

COUNTY SECRETARY AND SOLICITOR
Committee Services

TO: ALL MEMBERS OF THE COUNCIL

Your Ref:

Our Ref: MR/CD

Please ask for: Mrs. C. Dyer

Direct Line/Extension: (01432) 260222

Fax: (01432) 260249

E-mail: cdyer@herefordshire.gov.uk

26th February, 2004

Dear Councillor,

YOU ARE HEREBY SUMMONED to attend the meeting of the County of Herefordshire District Council to be held on **FRIDAY, 5TH MARCH, 2004** at the Assembly Hall, The Shirehall, Hereford at **10.30 a.m.** at which the business set out in the attached agenda is proposed to be transacted.

Please bring your copy of the Herefordshire Unitary Development Plan: Revised Deposit Draft (February 2004) (previously circulated) as well as the Budget Book which accompanies this agenda, 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, 5th March, 2004**

Time: **10.30 a.m.**

Place: **The Assembly Hall, The Shirehall,
Hereford**

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**

**County of Herefordshire
District Council**

AGENDA

for the Meeting of the Council

To: All Members of the Council

	Pages
1. PRAYERS	
2. APOLOGIES FOR ABSENCE To receive apologies for absence.	
3. DECLARATIONS OF INTEREST To receive any declarations of interest by Members in respect of items on this Agenda.	
4. MINUTES To approve and sign the Minutes of the meeting held on 16th January, 2004.	1 - 6
5. CHAIRMAN'S ANNOUNCEMENTS To receive the Chairman's announcements and petitions from members of the public.	
6. QUESTIONS FROM MEMBERS OF THE PUBLIC To receive questions from members of the public.	
7. QUESTIONS TO THE CABINET MEMBERS AND CHAIRMEN UNDER STANDING ORDERS To receive any written questions.	
8. NOTICES OF MOTION UNDER STANDING ORDERS To consider any Notices of Motion.	
9. CABINET To receive the report and to consider any recommendations to Council arising from the meetings held on 29th January and 12th and 19th February, 2004.	7 - 92
10. COUNCIL TAX RESOLUTION To approve a formal resolution based on the recommendation of Cabinet.	93 - 112
11. PLANNING COMMITTEE To receive the report and to consider any recommendations to Council arising from the meeting held on 30th January, 2004.	113 - 114
12. REGULATORY COMMITTEE To receive the report and to consider any recommendations to Council arising from the meeting held on 3rd February, 2004.	115 - 116
13. STRATEGIC MONITORING COMMITTEE To receive the report and to consider any recommendations to Council arising from the meeting held on 9th February, 2004.	117 - 122
14. STANDARDS COMMITTEE To receive the report and to consider any recommendations to Council arising from the meeting held on 13th February, 2004.	123 - 124
15. RESULT OF ST. NICHOLAS BY-ELECTION To formally note the result of the by-election for St. Nicholas Ward.	125 - 126

16. WEST MERCIA POLICE AUTHORITY

To receive the report of the meeting of the West Mercia Police Authority held on 17th February, 2004. Councillor B. Hunt has been nominated for the purpose of answering questions on the discharge of the functions of the Police Authority.

**Report to
follow**

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.

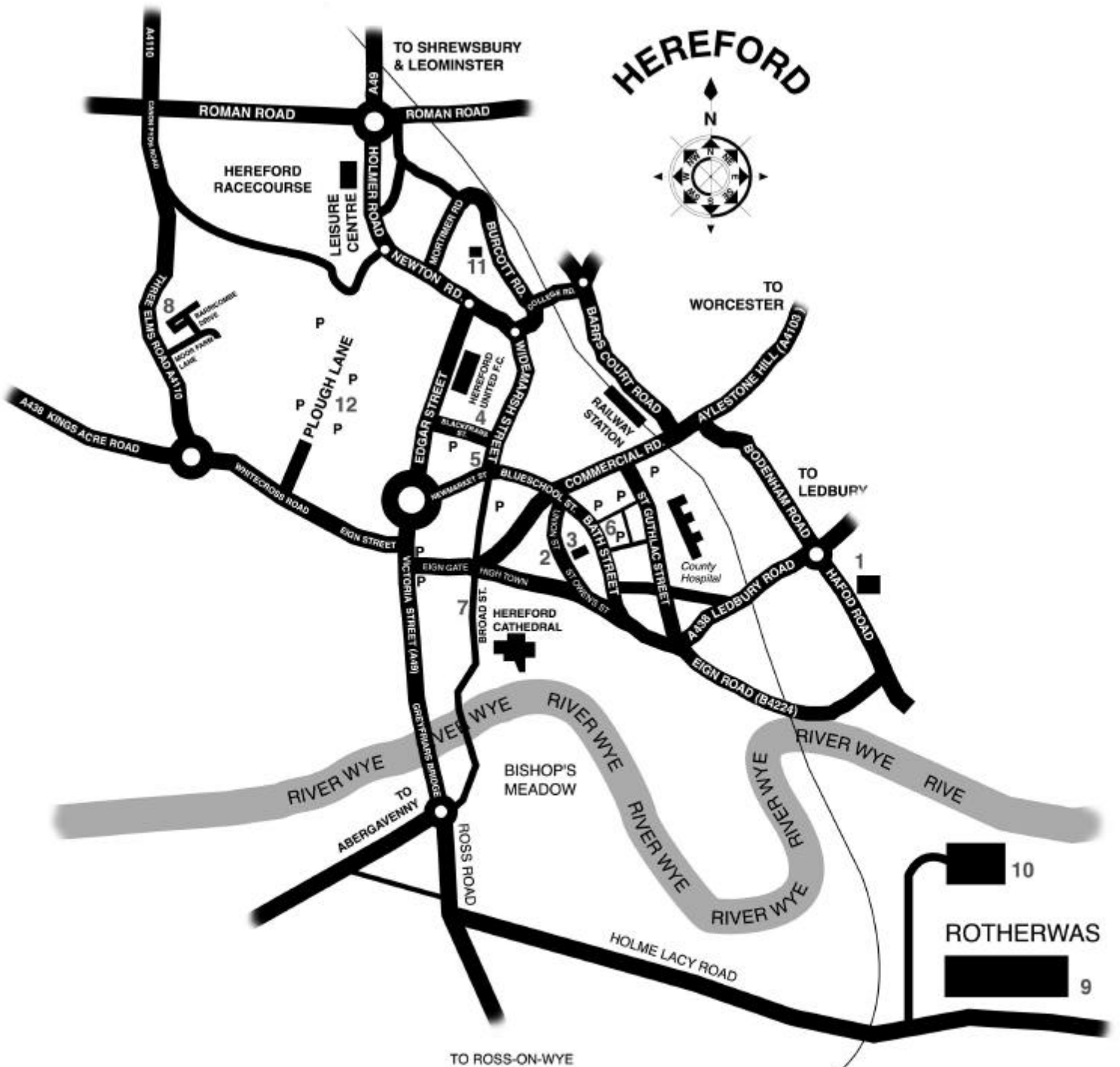
Please Note:

Agenda and individual reports can be made available in large print, 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.



- | | | | |
|---|------------------|----|-----------------------------------|
| 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 Brockington, 35 Hafod Road, Hereford. on Friday, 16th January, 2004 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. L.O. Barnett, Mrs. E.M. Bew, W.L.S. Bowen, H. Bramer, A.C.R. Chappell, M.R. Cunningham, Mrs. S.P.A. Daniels, P.J. Dauncey, Mrs. C.J. 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, B. Hunt, T.W. Hunt, G.V. Hyde, Mrs. J.A. Hyde, 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, R. Preece, Mrs. S.J. Robertson, D.W. Rule MBE, 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, J.B. Williams and R.M. Wilson

49. PRAYERS

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

At the request of the Chairman, the Council stood in memory of the late Councillor Reverend David Short, MBE who had died on 8th November, 2003.

Councillor T.M. James, the Leader of the Liberal Democrat Group and Councillor R.J. Phillips, the Leader of the Council paid tribute to Councillor Short.

50. APOLOGIES FOR ABSENCE

Apologies were received from Councillors Mrs. Atfield, Burke, G Davis, Wilcox and A.L. Williams.

51. DECLARATIONS OF INTEREST

There were no declarations of interest made.

52. MINUTES

RESOLVED: That the minutes of the meeting held on 7th November, 2003 be approved as a correct record and signed by the Chairman.

53. CHAIRMAN'S ANNOUNCEMENTS

The Chairman welcomed a group of pupils from Ledbury Primary School and their teachers, who had come to see how the Council conducted its business.

He advised that the Boundary Commission for England had confirmed its recommendations for parliamentary constituencies in Herefordshire following a review and public inquiry during 2003. The Constituencies will be called Hereford

and South Herefordshire County Constituency (with 69,632 constituents) and North Herefordshire County Constituency (with 63,418 constituents). Changes include moving Golden Valley North and South Wards into the new Hereford and South Herefordshire Constituency and moving Old Gore Ward and all of Backbury Ward into the new North Herefordshire County Constituency.

He reminded Councillors of the need to maintain confidentiality when dealing with information that is not available to members of the public. This was both a legal requirement, to protect the interests of the Council, and also a requirement of the Code of Conduct. He advised that Councillors could inspect any confidential Council papers except in very limited circumstances when a need to know had to be demonstrated. Compared with other local authorities, the Council takes an absolute minimum of business in confidential session. It was therefore extremely disappointing in terms of maintaining trust within the Council and damaging in terms of the Council's interests when such information is disclosed to outside parties. He went on to say that recent correspondence sent to Councillors by one of the parties to the pending River Wye litigation provided clear evidence of such unauthorised disclosure. He agreed with the Chief Executive that an enquiry into the disclosure would be futile. He said he understood that there were many issues about which Members felt passionately, but that that did not excuse such breaches of confidentiality. Repetition would almost inevitably lead to the Council being unable to maintain its current record on openness. He asked for Councillors' co-operation in maintaining confidentiality in the future.

He announced that the Queen had recently approved the nomination of the Right Reverend Anthony Martin Priddis, Suffragan Bishop of Warwick for election as Bishop of Hereford in succession to the Right Reverend John Oliver who had resigned last November. The enthronement will take place sometime in June.

He also announced that the Divisional Commander of the West Mercia Constabulary at Hereford, Chief Superintendent Guy Rutter, will be taking up the post of Divisional Commander for the Shropshire Police Division from 1st March, 2004. He thanked him for his contribution to Herefordshire, especially in promoting partnership with the Council, as Chair of the Herefordshire Partnership Board, and wished him well in his new post.

He also took the opportunity to welcome the new Divisional Commander, Chief Superintendent Kevin Bentley who was currently the Temporary Head of CID for the West Mercia Constabulary.

Petitions

The Chairman had received a petition containing 847 signatures relating to genetically modified food which he passed to the Cabinet Member (Environment) for action.

54. 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.

55. QUESTIONS TO THE CABINET MEMBERS AND CHAIRMEN UNDER STANDING ORDERS

Councillor Mrs. M.D. Lloyd-Hayes asked:

What mechanisms are in place for young people to influence decisions made by this Council?

The Leader replied, that there were currently no separate mechanisms for young people to influence decisions. They would use the routes open to any other member of the community. However, the Youth Service and other agencies support and encourage young people to use these routes through a variety of mechanisms such as youth forums. He acknowledged that it was difficult to engage young people and that the Council was not always seen as being as supportive as it could be.

In response to a further question from Councillor Mrs. Lloyd-Hayes, about provision of youth services in Hereford City, the Leader agreed that there was an urgent need to make progress on this issue.

Councillor A.C.R. Chappell asked:

It appears that the incidence of unacceptable and anti-social behaviour is on the increase across the County. A small minority causing harm and distress to law abiding residents. Will the Leader of the Council join me and the other political group leaders in a review with Police, Magistrates, Probation Service, Herefordshire Housing, and the Directors of Social Care and Education? The review to look at ways of implementing those opportunities that the Home Secretary has given Local Authorities to tackle these problems, but also to find ways where we can work more closely to give communities relief from anti-social behaviour?

The Leader replied that an Anti-Social Behaviour Order was a legal injunction and to break it was a criminal offence. He advised that the Community Safety Partnership in Herefordshire (now merged with the Drug Action Team) already has an implementation group across agencies that work on anti-social behaviour. He said that the Partnership would be willing to hold a briefing with key members and take any further action needed, and that this would be a practical way forward.

In answer to a further question from Councillor Chappell, he stated that eight Anti-Social Behaviour Orders had been granted in the County so far and that he hoped the Partnership would be able to meet to address these issues at an early opportunity.

56. NOTICES OF MOTION UNDER STANDING ORDERS

There were no Notices of Motion.

57. CABINET

The Leader of the Council, Councillor R.J. Phillips, presented the report of the meetings of Cabinet held on 20th and 27th November and 4th and 18th December, 2003.

In relation to Item 1.1 - Second Homes and Empty Property Council Tax Discounts, Councillor T.M. James welcomed the introduction of changes to the levels of Council Tax Discount on second homes and empty properties.

In relation to Item 1.2 - Review of the Constitution, The Leader proposed that the words "and Councillor Membership" be deleted from Recommendation (c) and the Appendix be amended accordingly. He urged Members to view the ward composition of Local Area Forums as a guide but said they could attend whichever Forum they considered most appropriate depending on the items on the agenda.

In relation to Item 4.1(ii) - Index of Multiple Deprivation (IMD), Councillor Chappell, although glad that the South Wye area had lost its "deprivation" status expressed concern about the affect that would have on future investment in the area. The Leader advised that he had drawn similar concerns to the attention of the Boundary Commission but whilst these had been recognised the Commission had not felt it appropriate that they should determine the outcome of the Review.

In relation to Item 6.1(i) - Replacement Swimming Pool for North Herefordshire, Councillor B. Hunt, said by raising a motion on provision of a swimming pool at Bromyard, he and Councillor Dauncey had fulfilled a manifesto commitment to the people of Bromyard. He regretted that Bromyard was not chosen as a site for the new pool but understood why it was to be sited at Leominster. Council acknowledged the contribution made by Leominster Town Council and the various Parish Councils who had helped with fund raising or made a commitment of funding. Councillor R.V. Stockton advised that the scheme was very much on schedule with a target date for completion of June 2005. The Leader said that the specifications relating to energy efficiency had been approved by user groups and other consultees.

In relation to Item 7.1(i) - Edgar Street Grid Masterplan, there was some concern that there was no mention of preserving the historical heart of the City. Councillor G.V. Hyde, Cabinet Member (Economic Development, Markets and Property) assured Council that the preservation of the City's heritage was an integral part of the development. He recognised that the provision of a supermarket remained a controversial issue within the Council but was a way of raising much needed funds and should be retained within the masterplan.

In relation to Item 9.1(i) - Development Control Functions, in response to an allegation that the Council was not following Government policy of delegation of development control functions to parish councils the Leader said that he was not aware of any mass delegations. He knew of one local authority that had delegated small matters to parish councils but if any objections were received the matter was referred to the Planning Sub-Committee for determination.

In relation to Item 9.2(i) - Legionnaire's Disease, the Leader advised that he had received a letter from the Chairman of the Primary Care Trust thanking the Council for its handling of the outbreak. He had passed the letter to the relevant directorates so that staff would be made aware of the recognition their efforts had received.

In relation to Item 10.1(ii) - Car Parking Strategy and Charges, in response to a number of comments and questions relating to the provision of free parking or deferred price increases, the Cabinet Member (Highways and Transportation) advised that the Environment Scrutiny Committee would be agreeing terms of reference for the parking strategy review group at its next meeting. The Group would take account of all the points made.

In relation to Item 13.1(i) Response to the Consultation on the Government's Green Paper "Every Child Matters" - It was agreed that services could be integrated across Education, Social Care, Health, Youth Justice and the Youth Service.

In relation to Item 13.1(iv) - Council's Residential Care Homes Proposed Transfer to Shaw Homes - Councillor Mrs. L.O. Barnett, Cabinet Member (Social Care and Strategic Housing) apologised for not circulating a briefing note to all Members as promised. She said there would be a further meeting with Shaw Homes and the briefing note would be available after that.

58. PLANNING COMMITTEE

Councillor T.W. Hunt presented the report of the meeting of the Planning Committee held on 28th November, 2003.

RESOLVED: That the report of the meeting of the Planning Committee held on 28th November be received.

59. STANDARDS COMMITTEE

Mr Robert Rogers presented the report of the meeting of the Standards Committee held on 5th December, 2003 and corrected a small typographical error.

RESOLVED: That the report of the meeting of the Standards Committee held on 5th December, 2003 be received and the following recommendations approved:

- (a) Mr David Stevens (Independent Member) and Mr John Hardwick (Town and Parish Council Representative) be appointed as members of the Standards Committee; and**
- (b) the revised protocol for Member/Officer Relations as set out in the appendix to the report be adopted.**

60. STRATEGIC MONITORING COMMITTEE

Councillor T.M. James presented the report of the meeting of the Strategic Monitoring Committee held on 8th December, 2003.

RESOLVED: That the report of the meeting of the Strategic Monitoring Committee held on 8th December, 2003 be received.

61. REGULATORY COMMITTEE

Councillor R.I. Matthews presented the report of the meeting of the Regulatory Committee held on 9th December, 2003. In response to a query, he confirmed that the Council had lost an appeal lodged by Time Nightclub over refusal to grant an extension to its Public Entertainments Licence to 2.00 a.m. on Christmas Morning, 2003. He stated that the Committee had reached its decision despite officer advice to the contrary. He advised that the matter would be discussed at the next meeting of the Committee.

RESOLVED: That the report of the meeting of the Regulatory Committee held on 9th December, 2003 be received.

62. CASUAL VACANCY IN THE ST NICHOLAS WARD

Council formally received notice of the death of Councillor Reverend David Short, MBE and noted the arrangements for filling the vacancy in St Nicholas Ward. In response to a query the Chief Executive advised that marked copies of the electoral register were available to those candidates who wished to receive them.

