1 year  <i>Custodial arrangement required prior to purchase</i>	Govt-backed	(1) Buy and hold to maturity: to be used in-house after consultation with Treasury Management advisor (2) For trading: by external fund manager only subject to the guidelines and parameters agreed with them
<b>Reverse Gilt Repos:</b> maturities up to 1 year	Govt-backed	External fund manager only subject to the guidelines and parameters agreed with them
<b>Money Market Funds</b>	Yes-varied <i>Minimum AAA credit rated</i>	In-house and by external fund manager subject to the guidelines and parameters agreed with them
<b>Forward deals</b> with credit rated banks and building societies < 1 year (i.e. negotiated deal period plus period of deposit)	Yes-varied <i>Minimum rating "A" Long-term and "F1" Short-term (or equivalent)</i>	In-house
<b>Commercial paper</b> <i>[Short-term obligations (generally with a maximum life of 9 months) which are issued by banks, corporations and other issuers]</i> <i>Custodial arrangement required prior to purchase</i>	Yes-varied <i>Minimum rating "F1+" Short-term (or equivalent)</i>	External fund manager only subject to the guidelines and parameters agreed with them
<b>Gilt Funds and other Bond Funds***.</b> <i>[These are open-end mutual funds investing predominantly in UK govt gilts and corporate bonds. These funds do not have any maturity date. These funds hold highly liquid instruments and the Council's investments in these funds can be sold at any time.]</i>	Yes <i>Minimum rating "AA-"</i>	External fund manager only subject to the guidelines and parameters agreed with them (NB: In the selection of a fund the manager will ensure that the fund is not a body corporate by virtue of its set up structure).
<b>Treasury bills</b> <i>[Government debt security with a maturity less than one year and issued through a competitive bidding process at a discount to par value]</i> <i>Custodial arrangement required prior to purchase</i>	Govt-backed	In-house and external fund manager subject to the guidelines and parameters agreed with them

## ANNEX A

Investment	Security / Credit Rating	Circumstance of use
<b>Bonds issued by a financial institution that is guaranteed by the UK Government</b> <i>[As defined by Statutory Instrument 2004 No. 534, with maturities under 12 months].</i>  <i>Custodial arrangement required prior to purchase</i>	Govt-backed	1) Buy and hold to maturity: to be used in-house after consultation with Treasury Management advisor (2) For trading: by external fund manager only subject to the guidelines and parameters agreed with them
<b>Bonds issued by a multilateral development bank</b> <i>[As defined by Statutory Instrument 2004 No. 534, with maturities under 12 months].</i>  <i>Custodial arrangement required prior to purchase</i>	AAA	1) Buy and hold to maturity: to be used in-house after consultation with Treasury Management advisor (2) For trading: by external fund manager only subject to the guidelines and parameters agreed with them

\*\*\*Open-ended funds continually create new units (or shares) to accommodate new monies as they flow into the funds and trade at net asset value. (NAV).

## NON-SPECIFIED INVESTMENTS

*All investments listed below must be sterling-denominated*

Investment	Security / Minimum credit rating	Circumstance of use	Max % of overall investments	Maximum maturity of investment
<b>Term deposits</b> with credit rated deposit takers (banks and building societies) with maturities greater than 1 year	YES-varied <i>Minimum rating "AA-" Long-term and "F1" Short-term (or equivalent) Support 1,2 or equivalent</i>	External Fund Manager. In-house	50%  20%	5 years
<b>Certificates of Deposit</b> with credit rated deposit takers (banks and building societies) with maturities greater than 1 year <i>Custodial arrangement required prior to purchase</i>	YES-varied <i>Minimum rating "AA" Long-term and "F1+" Short-term (or equivalent)</i>	External fund manager. In-house after consultation with Treasury Management advisor	50%  20%	5 years
<b>Callable deposits</b> with credit rated deposit takers (banks and building societies) with maturities greater than 1 year	YES-varied <i>Minimum rating "AA-" Long-term and "F1" Short-term (or equivalent) Support 1,2 or equivalent</i>	External Fund Manager. In-house after consultation with Treasury Management advisor	50%  20%	5 years in aggregate



## ANNEX A

Investment	Security / Minimum credit rating	Circumstance of use	Max % of overall investments	Maximum maturity of investment
<p><b>UK government gilts</b> with maturities in excess of 1 year</p> <p><i>Custodial arrangement required prior to purchase</i></p>	Govt backed	<p>(1) Buy and hold to maturity: in-house after consultation with Treasury Management advisor</p> <p>(2) For trading: by external fund manager only subject to the guidelines and parameters agreed with them</p>	<p>20%</p> <p>50%</p>	10 years (but also including the 10 year benchmark gilt)
<p><b>Sovereign issues ex UK govt gilts:</b> any maturity</p> <p><i>Custodial arrangement required prior to purchase</i></p>	AAA	<p>(1) Buy and hold to maturity in-house after consultation from Treasury Management advisor</p> <p>(2) For trading: by external fund manager only subject to the guidelines &amp; parameters agreed with them</p>	<p>20%</p> <p>50%</p>	10 years
<p><b>Forward deposits</b> with credit rated banks and building societies for periods &gt; 1 year (i.e. negotiated deal period plus period of deposit)</p>	<p>Yes-varied</p> <p><i>Minimum rating "AA-" Long-term and "F1" Short-term (or equivalent) Support 1,2 or equivalent</i></p>	<p>External Fund Manager</p> <p>In-house after consultation with Treasury Management advisor</p>	<p>50%</p> <p>20%</p>	5 years
<p><b>Deposits with unrated deposit takers (banks and building societies) but with unconditional financial guarantee from HMG or credit-rated parent institution:</b> any maturity</p>	<p>Not rated in their own right, but parent must be rated.</p> <p><i>Minimum rating for parent "AA-" Long-term and "F1" Short-term (or equivalent) Support 1,2 or equivalent</i></p>	In-house	20%	1 year

## ANNEX A

Investment	Security / Minimum credit rating	Circumstance of use	Max % of overall investments	Maximum maturity of investment
<p><b>Bonds issued by a financial institution that is guaranteed by the UK Government</b> (as defined in Statutory Instrument 2004 No. 534) with maturities in excess of 1 year</p> <p><i>Custodial arrangement required prior to purchase</i></p>	AAA / Govt guaranteed	<p>(1) Buy and hold to maturity: in-house after consultation with Treasury Management advisor</p> <p>(2) For trading: by external fund manager only subject to the guidelines and parameters agreed with them</p>	<p>20%</p> <p>50%</p>	10 years
<p><b>Bonds issued by multilateral development banks</b> (as defined in Statutory Instrument 2004 No. 534) with maturities in excess of 1 year</p> <p><i>Custodial arrangement required prior to purchase</i></p>	AAA / Govt guaranteed	<p>(1) Buy and hold to maturity: in-house after consultation with Treasury Management advisor</p> <p>(2) For trading: by external fund manager only subject to the guidelines and parameters agreed with them</p>	<p>20%</p> <p>50%</p>	10 years

## **HEREFORDSHIRE COUNCIL**

### **TREASURY MANAGEMENT POLICY STATEMENT**

#### **Statement of Purpose**

1. Herefordshire Council adopts the key recommendations of CIPFA's *Treasury Management in the Public Services: Code of Practice (2001)* and: -
  - will put in place formal and comprehensive objectives, policies and practices, strategies and reporting arrangements for the effective management and control of its treasury management activities
  - will make effective management and control of risk the prime objectives of its treasury management activities
  - acknowledge that the pursuit of best value in treasury management, and the use of suitable measures of performance measures, are valid and important tools to employ in support of business and service objectives;
  - that, within the context of effective risk management, will ensure that its treasury management policies and practices reflect the pursuit of best value;
  - formally adopts Section 5 of the Code
  - will adopt a treasury management policy statement as recommended in Section 6 of the Code
  - will follow the recommendations in Section 7 of the Code concerning treasury management practice statements.

#### **Definition of Treasury Management**

2. Herefordshire Council defines its treasury management activities as: -

*'The management of the organisations cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.'*

#### **Policy Objectives**

3. Herefordshire Council regards the successful identification, monitoring and control of risk to the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the Council.
4. Herefordshire Council acknowledges that effective treasury management will provide support towards the achievement of its business and services objectives. It is therefore committed to the principles of achieving best value in treasury management, and to employing suitable performance measurement techniques within the context of effective risk management.

## Delegation & Reporting

5. Herefordshire Council retains responsibility for the approving the Council's Treasury Management Policy and will consider amendments to it on the advice of Cabinet.
6. Herefordshire Council delegates responsibility for approving an annual Treasury Management Strategy to Cabinet as the mechanism for implementing the Treasury Management Policy.
7. Herefordshire Council delegates responsibility for monitoring that treasury management activity is in accordance with the approved policies, strategies and practices to Cabinet.
8. Herefordshire Council delegates responsibility for the development and maintenance of suitable Treasury Management Practices to the County Treasurer.
9. Herefordshire Council delegates responsibility for the administration of treasury management decisions to the County Treasurer who will act in accordance with the approved Treasury Management Policy Statement, Treasury Management Strategy and Treasury Management Practices. If the County Treasurer is a member of CIPFA, he/she shall also comply with CIPFA's Standard of Professional Practice on Treasury Management.
10. Herefordshire Council will receive reports from the County Treasurer on its treasury management policies, strategy, practices and activities, including, as a minimum, an annual strategy in advance of the year and an annual report after its close, in the form prescribed in the Council's Treasury Management Practices.

## **8. APPOINTMENT TO OFFICES RESERVED TO COUNCIL, ALLOCATION OF SEATS TO POLITICAL GROUPS, AND APPOINTMENT TO COMMITTEE.**

**Report By: Chief Executive**

### **Wards Affected**

County-wide

### **Purpose**

1. To exercise those powers reserved to Council at its annual meeting:
  - (a) to make appointments to the positions of Cabinet Members and chairmen and vice-chairmanships of committees, the appointment to which is reserved to Council;
  - (b) to establish the allocation of seats to political groups based on proportionality and to agree arrangements for making the necessary adjustments to proportionality based on appointments to individual committees in order that proportionality can be applied across the Council as a whole; and
  - (c) to make arrangements for such appointments to committees and other bodies as may be necessary.

### **Financial Implications**

2. Provision is made within existing budgets for the expenditure that will be incurred on special responsibility allowances.

### **Appointment of Cabinet Members, Chairmen of Committees, etc.**

3. Council is required to make appointments to the offices set out in Standing Order 4.3. Elsewhere on this agenda Council will be asked to approve a number of amendments to the Constitution, including Cabinet Member portfolios and revised terms of reference for Scrutiny Committees. Appendix 1 to this Report assumes Council will approve the amendments. S.O. 4.3.9 allows for those Committees that do not have a Chairman elected at the annual meeting of Council to elect their own Chairmen at the first meeting following the annual meeting. This will apply to the Statutory Accounts Committee, Social Care Appeals Panel, Appointments and Contract Review Panel and the Employee Appeals Panel whose memberships vary and are drawn from a wider list of Councillors, and to the Standards Committee which includes non-elected members. There is provision in the Constitution for the formation of a Regulatory Sub-Committee to deal with liquor licensing which will soon be the responsibility of the Council. It is anticipated that this will take effect in November 2005 and it will elect its own Chairman at that time.

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Further information on the subject of this report is available from  
Christine Dyer, Members' Services Manager and Executive Officer, Tel 01432 260222

## **Allocation of Seats to Political Groups and Appointments to Committees**

4. The Local Government and Housing Act 1989 and Regulations require the allocation of committee seats to political groups to be in proportion to the size of those groups on the Council and that the Council reviews that allocation each year at the Annual Meeting. The requirement is for representation to be proportional on each committee and across the relevant committees taken as a whole.
5. The membership of the political groups has remained unchanged since the allocation of seats last year and it is assumed that:
  - the Conservative and Independent Groups will continue to form the administration and hold between them all the seats on Cabinet;
  - that the Liberal Democrats and the Labour Group will wish to continue in an opposition role holding the majority of Scrutiny Chairmanships and Vice-Chairmanships.
6. It has also been assumed that Members of Council will continue in their declared political groups. The political balance is currently: Conservatives: 21; Independents: 17; Liberal Democrats: 16; Labour: 4.
7. Under executive arrangements the strict calculation of proportionality required by the Local Government and Housing Act 1989 is across all standing committees and the Scrutiny Committees only. The strict calculation does not include the seats on Cabinet. However, it is assumed that Council will wish to continue with the arrangement whereby the opposition continue to hold the majority of the seats on the Strategic Monitoring Committee, by virtue of holding the majority of Chairmanships and Vice Chairmanships of the Scrutiny Committees, balancing those held by the administration on Cabinet.
8. Such alternative arrangements can only be made where they are approved by Council without any Member voting against. This is known as a nem con vote by the Council. Abstentions from voting do not invalidate the nem con vote. If such arrangements are to be made then it is necessary to give notice of such a possibility under Regulation 20 of the Local Government (Committees and Political Groups) Regulations 1990. Notice is, therefore, formally given on the agenda so that Council is not denied that opportunity.
9. If the nem con vote is not approved it would not be possible to maintain the convention of allocating the majority of Scrutiny Chairmanships and Vice-Chairmanships to the opposition Group as this would mean that the Strategic Monitoring was not politically proportionate. If the alternative arrangements are not approved, the Chief Executive, in consultation with the Group Leaders, will have to exercise his delegated powers to make any adjustment to the number and allocation of seats to give effect to the rules on proportionality and to make appointments in accordance with the nominations of the political group leaders.

### **Appointment to Committees, Etc.**

10. Under Standing Order 4.4.1.1 Members appointed to Committees retain their seats until the annual meeting after the next ordinary election. It is only necessary therefore to make new appointments to give effect to any changes in proportionality

or where Members wish to resign their current appointments. However, account will need to be taken of the need to allocate seats to any Chairman and Vice-Chairman already appointed by Council. These adjustments will be dealt with by Group Leaders following the annual meeting and the new appointments will be made by the Chief Executive giving effect to the notification given by Group Leaders using his delegated powers.

11. It is helpful for the Chief Executive, in consultation with the group leaders, to have delegated authority to adjust the size of committees and/or bodies as this can be important in ironing out inequalities in the application of the rules on proportionality.

