

Chief Executive's Office

Chief Executive: N.M. Pringle

Your Ref:

Our Ref: NMP/CD

Please ask for: Mr. N.M. Pringle

Direct Line/Extension: (01432) 260044

Fax: (01432) 340189

E-mail: npringle@herefordshire.gov.uk

**To: All Members of Cabinet:
R.J. Phillips (Leader)
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**

9th March, 2005

Dear Councillor,

**MEETING OF CABINET
THURSDAY, 17TH MARCH, 2005 AT 2.15 P.M.
THE COUNCIL CHAMBER, BROCKINGTON, 35 HAFOD ROAD, HEREFORD**

AGENDA (05/05)

1. APOLOGIES FOR ABSENCE

To receive any apologies for absence.

2. DECLARATIONS OF INTEREST

To receive any declarations of interest by members in respect of items on this agenda.

3. BUDGET MONITORING 2004-05

To note the position with regard to revenue budget monitoring as at 28th February, 2005 for programme areas in 2004/05. *(Pages 1 - 8)*

4. CAPITAL PROGRAMME MONITORING 2004/05 TO 31ST JANUARY, 2005

To note the current position of the Capital Programme forecast for 2004/05 including Prudential Borrowing and the current position regarding Prudential Indicators. *(Pages 9 - 20)*



Putting People First Providing for our Communities Preserving our Heritage Promoting the County Protecting our Future

County of Herefordshire District Council, PO Box 239, HEREFORD, HR1 1ZU

Main Switchboard (01432) 260000 - www.herefordshire.gov.uk

5. CLOSURE OF ST. MARY'S OF HOPE CE PRIMARY SCHOOL

To determine the outcome of the Statutory Notice to discontinue St. Mary's of Hope CE Primary School with effect from 24th March, 2005. *(Pages 21 - 30)*

EXCLUSION OF THE PUBLIC AND PRESS

In the opinion of the Proper Officer, the next item will not be, or is likely not to be, open to the public and press at the time it is considered.

RECOMMENDATION:

That the public be excluded from the meeting for the following item of business on the grounds that it involves the likely disclosure of exempt information as defined in Schedule 12(A) of the Act as indicated below.

6. BROMYARD, MINI SURE START PROJECT

To approve the capital project for the Mini Sure Start Project in Bromyard. *(Pages 31 - 34)*

This item discloses the amount of any expenditure proposed to be incurred by the authority under any particular contract for the acquisition of property or the supply of goods or services.

Yours sincerely,



**N.M. PRINGLE
CHIEF EXECUTIVE**

Copies to: Chairman of the Council
Chairman of Strategic Monitoring Committee
Vice-Chairman of Strategic Monitoring Committee
Chairmen of Scrutiny Committees
Group Leaders
Directors
County Secretary and Solicitor
County Treasurer

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, Cabinet, 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.

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 Council Chamber where the meeting will be held is accessible for visitors in wheelchairs, for whom toilets are also available.

A public telephone is available in the reception area.

Public Transport links

- Public transport access can be gained to Brockington via the service runs approximately every half hour from the 'Hopper' bus station at the Tesco store in Bewell Street (next to the roundabout junction of Blueschool Street / Victoria Street / Edgar Street).
- The nearest bus stop to Brockington is located in Old Eign Hill near to its junction with Hafod Road. The return journey can be made from the same bus stop.

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.



Where possible this agenda is printed on paper made from 100% Post-Consumer waste. De-inked without bleaching and free from optical brightening agents (OBA). Awarded the Nordic Swan for low emissions during production and the Blue Angel environmental label.

COUNTY OF HEREFORDSHIRE DISTRICT COUNCIL

BROCKINGTON, 35 HAFOD ROAD, HEREFORD.

FIRE AND EMERGENCY EVACUATION PROCEDURE

In the event of a fire or emergency the alarm bell will ring continuously.

You should vacate the building in an orderly manner through the nearest available fire exit.

You should then proceed to Assembly Point J which is located at the southern entrance to the car park. A check will be undertaken to ensure that those recorded as present have vacated the building following which further instructions will be given.

Please do not allow any items of clothing, etc. to obstruct any of the exits.

Do not delay your vacation of the building by stopping or returning to collect coats or other personal belongings.

BUDGET MONITORING 2004/05

PROGRAMME AREA RESPONSIBILITY: CORPORATE STRATEGY AND FINANCE

CABINET

17TH MARCH, 2005

Wards Affected

County-wide

Purpose

To note the position with regard to revenue budget monitoring as at 28th February, 2005 for Programme Areas in 2004/05.

Key Decision

This is not a Key Decision

Recommendation

THAT the report be noted.

Reasons

Reports are presented to Cabinet as part of the Council's Performance Management arrangements. Cabinet Members will discuss the individual Programme Area figures with their Directors and Departmental Managers as appropriate.