63. APPOINTMENT OF CHAIRMAN OF EDUCATION SCRUTINY COMMITTEE

The death of Councillor Short had resulted in a vacancy in the Chairmanship of the Education Scrutiny Committee. Group Leaders had proposed Councillor Ashton as Chairman. Councillor Ashton holds seats on both the Environment Scrutiny Committee and the Planning Committee. Although no immediate change was necessary, following the outcome of the by-election it may be necessary for these seats to be vacated in order that they can meet political proportionality requirements or to be re-allocated within the Liberal Democrat Group.

RESOLVED:

That (a) Councillor B.F. Ashton be appointed Chairman of the Education Scrutiny Committee; and

(b) the term of office will expire at the next annual Meeting of Council.

64. NEXT COUNCIL MEETING

The Chairman advised that the meeting of Council to be held on 5th March, 2004, at which the Council Tax levels for 2004/05 would be decided, would be held at the Shirehall, Hereford.

65. WEST MERCIA POLICE AUTHORITY

Councillor B. Hunt presented the report of the meeting of the West Mercia Police Authority held on 9th December, 2003. In response to a number of queries he said that he had asked for various statistics, including response times and crime figures, relating to Herefordshire to be reported separately. He also promised to research how the "Ion track" Itemiser Instant Drugs Analyser Units were used and get a breakdown on complaints against the police. He promised to include this information in his next newsletter. He understood that Parish Councils were routinely notified of meetings of the Police/Community Consultative Groups.

RESOLVED: That the report of the meeting of the West Mercia Police Authority held on 9th December be received.

The meeting ended at 11.37 a.m.

CHAIRMAN

REPORT OF THE MEETINGS OF CABINET

HELD ON 29TH JANUARY, AND 12TH AND 19TH FEBRUARY, 2004

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 is the fourth report submitted to Council for the current year and covers proceedings of the meetings listed above. This meeting of Council is set primarily to approve the Council's revenue budget strategy for 2004/05 and any decisions on its medium-term strategy, together with the Council Tax for 2004/05.

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

- 1.1 **Medium Term Financial Plan 2004/05 - 2007/08** - Cabinet has been advised that the development of a Medium Term Financial Plan will assist in ensuring that financial resources are aligned to the Council's key policies and strategic priorities.

Cabinet recommends to Council that:

- (a) **a Medium Term Financial Plan (Appendix 1) be adopted for the four-year period commencing 2004/05;**
 - (b) **£7 million be identified as the level of investment needed to support the Medium Term Financial Plan over the four-year period as part of the Revenue Budget Strategy 2004/5; and**
 - (c) **a planned programme for redirecting expenditure from within existing budgets be adopted.**
- 1.2 **Revenue Budget 2004/05** – Cabinet has received reports about the Revenue Budget for 2004/05. It has considered the importance of adopting a Medium Term Financial Plan for the period 2004/05 to 2007/08; the impact of capital financing costs arising out of the introduction of Prudential Guidelines; status and risk issues; reserves and balances; aligning the Medium Term Financial Plan with the 2004/05 Budget and Council Tax Capping.

Cabinet has also considered the views set out in the report of the Strategic Monitoring Committee, namely:

- (a) its concern over the levels of investment in Social Care (Adults), notwithstanding the proposed investment of £1 million, and invited Cabinet to reassess the risks of that approach
- (b) the impact of levying Council Tax at the proposed Band D level and the hardship that could be created for some sections of the community;
- (c) support for the concept of fulfilling the commitment to replenish reserves by accumulating the additional revenues raised from second homes whilst noting some concern expressed that the sums mentioned might be optimistic.

The full report of the Strategic Monitoring Committee is set out at Agenda Item 13.

The Leader indicated that he shared some of the concerns expressed by the Strategic Monitoring Committee but stated that the Council had to balance affordability with the constraints of the Council Tax system. He also announced a public awareness campaign aimed at those who might be entitled to claim benefits. He spoke of the large demands being made particularly in relation to Social Care, Education, waste disposal and the service improvement programme.

Alternative means of raising future revenue were discussed, and while no conclusions were reached, it was acknowledged that it was important for the Council to try to influence any changes to the current system so that Herefordshire would not be disadvantaged.

Cabinet has received initial feedback from the consultation exercise with the public and has noted that the results would be updated for Council on 5th March, 2004, and available prior to a final decision being taken.

The County Treasurer advised that the precepts for the Combined Fire Authority and the West Mercia Police Authority were £60.21 and £137.69 respectively.

A copy of the Revenue Budget report to Cabinet on 19th February, including supporting documents, is attached at Appendix 2.

Cabinet recommends to Council that the initial revenue budget proposals for 2004/5 be based on expenditure of £176.433m with a corresponding council tax at Band D of £972.45.

The County Treasurer has prepared Council Tax resolutions for 2004/05, based on this recommendation, under Agenda Item 10.

- 1.3 **2004/05 Supported Capital Borrowing and Other Areas Capital Programme-** Cabinet has given preliminary consideration to the extent and allocation of supported and unsupported borrowing for capital expenditure for 2004/05. Cabinet has noted the list of preferred bids, but has deferred making a final decision on individual schemes until a future meeting, so that they can be confident that the approved bids wholly reflect current priorities.

Cabinet recommends to Council that:

- (a) **the basis of distributing supported borrowing for Transport, Education and Housing as outlined in Appendix 3 be endorsed;**
- (b) **a capitalisation de-minimus limit of £10,000 be approved;**
- (c) **an amount of £5 million be approved by means of unsupported Prudential Borrowing to meet the preferred list of capital projects;**
- (d) **the Prudential Indicators detailed in Appendix 4, which include the projected Capital Programme, be endorsed**
- (f) **the borrowing limits outlined in Appendix 4 be approved; and**

(e) the Treasury Management Strategy at Appendix 5 be endorsed.

1.4 **Herefordshire Unitary Development Plan: Revised Deposit Draft** - Before considering the Revised Deposit Draft version of the Herefordshire Unitary Development Plan (UDP) the Leader apologised to local Members for the fact that they had not been kept up to date with some of the most recent changes. The Cabinet Member (Environment) set out the aims of the UDP which reflect the vision of the Herefordshire Plan. He acknowledged that seeking to identify a new site for the relocation of the Cattle Market was premature and a paper detailing further proposed amendments to the sections of the UDP relating to the relocation of the Hereford Livestock Market and the improvements to the Roman Road, Hereford were circulated at the meeting.

A considerable number of changes were proposed to the original Plan in the light of representations made. The most significant related to:

- Revisions to the treatment of sustainable development (chapters 2 and 3)
- Revised policies on public art and flood risk (chapter 4)
- Substitution of a proposed allocation of 300 dwellings at Bullinghope for the original housing proposal at Holmer, which is to be deleted. The new Bullinghope allocation is intended to assist with delivery of the Rotherwas Access Road (chapter 5).
- At Bromyard, removing existing and proposed employment allocations at Porthouse Farm, with the town's employment land needs now to be met through the expansion of Linton Trading Estate. Porthouse Farm is to be a housing proposal, with the original residential allocation at Lower Hardwick Lane being deleted (chapters 5 and 6)
- New provision for single rural exception dwellings in amendments to policy H10 (chapter 5)
- Deletion of the employment allocation at Holmer, Hereford (chapter 6)
- Substitution of land at Model Farm, Hildersley, Ross-on-Wye for the employment proposal at Overross (chapter 6).
- Identification of new employment land at Kington, to replace a longstanding unimplemented allocation at Hatton Gardens (chapter 6).
- Identification of a site for a relocated Hereford Livestock Market at Roman Road (chapter 7)
- Amendments to retail planning policies for Hereford city centre pursuant to the Edgar Street Grid Masterplan, including changes to the city centre boundary and safeguarding of the routes of the Edgar Street/Commercial Road link and Canal Road extension (chapters 7 and 8)
- Inclusion of elements of the Hereford Transport Review (chapter 8)
- Inclusion of the agreed Waste Best Practicable Environmental Option (BPEO) in chapter 12.

Cabinet noted concerns on the proposals to include housing at Bullinghope to assist with the provision of the Rotherwas Access Road, deletion of housing at Munstone and the proposals for Kington. The Chairman of the Strategic Monitoring Committee welcomed the reversion to a criteria based approach for the relocation of the Hereford livestock market.

Cabinet welcomed the strengthening of proposals for affordable housing and for protection of open spaces within the County. They thanked all the officers involved in the production of the UDP.

Cabinet recommends to Council that, subject to the following amendments, the revised draft version of the UDP be approved for the purposes of public deposit:

Page 78, paragraph 3, delete "in length" and insert "frontage";

Pages 144-145 delete paragraphs 7.7.17 - 7.7.20 and the follow-on paragraph headed "TCR19 - Hereford Livestock market - relocation", and substitute the replacement paragraphs attached at Appendix 6, and

Page 169, insert new paragraph 8.8.14 attached at Appendix 7.

2. NOTICES OF MOTION

2.1 No motions to Council were considered by Cabinet during the report period.

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

3.1 There were no such key decisions during the reporting period.

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

4.1 Report on Decisions Taken

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

4.2 Report on Items of Interest

(i) **Budget Monitoring 2003/04** – Cabinet has noted the position with regard to revenue budget monitoring for programme areas in 2003/04. The projected overspend for the year is £421,000, which is well within the Council limit of 1%. The improved position reflects the continuing reductions in the expected overspending for Social Care together with the projected underspend of £564,000 for modernisation. The estimated value of reserves at 31st March, 2004 is £2,050,000. This takes account of a likely underspend on capital financing costs during the year and the final Herefordshire Commercial Services position, offset by potential call on reserves in relation to land charges and other areas. The figure also takes account of authorised approvals during the course of the financial year.

- (ii) **Capital Programme Monitoring 2003/04** - Cabinet has noted the position as at 30th November, 2003 with regard to the Capital Programme 2003/04. The revised forecast for 2003/04 remains at £34,732,000 (excluding LSVT costs) the actual spend in the first eight months at £19,225,000 was 50% of the forecast. This excludes commitments and the current capital monitoring forecast is that subject to the acceleration of spending and bringing forward spend on new schemes, no conditional resources will be lost.
- (iii) **Race Equality Scheme - Progress Report** – Cabinet has received an update on the progress made in the last six months on implementing the Council's race equality scheme.
- (iv) **Strategic Monitoring Committee** - Cabinet has received and noted the report of the Strategic Monitoring Committee 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 taken 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 1st April to 30th November, 2003. Five targets have been exceeded in the monitoring period. It was noted that the level for the percentage of top 5% of earners that are from black and minority ethnic communities was 2.3% rather than 3.2% stated, which is still above the 2% target. The indicators for staff mileage and use of public transport by staff covered a two month period (October and November) rather than the eight month period stated, but even so resulted in net savings of approximately £18,000. Many of the 12 areas identified for improvement showed signs of continuing improvement over the previous monitoring periods. It was noted that the number and types of interactions that are enabled for electronic delivery as a percentage of the types of interactions that are legally permissible for electronic delivery has risen from 42% to 44% but that a greater number of services are now falling into this category. The percentage of formal complaints resolved at Complaints Officer level has risen from 21% to 61% due in part to discrepancies in how they were previously recorded. There were no indications that there was a greater level of increase in complaints in any one service. Cabinet has also noted proposals to improve reporting arrangements from 1st April, 2004.

6. COMMUNITY AND SOCIAL DEVELOPMENT (Cabinet Member - Councillor R.V. Stockton)

6.1 Report on Decisions Taken

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

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

7.1 Report on Decisions Taken

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

**8. EDUCATION
(Cabinet Member: Councillor D.W. Rule, MBE)**

8.1 Report on Decisions Taken

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

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

9.1 Report on Decisions Taken

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

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

10.1 Report on Decisions Taken

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

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

11.1 Report on Decisions Taken

- (i) **Single Status/Job Evaluation** - Cabinet has received a confidential report on arrangements for the introduction of single status employment. It has authorised the Chief Executive, in consultation with the Head of Human Resources and the County Secretary and Solicitor, to conclude a Collective Agreement to introduce new terms and conditions of employment including a fair pay and grading scheme, and is satisfied that there is sufficient flexibility within the budget to complete negotiations.

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

12.1 Report on Decisions Taken

- (i) There were no decisions taken 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) **Older People Service Business Case for Improvement and Development**
- Cabinet has considered a business case in order to guide future policy and investment for older people's services. The focus of the business case is to support best value for older people's services into the future. This approach was supported by Cabinet which expressed its appreciation for the work undertaken by the Officers involved in its preparation.

Cabinet has supported the direction for improvement and development of the older people service outlined in the business case and approved the investment needed in the context of the medium term financial plan.

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

MEDIUM TERM FINANCIAL PLAN

The priorities for consideration in the context of the Council's Medium Term Financial Plan, agreed by Cabinet, are as follows:

- (a) The underlying principle of the medium-term financial strategy is that the Council would intend to maintain the real purchasing power of current revenue budgets throughout the life of the planned period.
- (b) An acceptance that the Education budget will largely be driven by a national agenda which has driven investment in Education above the level of inflation throughout the life of this Council. The emphasis within that investment is on passporting cash to schools. The Council wish to support that approach whilst recognising that that does create difficulties for funding central support for schools, particularly in a Council with Herefordshire's characteristics.
- (c) There will be a need to continue to strengthen the Social Care budget through the medium-term financial plan period if the Council is to maintain improvement in this key area of its performance. This is particularly true in the area of care for older people where the Council spends significantly below its FSS.
- (d) The Council has been postponing investment in information and communications technology, partly because of its poor and inconsistent inheritance but also because of the difficulty of making judicious investment in those areas based on the occupation of existing accommodation. Investment cannot however be further postponed without the Council risking failure in the way it works and delivers services to the public.
- (e) The Council needs to address its performance in relation to highways, transport, planning and waste. This will require investment but also requires the Council to support significant changes in the pattern of provision.
- (f) There is a need to continue to resource activity, which is of direct benefit to the community. Recent inspections have led to criticism of levels of investment in adult learning and libraries. The Council needs to maintain resources for these services if it is to continue to offer them. If it is unable to maintain those minimum levels of resources then it needs to consider in some cases whether to continue to maintain the services at all in some areas.
- (g) The Council needs to continue to strive for efficiency. It would be foolish to pretend with an organisation of the size of the Council delivering the range and breadth of services that it does always maintain 100% efficiency. There is however a recognition that the amount which can be driven out by traditional approaches to improving efficiency are likely to be insufficiently significant to support the Council's medium-term financial plan. Cabinet has therefore agreed to look at two specific projects as an alternative to traditional approaches to economies and efficiencies. That is not to say that the traditional approaches won't continue.

The Service Improvement Programme - this programme is intended to take a fundamental look at the way in which we operate. It will seek to address the prospects for savings by entirely changing the process through which we do things. It is believed that there are significant opportunities for efficiency savings. Cabinet has agreed in principle to pursuing this approach, ensuring that savings generated are freed to support the Council's medium-term financial planning rather than individual Directorate and Departmental activity.

- (h) Accommodation - the Council's current occupation of accommodation is massively inefficient both in terms of the actual occupation of space but also in terms of maintenance and loss of staff time. Again Cabinet has approved in principle a process for managing the accommodation requirements of the Council in a way that will be at least cost neutral and hopefully over the planned period will make a modest revenue return for reinvestment.
- (i) In addition, Cabinet considered the extent it wishes to resource any additional borrowing required as a consequence of the Prudential Guidelines. Broadly speaking, each £1,000,000 of capital investment incurs an ongoing revenue cost of £100,000 per annum. The Medium Term Financial Plan reflects a provisional sum of £5,000,000 per annum. The position will be reviewed annually.

REVENUE BUDGET 2004/05

PROGRAMME AREA RESPONSIBILITY: CORPORATE STRATEGY AND FINANCE

CABINET

19TH FEBRUARY, 2004

Wards Affected

County-wide.

Purpose

To formulate Cabinet's recommendations to Council on the budget for 2004/05 and the associated level of Council Tax.

Key Decision

This is not a key decision. The final decision will not be taken by Cabinet but by Council at its meeting on 5th March 2004.

Recommendation

THAT Revenue Budget proposals for 2004/05 be finalised and decisions taken on the consequent level of Council Tax for recommendation to Council.

Reasons

To agree a recommendation to Council.

Considerations

1. At its meeting on 29 January 2004, Cabinet considered the recommendations of the Budget Panel regarding the parameters for preparation of the Revenue Budget for 2004/05.
2. The following paragraphs detail the information reflected in the report considered by Strategic Monitoring Committee as a basis for commenting on the budget proposals prior to a final recommendation from Cabinet to Council. The recommendations of Strategic Monitoring Committee are contained in paragraph 30.

Medium Term Financial Plan

3. The Council has recognised the importance of forward planning and has adopted key principles, to be reflected in budget considerations, within a Medium Term Financial Framework. Building on this approach, further work has been undertaken to develop a Medium Term Financial Plan for the period 2004/05 to 2007/08.