### **Appointment to Bodies by Reference to Area**

12. Membership of the Planning Area Sub-Committees is determined in accordance with Ward membership. There is an exception in the Local Government (Committees and Political Groups) Regulations 1990 which enables appointments to be made to groups composed of all the Councillors for an area without the rules on proportionality being applied. Those groups and their membership are set out at Appendix 2 for information.

### **RECOMMENDATIONS**

- THAT (a) the arrangements for appointments to committees and other bodies be agreed;**
- (b) Councillors be appointed to the offices described in Appendix 1 for a term of office which will expire at the next Annual Meeting of Council;**
- (c) the Chief Executive be requested to exercise his delegated powers to make, following consultation with the political group leaders, any adjustment to the number and allocation of seats to give effect to the rules on proportionality and to make appointments, as necessary, in accordance with the nominations of the political group leaders.**

### **BACKGROUND PAPERS**

None identified





Cabinet Member (Children's Services)	
Cabinet Member (Community Services)	
Cabinet Member (Corporate and Customer Services and Human Resources)	
Cabinet Member (Economic Development)	
Cabinet Member (Environment)	
Cabinet Member (Highways and Transportation)	
Cabinet Member (Resources)	
Cabinet Member (Rural Regeneration and Strategy)	
Cabinet Member (Social Care Adults and Health)	
Chairman of Planning Committee	
Vice-Chairman of Planning Committee	
Chairman of Regulatory Committee	
Vice-Chairman of Regulatory Committee	
Chairman of Strategic Monitoring Committee	
Vice-Chairman of Strategic Monitoring Committee	
Chairman of Adult Social Care and Strategic Housing Scrutiny Committee	
Vice-Chairman of Adult Social Care and Strategic Housing Scrutiny Committee	
Chairman of Children's Services Scrutiny Committee	
Vice-Chairman of Children's Services Scrutiny Committee	
Chairman of Community Services Scrutiny Committee	
Vice-Chairman of Community Services Scrutiny Committee	
Chairman of Environment Scrutiny Committee	
Vice-Chairman of Environment Scrutiny Committee	
Chairman of Health Scrutiny Committee	
Vice-Chairman of Health Scrutiny Committee	
Chairman of Central Area Planning Sub-Committee	
Vice-Chairman of Central Area Planning Sub-Committee	
Chairman of Northern Area Planning Sub-Committee	
Vice-Chairman of Northern Area Planning Sub-Committee	
Chairman of Southern Area Planning Sub-Committee	
Vice-Chairman of Southern Area Planning Sub-Committee	



## MEMBERSHIP OF AREA BASED BODIES

### NORTHERN AREA PLANNING SUB-COMMITTEE

Councillor	Ward	Councillor	Ward
B.F. Ashton	Ledbury	T.W. Hunt	Bringsty
Mrs. L.O. Barnett	Mortimer	T.M. James	Kington Town
W.L.S. Bowen	Bircher	Brig. P. Jones	Leominster North
R.B.A. Burke	Leominster South	R.M. Manning	Frome
P.J. Dauncey	Bromyard	R. Mills	Hope End
Mrs. J.P. French	Leominster North	R.J. Phillips	Pembridge and Lyonshall with Titley
K.G. Grumbley	Hampton Court	D.W. Rule	Ledbury
J.H.R. Goodwin	Golden Cross with Weobley	R. V. Stockton	Hope End
P.E. Harling	Ledbury	J. Stone	Upton
J.W. Hope	Castle	J.P. Thomas	Leominster South
B. Hunt	Bromyard		

### CENTRAL AREA PLANNING SUB-COMMITTEE

Councillor	Ward	Councillor	Ward
Mrs. P.A. Andrews	Three Elms	Mrs. J.E. Pemberton	Backbury
Mrs. W.U. Attfield	St Martins and Hinton	Ms. G.A. Powell	Belmont
Mrs. E.M. Bew	St. Nicholas	R. Preece	St. Martins and Hinton
A.C.R. Chappell	St Martins and Hinton	Mrs. S.J. Robertson	Burghill, Holmer and Lyde
Mrs. P. A. Daniels	Three Elms	Miss. F. Short	St. Nicholas
P.J. Edwards	Belmont	W.J.S. Thomas	Hollington
D.J. Fleet	Central	Ms A.M. Toon	Three Elms
J.G.S. Guthrie	Sutton Walls	W.J. Walling	Tupsley
G.V. Hyde	Tupsley	D.B. Wilcox	Aylestone
Mrs. M.D. Lloyd-Hayes	Tupsley	A.L. Williams	Aylestone
R.I. Matthews	Credenhill	R.M. Wilson	Hagley
J.C. Mayson	Wormsley Ridge		
J.W. Newman	Belmont		

### SOUTHERN AREA PLANNING SUB-COMMITTEE

Councillor	Ward	Councillor	Ward
H Bramer	Penyard	Mrs. J.A. Hyde	Llangarron
M.R. Cunningham	Ross-on-Wye West	Mrs. R.F. Lincoln	Kerne Bridge
N.J.J. Davies	Golden Valley North	G Lucas	Ross on Wye West
Mrs. C.J. Davis	Ross-on-Wye East	D.C. Taylor	Stoney Street
G.W. Davis	Pontrilas	P.G. Turpin	Valletts
J.W. Edwards	Old Gore	J.B. Williams	Golden Valley South
Mrs. A.E. Gray	Ross on Wye East		



## REPORT OF THE MEETINGS OF CABINET

**HELD ON 17TH AND 24TH MARCH  
AND 14TH AND 28TH APRIL, 2005**

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**Cabinet Members:** R.J. Phillips (Leader of the Council),  
G.V. Hyde (Deputy Leader), Mrs. L.O. Barnett, P.J. Edwards,  
Mrs. J.P. French, J.C. Mayson, D.W. Rule, MBE, R.V. Stockton,  
D.B. Wilcox, R.M. Wilson.

This report covers the meetings listed above.

### **1. DECISIONS RESERVED TO COUNCIL UNDER PART 4 OF THE CONSTITUTION**

- 1.1 **Herefordshire Crime, Disorder and Drug Reduction Strategy** - Cabinet had previously authorised the Leader of the Council to agree the final version of the three year Strategy which was due to be approved by Council at its meeting on 11 March, 2003. Because of the need to consult with partner bodies the Strategy was not finalised in time for that meeting and is now attached and recommended for approval.

**Cabinet recommends to Council that the Herefordshire Crime, Disorder and Drug Reduction Strategy be approved.**

- 1.2 **Review of the Constitution** - Cabinet has received a report on proposed changes to the Constitution as a result of changing legislation and Council requirements. It has noted that the Constitutional Review Working Group has made proposals in relation to "Local Choice Functions"; Cabinet Portfolios; Overview and Scrutiny functions, Planning Committees, Question time at Council meetings, Commons Management; the Policy Framework; Local Area Forums, the Voluntary Sector Grants Panel; Homelessness Appeals and the restructuring of the Senior Management Team. A full schedule of amendments and revised Parts 6 and 7 of the Constitution are attached at Appendices 1, 2 and 3 of this report.

Cabinet supports the retention of a Cabinet of 10 members with the following portfolios:

Corporate Strategy and Finance (Leader)  
Children's Services  
Community Services  
Corporate and Customer Services and Human Resources  
Economic Development (Deputy Leader)  
Environment  
Highways and Transportation  
Resources  
Rural Regeneration and Strategy  
Social Care Adults and Health.

It also supports the retention of the Strategic Monitoring Committee and five Scrutiny Committees:

Adult Social Care and Strategic Housing Scrutiny  
Children's Services

Community Services  
Environment  
Health Scrutiny.

Cabinet notes the proposal to include the Youth Service in the Community Services portfolio but is concerned that this may not be possible under the Government's anticipated Green Paper, which is expected to align it with Children's Services. If this proves to be the case, approval is sought to transfer responsibility for the Youth Service to the Children's Services portfolio. It also supports the emerging Public Health agenda being included in the Adult Social Care and Strategic Housing Scrutiny Committee rather than in the Health Scrutiny Committee but wishes to keep this under review.

Cabinet has welcomed changes to how questions are dealt with at Council meetings. The County Secretary and Solicitor clarified that written questions would be circulated to all Members and public but that it would be down to individual Chairmen and Cabinet Members to choose whether they wished to respond orally or circulate the answer in writing at the meeting. Members would continue to be able to ask a supplementary question so long as it introduced no new material.

**Cabinet recommends to Council that:**

- (a) Appendices 1, 2 and 3 to the report be approved; and**
- (b) The County Secretary and Solicitor be authorised to make any necessary textual amendments, including changes arising from the national review of responsibility for the Youth Service**

## **2. NOTICES OF MOTION**

- 2.1 At the Council meeting held on 12th November, 2004, Councillors Mrs. M.D. Lloyd-Hayes and W.L.S. Bowen gave notice of the following motion:

*"That HEREFORDSHIRE COUNCIL, as an important consumer and opinion leader, gives support to facilitate the promotion and purchase of foods with the FAIRTRADE Mark.*

*That HEREFORDSHIRE COUNCIL supports a fairer deal to marginalized producers by promoting FAIRTRADE products throughout the Council via its many establishments such as Leisure and Sports Centres, offices, Info Centres and encourages partner agencies such as Jarvis Catering to use FAIRTRADE products wherever possible.*

*The initiative involves a commitment to Agenda 21 and sustainable development by :*

- *widely offer FAIRTRADE Marked food and drink options internally and make them available for internal meetings.*
- *promote the FAIRTRADE Mark using FAIRTRADE Foundation materials in refreshment areas.*
- *promote the FAIRTRADE initiative on internal communications and external newsletters*
- *allow staff to purchase FAIRTRADE products internally*
- *attract media coverage and popular support for the campaign*
- *allocate responsibility for progression of the FAIRTRADE initiative to a member of staff from Agenda 21 to liaise with the already existing steering group.”*

Urgency had not been moved and the motion stood referred to the Leader of the Council pending the Council's imminent approval of the Constitutional amendment which allocated responsibility for procurement to the Cabinet Member (Human Resources and Corporate Support Services).

Cabinet has noted that Hereford City has achieved Fairtrade Status and the initiative is widely supported in the market towns and villages across the County. It supports the motion and **recommends to Council that:**

- (a) **it passes a resolution supporting Fairtrade, and serves Fairtrade coffee and tea at its meetings and in offices and canteens;**
- (b) **it seeks to attract popular support for the campaign across Herefordshire to ensure that:**
  - **Fairtrade products are used by a number of local work places and community organisations; and**
  - **Fairtrade produce is readily available in local shops and served in local cafes and catering establishments.**
- (c) **the local Fairtrade Steering Group be supported; and**
- (d) **the Council’s Procurement Strategy and Code of Practice for the regulation of contracts for works, services and suppliers are revised to reflect a commitment to Fairtrade and that local Herefordshire producers and their products are used where they offer good value for money and their selection is in accordance with the Council's legal obligations.**

### **3. KEY DECISIONS BY INDIVIDUAL EXECUTIVE MEMBERS WHICH WERE NOT INCLUDED IN THE FORWARD PLAN**

- 3.1 There were no such decisions made during the reporting period.

#### 4. CORPORATE STRATEGY AND FINANCE (Chairman of Cabinet – Councillor R.J. Phillips)

##### 4.1 Report on Decisions Taken

- (i) **Budget 2005/06** - Cabinet has determined that the £1 million provided within the approved revenue budget for developing Older People's Services and ICT infrastructure should be allocated equally with each service area receiving £500,000. A further report is expected detailing the proposed re-allocation of resources within the current Social Care budget and the measures necessary to ensure that spending is contained within the budget approved by the Council.
- (ii) **Herefordshire Primary Care Trust - A Strategy for Success - A statement of Intent 2005/06 to 2007/08 and beyond - "Choosing Health - DoH White Paper** - Cabinet has received a report summarising the Department of Health's paper "Choosing Health" and the Herefordshire PCT's "A Strategy for Success: A Statement of Intent". Cabinet has
- approved a response to the Strategy for Success;
  - agreed to invest 50% of the salary costs involved with the post of the Director of Public Health to indicate the Council's commitment to the Government White Paper "Choosing Health". In so doing the Council seeks to be equal partners with the PCT in the work programme to be undertaken by the Director in this respect.
  - welcomed the PCT commitment to strengthen the current Section 31 arrangements and to work with the Council in agreeing LPSA2; and
  - requested Section 31 reports back on how the Council will deliver the six priorities set out in the White Paper.
- (iii) **Progress towards the Equality Standard** - The Council has statutory and moral duties in respect of diversity and equalities to reflect the needs of the County's population through both its service provision and as an employer. In particular it must meet the Local Authority Equality Standard requirements, including fulfilling the Council's statutory duties under the Race Relations Amendment Act, the Sex Discrimination Act, the Equal Pay Act and the Disability Discrimination Act. Cabinet has noted that although the Council had adopted the Equality Standard for Local Government in 2002 and has had the Equal Opportunities Policy since 1998 (reviewed in 2002) the latter was not sufficiently comprehensive to meet all the detailed requirements of the Standard. It has approved the Comprehensive Equality Policy which will replace the Equal Opportunities Policy and committed to the process of Corporate Equality Planning by means of a Corporate Equality Plan to implement the Policy, including consultation, community development and scrutiny.
- (iv) **Herefordshire Council: Review of Senior Management Organisational Structure** - Cabinet has approved new senior management arrangements and agreed that Directorates be organised in the following major blocks:-



- (i) **Children's Services** - The role of this Directorate is defined by the Children Act 2004.
- (ii) **Corporate and Customer Services** - This is a new Directorate combining the support services of Legal and Committees, ICT and Information Services, Customer Services, Service Improvement Programme and the wider policy support role within the Council.
- (iii) **Adult and Community Services** - This Directorate would fulfil the role spelt out in the Children Act for Adult Social Services and would continue to cover the Strategic Housing function as well as many of the services provided direct to the community through the current Policy and Community Directorate.
- (iv) **Environment** - There is relatively little change to this service block from that of the existing Environment Directorate apart from the transfer of responsibility for Property to the new Resources Directorate.
- (v) **Resources and Property Directorate** - This is a new Directorate designed to cover the existing financial support to the Council but bringing into this direct responsibility for the Gershon efficiency agenda and procurement and responsibility for Property Services.