Considerations

1. Appendix 1 shows the details of the spending as at 28th February 2005 for each Programme Area, together with the projected outturn for 2004/05.
2. The budgets shown for 2004/05 include the final carry forwards from 2003/04 and the adjustments made following the Government's decision to limit the Council's budget for 2004/05.

Education

3. A very large proportion (80%) of Education budget is delegated to schools. Any under or over spending in school budgets will be automatically carried forward into the next financial year under the statutory arrangements for delegation to schools. Other budgets such as Pupil Referral Units, Standards Fund, and the Schools' sickness scheme are likewise carried forward at the year-end.

After such accounting adjustments, it is anticipated that there will be an overall net

Further information on the subject of this report is available from
David Keetch, Assistant County Treasurer on (01432) 260227

underspend of approximately £480,000. Significant underspends on transport (£600,000) (£200,000 is a one off saving resulting from six fewer transport days in this financial year) and reduced take-up for early years provision for three and four year olds (£470,000) are predicted together with other smaller underspends on staff vacancies and awards administration. Within the overall total, overspends are predicted for PFI set-up consultancy fees (£400,000), SEN banding delegated to schools (£250,000), targeted funding for school improvement (£200,000) and centrally funded SEN staffing costs (£75,000).

No significant changes have been identified since reported to Education Scrutiny in December. A final year end projection based on expenditure trends at the end of February will be prepared for the Education Scrutiny Committee on the 14th March 2005.

Some work has been undertaken to forecast year-end school balances by a variety of methods. However, none are able to take into account school committed expenditure authorised by governing bodies but not yet reflected in the accounts. Reliable forecasts of year-end balances is also further complicated by delegation of unspent budgets within the Schools Budget at year-end and Standards Fund which is accounted for on an academic year basis. It, therefore, remains very difficult to forecast with any degree of accuracy.

The best estimates of school revenue balances are as follows:-

	31.03.05 Estimates £'000	31.03.04 Actuals £'000
Primary	3,800	3,653
High	1,600	1,597
Special	240	288
Total	5,640	5,540

Policy and Finance General

4. No significant overspendings have been identified for Policy and Finance General. Based on the information at present, it would be reasonable to anticipate an underspending of approximately £1,592,000 across all services during 2004/05. (Included in this sum is £532,000 to be carried forward but committed against Corporate ICT initiatives.) The total underspending otherwise reflects the significant carry-forward from 2003/04 and the general spending pattern of the year to date.

Policy and Finance Property

6. The projected overspend for Property is now £494,000 including £433,000 brought forward from 2003/04. The two major problems continue to be the Markets and Fairs deficit brought forward from previous years which has fallen to £400,000 and the shortfall on Industrial Estates income, which by the year end is expected to be £275,000. Administrative Buildings is however expected to be overspent by approximately £190,000 because of various costs associated with office moves from Kemble House and other locations.
7. The recovery plan to deal with this overspend situation has been reviewed with the Director or Environment considering reductions in building maintenance to address the overspending over a three year review. Proposals recommended by Cabinet to reduce the overspend were considered by Council on 11th March. An oral update will be provided at the meeting.

Environment General

8. Spending on some areas, including road maintenance, looks low but this is largely owing to the timing of the payments to Herefordshire Jarvis Services. Spending on these areas is expected to be at or slightly below budget.
9. The Waste Disposal PFI contract budget is expected to be underspent by approximately £900,000, largely owing to the sums included for additional costs following renegotiation not being required until 2005/06 and 2006/07. In addition, the costs for the existing contract are anticipated as being lower than the budget assuming existing volumes are maintained. Any underspending will be transferred to the Council's General Reserves in line with current policy.
10. Several income budgets look likely to exceed their income targets including car parking (£60,000) new street works (£15,000) and cemeteries and crematoriums (£80,000).
11. The net underspending on Environment General as a whole is expected to be approximately £1,055,000.

Environment Regulatory

12. Spending on Environment Regulatory is very much in line with the budget at present. Vacancies seem likely to produce modest savings of some £40,000 during the year.

Planning

13. During the first ten months, building control and development fee income is above budget by approximately £270,000. The income continues to be very buoyant. Staff savings owing to vacancies have led to an underspending during the period of approximately £150,000. A net underspending of at least £420,000 can be anticipated during 2004/05. Any additional fee income during the remainder of the year will increase this figure. It is also anticipated that approximately £100,000 of the 2004/05 Planning Delivery Grant will be carried forward into 2005/06.

Economic Development

14. Spending on Economic Development is well within budget at present. A net underspending of approximately £230,000 is estimated. Staff vacancies are expected to generate savings during the year and are being taken into account in the restructure proposals. In addition, £121,000 from the carry-forward from 2003/04 has been allocated to cover expected income shortfalls in future years.