Further information on the subject of this report is available from Mr N M Pringle, Chief Executive, on (01432) 260044 and Mr I Hyson, County Treasurer on (01432) 260235

4. The priorities for the Medium Term Financial Plan, for the four-year period 2004/05 to 2007/08, agreed by Cabinet following recommendations by the Budget Panel are as follows:
- The underlying principle of the medium-term financial strategy is that the Council would intend to maintain the real purchasing power of current revenue budgets throughout the life of the planned period 2004/2005 to 2007/2008.
 - An acceptance that the Education budget will largely be driven by a national agenda which has driven investment in Education above the level of inflation throughout the life of this Council. The emphasis within that investment is on passporting cash to schools. The Council wishes to support that approach whilst recognising that this can create difficulties for funding central support for schools, particularly in a Council with Herefordshire's characteristics. The Council does, however, believe that spending on Education must be contained within these allocations.
 - There will be a need to continue to strengthen the Social Care budget through the medium-term financial plan period if the Council is to maintain improvement in this key area of its performance. This is particularly true in the area of care for older people where the Council spends significantly below its FSS. The Council will need to quantify its approach to the Business Case presented for the improvement and development of Older People's Services.
 - The Council has been postponing investment in information and communications technology, partly because of its poor and inconsistent inheritance but also because of the difficulty of making judicious investment in those areas based on the occupation of existing accommodation. Investment cannot, however, be further postponed without the Council risking failure in the way it works and delivers services to the public.
 - The Council needs to address its performance in relation to highways, transport, planning and waste. This will require investment but also requires the Council to support significant changes in the pattern of provision.
 - There is a need to continue to resource activity, which is of direct benefit to the community. Recent inspections have led to criticism of levels of investment in adult learning and libraries. The Council needs to maintain resources for these services if it is to continue to offer them. If it is unable to maintain those minimum levels of resources, then it needs to consider in some cases whether to continue to maintain the services at all in some areas.
5. In addition, Cabinet will also need to consider the extent it wishes to resource any additional borrowing required as a consequence of the Prudential Guidelines. Following initial consideration on 29 January, the budget recommendations allow for £5,000,000 of additional borrowing in 2004/05. Broadly speaking, each £1,000,000 of capital investment incurs an ongoing revenue cost of £100,000 per annum. The Medium Term Financial Plan will need to incorporate sums consistent with the Council's aspirations for capital spend within Prudential Guidelines. A provisional sum of £5,000,000 per annum is reflected in the report on the Prudential Indicators elsewhere on the agenda.

6. A critical component in determining local priorities will be the outcomes anticipated from the investment of such sums.

Applying the Medium Term Financial Process to Budget Policy

7. In determining its budget policy, the Council will need to take into account immediate factors outside the medium-term financial plan. These include:
 - (a) the need to protect the Council's financial reputation, managing and highlighting potential risks to the medium-term financial strategy both in terms of the forthcoming annual budget but also into future years.
 - (b) continuing to learn from the monitoring of the current year's financial performance translating that practical experience into amendments to the budget for the forthcoming year. This requires an examination of both overspends and underspends although clearly overspends represent a greater risk.
 - (c) assessing the Government's financial settlement for the forthcoming year but also seeking to anticipate trends over the medium-term financial plan period.

All those three factors need, of course, to be set in the context of the medium-term financial plan.

Status and Risks

8. Clearly a feature of the budget proposals is the potential impact in terms of Council Tax. However, it is also vital that the Council has regard to the risks faced, both in terms of impact on service delivery and its status and reputation, in determining its Medium Term Financial Plan. The following paragraphs highlight the status and risk issues to be considered.
9. The Council has maintained its position as a "Good" authority as part of the revisit of the Audit Commission's Comprehensive Performance Assessment and has achieved a top score of 4 on the use of resources. The Council has made progress on its service scores for Benefits but has fallen back in its Education score. It needs to continue to apply resources to achieving through its Improvement Plan "Committed to Excellence". The assessment of the Council's financial standing by its external auditors remains satisfactory. They express themselves satisfied that the Council remains in a position to drive forward improvement. The Council has been advised that it is eligible for a corporate assessment in 2004 (with a view to progressing to excellent) although the current steer of the Council, agreed by Cabinet, is to await the next CPA round in 2005. It does, however, need to invest in its medium-term financial planning but also to concentrate on detailed aspects of audit, particularly in relation to Best Value Performance Indicators and information security.
10. The Council does, however, face significant risk in the following areas over the medium term:
 - (a) The Social Care budget, which without ongoing investment would place the Council at risk with a growing prospect of increased expectation, increasing number of clients and increased exposure to challenge.

- (b) The difficulty of estimating the escalating costs of waste disposal and collection. There are a number of facets such as the need to re-negotiate the Waste Disposal PFI contract and the pressure of ever-increasing volumes of waste (above those estimated), coupled with the annual increases in landfill tax. There is also the cost of recycling, particularly in a scattered rural community. The standstill budget reflects the costs associated with anticipated increases in waste volumes and a provisional allowance for increased costs. A figure in the order of £800,000 to £900,000 per annum has been included.
 - (c) There is a need to continue to address issues of levels of performance within Environment and Planning, which contribute to poor inspection scores in these areas.
 - (d) In relation to other service areas, national targets and standards, which are subject to a variety of inspection regimes, do have to be met, both in the short and medium-term. They require either a realistic budget provision or for the Council to formulate a strategy for dealing with the non-achievement of those targets.
 - (e) Regarding the late additional monies in this year's settlement, it is not known at this time whether they will be made available again next year. If not, that would place a further pressure on the Council Tax.
 - (f) The Council is due to receive an actuarial review of the Pension Fund, during 2004, which will review employer contributions, and until such time as this report is received, additional costs could exceed those currently predicted.
11. As reported to Cabinet in December, the Local Government Act 2003 has a number of implications for local authorities. Section 25 requires the County Treasurer to report to the Council when it is determining the budget and council tax each year. The County Treasurer is required to give professional advice on those two elements which are inter-dependant and must be considered together. Decisions on the appropriate level of reserves must be considered in the context of risk and uncertainty, with decisions ultimately guided by advice based on an assessment of all the circumstances considered likely to affect the Council. Paragraphs 13 and 14 below reflect this requirement. Statements of reserves are attached at appendices 1A and 1B.
12. Cabinet is recommending, as part of the overall budget package, that reserves are reinstated in accordance with last year's Council resolution by accumulating that sum over the period of the Medium Term Financial Plan by utilising the additional income raised from second homes (circa £300,000 per annum). Such an approach is fundamentally linked to the additional investment proposed which will help to minimise the risk to the Council's budget over the Plan period given the overall level of reserves currently held by the Council. The position would, of course, require ongoing monitoring and formal review each year as part of the budget process.
13. The County Treasurer, in considering the robustness of the estimates reflected in the budget and the adequacy of general reserves, has taken into account the following factors:
- **Realism of budget provision for:**
 - Pay awards and price increases.

- Income, particularly that of a volatile nature.
 - Demand led services, most notably but not exclusively within Social Care and Waste Management.
 - **Financial management arrangements currently in place including:**
 - Revenue and Capital monitoring and reporting procedures .
 - Treasury Management best practice.
 - Income collection and debt management procedures.
 - Specific provisions and estimated reserves.
 - Financial control procedures and internal audit reviews.
 - Risk management and contingency planning procedures.
 - **External influences**
 - Potential claims against the Council.
 - Economic considerations.
 - Major unforeseen events or emergencies.
14. On balance, and having regard to all relevant factors known to him, the County Treasurer is satisfied that the budgets proposed are realistic and the level of reserves, subject to paragraph 12 above, are adequate. That judgement does, however, rely on the recommendation made in Paragraph 19 of the report to Cabinet on 29th January 2004. That paragraph recognised that the change in administration had impacted on the budget process for 2004/05. It spelt out the process for dealing with these issues for 2005/06 to improve the alignment of financial risks with strategic and service priorities. For 2004/05 a one-off “budget implementation” exercise would be undertaken to ensure that any potential issues arising from the 2004/05 budget are identified early and addressed.

Current Year’s Budget and emerging budget pressures

15. The main features arising from this year’s revenue budget which are relevant to the medium-term financial plan are:
- Demographic demand for older peoples services.
 - Waste management – increasing volumes.
 - Loss of external income – support services
 - ICT support
 - Reducing income:
 - Land Charges.
 - Industrial Estates.
 - Commercial Property.

- Grounds maintenance:

Adopted land etc.

The pressures above have been reflected in earlier presentations to the Budget Panel. A full schedule of the budget pressures considered by the Budget Panel is attached at Appendix 5.

Standstill budget

16. A key component of the Council's budgeting process in recent years, endorsed by Council last year in adopting a set of Financial Framework Principles, has been the maintenance of the real terms purchasing power of current revenue budgets. In essence this is the impact of inflation for pay and prices on current budgets over the life of the planned period.
17. The standstill budget takes account of this anticipated inflation together with unavoidable commitments, either known or anticipated, of a **corporate** i.e. Council wide nature. Account is also taken of changes to the budget required as a result of the transfer of funding between mainstream RSG funding and Specific Grants (e.g. Children's Services Grant). The position reached is the total cost of providing current levels of service before taking into account of service pressures or any other policy decisions. Standstill budgets for 2004/05 to 2007/08 are detailed in Appendix 2 (a-b).
18. Government Funding through the Revenue Support Grant (RSG) Mechanism is then taken into account to arrive at the Council Tax required to meet the approved level of spending.

Revenue Support Grant Settlement

19. The final settlement is reflected in Appendices 3 (a-c). The figures incorporate the Council's share of the further injection nationally of £340 million to mitigate increases in Council Tax, i.e. £1.2 million.
20. As a consequence, Central Government support, incorporating both RSG and redistributed business rates, as a proportion of Formula Spending Share (FSS) increases from 63.6% to 64.3%% compared to 63% in 2003/04.
21. As can be seen from Appendix 3(a), the main increases in FSS are Education, maintaining government plans for annual increases in the order of 5%, Personal Social Services reflecting increasing numbers of older people and Capital Financing costs, reflecting the Council's success in attracting supported borrowing approvals to facilitate capital investment. Data from the Comprehensive Spending Review would indicate that this trend is likely to continue into 2005/06 with little clear indication beyond that point other than the potential for a general downturn as a consequence of the overall economic situation and fiscal policy.

Council Tax Capping

22. An extremely complex position is developing in relation to the prospect of capping for the forthcoming financial year.
23. In 2003/04, authorities rated as Excellent or Good in the Comprehensive Performance Assessment were immune from capping. The current Government has never exercised its power to cap the expenditure of a local authority although it

reserves the right to do so. It has called in Councils (including Herefordshire) to give an explanation for their spending plans but has not so far resorted to capping.

24. The prospect of capping has been re-introduced for all Councils this year as a result of announcements made by the Office of the Deputy Prime Minister faced with what was considered to be unacceptable council tax rises in the current year. The Audit Commission has recently reported on those issues and has concluded that much of the council tax increase in the current year was generated by the change in the Government's support arrangements for local authorities. This is very easily illustrated in Herefordshire by reference to the Government's systems under SSA and FSS. If the Council had spent at SSA in the last year of the SSA system then 32% of its expenditure would have been met by the council taxpayer. If the Council had levied its council tax in 2003/04 at FSS (i.e. 17.3%) then 37% of the Council's expenditure would have been met by the council taxpayer. That is a very stark indication of the Audit Commission's conclusion. Local authorities were not, however, immune from criticism and there were particular comments about the inability/unwillingness of Councils who do not expect to drive down costs in the provision of additional services.
25. Since the Audit Commission's report, as mentioned above, the Office of the Deputy Prime Minister has injected additional monies into local government. Herefordshire has gained from that additional allocation. It is therefore extremely difficult to predict the approach to capping in the forthcoming year. Government will always be reluctant to cap more than a handful of authorities. Costs involved in rebilling all council tax payers (this is because the council tax bills have to go out before the Government can exercise its right under the capping regime) means it is an exercise which is carried out at the expense of the public purse and that is unsustainable if a large number of authorities are capped. We know that there are Councils that are already contemplating figures significantly in excess of that which will be faced by Herefordshire but better information will emerge on those issues in the coming weeks.
26. The initial indication was that the Office of the Deputy Prime Minister was unlikely to cap authorities (in year) but that they might impose a limit in line with the Government guideline for the ensuing financial year. Whilst the announcement from the Office of the Deputy Prime Minister might appear to have changed that stance, given that a General Election may well be held in 2005, technically the capping of authorities' spend for the ensuing year 2005/06 would still appear to be the more likely prospect. The position is, however, much more uncertain than it was immediately post the provisional settlement. This is a judgement for the Council as a whole to make and it can only be effectively made when better information is available about the increases likely to be imposed by other local authorities.
27. Whatever the level of resourcing the Council determines for the medium term financial planning, then the balance of advantage will still seem to lie in raising a significant amount of the total funding in the first year with reducing sums in the subsequent three years. This is a pattern, when coupled with effective communication strategies, that appears to have served other authorities well in creating a constructive approach to their medium-term financial planning.

Initial proposals from Cabinet

28. The initial proposal from Cabinet for further consultation, based on the provisional Revenue Support Grant (RSG) settlement, is a total budget of £176.409m, which implies a Council Tax at Band D of £972.50. After taking account of the final RSG settlement, the revised total is £176.433m, producing a Council Tax at Band D of £972.45, which may be summarised as follows:

	£000	£000
Standstill budget reflected in Appendix 2		174,013
Cabinet Budget proposals		
Correcting current budget under provision	520	
Older Peoples Services	1,000	
ICT infrastructure	700	
Other Services	<u>200</u>	<u>2,420</u>
Total Budget requirement		176,433

29. Supporting schedules detailing the budget for each programme area are attached at Appendix 4.

Recommendations from Strategic Monitoring Committee

30. Cabinet will wish to consider the observations made by Strategic Monitoring committee at its meeting on 9th February, which are to be found in the report from the Committee included at Item 5 on this agenda.

Consultation arrangements

31. The Council has consulted widely on the overall budget position incorporating the following approaches:
- County-wide participation through Herefordshire Matters survey.
 - Council Tax roadshows, in Hereford and all market towns.
 - Town Centre street surveys.
 - Business community consultation meeting.
32. The key points emerging from the consultation meetings are:
- A concern at the recent levels of increase in Council Tax, particularly by those on fixed incomes.
 - A recognition that this is a national issue and not limited to Herefordshire.
 - A concern that rural issues are not fully addressed in government funding of local

authorities.

- An acknowledgement that the continued search for efficiencies would not in itself be sufficient to significantly reduce Council Tax bills.
33. The results of the countrywide consultation are currently being collated and will be presented at the meeting.
 34. Cabinet is invited to formulate its final recommendations to Council on the budget for 2004/05 and the associated level of Council Tax.

Risk Management

Due consideration of budget pressures is required to ensure that financial resources are attached at Appendix 4.

Consultees

Budget Panel, Strategic Monitoring Committee and the general public.

Background Papers

Report to Strategic Monitoring Committee – 9 February 2004.

Report to Cabinet – 29 January 2004.

STATEMENT OF RESERVES AND BALANCES

	£000
General Reserves (estimated March 2003)	
Minimum prudent position	3,000
Additional sum held in excess of above figure (Capital and Revenue)	<u>2,550</u>
	<u>5,550</u>
Other Provisions and Reserves at 31 March 2002	
Schools Delegated Budgets	
Retained at discretion of governing bodies	4,725
Winter Maintenance Reserve (Gritting)	
Retained to even out year on year fluctuations	108
Magistrates' Court PFI Grant	
Grant monies held to fund new courts provision.	465
Insurance	
Set to meet future insurance excesses and uninsured loss (self insurance)	873
Bad debts	
Former Hereford and Worcester debtors.	172
IT Renewals	
Provision to meet planned PC replacements etc.	256
Maintenance of Open Spaces	
Commuted lump sums utilised to meet additional maintenance liabilities	121
Planning	
Section 106 Agreements	106
Engineering Services	
Largely to cover potential bad debts	237
Miscellaneous	
Other minor provisions retaining funds held for specific purposes	233

STATEMENT OF RESERVES AND BALANCES

	£000
General Reserves (estimated March 2004)	* 3,175
Other Provisions and Reserves at 31 March 2003	
Schools Delegated Budgets	
Retained at discretion of governing bodies	4,704
Winter Maintenance Reserve (Gritting)	
Retained to even out year on year fluctuations	108
Magistrates' Court PFI Grant	
Grant monies held to fund new courts provision.	990
Insurance	
Set to meet future insurance excesses and uninsured loss (self insurance)	962
Schools Balance of Risk	
Internal insurance for schools	128
Bad debts	
Former Hereford and Worcester liabilities	136
Maintenance of Open Spaces	
Commuted lump sums utilised to meet additional maintenance liabilities	162
Planning	
Section 106 Agreements	78
Engineering Services	
To cover bad debts	248
Initiatives Fund	
To fund projects	149
Miscellaneous	
Other minor provisions retaining funds held for specific purposes	524

*** Includes sums committed to J.E. process for 2004/05**

Consideration of the Budget 2004/05

Maintenance of the real term spending power of existing budgets

As reflected in the medium-term financial framework, budgets are updated each year to take account of inflation and also known commitments of a corporate nature. A number of policy commitments have also been added in line with decisions taken when setting the budget for 2003/04.

£'000

Pay and Price Increases

An estimate of likely pay awards is made each year, differentiating where appropriate between groups of employees, e.g. teachers. A general allowance is made for increases in prices usually in line with the appropriate Retail Price Index.

4,533

Education

The Education budget is reinstated to FSS to meet the DfES requirement to 'passport' to schools.

2,247

Capital Financing Costs

As the Council makes use of supported borrowing granted, the additional interest and repayments generated are reflected. The Council's FSS is updated annually on a similar basis.

1,711

Precepts and Levies

With effect from the 1st April 2004 the Fire Authority will become a precepting body and therefore their budget (£5.395 million) will not form part of the Council's budget. Flood Defence and Land Drainage levies anticipated increases are reflected accordingly.

(5,315)

Waste Management Costs

The Council has accepted the PFI contract as a corporate financial responsibility and costs as a result of increased volumes of waste, landfill tax and other additional costs are reflected.

830

Other Corporate Costs

Where appropriate, additional costs are reflected for corporate budgets such as insurance, LPSA expenditure (youth offending), Race Equality Steering Group, Job Evaluation costs etc.