The Head of Human Resources has been authorised to take immediate steps to establish and resolve any arrangements for "ring fencing" and to advertise and fill the remaining vacancies.

- (v) **Annual Efficiency Statement** - Cabinet is required to approve both the corporate and service approach towards making efficiency savings and ratify that this is both robust and achievable. A forward-looking Annual Efficiency Statement (AES) had to be made available to the Audit Commission by 15th April. The Council is required to make £3,300,000 in efficiency gains with at least half of this amount releasing cash. In fact over 80% of the efficiency gains are cash releasing. The Chief Executive's Management Team has set a higher target at £3,500,000 to reflect the Comprehensive Performance Assessment requirements.

Cabinet has approved the Council's forward looking Annual Efficiency Statement, which will concentrate on efficiency savings through:

- improved procurement by building on the Council's already strong track record by identifying opportunities for alternative service provision through strategic procurement; developing partnerships or consortia as appropriate including making the fullest possible use of West Mercia Supplies and where possible to use e-procurement channels.
- improving business process through the Service Improvement Programme including: the rationalisation of office accommodation to the Plough Lane site; the elimination of duplicate activities between the Environment and Policy and Community Directorates; the identification of resources required and the timescales for the establishment of a corporate contact centre; the creation of a project to deliver a corporate document management solution and the rolling out of the ICT back office integration project to incorporate other areas of business, specifically, e-procurement, human resources and performance management.

- (vi) **Risk Management Report year end 2004/05** - Cabinet has received a report on the key risks faced by the Council and the mitigating actions being applied to control them. It has noted that the Risk Management Strategy, approved in April 2004, is being embedded as part of the Corporate Annual Operating and Service Planning processes. The Strategy is working well and is due to be reviewed in March 2006. The Council will continue to develop its approach to Risk management. It will need to be aware of issues such as any implications on Local Government from a General Election and any internal strategic issues. Areas which have already improved include: incorporation of assessment of risks into service planning; better understanding of relativity of service risks across the Council, development of a separate register for corporate risks, more frequent review of risks by Departmental Management Teams and identification of specific actions to mitigate risks. There is still scope for improvement in terms of: consistency of approach to and assessment of risks; better understanding of corporate and cross-cutting risks and presentation of information for corporate reporting.

Although Cabinet was concerned about a number of risks identified as being "high", even after control measures had been implemented, it recognised that in some cases the residual risk would remain high. It agreed that it was more important to identify the fact that a risk existed, and to manage that risk, than to try to negate the risk entirely. Cabinet also discussed the impact of employment legislation on Health and Safety and were pleased to note that a report was due to be presented in May.

Following debate Cabinet has decided that: sufficient mitigating actions are being undertaken on the corporate and significant service risks outlined in the report to safeguard the Council's business and reputation. It has agreed that no changes will be made to the existing risk management strategy for 2005/6 but that a further annual review of the strategy will be carried out in March 2006. It has requested that quarterly risk reports be made to Cabinet Members on their areas of responsibility thereby formalising existing arrangements; and that workplans be devised to assist in this process.

- (vii) **Local Area Forums** - Cabinet has received a report on feedback from the latest round of meetings which took place during January 2005. It has endorsed a suggestion that the name of the forums be changed from Local Area Forums to Community Forums to reflect a greater emphasis on the people rather than the place. Cabinet will continue to receive reports from the Forums and the Forum Chairmen informed accordingly.

- (viii) **The Annual Operating Plan 2005-2006** - As part of the new corporate planning process approved by Cabinet in September 2004, it was agreed that the Council should have an overall Annual Operating Plan to ensure that its priorities are taken forward in the first of the three years of the Corporate Plan 2005/-8 and, to that end, to provide the basis for service plans and the in-year management of performance. The Corporate Plan 2005/08 was approved by Council on 11th March, 2005. This provides the basis for the Annual Operating Plan 2005/06.

Cabinet has now approved the Council's Annual Operating Plan which aims to ensure that the year-one priorities in the Council's Corporate Plan are taken forward and provides the basis for service plans and the in-year management of performance. Printed copies of the Corporate and Annual Operating Plans will be sent to all Members, principal partner organisations

and key managers. It is also intended to produce a leaflet for all staff, summarising the Council's priorities and the most important messages in both plans. A revised suite of performance reports, based on the Annual Operating Plan, is being developed. This will integrate reporting on service and corporate performance indicators, targets and milestones, financial performance and the management of risks. Cabinet has noted the importance of cross-Directorate working and recognised that the Plan would be a useful tool to help develop good Council-wide working practices.

#### 4.2 Report on Items of Interest

- (i) **Budget Monitoring 2004-05** - Cabinet has received a report and noted the position with regard to revenue budget monitoring as at 28th February, 2005 for programme areas in 2004/05. Cabinet has welcomed the progress towards a break even position in Older People's Services but has expressed concern at the overspend in Children's Services and the Learning Disability Service in particular. It awaits the report of the external review and recognises the need for revised arrangements with the Primary Care Trust and robust dialogue for the financial year 2005/06. It has noted that although the majority of the Education budget is passported to schools and the Council has certain statutory obligations such as home to school transport, there is some limited opportunity to examine discreet areas of spend.

The projected 2004/05 outturn for the programme areas, together with financing transactions, is an underspending of £2,896,000. The estimated value of general reserves as at 28th February, 2005 total £5 million incorporating the prudent reserve of £3 million which has anticipated some limited use of reserves for overspendings at the year-end. The £1.25 million projected saving from Financing Transactions is included in this total. The expected underspending on Waste Management is in addition to the overall total.

- (ii) **Capital Programme Monitoring 2004/05 to 31st January, 2005** - Cabinet has received a report and noted the current position of the Capital Programme forecast for 2004/05 including Prudential Borrowing and the current position regarding Prudential Indicators. Capital Programme actual spend to date is lower than expected and the position is being closely monitored to ensure no conditional funding is lost. Prudential Indicators are being monitored as required by the Prudential Code with no areas of concern to report.
- (iii) **Strategic Monitoring Committee** - Cabinet has received and noted the report of the Strategic Monitoring Committee for its meeting of 15th April, 2005. The report has been updated to include the meeting of 28th April which is the subject of separate report to Council.

**5. AUDIT AND PERFORMANCE MANAGEMENT  
(Cabinet Member - Councillor D.B. Wilcox)**

**5.1 Report on Decisions Taken**

- (i) There were no decisions by Cabinet relating to this programme area during the reporting period.

**5.2 Report on Items of Interest**

- (i) **Corporate Health Performance** - Cabinet has received an update on the Council's corporate performance in relation to its national and local Best Value Performance Indicators from 1 April 2004 to 31 January 2005, reported on an exception basis where there is a variation on the target of at least + or - 10%. There were two instances of performance above target, relating to National Performance Indicators on Housing Benefit Security. Six National targets and one local target (relating to the number of recorded complaints) were below target. Cabinet thought some of the language used in the reporting of targets could be misleading to the public and has noted that there will be a final report with the year-end figures and that the reports for 2005/06 would be presented in a different format.
- (ii) **Strategic Audit Plan 2005/06 - 2008/09** - Cabinet has received a report on the process used to develop the Strategic Audit Plan for 2005/06 to 2008/09 and the Annual Plan for 2005/06. The Plan is based on potential risks with each area being assessed using 'traffic lights' signposting, with red being high risk, amber being medium risk and green being low risk. In addition, within each risk area consideration is given to residual risk for specific functions or establishments based on their last Audit opinion and current knowledge including risk management reports to the Chief Executive's Management Team. A key part of the risk methodology is that fundamental systems are always red no matter what their previous audit opinion is, as these are systems whose failure could cause major disruption or loss of reputation or financial control to the Council. In addition school bank accounts are always red because of their level of independence from the Council's control systems. The Audit Manager emphasised the link with the Council's Risk Management Strategy. In response to a question on how the resources available to the Council's Audit Services compared to other local authorities, the Audit Manager agreed to seek further information from CIPFA benchmarking services and report back. The Chief Executive assured Cabinet that the Council had a very good record in the prevention of fraud and corruption which may not be apparent from the report.

**6. CHILDREN'S SERVICES  
(Cabinet Member: Councillor D.W. Rule, MBE)**

**6.1 Report on Decisions Taken**

- (i) **Closure of St Mary's of Hope CE Primary School** - Cabinet has agreed that St Mary's of Hope CE Primary School, Hope-under-Dinmore should formally close with effect from 24th March, 2005. The closure follows a drop in the number of pupils and a request from the school's governing body. The remaining pupils have been transferred to other local schools with parental agreement and the staff found suitable alternative employment.

- (ii) **Bromyard, Sure Start Project** - Cabinet has received an update on the Sure Start Project in Bromyard. It has agreed that the project should proceed on the current HOPE site and be funded by a combination of DfES grant, European Object 2 money and funding from the Education Capital programme. It has authorised the Council's Property Services Team to manage the project and agreed that public investment interest in the site be secured through a right for the Council to take over the project by a 20 year lease if HOPE fails to provide the services throughout that period.
- (iii) **Amalgamation of Hunderton Infants and Junior School** - Cabinet has approved the publication of a statutory notice to close Hunderton Junior and Infants Schools, and open a new three form entry Community School serving the 3-11 age range. The merger of the two schools is proposed to improve primary school provision in one of the most deprived wards of the County.

## **7. COMMUNITY AND SOCIAL DEVELOPMENT (Cabinet Member - Councillor R.V. Stockton)**

### **7.1 Report on Decisions Taken**

- (i) There were no decisions by Cabinet relating to this programme area during the reporting period.

## **8. ECONOMIC DEVELOPMENT, MARKETS AND PROPERTY (Cabinet Member and Deputy Leader - Councillor G.V. Hyde)**

### **8.1 Report on Decisions Taken**

- (i) **Leominster Industrial Estate Access Road** - Cabinet has received a confidential report and noted the analysis of cost increases for the construction of the Leominster Industrial Estate Access Road. It has agreed that provision be made to meet the shortfall in funding from the Capital Programme, incorporating the underspend from the construction of Twyford Court Industrial Units on the Rotherwas Industrial Estate and noted that a Close Down report for the scheme will be presented to the Major Highways Projects Board and that the report will be used to inform ongoing and future major schemes.

## **9. ENVIRONMENT (Cabinet Member: Councillor P.J. Edwards)**

### **9.1 Report on Decisions Taken**

- (i) **Carbon Management Action Plan** - In July 2004 the Council was chosen to take part in the development of a Carbon Management Action Plan (CMAP) that defines the steps that the Council will take to secure emissions reduction of at least 1.25% per year from 2005 to 2012. The CMAP forms an important stage in addressing issues of climate change introduced under the revised "key lines of enquiry" within the CPA Corporate Assessment from 2005/06. The CMAP also provides an important contribution to the emerging Herefordshire Partnership Climate Change Strategy and generates bankable financial savings contributing to the Council's obligations to generate efficiency savings. Cabinet has approved the adoption of the CMAP allowing the Council to sign the Nottingham Declaration on Climate Change, thereby joining 74 other local authorities in England who have signed to date.

**10. HIGHWAYS AND TRANSPORTATION**  
**Cabinet Member - Councillor R.M. Wilson)**

**10.1 Report on Decisions Taken**

- (i) **Public Rights of Way Strategy** - Cabinet has approved the Public Rights of Way Strategy. The production of the strategy was one of the actions arising from the 2001 Best Value Review of the Public Rights of Way Service. It details where resources should be focussed; how to meet the requirements of the Disability Discrimination Act; business plans with targets; an enforcement policy and strategy; the creation of an Asset Register and how to promote Public Rights of Way. The strategy targets the Council's principal priorities which contribute to the Herefordshire Plan. The strategy will guide the Rights of Way service to become proactive and more able to meet the pressures placed upon it by new and existing legislation.
- (ii) **Local Transport Plan Programme Budgets 2005/06** - In December 2004, the government allocated Herefordshire a total of £10,459,000 for Local Transport for 2005/06. This is made up of allocations for Maintenance (£7,559,000) and integrated transport projects (£2,900,000). These funds will be spent in accordance with both local and national priorities.
- (iii) **Leominster Industrial Estate Access Road** - A report on this item is to be found at paragraph 8.1(i) of this report.
- (iv) **Widemarsh Street, Hereford - Proposed Experimental Pedestrianisation Scheme** - Cabinet has considered a report on an experimental traffic scheme to achieve partial pedestrianisation and an improved pedestrian environment in Widemarsh Street and High Street.

Between July and October 2004 Widemarsh Street (south of the ring road) and High Street were closed to traffic while essential maintenance was undertaken to the gas mains. Surveys during these works, and consultations afterwards indicated that there might be considerable support for pedestrianisation of the area. The proposed scheme would prohibit traffic entering that part of Widemarsh Street and High Street between 10.30 am and 4.30 pm, seven days a week. It is expected that, for the period of the experiment, manually operated gates would be used to prevent access. Signs would be erected and the prohibition would be enforceable even if the gates were left open. Cabinet has asked that sufficient signs be placed before Coningsby Street and Blackfriars Street to warn drivers of the restriction.

Cabinet discussed various aspects of the proposal, including: access for Emergency vehicles; operation of the gates; signing; imposing a 10 mph speed limit, traffic calming measures; increased traffic on West Street and East Street; safety of pedestrians when road re-opens; need for a ring road; coaches turning from West Street into Broad Street; option to abandon the scheme earlier if not proving successful; effect on buses, taxis and cyclists; and enforcement. Cabinet welcomed an offer from the Chairman of the Social and Economic Development Scrutiny Committee to review the trial towards the end of the experimental period.

Despite some concerns about traffic from Bewell Street and the effect the closure may have on the Cathedral and businesses on Broad Street and King Street the Cabinet broadly welcomed the proposals and agreed that the following experimental Traffic Regulation Orders be introduced during the summer of 2005, immediately following conclusion of the High Street element of the Eign Gate enhancement works, for a minimum period until at least 31st December 2005:

- a) Prohibition of Driving Order - the effect of which would be to prohibit the driving of any vehicles between the hours of 10.30am and 4.30pm daily as follows:
  - i) Widemarsh Street (U80000)  
from its junction with the A438 Newmarket Street in a southerly direction to its junction with the High Street.
  - ii) High Street (U8000)  
From its junction with the U80000 Widemarsh Street in a westerly direction for its whole length to its junction with the U80000 Broad Street.
  - iii) Exemptions will be included for emergency services vehicles and for vehicles that have legitimately entered Bewell Street.
- b) 20 mph Speed Limit - the effect of which would be to impose a maximum speed of twenty miles per hour on the U8000 Widemarsh Street and High Street from its junction with A438 Newmarket Street to its junction with Broad Street.
- c) Berrington Street/West Street/Aubrey Street - further investigation and appropriate consultation to see if traffic management measures are needed to address concerns of potential congestion of pedestrianising Widemarsh Street.

## **11. HUMAN RESOURCES AND CORPORATE SUPPORT SERVICES (Cabinet Member - Councillor Mrs. J.P. French)**

### **11.1 Report on Decisions Taken**

- (i) **Corporate Voice and Data Network Business Case for Improvement and Development** - The Council is facing a growing demand for, and investment in, new ICT solutions to both enable and improve the delivery of services. Council has already approved significant capital funding for this key project and the consideration of future voice and data communications. The business case focuses on the additional investment required to enable the implementation of the new network and realisation of the considerable ICT efficiencies and savings identified. Some of the means of addressing this investment have been addressed earlier by the identification of £500,000 additional revenue for ICT Services. Cabinet has endorsed the proposed direction for the new network and approved the detailed investment required.

**12. RURAL REGENERATION AND SMALLHOLDINGS  
(Cabinet Member - Councillor J.C. Mayson)**

**12.1 Report on Decisions Taken**

- (i) There were no decisions by Cabinet relating to this programme area during the reporting period.

**13. SOCIAL CARE AND STRATEGIC HOUSING  
(Cabinet Member Councillor Mrs. L.O. Barnett)**

**13.1 Report on Decisions Taken**

- (i) **Herefordshire Five Year Supporting People Strategy** - The Council is the Administering Authority for the Supporting People Programme in Herefordshire and is required to submit a Five Year Supporting People Strategy to the Office of the Deputy Prime Minister (ODPM) no later than 31st March, 2005. The Strategy has been developed with reference to ODPM guidance. It sets out to critically examine current service provision and focus services and investment on local need and strategic priorities. In doing so, the Strategy also aims to illustrate how the Council and its partners plan to meet the identified needs and priorities and how it proposes to fill gaps in knowledge and understanding of needs. Cabinet has noted that the strategy has been developed against a background of considerable challenge to the future funding of the programme nationally and, more specifically, within Herefordshire, which could see a loss in Supporting People Grant of around £1,850,000 over the five year strategy period and further losses beyond that. It has endorsed the approach to managing the implications of the distribution formula and approved the Supporting People Strategy 2005-2010 for Herefordshire, for submission to the Office of the Deputy Prime Minister by 31st March, 2005.

**13.2 Report on Items of Interest**

- (i) **Reductions in Delayed Hospital Discharges** - Cabinet has welcomed a report on the reduced numbers of delayed discharges from hospitals (both Hereford Hospitals Trust and community hospitals) which shows that the numbers of delays associated with social care are comparatively low. The Director of Children's Services has agreed to brief Members on future initiatives including the partnership Grant for Older People with an indicative grant of £500,000 for 2006/07 and which requires match funding, and the priorities identified following the recent award of an additional £500,000 budget.

**COUNCILLOR R.J. PHILLIPS  
LEADER OF THE COUNCIL**



## PROPOSED AMENDMENTS TO THE CONSTITUTION 2005/06

No	Matter	Amendment
1.	The Executive (Part 6 and Appendix 19)	Delete Part 6 and replace with Appendix 2 in this Report and revise Appendix 19 accordingly.
2.	Overview and Scrutiny Arrangements (Part 7 and Appendix 19)	<ul style="list-style-type: none"> <li>• The current framework of an overarching Strategic Monitoring Committee and five committees remain.</li> <li>• Delete Part 7 and replace with Appendix 3 to this Report. Revise Appendix 19 accordingly.</li> </ul>
3.	Planning Committee (SO 9.2.2.1, 9.1.2.1 and new 5.5.10)	<ul style="list-style-type: none"> <li>• Delete text from SO 9.2.2.1 and</li> <li>• Amend the Planning Committee terms of reference at SO 9.1.2.1 to include: <ul style="list-style-type: none"> <li>• determine applications for planning permission in relation to decisions in respect of any application relating to the Council's own development or to the development of land owned by the Council.</li> </ul> </li> <li>• Add SO 5.5.10: <ul style="list-style-type: none"> <li>• A local Member (who is not a member of the Planning Committee) shall have the right to attend and speak at the Planning Committee in relation to any application affecting their area relating to the Council's own development or to the development of land owned by the Council.</li> </ul> </li> </ul>
4.	Council Meetings (SO 4.24.5)	Delete SO 4.24.5 which provides for questions to be read out to the Council meeting.
5.	Substitution at Committee Meetings (SO 5.6.2)	Revise SO 5.6.2 to include no substitutes at any Scrutiny Review Panel.
6.	Capital Budget – New Definitions for Credit Approvals (Appendix 4 paragraph 4.1(c))	The terms “Basic and Supplementary Credit Approvals” need updating and replacing with “Supported Capital Expenditure and Unsupported Prudential Borrowing”.
7.	Policy Framework (SO 4.1.2)	<ul style="list-style-type: none"> <li>• There is a need to add the Council's “Local Development Framework” to the list of policies requiring full Council approval. In time this will replace the Unitary Development Plan.</li> <li>• The Early Years Development Plan and the Annual Library Plan need to be deleted from the Policy Framework.</li> <li>• The Best Value Performance Plan now forms part of the Corporate Plan as a result of the Council's CPA rating in 2001.</li> </ul>
8.	Local Area Forums (Part 10)	Rename to Community Forums at Part 10 and elsewhere in the Constitution.
9.	Homelessness Appeals (SO 12.7.5)	Delete SO 12.7.5 which provides for the Director of Social Care and Strategic Housing to determine appeals.
10.	Voluntary Sector Grants Panel (SO 9.7)	The recent review of the Council's Voluntary Sector Strategy recommended the deletion of the Voluntary Sector Grants Panel, which has been agreed by Cabinet and Strategic Monitoring Committee.

## PROPOSED AMENDMENTS TO THE CONSTITUTION 2005/06

11.	Restructuring of Senior Management Team and creation of new Director posts (Part 12 and Appendix 6)	Part 12 and Appendix 6 needs to be revised to reflect the new structure.
12.	Police Authority Matters (SO 6.4.19 and Appendix 22(7))	Amend SO 6.4.1.9 and Appendix 22(7) to delete reference to West Mercia Police Authority from the Leader's portfolio at Appendix 22(7).
13.	Responsibility for Functions relating to town and country planning and development control under the Planning and Compulsory Purchase Act 2004 and Town and Country Planning Act 1990. (Appendix 23)	These need to be added to Appendix 23 of the Constitution as a function for Council Officers and in relation to joint committees for the Council
14.	Licensing and Registration Functions under the Licensing Act 2003, powers and duties under the Highways Act 1980 and miscellaneous functions under the Local Government Act 2000. (Appendix 23)	These need to be added to Appendix 23 of the Constitution as a function for Council Officers and in relation to voting rights of co-opted Members of Scrutiny to the Council.
15.	Responsibility for admission, exclusion and governing body appeals as required by the School Standards and Framework Act 1998 as inserted by the Education Act 2002. (Appendix 22)	Paragraphs 4, 5 and 6 of Appendix 22 need to be revised to reflect the new statutory functions.
16.	Complaints about high hedges under Part 8 of the Anti-Social Behaviour Act. (Appendix 23)	Need to be inserted into Appendix 23 as officer functions.
17.	Responsibility for functions under Part 2 of the Planning and Compulsory Purchase Act 2004 and Section 171e of the Town and Country Planning Act 1990 to issue stop notices. (Appendix 23)	Needs to be inserted into Appendix 23 as officer functions.

## PART 6

# THE EXECUTIVE

### 6.1 LEADER WITH CABINET

**6.1.1** The Herefordshire Executive will consist of a Leader and a Cabinet.

#### 6.1.2 Role and Function

**6.1.2.1** The Cabinet will have responsibility for discharging all the functions of the Council, which are not otherwise the responsibility of any other part of the Council, whether by virtue of law or this Constitution, and it has all the powers that the Council has to discharge these functions.

### 6.2 THE CABINET

**6.2.1** The Cabinet will consist of the Leader of the Council and nine other Cabinet Members. The Deputy Leader will be appointed in accordance with Standing Order 4.3.3. Membership of the Cabinet is set out at Appendix 19.

#### 6.2.2 Terms of Reference

**6.2.2.1** The Cabinet's roles will be:

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

- To consider and determine policy issues within the policy framework covering more than one programme area and issues relating to the implementation of the outcomes of monitoring reviews.

### **6.2.3 Conduct of Business etc**

**6.2.3.1** Cabinet will conduct its business in accordance with the Cabinet Procedure Rules set out at Appendix 1.

### **6.2.4 Appointment of Committees of the Executive**

**6.2.4.1** ✓ Cabinet will have the power to establish Committees to discharge any of its functions in accordance with the Local Government Act 2000.

## **6.3 THE LEADER OF THE COUNCIL**

**6.3.1** The Leader shall be a Councillor elected to the office of Leader by the Council Meeting in accordance with Standing Order **4.3**. The Leader shall hold office until the next annual meeting of Council or if sooner until:

- He/she resigns from the office; or
- He/she is suspended from being a Councillor by virtue of action under Part III of the Local Government Act 2000; or
- He/she ceases to be a Councillor.

### **6.3.2 Exercise of Powers**

**6.3.2.1** The Leader and other individual Cabinet Members may exercise all the powers available to the Cabinet to discharge those functions of the Cabinet within their respective programme area responsibilities.

**6.3.2.2** The Deputy Leader will deputise for the Leader (in his absence) and in the management of the administration.

**6.3.2.3** The Leader (and in his absence the Deputy Leader) may make decisions in relation to any of the Cabinet portfolio areas in the absence or otherwise of any individual Cabinet Member.

### **6.3.3 General Terms of Reference**

**6.3.3.1** The Leader's roles are:

- To lead the Council and Cabinet
- To act as the principal spokesman for the Cabinet
- To manage the Cabinet in accordance with the Cabinet Procedure Rules
- To appoint a Deputy Leader of the Council from the Cabinet

- To be responsible for the Corporate Strategy and Finance Programme Area of the Council's operations
- Liaison between the Cabinet and Community Forums
- To convene and chair meetings of the Political Group Leaders
- Corporate policies and strategies
- The policy framework (subject to Council)
- The allocation of resources: finance (capital and revenue) including overall budget and council tax
- Council Tax, National Non-Domestic Rate (NNDR) (subject to Council approval)
- Promotion of the Council as a public authority and external liaison
- Local Government issues including functions, structure, boundaries or electoral arrangements
- European, national and regional matters
- To appoint Cabinet Support Members who, individually, may be allocated long-term responsibility for a particular piece of work, may be allocated time-limited pieces of work, might work jointly with a Cabinet Member in support of parts of their portfolios and/or take responsibility for cross-cutting issues.
- Any initiative not specifically allocated to any other Programme Area.

#### **6.3.4 Conduct of Business**

**6.3.4.1** The Leader of the Council will be responsible for the political management of the Council and, as Leader of the Cabinet, will be consulted by the Chairman of the Council on matters relating to the business of the Council. The Leader will appoint a Deputy Leader of the Council to assist with the political management role.

### **6.4 LEADER'S PROGRAMME AREA RESPONSIBILITIES**

**6.4.1** Subject to the rights of Council in relation to the Policy Framework and Budget, the Leader will be responsible for the Corporate Strategy and Finance remit including:

**6.4.1.1** Corporate policies and strategies;

**6.4.1.2** The policy framework (subject to Council approval);

**6.4.1.3** The allocation of resources: finance (capital and revenue) including overall budget and council tax, property and people;

**6.4.1.4** Council Tax, National Non-Domestic Rate (NNDR), (subject to Council approval);

**6.4.1.5** Financial and administrative arrangements including performance indicators, complaints and business planning;

**6.4.1.6** Promotion of the Council as a public authority and external liaison;

**6.4.1.7** Local Government issues including functions, structure, boundaries or electoral arrangements and elections and electoral registration;

**6.4.1.8** European, national and regional matters;

**6.4.1.9** Any initiative not specifically allocated to any other Programme Area.

## **6.5 OTHER EXECUTIVE (CABINET) MEMBERS PROGRAMME AREA RESPONSIBILITIES**

**6.5.1** The other (nine) Executive (Cabinet) Members shall be Councillors appointed by the Council to the Cabinet. There may be no co-optees and no substitutes for Executive Members. Neither the Chairman nor Vice-Chairman of the Council may be appointed to the Executive and members of the Executive (including the Executive Leader) may not be members of a Scrutiny Committee.

**6.5.2** These other Cabinet Members shall hold office until the next annual meeting of Council or if sooner until:-

**6.5.2.1** They resign from office; or

**6.5.2.2** They are suspended from being Councillors by virtue of action under Part III of the Local Government Act 2000; or

**6.5.2.3** They cease to be Councillors; or

**6.5.2.4** They are removed from office, either individually or collectively, by resolution of the Council Meeting, following reference by the Leader to the Council in relation to the continuance of their office.

**6.5.3** They will exercise day to day oversight of the area for which they are assigned responsibility. They will be responsible to Cabinet for its management and for reports on policy development and the achievement of service objectives.