732

Exceptional Items

The next financial year sees a transfer of funding from specific grants to mainstream FSS for Social Care Children's services (£1.131 million). The next financial year sees a transfer of funding to specific grants from mainstream FSS for Council Tax Benefit and Rent Allowances of £1 million

131

One-off budgets in 2003/04

One-off budgets allocated in 2003/04 that are not required in future years, including the use of £0.4 million from reserves for Social Care and Highways, are removed

(600)

Replenish Reserves

Following the use of £1.9 million of reserves in 2003/04, a sum of £0.3 million has been set aside to replenish reserves in 2004/05

300

4,569

	2004/2005		2005/2006		2006/2007		2007/2008		
	Total £'000	Education £'000	Other Services £'000	Total £'000	Education £'000	Other Services £'000	Total £'000	Education £'000	Other Services £'000
Base Budget	169,444	79,723	89,721	174,013	84,054	89,959	185,946	89,181	96,765
Inflation	4,533	2,084	2,449	6,136	2,657	3,479	5,097	2,661	2,436
	173,977	81,807	92,170	180,149	86,711	93,438	191,043	91,842	99,201
Other Items									
- Waste management - PFI Contract	530		530	661		661	325		325
- Waste disposal (contract renegotiation)	300		300	250		250	500		500
- Flood Defence & Land Drainage Levies (above inflation)	167		167	127		127	0		0
- LPSA expenditure (Youth Offending)	30		30	0		0	(30)		(30)
- Corporate (Race Equality Steering Group)	50		50	0		0	0		0
- Corporate (Public Liability Insurance)	100		100	0		0	0		0
- Corporate (Other)	92		92	0		0	0		0
- Jarvis (Ongoing Contract Service Deficit)	600		600	0		0	0		0
- Jarvis (Contract Service Benefit)	(600)		(600)	0		0	0		0
- Hereford City Council	60		60	0		0	0		0
- Job Evaluation	400		400	805		805	(100)		(100)
- Hampton Bishop Stank (2003/04 one off expenditure)	(200)		(200)	0		0	0		0
- Use of Reserves re: Social Care & Highways (2003/04 one off ex)	(400)		(400)	0		0	0		0
- Changes in Capital Financing Costs	1,501		1,501	1,484		1,484	1,429		1,429
- Repayment of LGR SCA	210		210	0		0	0		0
- Council Tax Benefit & Rent Allowances transfer	(1,000)		(1,000)	0		0	0		0
- Whitecross School - PFI Contract	0		0	700		700	0		0
- Social Care Children Services	1,131		1,131	0		0	0		0
- Reduction in Flood Defence (direct funding of Env Agency)	(87)		(87)	0		0	0		0
- Replenish Reserves	300		300	0		0	0		0
- Fire Authority - Precepting Authority	(5,395)		(5,395)	0		0	0		0
	(2,211)	0	(2,211)	4,027	700	3,327	2,124	0	2,124
	171,766	81,807	89,959	184,176	87,411	96,765	193,167	91,842	101,325
Reinstated Education budget at FSS	2,247	2,247	0	1,770	1,770	0	906	906	0
TOTAL STANDSTILL BUDGET	174,013	84,054	89,959	185,946	89,181	96,765	194,073	92,748	101,325

Assumed FSS (Excluding Fire)

	173,103	184,781	192,172	199,859
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Assumptions

Assumed Pay and Price Increase

Employees - 3%
Teachers - 2.5%

Employees - 3%
Teachers - 2.95%

Employees - 3%
Teachers - 3%

Employees - 3%
Teachers - 3%

Assumed FSS increase (as per Consultation/Spending Review)
2.4%
5.9%
7.0%

Other Expenditure - 2.5%
Income - 2.5%

Other Expenditure - 2.5%
Income - 2.5%

Other Expenditure - 2.5%
Income - 2.5%

Other Expenditure - 2.5%
Income - 2.5%

Assumed Net Aggregate External Finance increase (as per Consultation/Spending Review)

cash increase
'real' increase

6.7%
7.1%

4.0%

4.0%

Assumed Collection Fund Surplus

£0.4million

£0.4million

£0.4million

NOTE

Fire Authority will become precepting authority wef 1/4/04.

NATIONAL POSITION (£m)		2003/2004	2003/2004	2003/2004	2004/2005	Cash	'Real'
	(LGFS)	Adjustments	Adjusted	(LGFS)	Increase	Increase	Increase
			Base				
EDUCATION	25,014	17	25,031	26,402	5.6%	5.5%	
PERSONAL SOCIAL SERVICES	11,171	524	11,695	12,427	11.2%	6.3%	
FIRE	1,778	(0)	1,778	1,848	3.9%	3.9%	
HIGHWAY MAINTENANCE	1,954	0	1,954	2,004	2.6%	2.5%	
E P C S	11,570	(729)	10,841	11,152	(3.6%)	2.9%	
CAPITAL FINANCING	2,269	0	2,269	2,387	5.2%	5.2%	
	53,756	(187)	53,569	56,220	4.6%	4.9%	
POLICE	4,152	(0)	4,152	4,355	4.9%	4.9%	
TOTAL	57,908		57,721	60,575	4.6%	4.9%	
HEREFORDSHIRE POSITION (£000's)							
EDUCATION	79,723	(0)	79,723	84,054	5.4%	5.4%	
PERSONAL SOCIAL SERVICES	32,490	1,103	33,594	36,186	11.4%	7.7%	
FIRE	5,054	(5,054)	-	-	-	-	
HIGHWAY MAINTENANCE	8,412	0	8,412	8,665	3.0%	3.0%	
E P C S	36,895	(1,537)	35,358	36,603	(0.8%)	3.5%	
CAPITAL FINANCING	6,469	(31)	6,439	7,595	17.4%	18.0%	
	169,044	(5,518)	163,526	173,103	2.4%	5.9%	
Adjustments, nationally:							
Education	(£22.186m) Academics						) Nil
	£28.22m Additional Budget Support Grant (Secondary)						) Nil
	£11.289m London Budget Support Grant						) Nil
Social Services	£524.0m Quality Protects Grant (Children)						) £1,103k
EPCS (Environmental, Protective & Cultural Services)	£4.201m Enterprise Bill						) Nil
	(£2.5m) Animal Feedstuffs						) Nil
	(£137.463m) Council Tax Benefit						) Nil
	(£13.366m) Non-HRA Rent Rebates						) (£1,537k)
	(£339.9m) Rent Allowances						) Nil
	(£232.044m) Environment Agency Levies						) Nil
	(£8.364m) National Parks						) Nil

HEREFORDSHIRE COUNCIL SETTLEMENT 2004/2005

	2003/2004	2004/2005		
	FSS	FSS	Increase/Decrease	
	£000's	£000's	£000's	%
EDUCATION	79,723	84,054	4,331	5.4%
PERSONAL SOCIAL SERVICES	32,490	36,186	3,696	11.4%
HIGHWAY MAINTENANCE	8,412	8,665	253	3.0%
E P C S	36,895	36,603	(293)	(0.8%)
CAPITAL FINANCING	6,469	7,595	1,126	17.4%
	163,990	173,103	9,113	5.6%
FIRE	5,054	-	(5,054)	(100.0%)
	169,044	173,103	4,059	2.4%

Average National Increase (as per consultation)			
Increase	2004/2005	Variance	
%	£000's	£000's	
5.6%	84,148	(94)	
11.2%	36,143	43	
2.6%	8,627	38	
(3.6%)	35,563	1,040	
5.2%	6,806	789	
4.6%	171,287	1,816	

The section, above, shows the position as it would be if Herefordshire received the same increases as the national increases.

Average National Increase (as per Spending Review)			
Increase	2004/2005	Variance	
%	£000's	£000's	
5.7%	84,267	(213)	
6.9%	34,732	1,454	
2.5%	8,622	43	
2.8%	37,929	(1,326)	
7.2%	6,935	660	
5.3%	172,486	618	

N/A

The section, above, shows the position as it would be if Herefordshire received the increases announced in the Spending Review 2002.

		Settlement 2003/2004 FSS £	Settlement 2004/2005 FSS £	Increase/ (Decrease) £	Increase/ (Decrease) %
Education	<i>Primary</i>	26,795,346	27,571,483	776,137	2.90%
	<i>Secondary</i>	27,087,627	29,456,372	2,368,745	8.74%
	<i>Under 5</i>	7,620,167	7,827,614	207,447	2.72%
	<i>High Cost Pupils</i>	6,247,269	6,842,961	595,692	9.54%
	<i>Youth & Community</i>	1,186,476	1,269,236	82,760	6.98%
	<i>LEA</i>	10,786,238	11,086,221	299,983	2.78%
		79,723,123	84,053,886	4,330,763	5.43%
Personal Social Services	<i>Children</i>	6,411,119	7,842,525	1,431,406	22.33%
	<i>Other</i>	9,246,305	9,594,487	348,182	3.77%
	<i>Elderly (Combined)</i>	16,833,000	18,749,224	1,916,224	11.38%
		32,490,424	36,186,235	3,695,811	11.38%
Fire		5,053,754	-	(5,053,754)	(100.00%)
Highway Maintenance		8,411,935	8,665,290	253,355	3.01%
E P C S	<i>District</i>	22,958,761	23,124,228	165,467	0.72%
	<i>County</i>	11,300,118	11,672,302	372,184	3.29%
	<i>Rent Allow Payments</i>	993,573	-	(993,573)	(100.00%)
	<i>Flood Defence</i>	1,343,017	1,502,802	159,785	11.90%
	<i>Continuing EA Levies</i>	-	3,326	3,326	-
	<i>Fixed Costs</i>	300,000	300,000	0	0.00%
		36,895,469	36,602,657	(292,812)	(0.79%)
Capital Financing		6,469,355	7,595,252	1,125,897	17.40%
Totals		169,044,060	173,103,321	4,059,261	2.40%

SUMMARY

	Settlement 2003/2004 FSS £	Settlement 2004/2005 FSS £	Increase/ (Decrease) £	Increase/ (Decrease) %
EDUCATION	79,723,123	84,053,886	4,330,763	5.43%
PERSONAL SOCIAL SERVICES	32,490,424	36,186,235	3,695,811	11.38%
FIRE	5,053,754	-	(5,053,754)	(100.00%)
HIGHWAY MAINTENANCE	8,411,935	8,665,290	253,355	3.01%
E P C S	36,895,469	36,602,657	(292,812)	(0.79%)
CAPITAL FINANCING	6,469,355	7,595,252	1,125,897	17.40%
	169,044,060	173,103,321	4,059,261	2.40%

SUMMARY BUDGET 2004/2005

	£'000
Education	84,054
Social Care	36,906
Policy & Finance General	12,524
Policy & Finance Property	1,313
Environment - General	18,230
Environment - Regulatory	2,519
Environment - Planning	2,546
Social Development	7,532
Economic Development	2,351
Strategic Housing	1,320
Total Programme Areas	169,295
Financing Adjustments etc.	7,138
Total Budget	176,433
Revenue Support Grant	(62,011)
Redistributed Business Rate Income	(49,297)
Collection Fund Surplus	(400)
Expenditure to be met from Council Tax Payers	64,725
Council Tax Base	66,559
Council Tax at Band D (excluding Special Items)	£ 972.45

<u>EDUCATION</u>		
	£'000	£'000
Base Budget 2003/2004		79,723
<u>Operating Costs</u>		
Inflation (Pay & Prices)	<u>2,084</u>	2,084
<u>Maintaining & Developing Services</u>		
Reinstate Budget to FSS to meet DfES requirement to 'passport' to schools	<u>2,247</u>	2,247
Total		<u><u>84,054</u></u>

<u>SOCIAL CARE</u>		
	£'000	£'000
Base Budget 2003/2004	34,101	
One off Use of Reserves in 2003/2004	(300)	
Children Services Grant Transfer	<u>1,131</u>	
Adjusted starting position 2003/2004		34,932
<u>Operating Costs</u>		
Inflation (Pay & Prices)	912	
Other Cost Pressures	<u>62</u>	974
<u>Maintaining & Developing Services</u>		
Older People Services	<u>1,000</u>	1,000
Total		<u><u>36,906</u></u>

POLICY & FINANCE - GENERAL

	£'000	£'000
Base Budget 2003/2004	17,139	
Fire Authority - Precepting Authority	(5,395)	
Reduction in Flood Defence (Direct funding from Env. Agency)	(87)	
Hampton Bishop Stank (2003/04 one-off expenditure)	(200)	
Council Tax Benefit & Rent Allowance Transfer	<u>(1,000)</u>	
Adjusted starting position 2003/2004		10,457
 <u>Operating Costs</u>		
Inflation (Pay & Prices)	413	
Flood Defence & Land Drainage Levies (above inflation)	167	
Other Cost Pressures	<u>687</u>	1,267
 <u>Maintaining & Developing Services</u>		
I.T. Development	700	
Loss of funding etc.	<u>100</u>	800
 Total		 <u><u>12,524</u></u>

POLICY & FINANCE - PROPERTY

	£'000	£'000
Base Budget 2003/2004		958
<u>Operating Costs</u>		
Inflation (Pay & Prices)	56	
Other Cost Pressures	<u>49</u>	105
<u>Maintaining & Developing Services</u>		
Property Rental Reviews	<u>250</u>	250
Total		<u><u>1,313</u></u>

<u>ENVIRONMENT - GENERAL</u>		
	£'000	£'000
Base Budget 2003/2004	16,959	
One off Use of Reserves in 2003/2004	<u>(100)</u>	
Adjusted starting position 2003/2004		16,859
 <u>Operating Costs</u>		
Inflation (Pay & Prices)	432	
Other Cost Pressures	<u>9</u>	441
 <u>Maintaining & Developing Services</u>		
Waste Management	830	
New Responsibilities	<u>100</u>	930
 Total		 <u><u>18,230</u></u>

ENVIRONMENT - REGULATORY

	£'000	£'000
Base Budget 2003/2004		2,448
<u>Operating Costs</u>		
Inflation (Pay & Prices)	66	
Other Cost Pressures	<u>5</u>	71
Total		<u><u>2,519</u></u>

<u>ENVIRONMENT - PLANNING</u>		
	£'000	£'000
Base Budget 2003/2004		2,471
<u>Operating Costs</u>		
Inflation (Pay & Prices)	68	
Other Cost Pressures	<u>7</u>	75
Total		<u><u>2,546</u></u>

<u>SOCIAL DEVELOPMENT</u>		
	£'000	£'000
Base Budget 2003/2004		7,154
<u>Operating Costs</u>		
Inflation (Pay & Prices)	209	
Other Cost Pressures	<u>169</u>	378
Total		<u><u>7,532</u></u>

<u>ECONOMIC DEVELOPMENT</u>		
	£'000	£'000
Base Budget 2003/2004		2,289
<u>Operating Costs</u>		
Inflation (Pay & Prices)	58	
Other Cost Pressures	<u>4</u>	62
Total		<u><u>2,351</u></u>

<u>STRATEGIC HOUSING</u>		
	£'000	£'000
Base Budget 2003/2004		1,275
<u>Operating Costs</u>		
Inflation (Pay & Prices)	35	
Other Cost Pressures	<u>10</u>	45
Total		<u><u>1,320</u></u>

<u>FINANCING ADJUSTMENTS</u>		
	£'000	£'000
Base Budget 2003/2004		4,927
<u>Operating Costs</u>		
Inflation (Pay & Prices)	<u>200</u>	200
<u>Maintaining & Developing Services</u>		
Changes in Capital Financing Costs	1,501	
Repayment of LGR SCA	210	
Replenish Reserves	<u>300</u>	2,011
Total		<u><u>7,138</u></u>

Summary of Budget Pressures presented to Budget Panel

APPENDIX 2
APPENDIX 5

	2004/5 £000	2005/6 £000	2006/7 £000	2007/8 £000
Programme Areas				
Environment				
Planning Services	591	-168	-151	0
Environmental Health	229	-30	-29	0
Highways and Transportation	988	75	-100	0
	<u>1808</u>	<u>-123</u>	<u>-280</u>	<u>0</u>
Policy and Finance				
Policy and Community	95	0	0	0
ICT with Option 1	4,012	-651	15	1
County Treasurer	90	0	0	0
County Secretary & Solicitor	273	0	0	0
Human Resources	105	0	0	0
Property	688	524	250	250
	<u>5,263</u>	<u>-127</u>	<u>265</u>	<u>251</u>
Social Care and Housing				
Improving Older Peoples Services (inc reducing delays)	1567	995	720	520
Quality of Assessment in Children's and Adults Services	200	-150	0	0
Modernisation Customer Care and Access	440	-250	0	0
Children with disabilities/complex needs and Family Support	180	300	150	150
Housing and Supported Housing Development	130	0	0	0
Loss of funding Source/Inflationary Pressures	109	250	170	160
	<u>2626</u>	<u>1145</u>	<u>1040</u>	<u>830</u>
of which Expected Funding through modernisation Programme	600	-400	0	0
	<u>2026</u>	<u>1,545</u>	<u>1,040</u>	<u>830</u>

Social and Economic Development

Social and Community Development	770	221	37	43
Community and Economic Development	154	96	-40	-10
	<u>924</u>	<u>317</u>	<u>-3</u>	<u>33</u>
Total	<u>10,021</u>	<u>1612</u>	<u>1022</u>	<u>1114</u>

Note: Please note Education Budget Pressures are not included on the basis that Education will budget at F.S.S.