### **6.5.4 General Terms of Reference**

**6.5.4.1** Without prejudice to their powers in this Constitution, Cabinet Members will have regard to the following principles in the exercise of their powers:

- Decision making in respect of their area of responsibility within the policy framework and budget
- Expressing a view on policy implementation issues in their programme area in particular when consulted by a Director or making a recommendation to the Cabinet
- Recommending major policy changes and referring sensitive policy matters to Cabinet

- Responding to reports from Scrutiny Committees on service performance
- Oversight of services within the relevant programme area

**6.5.4.2** The receipt of information and advice on the exercise of the role from:

- The full Council of Herefordshire
- The Cabinet
- Directors and other senior employees
- Scrutiny Committees in respect of policy implementation, monitoring and reviews

**6.5.4.3** The Cabinet Member, subject to the specific terms of reference for each individual member set out below, will consider and offer advice on policy issues:

- Of a political nature in relation to their programme area;
- Of a non-strategic nature;
- In conjunction with senior employees, in relation to a management framework for services.

## **6.6 CABINET MEMBER (CHILDREN'S SERVICES) PROGRAMME AREA RESPONSIBILITIES**

### **6.6.1 Terms of Reference**

**6.6.1.1** The Cabinet Member (Children's Services) will be responsible for:

- Education matters, excluding quasi-judicial matters reserved to the SEN Tribunal and Pupil Admissions/Exclusions Appeal Panels, and also excluding responsibilities delegated to school governing bodies.
- Functions conferred on or exercisable by the Council as Local Education Authority.
- Functions conferred on or exercisable by the Council which are Social Services functions (within the meaning of the Local Authority Social Services Act 1980) so far as those functions relate to children.
- Functions conferred on the Council in relation to children formally in the Council's care under sections 23C to 24D of the Children's Act 1989.
- Functions conferred on the Council under sections 10 to 12 and 17 of the Children's Act 2004 to establish services to safeguard, promote and improve the well-being of children in Herefordshire.

- Any functions exercisable by the Council under section 31 of the Health Act 1999 on behalf of any NHS body so far as those functions relate to children.

## **6.7 CABINET MEMBER (COMMUNITY SERVICES) PROGRAMME AREA RESPONSIBILITIES**

### **6.7.1 Terms of Reference**

**6.7.1.1** The Cabinet Member (Community Services) will be responsible for:

- Lifelong Learning
- Archives
- Parks and Countryside
- Voluntary Sector Grants
- Leisure
- Library Services
- Heritage Services
- Cultural Services
- Tourism
- Community Safety
- **Youth Services** (on an interim basis pending publication of the Government Green Paper when responsibility may need to move to the Children's programme area).

## **6.8 CABINET MEMBER (CORPORATE AND CUSTOMER SERVICES AND HUMAN RESOURCES) PROGRAMME AREA RESPONSIBILITIES**

### **6.8.1 Terms of Reference**

**6.8.1.1** The Cabinet Member (Corporate and Customer Services and Human Resources) will be responsible for:

- Corporate Services (Legal and Democratic Services)
- Customer Services (including complaints)
- Information Technology, e-Government and Information Services
- Service Improvement Programme



- Personnel issues other than the appointment of staff and those specifically reserved for the Cabinet Member (Children's Services)
- Emergency Planning
- Performance Management.

## **6.9 CABINET MEMBER (ECONOMIC DEVELOPMENT) PROGRAMME AREA RESPONSIBILITIES**

### **6.9.1 Terms of Reference**

**6.9.1.1** The Cabinet Member (Economic Development) will be responsible for:

- The Edgar Street Grid Project
- Hereford City markets and associated business
- Economic Development including liaison with local, regional, national and European Union bodies as appropriate
- Economic Policy
- Co-ordination of the economic development of the County with the Cabinet Member (Rural Regeneration and Strategy).

## **6.10 CABINET MEMBER (ENVIRONMENT) PROGRAMME AREA RESPONSIBILITIES**

### **6.10.1 Terms of Reference**

**6.10.1.1** The Cabinet Member (Environment) will be responsible for:

- Environmental promotion and protection issues
- Planning and land use including historic buildings, conservation and archaeology and the approval of supplementary planning guidance, excluding development control and other applications reserved to the Planning Committee
- Waste Management
- Regulatory matters excluding quasi-judicial and other matters reserved to the Regulatory Committee but including Animal Health and Welfare, Environmental Health and Trading Standards

- Cemeteries, crematoria and disused burial grounds
- Public conveniences
- Travellers
- Air Quality Management Strategy
- Contaminated land (where Council is the owner or otherwise responsible as the polluter)
- The passing of a resolution that Schedule 2 to the Noise and Statutory Nuisance Act 1993 should apply in the authority's area
- Any function under a Local Act as referred to in Appendix 22 of the Constitution.

## **6.11 CABINET MEMBER (HIGHWAYS AND TRANSPORTATION) PROGRAMME AREA RESPONSIBILITIES**

### **6.11.1 Terms of Reference**

**6.11.1.1** The Cabinet Member (Highways and Transportation) will be responsible for:

- Highways and transport matters save for those reserved to the Regulatory Committee
- Land Drainage
- Safety of large reservoirs, disused mines and quarry tips
- Public sewerage functions where agency agreements exist with the water companies.

## **6.12 CABINET MEMBER (RESOURCES) PROGRAMME AREA RESPONSIBILITIES:**

### **6.12.1 Terms of Reference**

**6.12.1.1** The Cabinet Member (Resources) will be responsible for:

- supporting the Leader of the Council in the corporate finance area and Financial Management
- Strategic Property

- Procurement
- Audit.

## **6.13 CABINET MEMBER (RURAL REGENERATION AND STRATEGY) PROGRAMME AREA RESPONSIBILITIES**

### **6.13.1 Terms of Reference**

**6.13.1.1** The Cabinet Member (Rural Regeneration and Strategy) will be responsible for:

- Planning, provision and management of regeneration activities across the County including rural regeneration zone activity
- Co-ordinating approach to rural issues – community, transport, housing, economy through the Community Strategy (Herefordshire Plan) process
- Liaison with local, regional, national and European bodies as appropriate
- Smallholdings Estates including selecting tenants in consultation with two non-executive members (one from the administration and one from the opposition) and maintaining the Estate
- Common Land (including Council-owned Commons and determination of any complaints about the management of the Council's Commons
- Farmer's Markets
- Markets (outside Hereford City)
- Co-ordination of the economic development of the county with the Cabinet Member (Economic Development).

## **6.14 CABINET MEMBER (SOCIAL CARE ADULTS AND HEALTH) PROGRAMME AREA RESPONSIBILITIES**

### **6.14.1 Terms of Reference**

**6.14.1.1** The Cabinet Member (Social Care Adults and Health) will be responsible for:

- The authority's strategic housing responsibilities and overview of housing matters generally within the County
- The Housing Investment Programme

- Social Services matters excluding matters relating to children and quasi-judicial matters reserved to the Social Care Appeals Panel and other bodies
- Integrated services and partnership arrangements in Social Care
- Adult Social Care including Supporting People and Learning Disabilities
- Social inclusion issues
- NHS and health related issues.

## REPORT OF THE STANDARDS COMMITTEE

### Meetings held on 4 February and 1 April 2005

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#### Membership:

Robert Rogers (Independent Member) (Chairman); Councillor Peter Harling; Councillor John Edwards; Richard Gething (Town and Parish Council Representative); John Hardwick (Town and Parish Council Representative); David Stevens (Independent Member),

1. 2005 has so far been busy, with two meetings and two hearings in the space of four months.

#### **STANDARDS COMMITTEE HEARINGS ON 14 JANUARY AND 4 MARCH 2005**

2. We held our first hearings under the Local Authority (Code of Conduct) (Local Determination) Regulations 2003:
  - **14 January 2005:** We heard allegations against Councillor Ray Cooper of Bromyard and Winslow Town Council, that in July 2003, he breached the Code of Conduct by failing to treat a fellow Councillor, the Clerk and the Assistant Clerk with respect. We found that he had breached the Code; and we imposed a sanction of censure, and endorsed the Town Council's planned training programme, supported by the Herefordshire Association of Local Councils and by us.
  - **4 March 2005:** We heard allegations against Councillor Malcolm Littlewood, of Whitchurch and Ganarew Parish Council, that in October 2003 he failed to declare a prejudicial interest in relation to a planning application, and sought improperly to influence the Parish Council's decision; and that in May 2003 he failed to record his ownership of property in the Register of Interests. We found that he had breached the Code on all counts, and imposed the maximum penalty available to us of a suspension from office of 3 months, beginning on Monday 7 March 2005. We also required his Notification of Financial and Other Interests form to be corrected without delay.
3. These first hearings have been a challenge. They have involved lengthy preparation and a great deal of work for all concerned, both members of the Committee and staff (to whom we express our particular thanks). The process may seem to some people disproportionate, but we have to observe the legal requirements laid upon us, and to ensure that the process is rigorous, transparent and compliant with human rights law – as well as robust in the event of an appeal against our decisions.
4. The hearings have raised several important issues, including: the unacceptable time taken for Standards Board investigations (now being sharply improved), the implications for the use of resources, follow-up and training, and concerns about the levels of sanction available to us (we consider that there should be more emphasis on local determination, with Standards Committees having a greater range of sanctions available). We have conducted a formal review of each hearing and have made some minor procedural changes as a result.
5. We are keen to see Herefordshire being able to demonstrate both expertise and best practice in this complex and potentially sensitive area. We feel that we have made a good start.

6. Arising directly from the hearing on 4 March 2005, we have revised the Notification of Financial and Other Interests Form to provide greater clarity, especially in relation to Section 6 (beneficial interests in land). The new forms will be available shortly.

#### **DISCUSSION WITH MR PAUL HOEY OF THE STANDARDS BOARD FOR ENGLAND**

7. Mr Paul Hoey, Head of Policy and Guidance at the Standards Board, attended our meeting on 4 February 2005 to address some of the issues raised following the first hearing, and to explain to us how the role of the Standards Board was developing (especially how the Board is shifting its resources out of investigation, and into prevention and training). He acknowledged strong criticism of the length of time that investigations had been taking, and told us how the Board was prioritising work. We have since seen a marked reduction in the backlog.
8. Mr Hoey also discussed the implications of the Local Investigations Regulations, introduced in September 2004, which will enable up to 60% of the Board's investigative work to be referred back to Local Authorities gradually over a three-year period. The Standards Board envisages that Standards Committees will operate as mini-versions of itself at local level, and we have yet to see what impact this change will have in Herefordshire.
9. Since Mr Hoey's visit, new powers to allow local investigation of complaints have come into force, and we are updating our procedures to reflect this. There has also been a minor change to the sanctions that Standards Committees are able to impose. We still feel that this issue needs further consideration, however, and will be raising it at the Annual Assembly of Standards Committees later in the year.

#### **COMMITTEE ON STANDARDS IN PUBLIC LIFE 10TH REPORT: "GETTING THE BALANCE RIGHT: IMPLEMENTING STANDARDS OF CONDUCT IN PUBLIC LIFE"**

10. We reviewed the 10th report of the Committee on Standards in Public Life (the Graham Committee), which suggests that the system for determining complaints should be locally based with the exception of the most serious cases, and we commented to the Committee on its recommendations.

#### **LOBBY GROUPS, DUAL-HATTED MEMBERS AND THE CODE OF CONDUCT**

11. The Standards Board has issued guidance on this, and we examined potential conflicts between the guidance and the Council's current Planning Code of Conduct. We concluded that the Council's Code set a higher standard of conduct and firmer guidance to Planning Committee Members who also serve on town and parish councils. We also felt, however, that there could be disadvantages, in that the involvement of local ward councillors might be seen as unduly restricted. We propose an amendment to Appendix 13 of the Council's Constitution to allow greater flexibility.

## **RECOMMENDATION TO COUNCIL:**

**That Appendix 13 of the Council's Constitution (Planning Code of Conduct), Paragraph 34, 4th sentence, be amended as follows: the word "their" be replaced with "a definitive" so that it reads:**

"In order to avoid this potential conflict, **it would be preferable for Councillors not to serve on Parish or Town Councils' planning committees.** If they cannot avoid that, then they should not vote or say anything which would create the impression that they have already made up their minds prior to the relevant Herefordshire Council's planning meeting. In this way they will avoid being part of the formal process of submitting representations on planning applications to the Council, and so demonstrate their impartiality. Those Members who have indicated a definitive view on an application or who have voted should declare an interest when an application comes before the relevant Planning Committee and leave the room when it is discussed. "

## **DRAFT PROTOCOL ON THE USE OF COUNCIL RESOURCES BY MEMBERS**

12. We have yet again reconsidered the draft consultative protocol on the use of Council resources by Members, which made proposals on (1) the prohibition on using Council resources for political purposes, and (2) the use of ICT facilities, particularly the World Wide Web and the Council email address. We have consulted with the Standards Board, and hope shortly to bring forward a final draft.

## **"A CODE FOR THE FUTURE": STANDARDS BOARD FOR ENGLAND CONSULTATION ON THE CODE OF CONDUCT FOR MEMBERS**

13. We have responded formally to the Standards Board consultation on the National Review of the Code of Conduct, once again stressing the importance of dealing with as much as possible at a local level, and making the process more proportionate.

## **PARISH COUNCILS**

14. We reviewed the Standards Board Open Paper 04/219 entitled: "Problematic Parishes", which outlined the approach of the Standards Board in seeking to support town and parish councils with conduct or governance difficulties. We think the Board's approach is broadly correct; in Herefordshire we are particularly keen to ensure that effective training is available to local councils and clerks, and we are working in partnership with the Herefordshire Association of Local Councils.

## **PUBLIC INTEREST REPORT – KINGTON TOWN COUNCIL**

15. We are continuing to support Kington Town Council following the publication of the District Auditor's Public Interest Report and the preparation of an Action Plan as a result. The Chairman of our Committee, together with the County Secretary and Solicitor, held a series of meetings with Kington Councillors on 29 April 2005.

## **WEST MERCIA INDEPENDENT STANDARDS COMMITTEE MEMBER FORUM**

16. Mr David Stevens attended the inaugural meeting on 10 March 2005, when it was agreed that the Forum should be a permanent institution. We had been slightly cautious about this, feeling that it might detract from the close co-operation between independent members, district councillors and town and parish council representatives that we have experienced in our own Committee. However, it is clear that independent members in some other authorities need greater support. We have therefore endorsed the attendance of our independent members, to monitor the Forum and keep abreast of information and ideas exchanged there, as well as passing on experience and expertise gained in Herefordshire.

## **INVESTIGATIONS BY THE STANDARDS BOARD FOR ENGLAND**

17. We have considered progress reports on current investigations by the Standards Board for England.

**ROBERT ROGERS  
CHAIRMAN  
STANDARDS COMMITTEE**

## **BACKGROUND PAPERS:**

- Agenda papers of the meetings of the Standards Committee held on 4 February and 1 April 2005



## REPORT OF THE REGULATORY COMMITTEE

Meetings Held on 15th February, 1st March, 15th March and 12th April, 2005

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### Membership:

**Councillors:** R.I. Matthews (Chairman), Brig. P. Jones CBE (Vice-Chairman) Mrs. S.P.A. Daniels, G.W. Davis, D.J. Fleet, J.W. Hope, T.W. Hunt, G. Lucas, J.W. Newman, R. Preece, D.C. Taylor, P.G. Turpin.

### **PUBLIC ENTERTAINMENT LICENSING – APPLICATIONS WHICH REQUEST A DEVIATION FROM POLICY**

1. The Committee considered two applications for Occasional Public Entertainment Licences requesting a finishing time of later than that of 0100 hours, which is set out in the Council's Licensing Policies.
2. Each applicant was given the opportunity to present their case, as were Officers of the Environmental Health and Trading Standards Department.
3. Comments were also considered from the West Mercia Constabulary and the Fire and Rescue Authority. The Committee was mindful of the implications of the Crime and Disorder Act 1998 and the fact that the finishing time was in place to protect the local community and individuals from disturbance by night time events within the County.
4. Having considered all the facts in relation to each application, the Committee took note of the Council's policies but was of the view that the applicants had given satisfactory evidence to suggest that the events would be well supervised in a responsible manner. The applicants had held similar events in previous years and there had been no problems arising.
5. It was therefore decided that the following extension of hours should be granted, subject to conditions to be imposed by the Head of Environmental Health and Trading Standards, but only because of the exceptional circumstances involved in each application.
  - (a) Herefordshire Young Farmers Club County Rally – 7.00 pm Saturday, 21st May, 2005 – 2.00 am Sunday, 22nd May, 2005 at Lower Hope Farm, Ullingswick; and
  - (b) Radnor and West Herefordshire Hunt Ball – 7.30 pm Saturday, 19th February, 2005 - 2.00 am Sunday, 20th February, 2005 at The Old Cinema, Shobdon.

### **HIGHWAYS ACT 1980 SECTION 119 PROPOSED PUBLIC PATH DIVERSION ORDER FOOTPATH CS5 IN THE PARISH OF CASTLE FROME**

6. An application for a Public Path Diversion Order has been granted in respect of footpath CS5 at Castle Frome. The application had been made to take the path away from the pond and buildings which are currently causing obstructions to it. An alternative route has been provided which is acceptable under the provisions of the Act following successful consultation with interested parties, the local parish council and the local Ward Councillor.

## **THE LICENSING ACT 2003**

7. The preparations for the transfer of liquor and other licences from the Magistrates' Court to the Council are continuing. The licensing policies have been approved by the Committee following consultation with the police, fire authority, licensing trade and other interested parties. The proposals had been presented at Local Area Forums, to Town and Parish Councils, to the holders of public entertainment licences and also been advertised through press releases and news items on local radio. Transitional arrangements came into force on 7th February 2005 whereby existing licence holders can apply to the Council for renewal. New applications will be dealt with by the Magistrates Court until November 2005 when the Council takes over full responsibility for the licensing arrangements. A Cumulative Impact Policy has also been approved in respect of the Commercial Road area of Hereford where there are a number of licensed premises concentrated in one area. This has been developed in conjunction with the police to address the potential impact on crime and disorder or public nuisance on the town centre.

## **DETERMINATION OF HACKNEY CARRIAGE/PRIVATE HIRE DRIVERS LICENCES**

8. Four applications for the renewal or grant of Hackney Carriage/Private Hire drivers licences were referred to the Committee in accordance with the Council's terms and conditions and the advice on the interpretation of spent convictions. The applicants and their representatives gave details of the grounds for their applications for the renewal or grant of their licences and provided the Committee with the circumstances under which they had previously held them. Having considered all the facts put forward by the Licensing Manager, the applicants and their representatives, the Committee decided that the Licensing Manager should be authorised to grant three of the applications because they considered the applicants to be deemed fit and proper persons under the meaning of the Local Government (Miscellaneous Provisions) Act 1976. In the case of one application, it was decided that the licence should not be granted but that the situation could be reviewed in February 2006 when the applicant's convictions have become spent.

## **CONDITIONS IN RESPECT OF OCCASIONAL PUBLIC ENTERTAINMENT, THEATRE AND CINEMA LICENCES**

9. The Committee has decided to revise the conditions for Occasional Public Entertainment Theatre and Cinema Licences so that the permitted finishing time can be extended from 1.00 am to 3.00 am where there are no objections to the application. This change will enable members and officers to save time to concentrate on the transitional period for the Licensing Act 2003 by avoiding the necessity for the Committee to meet to deal with straight forward and routine applications. The Chairman and the local Ward Members will be consulted prior to any such finishing times being granted.

## **LICENCE FEES**

10. The Committee has agreed a scale of licence fees for 2005/2006 in respect of the licensing areas that fall within its remit. Details of the approved fees are set out in the minutes of the meeting held on 1st March 2005 which can be viewed on the internet (Minute 50 refers).

## **POLICY IN RESPECT OF SEX ESTABLISHMENTS**

11. The Committee has reviewed its policy which was established in December 2001 regarding the licensing of sex establishments. The Committee has taken into consideration the views put forward by interested organisations, the trade and the public and decided to reaffirm its policy that nil is an appropriate number of sex establishments in the County.

**R.I. MATTHEWS  
CHAIRMAN  
REGULATORY COMMITTEE**

## **BACKGROUND PAPERS**

- Agenda papers from the meetings of the Regulatory Committee held on 15th February, 1st March, 15th March and 12th April, 2005



## REPORT OF THE STRATEGIC MONITORING COMMITTEE

### Meetings Held on 15th and 28th April, 2005

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#### Membership:

Councillors: T.M. James (Chairman), Mrs. P.A. Andrews (Vice-Chairman), B.F. Ashton, W.L.S. Bowen, A.C.R. Chappell, J.H.R. Goodwin, Mrs M.D. Lloyd-Hayes, J. Stone, J.P. Thomas, W.J.S. Thomas.

#### DEVELOPING THE CHILDREN'S AGENDA IN HEREFORDSHIRE – CHANGE FOR CHILDREN

1. The Committee currently has responsibility for the scrutiny of the Executive's implementation of arrangements for Children's Services in response to the Children Act 2004. It has received an update on progress in implementing the nationally required changes within the County.

#### ANNUAL EFFICIENCY STATEMENT

2. The Committee has noted the Annual Efficiency Statement, setting out the approach to making efficiency savings as required by the Audit Commission.
3. It has been advised how important it is for the Council both to secure efficiency gains and then to ensure that the resources released are directed to the Council's agreed priorities. Whilst efficiencies have been made since the Council's formation, the tendency has been for resources released as a result to be used simply to augment expenditure on the service area which generated the saving, rather than being reallocated to the Council's overall priorities. The Committee has been assured that it is expected that the new Corporate Planning arrangements will help strengthen the process for allocating resources released from efficiency gains and re-directing them to the Council's agreed priorities, although it has been acknowledged that further work on the process is needed.

#### RISK MANAGEMENT REPORT YEAR END 2004/2005

4. The Committee has noted the Risk Management Report, which summarises the key risks faced by the Council.

#### STRATEGIC AUDIT PLAN 2005/06 –2008/09

5. The Committee has noted the process used to develop the Strategic Audit Plan for 2005/06 and the Annual Audit Plan 2005/06.

#### PERFORMANCE MONITORING – CORPORATE HEALTH

6. In noting the report on corporate performance in relation to Best Value Indicators the Committee has welcomed the success in increasing the take-up of benefits by those entitled to them. As well as being important that individuals receive the benefits to which they were entitled, establishing the correct level of need in the County is important for the County as a whole in securing appropriate recognition in the Government's financial settlement.

7. Further to the Committee's report to Council in January the Committee has been informed that the new benefits processing system is in place and that, as expected, there have been some teething problems. It has been advised that these are being overcome and the new system will enable a more effective service to be delivered.

#### **REVENUE AND CAPITAL BUDGET MONITORING**

8. The Committee has noted the revenue and capital budget monitoring reports.

#### **WORK PROGRAMMES**

9. The Committee has considered its Work Programme and the Work Programmes of the other Scrutiny Committees. A scrutiny event is to be arranged in June for Scrutiny Committee Members to enable Members to shape the work programmes taking account amongst other things of the priorities in the Council's Annual Operating Plan. The need to build in arrangements for considering items of concern raised at Local Area Forums has also been recognised.

#### **THE ANNUAL OPERATING PLAN 2005-2006**

10. The Committee has considered the Authority's Annual Operating Plan for 2005-2006, which, as referred to in the Cabinet report, is designed to secure implementation of the Corporate Plan, as approved by Council in March 2005. In noting the Plan the Committee has, however, asked that Cabinet be advised of its concerns as to whether the targets in the plan could be delivered. The Committee will have regard to the Plan in determining the future scrutiny programme.

#### **REVIEW OF THE CONSTITUTION**

11. The Committee has noted proposed updates to the Constitution, as set out in the Cabinet report. The Committee gave particular consideration to the proposal in the report to transfer the power to determine planning applications submitted by the Council for its own schemes from the Area Planning Sub-Committees to the Planning Committee and the implication this might have for Local Members. The Committee considered it important that the Constitution should explicitly provide for a right for Local Members to speak on such applications in future

#### **RECOMMENDATION**

**The Strategic Monitoring Committee recommends that the right of the Local Member to speak at the Planning Committee on planning applications submitted by the Council for its own schemes should be explicitly set out in the Constitution.**

#### **ISSUES CONSIDERED BY THE INDIVIDUAL SCRUTINY COMMITTEES**

12. The work of the Committees is analysed below as far as practicable under the following five roles for overview and scrutiny: holding the executive to account, best value reviews, policy development and review, external scrutiny, and improvement (performance management and review), the first four of which are identified as key roles in report on "The Development of Overview and Scrutiny in Local Government published by the Office of the Deputy Prime Minister". Issues considered by the Strategic Monitoring Committee not all of which are dealt with above because they arise from its role in fulfilling its remit to scrutinise the Policy and Finance Programme area, rather than being of Council-wide significance, are listed for completeness.

13. The Education Scrutiny Committee met on 14th March, 2005 and considered the following issues:

Theme	Reports
Holding the Executive to Account	
Best Value Reviews	Special Educational Needs
Policy Development and Review	Teachers Workload Agreement – Monitoring of Progress Extension of banded SEN funding from primary schools into secondary schools Support provided for gifted and talented pupils Drug Education in Schools
External Scrutiny	
Improvement (Performance Management and Review)	Year 2004 results Ofsted Inspections of Schools Capital Budget Monitoring Revenue Budget Monitoring
Other	Work Programme

14. The Environment Scrutiny Committee met on 24th January, 2005, 28th February, 2005 and 30th March, 2005 and considered the following issues:

Theme	Reports
Holding the Executive to Account	
Best Value Reviews	Implementation of Improvement Plans
Policy Development and Review	County-Wide Parking Strategy Review
External Scrutiny	Trunk Roads in Herefordshire (Highways Agency)
Improvement (Performance Management and Review)	Capital Budget Monitoring Revenue Budget Monitoring Performance Indicators
Other	Work Programme

15. The Health Scrutiny Committee met on 31st March, 2005 and considered the following issues:

Theme	Reports
Holding the Executive to Account	
Best Value Reviews	
Policy Development and Review	Changes to Nursing Respite Services for Older People with Mental Health Problems
External Scrutiny	Presentation by Primary Care Trust Patient and Public Involvement Forums
Improvement (Performance Management and Review)	
Other	Work Programme Health Scrutiny Consultations

16. The Social Care and Housing Scrutiny Committee met on 5th April, 2005 and considered the following issues:

Theme	Reports
Holding the Executive to Account	Presentation by Cabinet Member
Best Value Reviews	
Policy Development and Review	Review of Home Support Services for older People Review of Accommodation, Housing and Housing-Related Support needs of People Experiencing Severe and Enduring Mental Health Problems Respite Services for People with Learning Disabilities in Herefordshire
External Scrutiny	
Improvement (Performance Management and Review)	Revenue Budget Monitoring Performance Monitoring Report on Serious Case Reviews
Other	National and Local Changes to Scrutiny of Children's Services Work Programme

17. The Social and Economic Development Scrutiny Committee met on 31st January, 2005 and 22nd March, 2005 and considered the following issues:

Theme	Reports
Holding the Executive to Account	
Best Value Reviews	
Policy Development and Review	Possible Pedestrianisation of Widemarsh Street, Hereford (2) Review of Support to the Voluntary Sector – Position Statement Review of the Courtyard The Courtyard Review Update External Funding Parish Council Liaison
External Scrutiny	
Improvement (Performance Management and Review)	Performance Indicators Adult and Community Learning – Result of Reinspection
Other	Work Programme



18. The business conducted by the Strategic Monitoring Committee at its meetings on 15 and 28 April 2005 is summarised below.

Theme	Reports
Holding the Executive to Account	-
Best Value Reviews	Transport Cross-Service Review
Policy Development and Review	Developing the Children's Agenda In Herefordshire – Change for Children Annual Operating Plan Review of the Constitution
External Scrutiny	
Improvement (Performance Management and Review)	Annual Efficiency Statement Risk Management Report Year End 2004/05 Performance Monitoring Budget Monitoring 2004/2005 Capital Programme Monitoring 2004/2005 Strategic Audit Plan 2005/06 – 2008/09
Other	Work Programme

**T.M. JAMES  
CHAIRMAN  
STRATEGIC MONITORING COMMITTEE**

**BACKGROUND PAPERS**

- Agenda Papers of the Meetings of the Strategic Monitoring Committee held on 15 and 28 April 2005.