POLICY & FINANCE GENERAL BUDGET PRESSURES 2004/05

POLICY & COMMUNITY

	2004-05 £000	2005-06 £000	2006-07 £000	2007-08 £000
<i>Tackle poverty and isolation in Herefordshire</i>				
<p><u>INFO in Herefordshire</u> <u>Medium term view</u> The Council's Customer Service Strategy 2003-07 identifies the core elements for delivering a customer focused organisation. This is also underpinned by the IEG statements and the role of technology and information in the next few years. The recent launch in September 2003 of the Council's Customer Services Standards signals a stepchange in our cultural attitude to performance in this area.</p> <p>The CXMT has recently received a full report setting out the business case for service improvement, carried out organisation wide. The report effectively demonstrates the business case for a step change in the way we are organised to achieve service improvement within available resources. This paper highlights the global financial case and is currently awaiting CXMT and cabinet discussion to progress this financial year.</p> <p>The following are identified as core ingredients for the base budget in the period starting from 2004/05.</p> <p><u>INFO - Current business</u> (1) Transaction volumes have risen by 40% in 12 months and staffing has fallen by approx 15% (resignations, maternity, secondments and project work). Staff are covering extra hours, claiming travelling expenses, incurring travelling time and accumulating flexitime. Extremely difficult to continue to guarantee advertised opening hours unless growth is resourced. Permission already granted to fill vacancies but growth element remains.</p>				

<p><u>INFO - continued</u> Alternatives already deployed, moving staff from F/T to P/T creating flexibility and reducing paid break times. Possibility of creating economies of scale by integrating INFO and Library staffing at some sites. Only available in short-term at Bromyard. This has already been factored into shortfall calculation but will incur training costs.</p>	<p>Budget shortfall for staffing - 1 FTE</p> <p>20</p>			
<p>The funding above is regarded as essential if a level of service is to be achieved in Leominster. The footfall of CAB enquiries which is initially through INFO has increased by 22% since opening. CAB remains an underfunded service and a direct effect of not increasing funding for CAB will impact on INFO.</p> <p>(2) Work will progress to realise the Wesleyan Chapel as the new location for library and INFO shop at Kington. The initial business assessment indicates the need to uplift the revenue budget. However, Kington INFO Help point which was adopted in January 2002 is currently not meeting standards required. The following is requested: Upgrade of Kington office to meet service standards and risk assessment (single working in a cash office). 1 FTE required plus network links to Council legacy systems and provision of terminals. This will be transferred to the Wesleyan Chapel .</p>	<p>30</p>			
<p>1 TFE (£20,000) plus IT budget (£10,000)</p> <p><u>INFO - Future developments</u> Detailed costs are not known for 2004-2008. Hereford INFO shop depends on location and work of service improvement project. Kington INFO/Library service has an estimated revenue shortfall of £30,000. Ledbury INFO/Library depends on location. The Service Centre (Contact Centre) is a major decision and is due to be considered in October on how to progress.</p>	<p>10 20</p>	<p>60</p>		
<p><u>INFO - continued</u> Ledbury INFO:development costs/revenue support Hereford INFO shop (assumes 4FTE extra when live)</p>	<p>80</p>	<p>60</p>	<p>20</p>	<p>Total INFO</p>

<p><u>Golden thread - information and communications technology</u> Please refer to explanatory notes and glossary of terms for more detailed information</p> <p>1. Corporately manage information and ICT</p> <p><u>Loss of Income to ICT Services</u> <u>Lack of Investment</u></p> <p>For the past 2 years substantial sums have been absorbed within the bottom line accounts of HCS (circa £700k) meaning that little or no reinvestment has been possible in the ICT infrastructure and service. This problem is still greater when viewed from the actual basis on which ICT Services have operated - that is, one of cost efficiencies.</p> <p><u>Externalisations</u> Herefordshire Housing Herefordshire Commercial Services HALO</p> <p>If new funding sources cannot be found, SLA charges for other Council Departments/ Directorates will need to increase to cover the revenue shortfall.</p>			
<p><u>Upgrade ICT Services Procurement Function</u></p> <p>The ICT Improvement Plan arising from the best value review recommended centralising all ICT procurement in IT Services. This has now been established as a principle in the Corporate Information Policy and approved by the IPG. Currently, ICT services does not have the capacity to support this and requires additional staff (2FTE) and systems support (£15k annual recurring revenue).</p> <p><u>Develop Directorate Capacity to Manage Information and ICT</u></p> <p>There is a need to develop the Information and ICT capacity in Directorates / Department and one post in each has been costed. Consideration should be given as to whether this should be an additional charge or absorbed by Directorates / Departments by realigning their resources to create this capacity.</p>	<p>136 55 80</p>	<p>60</p> <p>-5</p>	<p>225</p>

<p><u>ICT Services Audit and Inspection</u></p> <p>ICT Services incur substantial costs in supporting audits for other Directorates / Departments and they are increasing in number with e-Modernisation. Risk - the loss of income and rising cost base as staff are diverted to support these activities. The costs are included here to identify the risk, but should be shared across Directorates.</p>	<p><u>Research & Development</u></p> <p>Increasing complexity of the business applications and technical environment demand more robust R&D practices to ensure corporate ICT risks are managed and best value achieved. ICT Services need to establish a function to ensure these key pressures are addressed. (2FTE)</p>	<p>30</p>		
<p>Corporately manage information and ICT sub-total</p>		<p>35</p>	<p>621</p>	<p>-5</p>
<p>2. Develop Information and ICT Competencies</p>				
<p><u>Upgrade of ICT Services staff skills and competencies</u></p> <p>In addition to basic skills training, more specialist training is required for ICT Services staff. Owing to ICT Services being within HCS until recently and the commercial model operated, allowance for staff training and development has only been possible in a limited number of cases where the client has been willing to pay. Having looked at industry benchmarks we are asking for a one-off budget of approx. £1800 per head</p>				
<p><u>Corporate Training</u></p> <p>European Computer Driving Licence (ECDL)</p> <p>To provide a corporate budget to enable the take up of this qualification in basic ICT skills, increasing confidence and ability to use IT across the whole Council</p>		<p>40</p>	<p>150</p>	<p>-150</p>
<p><u>Other ICT Training</u></p> <p>To provide a corporate budget to support the development of skills based on the national ICT skills framework, which identifies 56 skills areas, such as business case development, programme management, benefits realisation, business process redesign and procurement</p>		<p>100</p>		

<p>Oracle Trainer</p> <p>To provide Oracle training enabling services to maximise the use of their Oracle systems</p>	<p>Develop Information and ICT Competencies sub--total</p>	<p>55</p>	<p>345</p>	<p>-150</p>	
<p>3. Manage Knowledge Base</p> <p>No bid is made under this theme as significant investment has already been made in the establishment of a knowledge management function and the development of the e-Gateway</p>					
<p>4. Manage Security and Confidentiality of Information</p>					
<p><u>Business continuity / disaster recovery</u></p>					
<p>As the Council modernises the way it works using technology, it becomes increasingly essential that the information systems and network are robust and resilient. Business continuity will minimise the downtime of ICT Services and disaster recovery will ensure that when systems do go down, they can be recovered efficiently and effectively.</p>					
<p><u>Smart cards</u></p>					
<p>Smart cards are seen as a practical token for identification and authentication, to prove a person's identity before allowing them to access confidential information. It will ensure they only get to see the information to which they are entitled and no other confidential information. This will enable the development of electronic services to support single assessment for older people and supporting people where different agencies needs to share confidential client or financial information. It can be used by staff working flexibly allowing themselves to access confidential files from any location or by citizens to allow them to electronically access their own personal information.</p>					
<p>200</p>	<p>-100</p>	<p>-50</p>	<p>21</p>	<p>26</p>	<p>6</p>
<p>228</p>	<p>21</p>	<p>26</p>	<p>21</p>	<p>26</p>	<p>6</p>

<p><u>Security post (linked to Best Value Review)</u></p> <p>These costs are in response to the BS7799 security audit highlighting the specific need for an IT information security manager (1FTE). In addition, specialist staff would be required on the helpdesk (1FTE)</p>	65	-5		
<p>Manage Security and Confidentiality of Information sub-total</p>	493	-84	-24	6
<p>5. Develop Corporate Solutions</p> <p><u>ICT Services</u> Personnel and skills shortage in ICT Services for the following: Oracle support (3FTE); Project management (3FTE); Programme management (2FTE); and annual software recurring revenues (£50k)</p> <p><u>e-Modernisation</u> A review of Geographical Information Systems was recently commissioned through e-Modernisation to develop a corporate GIS approach and this would fund the recommended GIS strategy</p> <p>The Council needs a corporate approach to document management to meet the needs of a wide range of services such as revenues and benefits and planning as well as support electronic record management to enable the Council to meet its responsibilities under the Freedom of Information Act.</p> <p>With the appointment of a Head of Performance Management, there is a need to invest in a management information system to improve access to key statistics and performance indicators. It is not considered to require significant capital investment but will require some recurring revenue to fund a support post and ongoing system costs</p>	303	47		
<p>Develop Corporate Solutions sub-total</p>	1,223	-312	-136	-45

<p>6. Ensure Continuity of ICT Services</p> <p><u>Upgrade ICT Services Customer service function</u> The ICT customer service function is understaffed and lacking system support to provide the service required today. This was highlighted by the Gartner Report commissioned as part of the Best Value Review and this investment is based on their recommendations. Looking forward, with the demands around improvements in service and efficiency savings, lack of funding to upgrade the infrastructure will lead to a reduction in both service levels and efficiencies.</p>	120	-80		
<p><u>ICT Services Extended Support</u> Option 1 - 24/7 support provided by three shifts Option 2 - Extended working from 7 am to 10 pm, provided by two shifts and excluding call out charges</p>	930	-25	155	40
<p>ICT support for Flexible working (6FTE)</p>	450	-55		
<p>Ensure Continuity of ICT Services sub-total (Option 1)</p>	200	-160	155	40
<p>Ensure Continuity of ICT Services sub-total (Option 2)</p>	1,250	-135	50	50
<p>Total ICT/eModernisation (Option 1 for extended working)</p>	770	-711	-5	1
<p>Total ICT/eModernisation (Option 2 for extended working)</p>	3,932	-686	-110	-39

SUMMARY					
Total INFO		80	60	20	
Total ICT Services (Option 1 for extended working)		2,219	-273	155	40
Total ICT Services (Option 2 for extended working)		1,739	-248	50	0
Total e-Modernisation		1,713	-438	-160	-39
TOTAL POLICY & COMMUNITY with Option 1		4,012	-651	15	1
TOTAL POLICY & COMMUNITY with Option 2		3,532	-626	-90	-39
Capital Monies needed to support revenue bid					
Technical Infrastructure Technical Infrastructure. The current network infrastructure is inadequate. Patching around the edges to keep it operational is taking an increasing amount of time and resources with little or no medium term gain. With all the e-modernisation infrastructure that will be required a major overhaul is required or business continuity cannot be guaranteed.		1,900	1,500	1,500	1,500
Document Management This is a crude estimate of the capital costs needed to put into place a corporate approach to document management		250			
Smart Cards This is the capital cost required to put into place an infrastructure to issue and manage smart cards		395	335	135	135
Total ICT capital bid		2,545	1,835	1,635	1,635

APPENDIX 3

EDUCATION

Ref	Scheme	Capital Requirement		
		2004/05 £	2005/06 £	2006/07 £
29	Education and modernisation funding for school premises	1,946,743	1,064,162	
29	New Pupil Places	217,834	435,725	
30	Costs to cover existing commitments on Education schemes	1,440,970	339,863	
31	Improvement works for Disabled Access in Schools	254,862	256,623	
35	Capital investment in primary schools	819,542	774,137	
	Education Schemes TBA		2,182,370	
	Total Education SCE	4,679,951	5,052,880	Not known
	Less funded by Capital Grants - SCE(C)	(2,106,345)	(2,182,369)	
	Total Education SCE(R)	2,573,606	2,870,511	Not known

TRANSPORT

Ref	Scheme	Capital Requirement		
		2004/05 £	2005/06 £	2006/07 £
12	Integrated Transport Strategy + low floor bus project	1,404,009	1,127,308	3,628,397
13	Local Road Safety Strategy	620,021	655,692	778,603
14	Managing the Highway Network + bridges	5,522,970	5,843,000	6,142,000
23	Rotherwas Access Road	805,000	550,000	1,500,000
24	Roman Road Improvements	2,720,000	1,600,000	
	Total Transport SCE(R)	11,072,000	9,776,000	12,049,000

HOUSING

Ref	Scheme	Capital Requirement		
		2004/05 £	2005/06 £	2006/07 £
38	Disabled Facilities Grant	240,000	267,000	267,000
39	Housing Renewal	1,200,000	1,300,000	1,300,000
40	Social Housing Grants	560,000	533,000	733,000
47	Housing Renewal Kick Start Initiative (Ringfenced)	162,500	127,500	nil
	Reduction required to meet SCE(R) allocation	(90,000)		
		2,072,500	2,227,500	2,300,000

HEREFORDSHIRE COUNCIL

PRUDENTIAL INDICATORS 2004/05

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. Unless otherwise stated the indicators set out below are based on the assumption of a provisional £5,000,000 Prudential Borrowing per year, which includes the borrowing required for the North Herefordshire Pool. A number of the PIs set out in this report may therefore need to be amended following decisions made by Council.

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. This table will need to be updated depending upon Members decisions on the level and allocation of Prudential Borrowing. The second table shows how this programme would be funded.

	2003/04	2004/05	2005/06	2006/07
Capital Programme Area:-	£'000	£'000	£'000	£'000
Economic Development	4,737	4,092	230	95
Education	8,195	7,014	3,071	2,757
Environment General	-	774	652	-
Highways	10,668	11,072	9,776	12,049
Housing	4,802	5,633	5,415	5,067
Policy & Finance - eModernisation	1,087	127	-	-
Policy & Finance - General	1,021	25	-	-
Policy & Finance – Property	1,773	402	212	-
Social Care	411	132	91	-
Social Development	329	2,467	395	63
Potential Prudential Borrowing to be allocated if approved.	N/a	3,200	4,605	4,937
	33,023	34,938	24,447	24,968
By funding				
Capital Receipts Reserve	4,446	4,870	3,721	2,862
Grants	10,956	9,223	3,034	1,620
Credit approvals / SCE(R)	17,621	15,845	12,692	15,486
Agreed Prudential Borrowing	N/a	1,800	395	63
Prudential Borrowing to be agreed	N/a	3,200	4,605	4,937
	33,023	34,938	24,447	24,968

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.

	2003/04 £'000	2004/05 £'000	2005/06 £'000	2006/07 £'000
Net Revenue Stream	169,444	188,343	196,470	204,257
Capital Financing Requirement	5,557	7,220	8,877	10,518
Ratio of financing costs to net revenue stream	3.28%	3.83%	4.52%	5.15%

4. CAPITAL FINANCING REQUIREMENT

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

	2003/04 £'000	2004/05 £'000	2005/06 £'000	2006/07 £'000
Capital Financing Requirement (as at 31/3)	78,090	94,892	111,063	126,538

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.

	2003/04 £'000	2004/05 £'000	2005/06 £'000	2006/07 £'000
Borrowing	105,000	119,000	142,000	163,000
Other Long Term Liabilities	1,500	3,000	3,000	3,000
Total	106,500	122,000	145,000	166,000

6. OPERATIONAL BOUNDARY FOR EXTERNAL DEBT

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

	2003/04 £'000	2004/05 £'000	2005/06 £'000	2006/07 £'000
Borrowing	63,000	73,500	94,500	115,500
Other Long Term Liabilities	1,500	1,500	1,500	1,500
Total	64,500	75,000	96,000	117,000

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.

	2003/04	2004/05	2005/06	2006/07
	£ p	£ p	£ p	£ p
Increase in council tax (Band D, per annum):				
Previously agreed Prudential Borrowing re the North Herefordshire Pool.	N/A	1.35	2.73	3.01
Position if £5,000,000 Prudential Borrowing is taken for 2004/05.	N/A	3.75	7.06	7.34
Position if £5,000,000 Prudential Borrowing is taken for 2004/05 and subsequent years.	N/A	3.75	10.52	17.28

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.

	2003/04	2004/05	2005/06	2006/07
Upper Limit for Fixed Interest Rate Exposure				
Net principal re fixed rate borrowing / investments	100%	100%	100%	100%
Upper Limit for Variable Interest Rate Exposure				
Net principal re variable rate borrowing / investments	25%	50%	50%	50%
Maturity Structure of new fixed rate borrowing during 2004/05	Upper Limit	Lower Limit		
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%		
Upper Limit for total principal sums invested for over 364 days	2003/04	2004/05	2005/06	2006/07
	£'000	£'000	£'000	£'000
(per maturity date)	7,000	10,000	10,000	10,000

HEREFORDSHIRE COUNCIL

TREASURY MANAGEMENT STRATEGY 2004/05

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 2004/05 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 has 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 2004/05
 - Prudential indicators for 2004/05 – 2006/07
 - Prospects for the economy and interest rates
 - Borrowing strategy
 - Investment strategy
 - Debt rescheduling opportunities

2. CURRENT TREASURY PORTFOLIO POSITION

- 2.1 The Council's treasury portfolio position as at 31 December 2003 is as follows:

DEBT POSITION	Principal (£)	Average Rate (%)
Public Works Loan Board	53,259,920	5.68
Total Debt	53,259,920	

Estimated Borrowing Requirement for 2004/05 – supported borrowing approvals of approximately £15,800,000, plus the potential for an additional £5,000,000 unsupported borrowing under the Prudential Code, which includes £1,800,000 borrowing already approved by Members.

INVESTMENT POSITION	Principal (£)	Average Rate (%)
Internally managed funds	27,390,000	3.88
Externally managed funds	6,759,307	2.34
Total Investments	34,149,307	

Note:

Total investments will decline sharply in the last three months of the financial year as capital projects near completion.

3. TREASURY LIMITS FOR 2004/05

- 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".
- 3.2 The Council must have regard to the Prudential Code when setting its 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.

4. TREASURY MANAGEMENT PRUDENTIAL INDICATORS FOR 2004/05 – 2006/07

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

	PRUDENTIAL INDICATOR	2003/04	2004/05	2005/06	2006/07
1	Affordable Borrowing Limit	£ p	£ p	£ p	£ p
	Increase in council tax (Band D, per annum)				
	Previously agreed Prudential Borrowing re the North Herefordshire Pool.	N/A	1.35	2.73	3.01
	Position if £5,000,000 Prudential Borrowing is taken for 2004/05.	N/A	3.75	7.06	7.34
	Position if £5,000,000 Prudential Borrowing is taken for 2004/05 and subsequent years.	N/A	3.75	10.52	17.28

PRUDENTIAL INDICATOR	2003/04	2004/05	2005/06	2006/07
	£'000	£'000	£'000	£'000
2 Capital Financing Requirement (as at 31/3)				
Total	78,090	94,892	111,063	126,538
3 Authorised Limit for External Debt	£'000	£'000	£'000	£'000
Borrowing	105,000	119,000	142,000	163,000
Other Long Term Liabilities	1,500	3,000	3,000	3,000
Total	106,500	122,000	145,000	166,000
4 Operational Boundary	£'000	£'000	£'000	£'000
Borrowing	63,000	73,500	94,500	115,500
Other Long Term Liabilities	1,500	1,500	1,500	1,500
Total	64,500	75,000	96,000	117,000
5 Upper Limit for Fixed Interest Rate Exposure	£ or %	£ or %	£ or %	£ or %
Net principal re fixed rate borrowing / investments	100%	100%	100%	100%
6 Upper Limit for Variable Interest Rate Exposure	£ or %	£ or %	£ or %	£ or %
Net principal re variable rate borrowing / investments	25%	50%	50%	50%
7 Maturity Structure of new fixed rate borrowing during 2004/05	Upper Limit	Lower Limit		
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%		
8 Upper Limit for total principal sums invested for over 364 days	2003/04	2004/05	2005/06	2006/07
	£'000	£'000	£'000	£'000
(per maturity date)	7,000	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 its 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.