## REPORT OF THE PLANNING COMMITTEE

### Meeting Held on 22nd April, 2005

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**Membership:**

**Councillors:** T.W. Hunt (Chairman), J.B. Williams (Vice-Chairman),  
BF Ashton, MR Cunningham, Mrs CJ Davis, PJ Dauncey, DJ Fleet, JGS Guthrie,  
JW Hope, B Hunt, Mrs JA Hyde, Brig P Jones CBE, Mrs RF Lincoln, RM Manning,  
RI Matthews, Mrs JE Pemberton, R Preece, Mrs SJ Robertson, DC Taylor,  
WJ Walling

#### **DCSW2005/0282/F – SAFETY FENCE, DORSTONE PLAYING FIELDS, DORSTONE, HEREFORDSHIRE**

1. The application has been submitted to the Committee because the local Ward Member is a trustee of the Dorstone Playing Fields Association and is also named on the deeds. The playing field is situated to the north of the B4348 Dorstone to Hay-on-Wye road and lies just outside the settlement boundary of Dorstone. The eastern boundary of the playing field adjoins Dorstone House and the application is for the provision of a safety fence measuring 80 metres in length aimed at protecting Dorstone House when cricket matches are in progress. The Committee heard the views of the applicants and also the owner of Dorstone House who has objected to the application. The Committee took into consideration the views expressed by the applicants and neighbour and also the following issues:

- impact upon Area of Great Landscape Value;
- Conservation Area Issues;
- impact upon Public Right of Way; and
- residential amenity.

The Committee noted that the fence would only be in place for the duration of each cricket season and would be removed for the remainder of each year. The Committee also took into consideration the steps that had been taken by the applicants to minimise any inconvenience caused to the neighbour. Having considered all the facts the Committee was satisfied that the application complied with the policies contained within the South Herefordshire District Local Plan in respect of the Area of Great Landscape Value and Conservation Area and decided that it should be approved.

## **AREA PLANNING SUB-COMMITTEES**

2. Information reports have been received from the three Area Planning Sub-Committees which have dealt with the following matters:

### **(a) Northern**

The Sub-Committee has met on three occasions and has dealt with the planning applications referred to it as follows:-

- applications approved as recommended - 27
- applications refused as recommended - 12
- applications refused contrary to recommendation - 9 (not referred to Planning Committee by the Head of Planning services)
- applications approved contrary to recommendation – 4 (not referred to Planning Committee by Head of Planning Services).
- deferred - 5
- site inspections - 9
- number of public speakers - 43 (17 supporters, 20 objectors, 6 parish councils)
- appeals - 11 have been received and 11 determined (1 withdrawn, 3 upheld and 7 dismissed).

### **(b) Central**

The Sub-Committee has met on three occasions and has dealt with the planning applications referred to it as follows:-

- applications approved as recommended - 22
- applications refused contrary to recommendation - 2 (not referred to the Head of Planning services)
- applications approved contrary to recommendation - 2 (not referred to the Head of Planning Services).
- deferred - 3
- site inspections - 7
- number of public speakers - 36 (23 supporters, 10 objectors, 3 parish councils)
- appeals - 6 appeals have been received and 10 determined (3 upheld and 7 dismissed).

### **(c) Southern**

The Sub-Committee has met on four occasions and has dealt with the planning applications referred to it as follows:-

- applications approved as recommended – 34
- applications refused as recommended – 1
- applications refused contrary to recommendation – 1 (referred to the Head of Planning Services but subsequently withdrawn)
- applications approved contrary to recommendation - 1 (not referred to the Head of Planning Services).
- deferred - 1
- site inspections - 2
- number of public speakers - 10 (supporters - 4, objectors - 4, parish councils - 2)
- appeals - 11 appeals have been received and 14 determined (5 upheld, 1 partially upheld, 6 dismissed, and 2 withdrawn).

**T.W. HUNT  
CHAIRMAN  
PLANNING COMMITTEE**

#### **BACKGROUND PAPERS**

- Agenda for the meeting of the Planning Committee held on 22 April, 2005.



## REPORT OF THE WEST MERCIA POLICE AUTHORITY MEETING HELD ON 15 FEBRUARY 2005

### *Budget 2005/2006*

1. The Police Authority faced a very tough budget-making process this year with the possibility of being capped by the Government if it was judged to have set too high a budget.
2. By way of background it was announced in October 2004 that West Mercia had been 'nominated' by the Office of the Deputy Prime Minister. As a consequence a 'nominal' budget of £165,321,000 was set for 2004/05, against which increases in West Mercia's budget requirement in subsequent years would be measured. This amount was £517,000 below the original budget set by the Authority in February 2004.
3. The Authority has seen a 3.75% increase in Government funding for 2005/06 although to maintain current policies an increase of 4.4% in the overall budget was actually required. This was due to pay awards, inflation on goods and services, new pension costs and other commitments.
4. Given the Government's stated policy on Council Tax increase the Police Authority decided to take a safety first approach and took all reasonable steps to avoid capping and wasteful re-billing costs in the region of £0.650m. The Police Authority resolved to set a budget requirement of £172.8 million for 2005/2006. The council tax figure, which supports this budget, is £143.17 for a Band D property and represents an increase of 11p per week, or 3.98%.
5. The approved budget produces a funding gap of £1.515m but in order to maintain current levels of service this will be bridged by recognising more fully the ebb and flow of the recruitment process of all Police Officers and Police Staff, overtime savings, capital financing, efficiency gains, interest earnings and contingency funds risk review.
6. The Authority is determined that frontline policing should remain the priority and the budget set envisages that there will be no loss of officers and provides the capability to invest in the vital capital programmes which are essential. The Chief Constable has pledged to maintain staffing levels so far as possible in 2005/06 and there are no direct staff reductions resulting from this year's budget.
7. As part of the budget setting process the Police Authority issued a consultation paper on a range of options between 3.5% and 7.5% and this was sent to MPs, local authorities, Community Policing Boards, Police/Community Consultative Groups, Non Domestic Ratepayer organisations and was available on the Authority's website. The majority view expressed was that a budget that at least maintained the current level of service should be provided, although the threat of capping was widely recognised.
8. A public opinion survey was also commissioned and during December 2004 the polling organisation MORI contacted 1009 council tax payers. The results of the survey, which are statistically significant, showed:

- 56% of people supported a tax increase of 7.5% or 20 pence per week on the understanding that it would result in the equivalent of an extra 35 police officers.
- 10% of people supported an increase of 5% or 13 pence per week on the understanding that this would result in service reductions of the equivalent of 24 officers.
- 11% of people supported an increase of 3.5% or 9 pence per week on the understanding that this would result in service reductions of the equivalent of 60 police officers.
- 8% were in favour of no increase at all, and a further 4% gave other answers indicating that an alternative to increasing the council tax should be sought.
- The remainder either expressed no opinion or gave an answer outside of the parameters of the survey.

9. Despite limited resources over the past two years the Police Authority has increased police officer numbers to record levels; increased the number of Community Support Officers serving communities across the force area and invested in technology that enables the force to use the resources available to it as effectively as possible. This budget represents the best outcome for the Authority, the Force and the people of West Mercia within the context of financial constraints.

10. The Authority was, however, very critical at what was in effect the removal of local discretion in setting the budget given the severe capping regime threatened by the Government and has written to all the MPs in West Mercia. The Authority wishes to continue to explore ways of resolving the underlying funding issues impacting on West Mercia and the MPs, who have previously been very supportive of West Mercia, will continue to have a key role in maintaining pressure on Government for better funding of policing services.

*West Mercia Three Year Strategic Plan and Annual Joint Policing Plan  
Incorporating the Best Value Performance Plan  
4000+ An Even Better Place*

11. The Authority has agreed the Three-Year Strategy and Policing Plan, which defines the purpose, aims, priorities and key principles for policing in West Mercia for the period 2005 – 2008. The Policing Plan for 2005/06 is incorporated within the plan and gives particular emphasis to the planned outcomes and priorities for the forthcoming year. It also includes the Best Value Performance Plan.

12. A summary of what will be delivered under the 'Four Better Outcomes' during 2005/2006 is shown below.

**Reassurance**

- Increase the percentage of police officer time spent on front line duties
- Reinforce the commitment to Local (Neighbourhood) Policing through the employment of a further 12 Community Support Officers (bringing the total number of CSOs to 83), designated with appropriate powers, for deployment within policing teams
- Develop improved community consultation arrangements through Community Policing Boards, Police Community Consultative Groups and involvement in



Crime and Disorder Reduction Partnerships, with a particular emphasis being placed upon seeking more effective engagement with those groups that we have yet to reach

- Continuously improve performance in relation to non-emergency call handling and support the introduction of the new national non-emergency number telephone number
- Implement the revised Race Equality Scheme and complete our new Scheme by May 2005
- Improve accessibility to services and premises, with particular emphasis on the requirements of the Disability Discrimination Act 1995
- Optimise the recruitment, retention and progression opportunities for people from under-represented groups

### **Reduced crime, increased detections and more offences brought to justice**

- Further reduce crime levels, with particular emphasis upon domestic burglary, violent crime (including domestic violence) and vehicle crime
- Increase the proportion of sanction detections and the number of offences brought to justice with particular emphasis upon results in relation to our priority crimes
- Increase successes in relation to the prosecution of Class A drug dealers
- Invest additional resources in financial investigation and other related skills in order to increase the amount of assets seized and recovered in accordance with the Proceeds of Crime Act
- Catch and convict Prolific and other Priority Offenders
- In partnership with the Crown Prosecution Service, introduce enhanced Witness Care Units throughout the Force area
- Introduce the national guidance on the investigation of domestic violence incidents and treatment of victims and survivors and ensure policy and procedure is updated to reflect this
- Work with partners to implement the new child protection legislation including the formation of accountable Local Children's Safeguarding Boards and Strategic Partnership Boards
- Increase the number of offences detected and brought to justice through the use of ANPR (Automatic Number Plate Recognition) technology
- Increase the custody capacity at Shrewsbury and Leominster, and improve the efficient use of other cell accommodation, particularly in Shropshire and Herefordshire

## **Reduced disorder and anti-social behaviour**

- Reduce people's concerns about anti-social behaviour and disorder
- Work with Local Authorities, other partner agencies and licensees to actively manage the impact of the Licensing Act 2003 and minimise the risk of anti-social behaviour and disorder resulting from excessive alcohol
- Work with partners, including the Crown Prosecution Service, to target repeat anti-social behaviour offenders, making use of a wide range of potential responses including Anti-social Behaviour Orders (both civil and post conviction), Acceptable Behaviour Contracts, Fixed Penalty Notices and other new powers available through the Anti-social Behaviour Act 2003
- Encourage active citizenship in our communities through the introduction of Rural and Urban Safety Schemes in response to local need
- Undertake co-ordinated and well-publicised enforcement campaigns in order to target alcohol related crime and disorder at key times of the year

## **Reduced road casualties**

- Support divisions in the achievement of local priorities, by providing specialist support in road policing and operations
- Implement enforcement and education campaigns, including
  - Drink drive offences
  - Seat belt offences
  - Mobile phone offences
  - Speed offences
  - Hotspot targeting
  - Bikesafe initiative

13. The Plan also includes the Best Value Review Programme and details the results of past reviews and the proposed programme for 2005/06. Further details are shown in the next section of this report.

14. Throughout the year the Authority will monitor the performance of the Constabulary against the targets that have been set and later this year will produce its Annual Report on the performance of the Constabulary against the objectives set in the 2004/2005 Policing Plan.

15. The Three-Year Strategy and Policing Plan will be available on the Internet at [www.westmercia.police.uk](http://www.westmercia.police.uk) or from the Director to the Police Authority.

### *Best Value Review Programme*

16. There are currently two Best Value Reviews outstanding from the 2004/05 programme - Diversity and the Central Ticket Office.

17. The Police Authority has agreed that the review of the Central Ticket Office be suspended until September 2005 and the timescales for the Best Value Review of Diversity be reviewed at that time.

18. This is because the Constabulary's Best Value team will be deployed until September 2005 to undertake work on codes which are being developed, under the provisions of the Police Reform Act, by the National Centre for Policing Excellence to identify, develop and spread good practice in operational policing throughout the service.

19. These codes will establish common minimum professional standards of service delivery and investigation in respect of the following business areas; Firearms & less lethal weapons; Police National Computer; Serious Crime Analysis Section; National Intelligence Model; the Bichard Report; Domestic Violence; Child Protection; Missing Persons; Serious Sexual Offences; Child Abuse on the Internet; Safer Prisoner Handling; Using Immigration Powers; Volume Crime; Social Cohesion; and Major Incident Room Administrative Procedures Review.

### *Capital Programme*

20. The Authority has agreed a Capital Programme of £7.194 million for 2005/2006, which includes £1.795m for Information Technology, £1.647m for vehicles and equipment, and £3.752m for buildings.

21. The Authority has also agreed to pursue negotiations for a lease of the former military base at Defford, near Pershore, which will reduce accommodation pressures in a number of areas including storage, driver and dog training, radio and vehicle workshops and Central Motorway Patrol Group.

### *Efficiency Plan*

22. All police forces have been required to demonstrate a continuous drive for efficiency by meeting an annual target for efficiency gains equivalent to 2% of the annual budget. The Home Office has stressed that this is not an exercise in crudely cutting budgets and the gains should be redirected into better front line policing and performance. The Police Authority receives regular reports on the progress made and over the past six years efficiencies to the value of over £20m have been made.

23. Listed below are some examples of efficiency gains included within the 2004/05 Efficiency Plan.

- Land Registry registration scheme £62,000 (cashable)
- Procurement of services £64,000 (cashable)
- Conversion of paper input intelligence reports to intranet format £274,000 (non – cashable)
- Introduction of detainee image database £150,000 (non–cashable)
- Introduction of South Worcestershire Interview Team £301,000 (non–cashable)
- Savings drawn from work performed by Community Support Officers £188,000 (non– cashable)

24. For 2005/06 the requirement is to be increased to 3% efficiencies to a value of approximately £5.200m.

### *Monitoring of Force Performance*

25. The Authority has reviewed the force's performance over the first nine months of the year and noted that the Crime Reduction and Detection figures all showed excellent performance improvements. Performance data in relation to reassurance was discussed in some detail and it was noted that this particular data set would be considered by Community Policing Boards under their revised remit. Two areas for special attention were identified:

- Call Centre Management – the Chief Constable has commissioned a review of call handling
- Sickness Absence – the level of sickness both for Police Officers and Police Staff is the subject of considerable attention particularly given the tight target to be imposed by central government for 2005/6.