The Economy

- 5.2 **Shorter term rates** - Base rate was cut by 0.25% in July 2003, to a new 48-year low of 3.50% owing to hesitant recovery after the Iraq war and a climbing pound. With hindsight, this now appears to have been an over-cautious move as this cut was reversed in November 2003. However, the Chancellor announced a switch of inflation target for the Monetary Policy Committee (MPC) in the Pre Budget Report in December 2003 from plus or minus 1% around 2.5% on RPIX (Retail Prices Index excluding mortgages) to plus or minus 1% around 2% on CPI (consumer prices index). CPI has been running at 1.1–1.6% throughout 2003 and is forecast to average 1.4% in 2003, 1.7% in 2004 and 1.4% in 2005 i.e. below the likely target. In addition, wage inflation and producer price inflation are running at benign levels and oil prices are likely to come down from current high levels.
- 5.3 There is, therefore, likely to be little inflationary pressure to raise base rate. In addition, the potential for base rate to increase is limited by the heightened sensitivity of consumers to interest rate rises owing to the huge increase in personal borrowing in recent years and increase in base rate from 3.5% to 4.5% is an increase of 29% in likely borrowing rates. In view of the likely fragility of consumer demand in 2004 and in the UK, and owing to the likelihood of growth in the US falling back in 2004 to only a modest rate and weak growth expected in the Eurozone in 2004, it is expected that base rate will only rise to 4.25% by the end of 2004 after being at 4.0% for most of the year.
- 5.4 **Longer-term interest rates** – PWLB rates were at low levels during the first half of 2003 owing to investor fears over the Iraq war which depressed share values and gilt yields. Equity values have increased by about 25-30% from the low point to which they plummeted before the Iraq war, on expectations that the surge in economic recovery in the second half of 2003 will last well into 2004 and beyond and so boost corporate earnings.
- 5.5 Gilt prices have consequently fallen, causing increases in gilt yields and long-term PWLB rates which incurred a sharp unexpected increase in October 2003 on a surge in optimism on US economic recovery. This pushed the PWLB 20-25 year lower quota rate up to 5.00%-5.15% and it is forecast that this rate will stabilise around 5.00% for most of 2004/05. A rise in long-term PWLB rates to more normal levels with the 20-25 year lower quota rate returning consistently to the band of 5.00%-5.40% looks likely in 2004/05.

Interest Rates

- 5.6 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 December 2003)

%	Current	Q1 2004	Q2 2004	Q3 2004	Q4 2004
Base Rate	3.75	4.00	4.00	4.25	4.25
10 Year PWLB	5.00	5.00	5.00	5.00	5.00
25 Year PWLB	4.90	4.75	5.00	5.00	5.00

Table 2 Summary of Independent Forecasts of Base Rate

(This table represents the views of 35 independent forecasters views of base rate as at November 2003)

%	2004 Year end	2005 average	2006 average	2007 average
Average	4.27	4.78	5.05	4.93
Highest	5.00	5.72	5.60	5.60
Lowest	3.14	4.00	3.81	3.84

Table 3 Consensus Forecast on Short-term & 10 year Fixed Interest Rates as at November 2003

(This table represents the views of 25 City institutions)

%		November 2003	February 2004	November 2004
3 Month Interbank	Average	3.88	3.70	4.10
	Highest	3.88	4.00	4.70
	Lowest	3.88	3.50	3.30
10 Year PWLB Rate	Average	5.20	4.85	4.95
	Highest	5.20	5.15	5.55
	Lowest	5.20	4.45	4.25

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 short-term variable PWLB rates will continue to be cheaper than long-term PWLB fixed rate borrowing during 2004/05. Short term variable rates are expected to rise in line with increases in base rate. Long term rates are not currently expected to move far, but if there were a major fall in share prices (which is not expected given the general expectations for world economic recovery), then long rates would be susceptible to a corresponding fall. These expectations provide a variety of options:

- That short term 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.
- That 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.
- 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 2004/05, 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.

6.2 Against this background, caution will be adopted with the 2004/05 treasury operations. The County Treasurer will monitor the interest rate market and adopt a pragmatic approach to any changing circumstances.

6.3 **Sensitivity of the forecast** - The main sensitivities of the forecast are likely to be the two scenarios below. 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 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***, owing 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. INVESTMENT STRATEGY

Internally Managed Funds

- 7.1 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.
- 7.2 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.
- 7.3 Investment returns are forecast to be less than the cost of new borrowing during most of the year; it may, therefore, be beneficial to finance new capital expenditure by running down cash balances.

Externally Managed Funds

- 7.4 A cash fund of £6,759,307 (as at 31st December 2003) is managed by Investec Asset Management and the Council's treasury adviser assists in monitoring the cash fund manager's performance during the course of the year. Their performance will continue to be monitored in 2004/05.

8. DEBT RESCHEDULING OPPORTUNITIES

- 8.1 With variable rate borrowing and fixed borrowing for short periods (e.g. one year) at rates below 4.50%, opportunities may exist for restructuring long-term debt into short term debt to produce savings. Fixed rates are not expected to rise back up to about 5.25% to 5.50% during 2004/05. Consequently long-term debt rates at or above 4.90% would warrant reviewing the potential for undertaking debt restructuring.
- 8.2 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.
- 8.3 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.

Hereford Livestock Market – relocation

- 7.7.17 A key aspect of the Plan's strategy and the regeneration of the Edgar Street Grid is the relocation of the Hereford Livestock Market. Nationally, the trend has been for livestock markets to relocate out of town, reflecting the increasingly quasi-industrial nature of their core activities and modern requirements for access, health and safety, animal welfare, parking and operational space. In Hereford, the Market has been on its present site since the mid 1950's, furthering an obligation under a Charter dating from 1597 to enable the buying and selling of goods and livestock in the City. However, the current market facility has become outdated, and is poorly equipped and located for modern day operations and trading. Relocation to a new site with facilities provided to improved modern standards is proposed in order to address these issues as well as the changing requirements of animal welfare and health and safety legislation. Relocation will ensure a continued role for the Market as an important service centre to the local agricultural community, as well as allowing the existing site to be more advantageously used to support and extend the range of services offered by the city centre. To help facilitate relocation, the Hereford Markets Act allows a new market to be formed if required outside and beyond the city boundary limits as defined and restricted under the historic Charter.
- 7.7.18 Initial research was undertaken to ascertain the requirements of any new facility in terms of size, infrastructure and location, including an extensive survey to identify and shortlist possible relocation sites, taking into account a wide range of planning factors. From these studies of trading information and locations of livestock throughout the County, in general terms a location to the north west of the City offers the best accessibility for both sellers and buyers of livestock. However, despite a continuing site search it has not proved possible to identify a suitable site. The Plan, therefore, includes the following criteria based policy. Additionally and in response to representations made to the Deposit Draft Plan, the Council commissioned a further study. That report concluded that the livestock market has outgrown its existing site and as it remains to be a vital and valuable part of the rural farming community in Herefordshire, a new site was the preferred option.
- 7.7.19 The size of the required site is around 8 hectares, to allow for sales areas and pannage, car / lorry parking and facilities, and associated lairage. Lairage comprises pasturage for livestock remaining overnight prior to transportation, and is similar to agricultural use requiring little visual change in the appearance of land. The amount of land required for built development (including areas of open hard standing) would be 4 to 5 hectares.
- 7.7.20 It is likely that any site proposed would be required to be treated as an exception to planning policy, in order to meet the specific requirements of the Livestock Market. Consequently the only ancillary uses that

could also be permitted would be those directly associated with the Market operation. This could include uses such as agricultural suppliers (including machinery supplies and repairs), and veterinary and financial services. Any retail sale of goods falling within Class A1 of the Use Classes Order will be restricted to goods required for the operation of an agricultural business.

7.7.21 Many environmental issues could be mitigated through site layout and landscaping. An environmental impact assessment and a transport assessment of the development will be required prior to any planning permission being granted.

TCR19 Hereford Livestock Market – relocation

Planning permission for proposals for a relocated Hereford Livestock Market will only be granted where the proposal meets the following criteria:

- 1. the site is restricted for use as the new Hereford Livestock Market and necessary ancillary uses only;**
- 2. the site is of a size and nature capable of adequately accommodating the identified needs of Hereford Livestock Market, and will not have a detrimental effect on the surrounding area or its immediate setting;**
- 3. the site is well related to the primary road network where the development will not create an unacceptable impact upon the highway network and a satisfactory access can be provided;**
- 4. the site can be adequately serviced by the provision of infrastructure and services, to include the necessary supply of water and for the satisfactory treatment and/or disposal of trade effluent and surface water;**
- 5. the scheme must include proposals for sustainable drainage and incorporate measures to ensure that such run-off does not contaminate local water courses;**
- 6. the built development, car parking and lairage should be located and of good design to respect its surroundings and character in order to protect local amenity and minimise landscape impacts; and**
- 7. a comprehensive and suitable landscaping scheme is provided to help assimilate the development into the surrounding area and to safeguard landscape character.**

8.8.14

Route options for extending the Roman Road improvements from the A480 to the A438 Brecon Road have been discussed with the local community, who favour a line passing to the north of existing housing at Stretton Sugwas and thence utilising existing highway to connect to the A438. There are currently no firm proposals to build such an extension within the Plan period.

COUNCIL TAX RESOLUTION 2004/05**Report By: County Treasurer****Wards Affected**

Countywide

Purpose

1. To set the Council Tax amounts for each category of dwelling in Herefordshire for 2004/05 and to calculate the Council's budget requirements.

Financial Implications

2. As detailed in the Cabinet report to Council and itemised in the Budget Book (appended).

Details

3. The report and annexes considered by Cabinet on 19th February 2004 are reflected in the Cabinet report to Council.
4. Annex 1 (i-v) to this report contains the individual Council Tax amounts for each category of dwelling as required by the Local Government Finance Act 1992 and associated regulations. As a contingency it is also recommended that Cabinet continue to be authorised to draw on reserves and balances from time to time as required during 2004/05.
5. The recommendations to Council are as follows:

RECOMMENDATION**(1) In respect of the Council's 2004/05 Budget:**

- (a) a council tax of £972.45 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 2004/05 that the following amounts be approved by the Council for the year 2004/05 in accordance with Sections 32 to 36 of the Local Government Finance Act 1992:

- (a) £256,966,372** being the estimated aggregate expenditure of the Council in accordance with Section 32(2)(a) to (e) of the Act;

Further information on the subject of this report is available from Ian Hyson on (01432) 260235

- (b) £78,682,000 being the estimated aggregate income of the Council for the items set out in Section 32(3)(a) to (c) of the Act;
- (c) £178,284,372 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) £111,707,795 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) £1,000.27 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) £1,851,372 being the aggregate amount of all special items referred to in Section 34(1) of the Act;
- (g) £972.45 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.

Annex

- i** Herefordshire Council requirement by Parish, including Band D equivalent
- ii** Council Tax for each valuation band, by Parish, without the Police & Fire precepts
- iii** Police Authority precept requirement for each valuation band
- iv** Fire Authority precept requirement for each valuation band
- v** Council Tax for each valuation band, by Parish, including the Police & precepts

Herefordshire Council requirement by Parish, including Band D equivalent				
Parish	Parish Precept	Tax Base	Parish Precept Basic Tax Rate (Band D)	Band D Charge (Parish and Herefordshire Council's Basic Rate - £972.45)
	£		£	£
Abbeydore & Bacton Group Parish Council	1,600	156.94	10.19	982.64
Aconbury Parish Meeting	0	33.89	-	972.45
Acton Beauchamp Group	1,200	166.95	7.19	979.64
Allensmore Parish Council	1,000	235.65	4.24	976.69
Almeley Parish Council	5,000	252.39	19.81	992.26
Ashperton Parish Council	2,750	115.67	23.77	996.22
Aston Ingham Parish Council	1,750	199.98	8.75	981.20
Avenbury Parish Council	1,500	107.54	13.95	986.40
Aymestrey Parish Council	2,000	146.73	13.63	986.08
Ballingham Bolstone & Hentland Group Parish Council	3,000	277.83	10.80	983.25
Bartestree & Lugwardine Group Parish Council	18,000	747.95	24.07	996.52
Belmont Rural Parish Council	30,000	1,377.62	21.78	994.23
Birley with Upper Hill Parish Council	1,248	115.11	10.84	983.29
Bishop's Frome Parish Council	14,000	313.26	44.69	1,017.14
Bishopstone & District Group Parish Council	2,575	188.15	13.69	986.14
Bodenham Parish Council	3,000	451.67	6.64	979.09
Border Group Parish Council	5,000	293.83	17.02	989.47
Bosbury and Coddington Parish Council	4,500	362.02	12.43	984.88
Brampton Abbots & Foy Group Parish Council	1,000	201.87	4.95	977.40
Bredenbury & District Group Parish Council	1,500	158.69	9.45	981.90
Breinton Parish Council	5,000	379.12	13.19	985.64
Bridstow Parish Council	4,000	374.48	10.68	983.13
Brilley Parish Council	1,750	116.17	15.06	987.51
Brimfield and Little Hereford Group Parish Council	6,000	500.97	11.98	984.43
Brockhampton Parish Council	1,850	77.87	23.76	996.21
Brockhampton Group Parish Council	5,000	318.51	15.70	988.15
Bromyard & Winslow Town Council	110,000	1,471.75	74.74	1,047.19
Burghill Parish Council	8,000	680.28	11.76	984.21
Callow & Haywood Group Parish Council	1,200	177.16	6.77	979.22
Clehonger Parish Council	10,000	493.45	20.27	992.72
Clifford Parish Council	6,000	247.28	24.26	996.71
Colwall Parish Council	48,033	1,128.50	42.56	1,015.01
Malvern Hills Conservators (Colwall Parish Council)	26,600	1,128.50	23.57	23.57
Cradley Parish Council	17,500	734.92	23.81	996.26
Credenhill Parish Council	20,000	620.16	32.25	1,004.70
Cusop Parish Council	4,000	180.17	22.20	994.65
Dilwyn Parish Council	9,250	298.58	30.98	1,003.43
Dinedor Parish Council	6,000	122.07	49.15	1,021.60
Dinmore Parish Meeting	0	3.50	-	972.45
Dormington & Mordiford Group Parish Council	4,500	306.05	14.70	987.15
Dorstone Parish Council	1,500	146.69	10.23	982.68
Eardisland Parish Council	7,000	223.74	31.29	1,003.74
Eardisley Group Parish Council	5,000	448.11	11.16	983.61
Eastnor & Donnington Parish Council	2,000	138.11	14.48	986.93
Eaton Bishop Parish Council	3,500	177.71	19.70	992.15
Ewyas Harold Group Parish Council	12,435	449.61	27.66	1,000.11
Fownhope Parish Council	16,000	420.60	38.04	1,010.49
Foxley Parish Council	1,300	156.63	8.30	980.75
Garway Parish Council	3,500	153.05	22.87	995.32
Goodrich & Welsh Bicknor Group Parish Council	3,000	247.60	12.12	984.57

Hampton Bishop Parish Council	3,250	194.75	16.69	989.14
Hampton Charles Parish Meeting	0	19.01	-	972.45
Hatfield and District Group Parish Council	1,250	199.57	6.26	978.71
Hereford City Council	478,000	16,348.62	29.24	1,001.69
Holme Lacy Parish Council	5,500	181.58	30.29	1,002.74
Holmer & Shelwick Parish Council	6,000	551.61	10.88	983.33
Hope Mansell Parish Council	1,200	129.34	9.28	981.73
Hope under Dinmore Group Parish Council	2,600	157.66	16.49	988.94
How Caple, Sollershope & Yatton Group Parish Council	2,000	147.38	13.57	986.02
Humber, Stoke Prior & Ford Group Parish Council	2,709	270.73	10.01	982.46
Huntington Parish Council	400	49.24	8.12	980.57
Kentchurch Parish Council	2,770	107.30	25.82	998.27
Kilpeck Group Parish Council	2,400	196.62	12.21	984.66
Kimbolton Parish Council	3,500	201.47	17.37	989.82
Kings Caple Parish Council	3,250	143.04	22.72	995.17
Kingsland Parish Council	3,500	439.34	7.97	980.42
Kingstone & Thrupton Group Parish Council	6,000	402.37	14.91	987.36
Kington Rural and Lower Harpton Group Parish Council	2,000	234.46	8.53	980.98
Kington Town Council	44,000	892.53	49.30	1,021.75
Kinnersley and District Group Parish Council	2,000	235.73	8.48	980.93
Lea Parish Council	4,330	243.77	17.76	990.21
Ledbury Town Council	200,420	3,528.19	56.81	1,029.26
Leintwardine Group Parish Council	8,000	415.48	19.25	991.70
Leominster Town Council	107,200	3,880.28	27.63	1,000.08
Linton Parish Council	4,780	438.39	10.90	983.35
Little Birch Parish Council	1,400	95.14	14.72	987.17
Little Dewchurch Parish Council	5,500	175.98	31.25	1,003.70
Llangarron Parish Council	3,000	439.04	6.83	979.28
Llanwarne & District Group Parish Council	1,200	245.04	4.90	977.35
Longtown Group Parish Council	4,500	375.07	12.00	984.45
Lower Bullingham Parish Council	7,200	623.12	11.55	984.00
Luston Group Parish Council	3,000	359.97	8.33	980.78
Lyonshall Parish Council	3,500	274.39	12.76	985.21
Madley Parish Council	4,500	390.51	11.52	983.97
Marden Parish Council	14,500	534.90	27.11	999.56
Marstow Parish Council	1,250	155.65	8.03	980.48
Mathon Parish Council	2,652	140.69	18.85	991.30
Malvern Hills Conservators (Mathon Parish Council)	3,550	140.69	25.23	25.23
Middleton-on-the-Hill and Leysters Group Parish Council	3,500	168.19	20.81	993.26
Monkland and Stretford Parish Council	1,500	83.39	17.99	990.44
Moreton on Lugg Parish Council	17,500	295.43	59.24	1,031.69
Much Birch Parish Council	3,000	365.74	8.20	980.65
Much Cowarne Group Parish Council	2,800	179.59	15.59	988.04
Much Dewchurch Parish Council	500	256.47	1.95	974.40
Much Marcle Parish Council	4,056	291.06	13.94	986.39
North Bromyard Group Parish Council	0	286.83	-	972.45
Ocle Pychard Parish Council	2,500	246.18	10.16	982.61
Orcop Parish Council	3,300	164.43	20.07	992.52
Orleton Parish Council	11,400	343.88	33.15	1,005.60
Pembridge Parish Council	16,500	435.27	37.91	1,010.36
Pencombe Group Parish Council	5,750	187.75	30.63	1,003.08
Peterchurch Parish Council	7,000	384.96	18.18	990.63
Peterstow Parish Council	2,500	165.66	15.09	987.54
Pipe and Lyde Parish Council	980	133.25	7.35	979.80
Pixley & District Parish Council	2,500	209.74	11.92	984.37
Putley Parish Council	2,000	106.66	18.75	991.20
Pyons Group Parish Council	2,500	337.25	7.41	979.86
Richard's Castle Parish Council	1,200	112.66	10.65	983.10
Ross-on-Wye Town Council	213,825	3,378.36	63.29	1,035.74
Ross Rural Parish Council	3,160	422.75	7.47	979.92
Sellack Parish Council	550	105.65	5.21	977.66
Shobdon Parish Council	7,100	288.85	24.58	997.03
St. Weonards Parish Council	1,300	139.53	9.32	981.77

Stapleton Group Parish Council	5,000	144.14	34.69	1,007.14
Staunton-on-Wye and District Group Parish Council	2,250	198.57	11.33	983.78
Stoke Edith Parish Meeting	0	42.20	-	972.45
Stoke Lacy Parish Council	3,250	158.49	20.51	992.96
Stretton Grandison Group Parish Council	1,500	181.06	8.28	980.73
Stretton Sugwas Parish Council	3,000	148.68	20.18	992.63
Sutton Parish Council	11,500	364.54	31.55	1,004.00
Tarrington Parish Council	6,000	217.53	27.58	1,000.03
Thornbury Group Parish Council	1,600	169.15	9.46	981.91
Titley and District Group Parish Council	2,500	210.59	11.87	984.32
Upton Bishop Parish Council	7,000	250.34	27.96	1,000.41
Vowchurch & District Group Parish Council	2,500	301.81	8.28	980.73
Walford Parish Council	8,000	614.37	13.02	985.47
Wellington Parish Council	6,000	403.57	14.87	987.32
Wellington Heath Parish Council	4,600	214.17	21.48	993.93
Welsh Newton & Llanrothal Group Parish Council	3,500	123.44	28.35	1,000.80
Weobley Parish Council	6,329	476.44	13.28	985.73
Weston Beggard Parish Council	1,000	79.59	12.56	985.01
Weston-under-Penyard Parish Council	3,850	413.69	9.31	981.76
Whitbourne Parish Council	7,000	314.32	22.27	994.72
Whitchurch & Ganarew Group Parish Council	7,500	497.53	15.07	987.52
Wigmore Group Parish Council	9,000	333.44	26.99	999.44
Withington Group Parish Council	11,500	564.71	20.36	992.81
Woolhope Parish Council	4,120	202.53	20.34	992.79
Wyeside Group Parish Council	2,600	291.62	8.92	981.37
Yarkhill Parish Council	2,500	126.59	19.75	992.20
Yarpole Group Parish Council	7,500	311.64	24.07	996.52
Being the amounts given by adding to the amount at 2(g) above the amounts of the special item or items relating to dwellings in those parts of the Council's area mentioned above divided in each case by the tax base above, calculated by the Council, in accordance with Section 34(3) of the Act, as the basic amounts of its council tax for the year for dwellings in those parts of its area to which one or more special items relate.				

Wigmore Group Parish Council	666.29	777.34	888.39	999.44	1,221.54	1,443.64	1,665.73	1,998.88
Withington Group Parish Council	661.87	772.19	882.50	992.81	1,213.43	1,434.06	1,654.68	1,985.62
Woolhope Parish Council	661.86	772.17	882.48	992.79	1,213.41	1,434.03	1,654.65	1,985.58
Wyeside Group Parish Council	654.25	763.29	872.33	981.37	1,199.45	1,417.53	1,635.62	1,962.74
Yarkhill Parish Council	661.47	771.71	881.96	992.20	1,212.69	1,433.18	1,653.67	1,984.40
Yarpole Group Parish Council	664.35	775.07	885.80	996.52	1,217.97	1,439.42	1,660.87	1,993.04
Being the amounts given by multiplying the amounts at 2(g) and Annex 1(i) - (Special Items) by the number which, in the proportion set out in Section 5(1) of the Act, is applicable to dwellings listed in a particular valuation band divided by the number which in that proportion is applicable to dwellings listed in valuation band D, calculated by the Council, in accordance with Section 36(1) of the Act, as the amounts to be taken into account for the year in respect of categories of dwellings listed in different valuation bands.								

Police Authority precept requirement for each valuation band

	VALUATION BANDS							
	A	B	C	D	E	F	G	H
	£	£	£	£	£	£	£	£
West Mercia Police Authority	91.79	107.09	122.39	137.69	168.29	198.89	229.48	275.38

That it be noted for the year 2004/2005 West Mercia Police Authority have stated the above amounts in precepts issued to the Council, in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of dwellings shown above.

Fire Authority precept requirement for each valuation band

	VALUATION BANDS							
	A	B	C	D	E	F	G	H
	£	£	£	£	£	£	£	£
Hereford & Worcester Combined Fire Authority	40.14	46.83	53.52	60.21	73.59	86.97	100.35	120.41

That it be noted for the year 2004/2005 Hereford and Worcester Combined Fire Authority have stated the above amounts in precepts issued to the Council, in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of dwellings shown above.

Council Tax for each valuation band, by Parish, including the Police & Fire precepts								
PARISH	VALUATION BANDS							
	A	B	C	D	E	F	G	H
	£	£	£	£	£	£	£	£
Abbeystead & Bacton Group Parish Council	787.02	918.20	1,049.37	1,180.54	1,442.88	1,705.23	1,967.56	2,361.07
Aconbury Parish Meeting	780.23	910.27	1,040.31	1,170.35	1,430.43	1,690.51	1,950.58	2,340.69
Acton Beauchamp Group	785.02	915.86	1,046.70	1,177.54	1,439.22	1,700.90	1,962.56	2,355.07
Allensmore Parish Council	783.06	913.57	1,044.08	1,174.59	1,435.61	1,696.63	1,957.65	2,349.17
Almeley Parish Council	793.44	925.68	1,057.92	1,190.16	1,454.64	1,719.12	1,983.60	2,380.31
Ashperton Parish Council	796.08	928.76	1,061.44	1,194.12	1,459.48	1,724.84	1,990.20	2,388.23
Aston Ingham Parish Council	786.06	917.08	1,048.09	1,179.10	1,441.12	1,703.15	1,965.16	2,358.19
Avenbury Parish Council	789.53	921.12	1,052.71	1,184.30	1,447.48	1,710.66	1,973.83	2,368.59
Aymestrey Parish Council	789.32	920.87	1,052.43	1,183.98	1,447.09	1,710.20	1,973.30	2,367.95
Ballingham Bolstone & Hentland Group Parish Council	787.43	918.67	1,049.91	1,181.15	1,443.63	1,706.11	1,968.58	2,362.29
Bartestree & Lugwardine Group Parish Council	796.28	928.99	1,061.71	1,194.42	1,459.85	1,725.28	1,990.70	2,388.83
Belmont Rural Parish Council	794.75	927.21	1,059.67	1,192.13	1,457.05	1,721.97	1,986.88	2,384.25
Birley with Upper Hill Parish Council	787.46	918.70	1,049.95	1,181.19	1,443.68	1,706.17	1,968.65	2,362.37
Bishop's Frome Parish Council	810.02	945.03	1,080.03	1,215.04	1,485.05	1,755.06	2,025.06	2,430.07
Bishopstone & District Group Parish Council	789.36	920.92	1,052.48	1,184.04	1,447.16	1,710.28	1,973.40	2,368.07
Bodenham Parish Council	784.66	915.43	1,046.21	1,176.99	1,438.55	1,700.10	1,961.65	2,353.97
Border Group Parish Council	791.58	923.51	1,055.44	1,187.37	1,451.23	1,715.09	1,978.95	2,374.73
Bosbury and Coddington Parish Council	788.52	919.94	1,051.36	1,182.78	1,445.62	1,708.46	1,971.30	2,365.55
Brampton Abbots & Foy Group Parish Council	783.53	914.12	1,044.71	1,175.30	1,436.48	1,697.66	1,958.83	2,350.59
Brednury & District Group Parish Council	786.53	917.62	1,048.71	1,179.80	1,441.98	1,704.16	1,966.33	2,359.59
Breinton Parish Council	789.02	920.53	1,052.03	1,183.54	1,446.55	1,709.56	1,972.56	2,367.07
Bridstow Parish Council	787.35	918.58	1,049.80	1,181.03	1,443.48	1,705.94	1,968.38	2,362.05
Brilley Parish Council	790.27	921.98	1,053.70	1,185.41	1,448.84	1,712.26	1,975.68	2,370.81
Brimfield and Little Hereford Group Parish Council	788.22	919.59	1,050.96	1,182.33	1,445.07	1,707.81	1,970.55	2,364.65
Brockhampton Parish Council	796.07	928.75	1,061.43	1,194.11	1,459.47	1,724.83	1,990.18	2,388.21
Brockhampton Group Parish Council	790.70	922.48	1,054.27	1,186.05	1,449.62	1,713.19	1,976.75	2,372.09
Bromyard & Winslow Town Council	830.06	968.40	1,106.75	1,245.09	1,521.78	1,798.47	2,075.15	2,490.17
Burghill Parish Council	788.07	919.42	1,050.76	1,182.11	1,444.80	1,707.50	1,970.18	2,364.21
Callow & Haywood Group Parish Council	784.74	915.54	1,046.33	1,177.12	1,438.70	1,700.29	1,961.86	2,354.23
Clehgonger Parish Council	793.74	926.04	1,058.33	1,190.62	1,455.20	1,719.79	1,984.36	2,381.23
Clifford Parish Council	796.40	929.14	1,061.87	1,194.61	1,460.08	1,725.55	1,991.01	2,389.21
Colwall Parish Council (incl. Malvern Hills Conservators)	824.31	961.70	1,099.09	1,236.48	1,511.26	1,786.04	2,060.79	2,472.95
Cradley Parish Council	796.10	928.79	1,061.47	1,194.16	1,459.53	1,724.90	1,990.26	2,388.31
Credenhill Parish Council	801.73	935.35	1,068.98	1,202.60	1,469.85	1,737.09	2,004.33	2,405.19
Cusop Parish Council	795.03	927.54	1,060.04	1,192.55	1,457.56	1,722.58	1,987.58	2,385.09
Dilwyn Parish Council	800.88	934.37	1,067.85	1,201.33	1,468.29	1,735.26	2,002.21	2,402.65
Dinedor Parish Council	813.00	948.50	1,084.00	1,219.50	1,490.50	1,761.50	2,032.50	2,438.99
Dinmore Parish Meeting	780.23	910.27	1,040.31	1,170.35	1,430.43	1,690.51	1,950.58	2,340.69
Dormington & Mordiford Group Parish Council	790.03	921.70	1,053.38	1,185.05	1,448.40	1,711.74	1,975.08	2,370.09
Dorstone Parish Council	787.05	918.23	1,049.40	1,180.58	1,442.93	1,705.29	1,967.63	2,361.15
Eardisland Parish Council	801.09	934.61	1,068.12	1,201.64	1,468.67	1,735.71	2,002.73	2,403.27
Eardisley Group Parish Council	787.67	918.95	1,050.23	1,181.51	1,444.07	1,706.63	1,969.18	2,363.01
Eastnor & Donnington Parish Council	789.88	921.53	1,053.18	1,184.83	1,448.13	1,711.43	1,974.71	2,369.65
Eaton Bishop Parish Council	793.36	925.59	1,057.82	1,190.05	1,454.51	1,718.97	1,983.41	2,380.09
Ewyas Harold Group Parish Council	798.67	931.78	1,064.90	1,198.01	1,464.24	1,730.46	1,996.68	2,396.01
Fownhope Parish Council	805.59	939.86	1,074.12	1,208.39	1,476.92	1,745.46	2,013.98	2,416.77
Foxley Parish Council	785.76	916.73	1,047.69	1,178.65	1,440.57	1,702.50	1,964.41	2,357.29
Garway Parish Council	795.48	928.06	1,060.64	1,193.22	1,458.38	1,723.54	1,988.70	2,386.43
Goodrich & Welsh Bicknor Group Parish Council	788.31	919.70	1,051.08	1,182.47	1,445.24	1,708.02	1,970.78	2,364.93
Hampton Bishop Parish Council	791.36	923.25	1,055.15	1,187.04	1,450.83	1,714.62	1,978.40	2,374.07
Hampton Charles Parish Meeting	780.23	910.27	1,040.31	1,170.35	1,430.43	1,690.51	1,950.58	2,340.69
Hatfield and District Group Parish Council	784.40	915.14	1,045.87	1,176.61	1,438.08	1,699.55	1,961.01	2,353.21
Hereford City Council	799.72	933.01	1,066.30	1,199.59	1,466.17	1,732.75	1,999.31	2,399.17
Holme Lacy Parish Council	800.42	933.83	1,067.23	1,200.64	1,467.45	1,734.26	2,001.06	2,401.27
Holmer & Shelwick Parish Council	787.48	918.73	1,049.98	1,181.23	1,443.73	1,706.23	1,968.71	2,362.45
Hope Mansell Parish Council	786.42	917.49	1,048.56	1,179.63	1,441.77	1,703.91	1,966.05	2,359.25
Hope under Dinmore Group Parish Council	791.22	923.10	1,054.97	1,186.84	1,450.58	1,714.33	1,978.06	2,373.67
How Caple, Sollershope & Yatton Group Parish Council	789.28	920.82	1,052.37	1,183.92	1,447.02	1,710.11	1,973.20	2,367.83
Humber, Stoke Prior & Ford Group Parish Council	786.90	918.06	1,049.21	1,180.36	1,442.66	1,704.97	1,967.26	2,360.71
Huntington Parish Council	785.64	916.59	1,047.53	1,178.47	1,440.35	1,702.24	1,964.11	2,356.93
Kentchurch Parish Council	797.44	930.35	1,063.26	1,196.17	1,461.99	1,727.81	1,993.61	2,392.33
Kilpeck Group Parish Council	788.37	919.77	1,051.16	1,182.56	1,445.35	1,708.15	1,970.93	2,365.11

Wigmore Group Parish Council	798.22	931.26	1,064.30	1,197.34	1,463.42	1,729.50	1,995.56	2,394.67
Withington Group Parish Council	793.80	926.11	1,058.41	1,190.71	1,455.31	1,719.92	1,984.51	2,381.41
Woolhope Parish Council	793.79	926.09	1,058.39	1,190.69	1,455.29	1,719.89	1,984.48	2,381.37
Wyeside Group Parish Council	786.18	917.21	1,048.24	1,179.27	1,441.33	1,703.39	1,965.45	2,358.53
Yarkhill Parish Council	793.40	925.63	1,057.87	1,190.10	1,454.57	1,719.04	1,983.50	2,380.19
Yarpole Group Parish Council	796.28	928.99	1,061.71	1,194.42	1,459.85	1,725.28	1,990.70	2,388.83
That having calculated the aggregate in each case of the amounts at Annex 1(ii), Annex 1(iii) and Annex 1(iv), the Council, in accordance with								
Section 30(2) of the Local Government Finance Act 1992, hereby sets the following amounts of council tax for the year 2004/2005 for each of								
the categories of dwellings shown above.								

REPORT OF THE PLANNING COMMITTEE

Meeting Held on 30th January 2004

Membership:

Councillors: Councillor T.W. Hunt (Chairman), Councillor 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

DCCE2003/3285/G - MODIFICATION OF PLANNING OBLIGATIONS AT LAND TO SOUTH-WEST SIDE OF LUGWARDINE COURT ORCHARD AT LUGWARDINE COURT, LUGWARDINE, HEREFORDSHIRE, HR1 4AE

1. The application for the modification of a planning obligation under Section 106A of the Town and Country Planning Act was submitted to the Committee because after a previous application approved by the Central Area Planning Sub-Committee, the applicant had not served notice on all parties against which the obligations were enforceable. This had invalidated the decision. A revised application had been made by the applicant and this had been submitted direct to the Committee to enable unencumbered consideration of the proposal.
2. Under the Council's criteria for public speaking the Committee heard representations from Lugwardine and Bartestree Parish Council and a representative of local residents, who spoke against the application. Having considered all the facts, the Committee was satisfied that the planning obligation could be modified to lift the restriction of occupancy on the application site and that planning approval could be granted for the erection of three detached dwellings.

DESIGNATION OF TREE PRESERVATION ORDERS - ASSESSING AMENITY VALUE

3. Details were submitted to the Committee about a suggested pilot evaluation process for determining the amenity value of trees and to amend procedures to enable Tree Preservation Orders (TPOs) to be made urgently where necessary. The procedures would also help to clarify the reasons why TPOs were made and to generally assist the public in having a clearer understanding of the processes involved. The procedure included keeping the Chairman of the Planning Committee and the Local Ward Councillor apprised of developments before action was taken or if urgent action was required, to notify them as soon as was practically possible. The new procedures have been commended to the Cabinet Member (Environment) for introduction on the basis of a pilot scheme.