### *Auditors Report on the Best Value Performance Plan*

26. The Authority's Best Value Performance Plan is audited by PriceWaterhouseCoopers to ensure it complies with legislation. After auditing the 2004/05 plan they made the following recommendations;

- *'That the Authority puts in place the systems and procedures to enable it to collect and report on all statutory performance indicators in future years.'*
- *'That in the next annual policing plan the Authority reports its actual performance against the original five year targets set in 1998/99 for domestic burglary, violent crimes and vehicle crimes.'*

27. These recommendations have been acted upon. All statutory performance indicators and the original five-year targets are included in this 2005/06 plan.

28. The Auditor also identified a small number of Best Value Performance Indicators, issues from Her Majesty's Inspectorate of Constabulary work and some financial information that were omitted from the 2004/05 plan. All matters raised have been addressed and, where applicable, also incorporated in this plan.

### *Binge Drinking*

29. Operation Christmas Presence was launched by West Mercia Constabulary over the festive period to tackle binge drinking and late night disorder and to target offences including drink spiking, drink fuelled violence and drink driving. The Authority received a report on the success of this operation and noted that a number of lessons had been learned which would be built upon in preparing the Constabulary's response to the changes in licensing laws due to come into effect in 2005.

### *Best Value Review of Custody*

30. The Police Authority has considered the recommendations arising out of the Best Value Review Report on Custody. The report identified a number of pressing

issues including cell capacity, staffing issues, pending legislative changes and the need to review the current outsourcing arrangements.

31. The Authority has already agreed the provision of new pre-fabricated cells in Shrewsbury, the provision of a total of 16 cells at Hereford and an additional 5 cells at Leominster. Concerns were expressed whether this level of provision, particularly that at Shropshire Division, was sufficient to meet current needs not least in the light of earlier proposals for a new build Shrewsbury HQ with significantly higher levels of cell provision. It was noted that the Chief Constable had not brought forward proposals to progress the Shropshire Headquarters in the light of the restricted budget position.

32. The Authority, in approving the report's recommendations, requested that a review of custody demand be carried out in respect of the Shropshire Division and be reported back to members at their autumn meeting together with a costed implementation plan.

### *Special Constabulary*

33. The Authority has received a report on the Special Constabulary and welcomed the joint recruitment campaign that was being developed for regulars and special constables, based on taking 'positive action' to recruit from ethnic minorities. This will include the marketing of the 'employee release' scheme.

34. A Force Project is also underway to implement many of the changes following on from West Mercia's review of the Special Constabulary. It is anticipated that this will deliver many positive changes for the Specials by integrating them even closer to their police colleagues.

35. Further consideration will be given to the recruitment and deployment position of Special Constables on a divisional basis at the revised Community Policing Boards as part of their oversight of Community Engagement.

Signed on behalf of the  
West Mercia Police Authority

R M Forster  
Chair

### *Further Information*

Any person wishing to seek further information on the subject matter of this report should contact David Brierley or Ian Payne on Shrewsbury (01743) 344314.

### *List of Background Papers*

In the opinion of the proper officer (in this case the Clerk of the Police Authority) the following are the background papers relating to the subject matter of this report:

Agenda papers for the meeting of the West Mercia Police Authority held 15 February 2005.



# REPORT OF THE HEREFORD & WORCESTER FIRE AND RESCUE AUTHORITY TO THE CONSTITUENT AUTHORITIES

Meetings Held on 16 December 2004 and 16 February 2005

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## APPOINTMENT OF CHIEF FIRE OFFICER/CHIEF EXECUTIVE

1. The constituent authorities will be aware of the retirement of Mr David O'Dwyer in March 2005. The Authority appointed me as new Chief Fire Officer/Chief Executive in his place and I took up post on 18 April. This report brings the constituent authorities up to date with the last two meetings of the Authority at which Mr O'Dwyer was the Authority's principal advisor. I look forward to keeping the constituent authorities informed of the Authority's work and building on the excellent work of my predecessor.

## OPERATIONAL STATISTICS

2. During the period 1 October 2004 to 31 March 2005 the Service attended some 4,299 incidents (which includes all types of fire, False Alarms and Special Service incidents). More statistics and details of notable incidents have been reported to the Authority and can be found on the Service's website ([www.hwfire.org.uk](http://www.hwfire.org.uk)).

## PRECEPT 2005/06

3. The Authority has set a revenue budget for 2005/2006 of £27.289 million (an increase of 4.55%). This means a Band D Council Tax rate of £59.05 per annum compared with a Band D Council Tax rate for 2004/2005 of £56.48 per annum
4. This will permit the Authority to make some progress towards reinstating part of the programme it had originally wished to pursue in 2004/2005, before the reductions made as a result of the Government's decision to cap the Authority's budget. The Authority's proposed budget for 2004/2005, prior to capping, designed to achieve service improvements and make progress at the pace the Authority considered appropriate, would have meant a Band D Council tax rate of £60.21 per annum.

## FIRE AND RESCUE NATIONAL FRAMEWORK 2005/2006

5. The Fire and Rescue National Framework 2005/06 has been published setting out the Government's ambitious targets to drive down accidental fire deaths and deliberate fires and how Government, working in partnership with Fire and Rescue Authorities and their staff, can achieve these aims.
6. It incorporates a number of key modernisation issues, including Best Value for Fire and Rescue Authorities, Best Value Performance Indicators, the National Workforce Development Strategy, the National Procurement Strategy, and, most recently, new pension arrangements for Firefighters.
7. The Framework has already been used to inform the corporate priorities for the Service's Business Plan 2005/2006 and Members of the Authority will be fully briefed upon it.

## **INTEGRATED RISK MANAGEMENT PLAN**

8. As previously reported the Authority is required to produce an Integrated Risk Management Plan (IRMP). The purpose of the Plan is to provide a strategic overview of all aspects of service delivery and determine current and future policy. It is intended to make the service more responsive to locally identified needs and better able to deliver community safety.
9. The Authority has approved the second annual action plan designed to deliver the IRMP's objectives.

## **BEST VALUE PERFORMANCE PLAN PRIORITIES**

10. The Authority has approved a vision statement and service objectives and priorities, which will inform the Best Value Performance Plan 2005/2006. The vision statement is: "To make Herefordshire and Worcestershire safer from fire and other hazards and to improve community well-being".

## **COMMUNITY FIRE SAFETY**

11. The Authority has noted progress on a wide range of Community Fire Safety (CFS) initiatives.

### **Education Activity**

12. A new Key Stage 3 pack has been launched in schools targeted towards Year 8 pupils. The programme was piloted successfully in September 2004 and is proving to be an extremely popular extension of the Service's prevention activity in schools. Such is the pilot's success in Worcestershire schools that Herefordshire Council is also now supporting the introduction of the pack. Demand is also high from other Fire and Rescue Services as the Service is leading nationally in this area.
13. Work is almost complete on the Youth Strategy. A great deal of research was undertaken in order to inform future provision for young people and emerging outcomes include a range of ground-breaking initiatives. These provide opportunities for partnership working and focus on agendas for social inclusion and neighbourhood renewal as well as the extension of the Service's current provision for education.
14. In line with the Government's plans to extend the school day and provide further provision of child care for parents, the service is piloting the provision of an 'After School Club'. This new approach to 'Out of School Hours learning' will provide extensive opportunities for partnership working and will be targeted at schools currently suffering a range of problems. Again, this idea has been extremely well received by Head teachers, staff and parents and will engage local communities, providing safety information from a range of agencies in an attractive and informative way. The initial pilot began in January 2005 at Leominster Junior School.
15. The 'Juvenile Arsonists Group' Project devised by the Service in partnership with Worcestershire County Council's Social Services Family Support Unit, provides intervention for young people who have demonstrated fire setting behaviour. Demand in this area is very high and again, the Service is leading nationally in this intervention programme.

### **Outreach**

#### **Mela 8-10 October 2004**

16. The Service had a stand at the Mela, an Asian cultural event attracting 30,000 visitors to the National Exhibition Centre in Birmingham. The stand was sponsored by FireWorks, a project to improve the employment of ethnic minorities and women in



the Fire and Rescue Service jointly funded by the European Social Fund and Anglia Polytechnic University and supported by East and West Midland Brigades working in partnership under the 'Fire Services of the Midlands' brand.

17. The Service's presence promoted recruitment and Community Fire Safety activities in an attractive and meaningful way, making use of the Service's marketing, outreach and recruitment skills.

## **DIWALI**

18. A successful working partnership has been formed with Leicester Fire and Rescue Service to help promote safety issues in relation to the festival of Diwali in the West and East Midlands regions. The National Community Fire Safety Centre (NCFSC) has commissioned advertising for various targeted media and produced materials to support local campaigns.
19. Following a request from the NCFSC an audio-visual presentation produced by the Service's Marketing Officer was used at the national launch of the Diwali Fire Safety Awareness Campaign in London.

## **FIRE PROTECTION MATTERS**

### **Licensing Act 2003**

20. Common inspection practices and protocols between the Fire and Rescue Service and other stakeholders are being determined in response to the Licensing Act. The number of premises who may apply for variations to their Licence is unknown at present. There are some 2,400 premises in the two counties that may be affected (Herefordshire 700, Worcestershire 1700).

### **Regulatory Reform (Fire Safety) Order**

21. This legislation is intended to rationalise the existing system, which has some 70 separate references to Fire Safety enforcement in various pieces of legislation. It is intended that procedures will be developed to a nationally agreed standard. This will be of benefit to the business community as a whole, providing consistency in approach and enforcement. National guidance documents are also under development, which will be aimed at specific classes of premises, for example, shops, factories and licensed premises.

### **Single Fire Prevention and Fire Safety Inspection**

22. The Fire and Rescue Services Act 2004 requires Fire Authorities to provide advice and assistance to local businesses in relation to fire prevention and fire safety. Fire Authorities already undertake audits under the Fire Precautions Act, and in many instances educational work will be undertaken alongside its enforcement role. The Service will work with occupiers/owners in the business community to offer advice over a broad range of topics, as well as legislative enforcement, using the Service's recently developed Single Inspection process.
23. The Single Inspection process contains seven core elements: legislative fire safety, firefighter safety, reduction of unwanted fire signals, arson prevention, business continuity management, environmental protection, and community fire safety. It is wholly compatible with the Fire and Rescue Services Act 2004, the Fire and Rescue Service Framework and the Authority's Integrated Risk Management Plan. It has the potential to make a significant contribution to improving community safety.

## **Business Continuity**

24. A fact sheet on business continuity management, to protect the well-being of businesses and ensure continuity in the face of unforeseen or difficult circumstances, has been developed by the Service to help raise the profile of this important matter within the Business Community. It has been developed in conjunction with specialist industry providers, such as the Business Continuity Forum and with the approval of the Emergency Planning Officers of the constituent authorities. This will link in with various elements of contingency management, at both National and Local level of contingency planning.
25. The Cabinet Office's Civil Contingencies Secretariat (CCS) is considering requiring Local Authorities to "have regard" to work undertaken by other local responders, (Fire and Rescue Services plus other 999 services). The Service has been approached by the CCS to use the Service's Single Inspection process as an example of how the Fire and Rescue Service can assist in raising awareness on the issue of business continuity. The CCS recognises that the Service is working closely with other enforcement agencies and bodies providing business continuity advice and is exploring opportunities for partnership working.

## **LOCAL PUBLIC SERVICE AGREEMENTS**

26. As previously reported, the three year Local Public Service Agreements (LPSAs) entered into by each of the Constituent Authorities both contain an objective to be delivered in partnership with the Service: to achieve a reduction in the incidence of accidental fires and fire related deaths and injuries. The Agreements' three-year life cycle concluded in March 2005 with the successful delivery of the agreed stretch targets. Work on a second LPSA bid is underway.

## **EQUAL OPPORTUNITIES**

27. Progress continues to be made on meeting the objectives outlined in the Authority's equality and diversity strategy.

## **PENSION ARRANGEMENTS FOR FIREFIGHTERS**

28. The Office of the Deputy Prime Minister is currently consulting on changes to the existing pension scheme for firefighters and proposals for a new scheme for new firefighters. The proposed arrangements represent a fundamental change. The initial indication is that whilst these changes are expected to result in lower pension costs to the Authority eventually, there will be increased costs over the next 30 years.

## **CORPORATE ISSUES**

### **New Headquarters**

29. As announced in a recent press release Hereford & Worcester Fire and Rescue Service is to move to a new administrative headquarters at Atlanta House, off Newtown Road, Worcester. The move will bring together functions currently delivered from a number of sites, significantly improving the efficiency and effectiveness of the Service. The move is expected to be completed by summer 2005.

### **Audit Opinion on 2003/04 Statutory Financial Statements**

30. The Authority has received the opinion of the Authority's external auditors PriceWaterhouseCoopers on the various statutory financial statements they are required to submit to the Authority. The Auditors have also confirmed that they have issued an unqualified audit opinion on the 2003/2004 accounts.

### **Financial Regulations**

31. The Authority has approved revised and updated Financial Regulations in line with good practice. It has also adopted Regulations to govern contracts for Regional projects led by the Regional Management Board.

### **Comprehensive Performance Assessment**

32. The Authority has been inspected under the Comprehensive Performance Assessment framework. The outcome of the inspection is expected to be published by August 2005.

### **Code of Corporate Governance**

33. The Authority has revised and updated its Code of Corporate Governance.

### **Risk Management**

34. The previous report to the constituent authorities advised that the Authority had approved a Risk Management Strategy as part of its corporate governance arrangements. A strategic risk register has now been approved as a further part of the process of strengthening risk management.

### **Freedom of Information Act**

35. The Authority has put arrangements in place to ensure compliance with the Act.

**PAUL HAYDEN  
CHIEF FIRE OFFICER/CHIEF EXECUTIVE  
HEREFORD & WORCESTER FIRE AND RESCUE AUTHORITY  
APRIL 2005**

### **BACKGROUND PAPERS**

Agenda papers of the meetings of the Fire and Rescue Authority held on 16 December 2004 and 16 February 2005