DRAFT PLANNING POLICY STATEMENT (PPS) 22: RENEWABLE ENERGY

4. A consultation paper has been received from the Office of the Deputy Prime Minister (ODPM) on Draft Planning Policy Statement (PPS) 22 which was issued in February 1993. Because the ODPM consultation required a reply by 30 January 2004, an officer response had been submitted with a rider that it was subject to the views of the Committee and of the Cabinet Member (Environment).
5. The Committee has acknowledged the crucial need to develop renewable energy sources and to reduce greenhouse emissions but has expressed grave reservations

about the proposed reductions in their planning powers to determine matters locally. PPS 22 would effectively reduce their control over the location of wind turbines which they felt could have significant effect on the natural beauty of the countryside of Herefordshire and implications for tourism. The Committee recognised that this had to be balanced against the benefits for the local infrastructure of communities particularly in areas of economic decline. The Committee recommended to the Cabinet Member (Environment) that the proposals in Draft PPS 22 be broadly welcomed, but that its concerns about the visual impact of wind turbine developments together with the concerns that the Council's planning powers would be diminished should be drawn to the attention of the ODPM.

DRAFT PLANNING POLICY STATEMENT: PPS11 REGIONAL PLANNING AND PPS12 LOCAL DEVELOPMENT FRAMEWORKS

6. Local Authorities have been consulted on the proposals contained in PPS 11 on Regional Planning and PPS on Local Development Frameworks. The main principles of Draft PPS11 seek to give more weight to what is currently Regional Policy Guidance (RPG) by replacing it with a statutory Regional Spatial Strategy (RSS). The key distinction between RPG and RSS is that the RPG although provided for in government guidance is not a statutory element of the plan making process. The RSS seeks to give more weight to regional planning guidance by strengthening its statutory purpose. Draft PPS 12 focuses on 'procedural policy' on what 'should' happen in preparing local development frameworks. These can be described as a 'portfolio' of local development documents that collectively deliver the spatial planning strategy for the local authority's area. The new proposals would replace Unitary Development plans but those currently under preparation, such as the Council's, could still be adopted. The Committee has considered the main implications for the new proposals and their impact on the regional and local planning framework. The Committee has made a number of recommendations to the Cabinet Member (Environment) for a response to be made to the ODPM giving the Council's views about Draft Planning Policy Statement PPS11 Regional Planning and PPS12 Local Development Frameworks.

PARISH PLANS FOR MIDDLETON ON THE HILL AND LEYSTERS, PEMBRIDGE AND THE BORDER GROUP

7. The Committee has recommended to the Cabinet Member (Environment) that the Parish Plans prepared for Middleton on the Hill and Leysters, Pembridge and Border Group be adopted as Interim Supplementary Planning Guidance as an expression of local distinctiveness and community participation. The Committee congratulated those involved in the preparation of the publications and the hard work that had been undertaken by the local community in producing such well written and informative documents.

CRADLEY AND STORRIDGE VILLAGE DESIGN STATEMENT

8. A recommendation has been made to the Cabinet Member (Environment) that the Cradley and Storrige Village Design Statement be adopted as Supplementary Planning Guidance to the Malvern Hills Local Plan, as an expression of local distinctiveness and community participation. The Statement will be treated as a material consideration when dealing with planning matters and is the latest in an important series of Statements which have been adopted as Supplementary Planning Guidance for other parts of the County.

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

BACKGROUND PAPERS Agenda for the meeting of the Planning Committee held on 30th January, 2003.

REPORT OF THE REGULATORY COMMITTEE

Meeting Held on 3rd February, 2004

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.

THE LICENSING ACT 2003

1. Preparations are being made and licensing policies are being put in place for the transfer of liquor and other such licensing from the Magistrates' Court to the Council. Guidance is still awaited from the Government on when this will take place. The views of the Partner Authorities (Hereford & Worcester Combined Fire Authority and West Mercia Constabulary) have been taken into account in preparing the policies. The views of other interested parties have also been taken into account. A series of training events will take place during the next few weeks for Members of the Committee and for Officers.

RECENT APPEALS FROM REGULATORY COMMITTEE REGARDING APPLICATIONS TO VARY OPENING HOURS FOR PUBLIC ENTERTAINMENT LICENSES

2. The Committee was notified of the outcome of successful appeals which had been lodged by Time Nightclub, Commercial Road Hereford and King Charles II public house, Broad St, Ross-on-Wye. The Committee had previously refused to vary the opening hours of the Public Entertainments Licences for these premises because of the concerns it had about possible noise and nuisance arising for local residents during the early hours of the morning. The Magistrates' Court had upheld the appeals and had awarded costs against the Council.

FOOTPATHS ED5 (PART) & ED6 (PART) IN THE PARISH OF EARDISLAND

3. The Committee has been made aware of serious erosion to part of Public Footpaths ED5 and ED6 in Eardisland where the paths follow the bank of the River Arrow. In three sections the paths had been 'lost' into the river. This has prevented public access along these sections of the paths and led to local demand for the Council, as Highway Authority, to take action to restore public access to the riverside route.
4. There are a number of complications surrounding possible restoration regarding land ownership, costs and the fact that further erosion is likely in the future. The Committee has therefore decided to carry out a site inspection with a view to giving further consideration to all the aspects regarding the footpaths, at its next meeting which will be held in March, 2004.

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

BACKGROUND PAPERS - Agenda papers from the meetings of the Regulatory Committee held on 3rd February, 2004.

REPORT OF THE STRATEGIC MONITORING COMMITTEE

Meeting Held on 9th February, 2004

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.

MEDIUM TERM FINANCIAL PLAN 2004/2005 TO 2007/08

1. The Committee has received and noted the Medium Term Financial Plan. The observations it has made on the investment proposals it contains are set out in the following section on the Revenue Budget 2004/2005.

REVENUE BUDGET 2004/05

2. The Committee has received and noted the Revenue Budget proposals for 2004/2005. The Committee raised a number of detailed questions. They noted in particular the proposed investment of £7 million over the period of the Medium Term Financial Plan and the inability through the plan to fund the assessed pressures which amounted to £13 million. The Chairman of the Committee sought an indication of the priority to be given to the listed bids given the proposed Medium Term Financial Plan proposals.
3. The Leader of the Council responded by recognising the balance to be maintained between Council Tax levels and the much needed investment. He referred to the priority given in the budget proposals to Social Care (Adults) (£1 million) and ICT (£700,000) against the totals over the period of (£5.3 million), and (£3.4 million) respectively. Whilst it would be important to maintain modest support for pressures in other areas it was his belief that those areas would remain the major priorities over the plan period.
4. There were a number of detailed questions on the reserves through which the need to concentrate on the usable reserve was stressed.
5. The Committee resolved to ask Cabinet to consider the following observations on the Revenue Budget 2004/2005 before making final recommendations to Council on 5th March, 2004:
6. The Committee
 - (a) registered its concern over the levels of investment in Social Care (Adults), notwithstanding the proposed investment of £1 million and invited Cabinet to reassess the risks of that approach
 - (b) drew attention to the impact of levying Council Tax at the proposed Band D level of £972.50 and the hardship that could be created for some sections of the community
 - (c) offered support for the concept of fulfilling the commitment to replenish reserves by accumulating the additional revenues raised from second homes as detailed in paragraph 14 of the report, whilst noting some concern expressed that the sums mentioned might be optimistic.

2004/05 SUPPORTED CAPITAL BORROWING AND OTHER AREAS CAPITAL PROGRAMME

7. The Committee has noted the Cabinet's recommendations regarding the distribution of supported borrowing, where the ongoing costs of borrowing are resourced through the Revenue Support Grant mechanism, and which is only available for the

Transport, Education and Housing areas and the setting of a de minimis limit of £10,000 below which expenditure will be treated as revenue rather than capital.

8. It has also noted that Cabinet is to give further consideration to further prudential borrowing, the cost of which will be fully resourced by the Council Tax payer. The Committee was advised that prudential borrowing of £5 million was proposed. This level of borrowing would not allow all the current bids for schemes to proceed. A number of capital schemes will have to be deferred for consideration in future years.

REVENUE BUDGET MONITORING 2003/04

9. The Committee has noted the position in relation to the monitoring of the 2003/2004 revenue budget. It sought particular clarification on the projected overspend on the property budget and the latest position on the social care budget. It was acknowledged that there was an underlying problem on the property budget, but the recovery plan and budget proposals sought to address the concerns. It was also advised that whilst progress was being made towards the objective of achieving a balanced budget in social care overall (including the 2002/2003 overspend) this was in the context of continuing financial risks within the budget.

CAPITAL PROGRAMME MONITORING

10. The Committee has noted the capital programme forecast and the advice that action is being taken to seek to ensure that no resources available to the Council on the condition that they are spent in the current year will be lost.

RACE EQUALITY SCHEME - PROGRESS REPORT

11. Progress made against the Action Plan designed to deliver the Council's Race Equality Scheme has been noted. It has been highlighted that the Council's performance in this area will increasingly be focused on in inspections of the Council's service delivery.

PUBLIC SERVICE AGREEMENT UPDATE

12. Progress against the Public Service Agreement (PSA) targets and the action being taken to reach the 60% threshold and secure the Performance Reward Grant has been noted.
13. The Committee has also been informed of the Government's invitation to the Council to be a pilot for the second round of PSAs. It has requested that lessons are learned from the Council's experience in the first PSA in any negotiations for a second agreement.

MID YEAR ASSURANCE REPORT

14. The key internal control issues identified in the annual audit assurance report and the action taken in response to them has been noted.

PERFORMANCE MONITORING – CORPORATE HEALTH

15. The Head of Performance Management is currently reviewing performance reporting arrangements across the Council and considering examples of best practice from other local authorities, with a view to introducing an improved and more consistent approach to performance monitoring during 2004/2005. To reflect the move to four main Council meetings, with a fifth Council meeting specifically to deal with the budget, during 2004/2005 the meeting timetable for Scrutiny Committees is being modified to provide for four programmed meetings during the year. The Committee has been assured that arrangements will be made to ensure that relevant Cabinet Members and Scrutiny Chairmen continue to receive regular performance monitoring reports and in particular at the end of 8 months which is critical for allowing remedial action to be taken.

ISSUES CONSIDERED BY THE INDIVIDUAL SCRUTINY COMMITTEES

16. 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.

Summary By Programme Area

Education

17. The Education Scrutiny Committee met on 19 January 2004 and considered the following issues:

Theme	Reports
Holding the Executive to Account	
Best Value Reviews	
Policy Development and Review	Banding in Primary Schools – Interim Progress Report ICT Technical Support Service Level Agreements with Schools
External Scrutiny	
Improvement (Performance Management and Review)	Year 2003 Results for Herefordshire Schools Herefordshire Plan and Partnership Progress Report Monitoring of Revenue And Capital Budgets Monitoring of Performance Targets in Education Business Plan 2003-2004 Comprehensive Performance Assessment – Education Component
Other	Work Programme

18. The Environment Scrutiny Committee met on 23 January 2004 and considered the following issues:

Theme	Reports
Holding the Executive to Account	
Best Value Reviews	Implementation of Improvement Plans
Policy Development and Review	Parking Strategy Polytunnels
External Scrutiny	
Improvement (Performance Management and Review)	Human Resources Revenue Budget Monitoring Capital Budget Monitoring Performance Indicators Highway Maintenance
Other	Work Programme

19. The Health Scrutiny Committee met on 29th January, 2004 and considered the following issues:

Theme	Reports
Holding the Executive to Account	
Best Value Reviews	
Policy Development and Review	Management of Legionnaires Disease Outbreak Emergency Care Access Car Parking – Hereford Hospital
External Scrutiny	
Improvement (Performance Management and Review)	
Other	Ear Nose and Throat Service Consultation

20. The Social Care and Housing Scrutiny Committee met on 27 January, 2004 and considered the following issues:

Theme	Reports
Holding the Executive to Account	-
Best Value Reviews	
Policy Development and Review	Older People's Business Case Extra Care Housing Development Home Support Staff – Recruitment and Workforce Issues
External Scrutiny	
Improvement (Performance Management and Review)	Supporting People Programme Inspection Progress Report on Joint Review Action Plan Revenue Budget/Performance Indicators
Other	Work Programme

21. The Social and Economic Development Scrutiny Committee met on 14 January 2004 and 5 February 2004 and considered the following issues:

Theme	Reports
Holding the Executive to Account	
Best Value Reviews	
Policy Development and Review	Consideration of the Economic position of Hereford City
External Scrutiny	
Improvement (Performance Management and Review)	Progress of the Community Youth Service Towards New Standards Adult Learning Inspectorate Re-inspection Performance Indicators Human Resources
Other	

22. The business conducted by the Strategic Monitoring Committee at its meeting on 9th February, 2004 is summarised below.

Theme	Reports
Holding the Executive to Account	-
Best Value Reviews	

Policy Development and Review	Medium Term Financial Plan 2004/2005 – 2007/08 Revenue Budget 2004/05 2004/05 Supported Capital Borrowing and Other Areas Capital Programme Analysis of Herefordshire Council's Input into the Herefordshire Partnership –Initial Terms of Reference Community First Funding Support
External Scrutiny	
Improvement (Performance Management and Review)	Capital Programme Monitoring Revenue Budget Monitoring Race Equality Scheme – Progress Report Local Public Service Agreement Performance Monitoring – Corporate Health Mid-Year Audit Assurance Report
Other	Work Programmes.

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

BACKGROUND PAPERS

- Agenda Papers of the Meeting of the Strategic Monitoring Committee held on 9th February, 2004.

REPORT OF THE STANDARDS COMMITTEE

Meeting held on 13 February 2004

Membership:

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

NEW MEMBERS

1. We warmly welcome Mr David Stevens (Independent Member) and Mr John Hardwick (Town and Parish Council Representative) who have been appointed as the two new Members of the Committee.

THE COMMITTEE ON STANDARDS IN PUBLIC LIFE

2. The Committee on Standards in Public Life (originally the Nolan Committee) has invited views on standards issues including:
 - a. should the Local Government Model Code of Conduct apply to all tiers of local government?
 - b. should there be a general requirement in Codes of Conduct to register membership of any society which though not a charity or directed to charitable purposes might be perceived to constitute a conflict of interest?; and
 - c. are the requirements in the various Codes of Conduct proportionate or a disincentive to public service?
3. These are all live issues in local government which have also arisen in our work, and we intend to submit evidence upon them to the Committee. We are seeking the views of the Herefordshire Association of Local Councils on the town and parish council perspective. I would also be grateful for any views which Herefordshire Councillors wish to express.

PROTOCOL – USE OF COUNCIL RESOURCES

4. We have continued to work on the protocol on the use of Council resources. This has proved to be a complex issue; we hope to bring a draft protocol to the next Council.

PREJUDICIAL INTERESTS IN PLANNING APPLICATIONS

5. We have considered the implications of a recent Court of Appeal case. The case involved a County Councillor who lived near the site of a quarry for which planning permission had been sought. He was not a member of the Council's Planning Committee, but had wanted to attend the meeting and speak against the application. However, he had been prevented from doing so because he had an interest which was prejudicial.
6. The Court of Appeal held that the Councillor was correctly excluded; where a person objecting to a planning application is also a member of the Council whose Planning Committee is considering the application, a Councillor is properly regarded as having a prejudicial interest and should be required to withdraw from the room where the meeting is taking place. Significantly in this case, the Court held that the Councillor was also precluded from attending the meeting solely in his private capacity to defend his own personal interests. The Court took the view that a member of an authority attending a Council meeting cannot, simply by declaring he attends in his private capacity, divest himself of his official capacity as a Councillor. He is still to be

regarded as conducting the business of his office and only by resigning can he shed that role.

7. In its judgement the Court of Appeal has interpreted the Model Code more strictly than is reflected in this Council's code of conduct in planning matters. We will examine the implications and make any necessary recommendations.

TRAINING

8. On 6th February 2004 all members of the Committee, together with members of the Standards Committees of Worcestershire County Council and the Combined Fire Authority, took part in a training day. This concentrated on the practical implications of holding local hearings to determine complaints referred back from the Standards Board for England, and was felt by all concerned to be valuable preparation for what will be a significant development.
9. We plan a joint training event with the Herefordshire Association of Local Councils, to which a member and an officer of the Standards Board for England will be invited.

INVESTIGATIONS BY THE STANDARDS BOARD FOR ENGLAND

10. We have considered a report on the results of investigations by the Standards Board for England into complaints against Town and Parish Councillors. Our concerns about some aspects of the process will be relevant to our evidence to the Committee on Standards in Public Life.

ROBERT ROGERS
CHAIRMAN
STANDARDS COMMITTEE

BACKGROUND PAPERS

- Agenda papers of the meeting of the Standards Committee held on 13 February 2004

RESULT OF THE ST NICHOLAS BY-ELECTION

Report By: Electoral Registration Manager

Wards Affected

St. Nicholas

Purpose

1. To formally note the result of the by-election for St. Nicholas Ward.

Financial Implications

2. There are no direct financial implications.

Background

3. On 16th January, 2004, the Council had noted the circumstances in which the office of Councillor for the St. Nicholas Ward had fallen vacant.

Result

4. The election was contested and a poll was held on 22nd January, 2004. Councillor Miss Fiona Short (Liberal Democrat) was elected as Councillor for the St. Nicholas Ward and has completed her Declaration of Acceptance of Office.
5. The full result of the by-election was as follows:

Fiona Short	Liberal Democrat	936 votes
John Ward	Conservative	783 votes
Julie Woodward	Independent	524 votes
John Hitchin	Labour	288 votes

6. Voter Turnout was 52%

RECOMMENDATION

THAT the information be noted.

BACKGROUND PAPERS

- None identified.

Further information on the subject of this report is available from Steve Oram on 01432 260110