Social Development

15. Overall a broadly break-even position is anticipated. Recruitment problems are likely to generate further underspendings for the Youth Service. A net underspending of £100,000 is expected. The accumulated subsidy budget for the old Sydonia Pool is being ring-fenced to meet the revenue costs of the new pool. It is intended that this sum (£125,000) will be carried forward into 2005/06 and a mobilisation plan has already been agreed leading up to the opening of the new pool. This amount is shown as the projected underspend for the year. The additional budget of £79,000 allocated for grounds maintenance is unlikely to be sufficient to fully absorb the adopted land and inflationary issues that have impacted on the outturn in previous years and is likely to be a continuing challenge. An overspending of around £100,000 is predicted. Some progress should be made in reducing the accumulated leisure deficit but it is unlikely that the position will be fully recovered in 2004/05.

Social Care and Strategic Housing

16. Older People's Services

The increased investment in Older Peoples Services has yielded a number of developments, including:

- The in house home care service has been reshaped into the STARRS reablement service, with little disruption to service users;
- Secured the Nursing Home Sector being available with the increase in fees;
- Care packages have been reviewed, which has meant resources have focussed on those in highest need
- Block contracts with independent home care providers have been set up, which has brought stability to the market;
- The numbers of people assessed as needing a service for whom funding is not available has been kept to a minimum

The projections on Older Peoples Spend indicate a breakeven position

Children's Social Care

The budget management has secured a hold on expenditure, but given the complex needs and costs of placements, there remains a projected overcommitment of £585,000

Learning Disabilities

The budget management has not had the same impact as planned in relation to holding the expenditure or taking into account key pressures. The savings plan has not been realised in full and the Continuing Care funding from the Primary Care Trust has been less than assumed. There has been a separate change report to Cabinet which identified significant service challenges. However, given the size of the problem, it has been decided to conduct an external (to the directorate) review of the financial arrangements and spending decisions, in order to have secure budget planning for 2005/06.

Exceptional Items

There have been exceptional items of expenditure, totalling £758,000 which relate to the risks identified, as follows

- **PCT Contributions to Pooled Budgets** The ongoing negotiations with the PCT on the attributable risk have not reached total agreement. The financial risks on the pooled budgets are now projected as attributable to the partner whose service element the overspend relates to. The Mental Health overspend reported by Social Care, even though the PCT manages the service, is now included in the Social Care projections.

The projected overspend on the pooled budgets increases by £256,000 as a result. The PCT have now agreed to make a contribution of £100,000 towards the overspend on the Council's element of the Mental Health pooled budget. This methodology does not fit a Section 31 pooled budget agreement, in that there must be an agreed risk share in respect of over and underspends. There will be a more robust risk sharing and management accountability agreement for 2005/06.

Continuing Care Contributions for qualifying Learning Disability service users- current projections assume £250,000 contribution from the PCT. This is secure, although the costs attributable had been calculated at approximately £400,000. The PCT has acknowledged this and this will be budgeted for in 2005/06.

- **Statutory Obligations** The Council has needed to review its funding decisions for some individual cases as a result of legal challenge. This has created additional expenditure of £89,000.
- **Loss of Grant** The Directorate has suffered a loss of Supporting People Grant income of £175,000. It has been a challenge to manage commitments within budget.
- **Prior Year Adjustments** Invoices totalling £152,000 have been received, which relate to the 2003/04 financial year.
- **NHS Emergency Support** - Additional funding of £36,000, to enable discharges from community hospitals to free beds at the Acute Trust, given the pressures in November 2004 and January 2005.

Summary

The projected year end position for Social Care, is an overspend of £1,514,000, (4.2% of the Social Care budget) with exceptional items of £758,000. This latest budget projection shows a deterioration on the previously reported position, despite applying harsh management action. All efforts possible are being made to sustain this position

Social Care Budget

	£000
Original Budget 2004/05	35,990
Overspend Carried Forward from 03/04	(245)
Budget 2004/05	35,745

Financing Transactions

17. A net underspending of £1,250,000 is expected during 2004/05 primarily as a result of debt rescheduling, a stabilisation of interest rates and significant slippage of the capital programme.

Conclusion

18. The projected 2004/05 outturn for the Programme Areas, together with financing transactions, is an under-spending of £2,896,000.

Revenue Reserves Position as at 28th February 2005.

19. The estimated value of general reserves as at this date total £5,000,000, incorporating the prudent reserve of £3,000,000, which has anticipated some limited use of reserves for overspendings at the year-end. The £1,250,000 projected saving from Financing Transactions is included in this total. The expected underspending on Waste Management is in addition to the overall total.

Alternative Options

There are no alternative options.

Consultees

None identified.

Background Papers

None identified.

Appendix 1

Summary Budget Monitoring Report 2004/05 - 28th February 2005

Programme Area	2004/05 Original budget	2003/04 Carry forwards	Budget 2004/05	Actuals to Period 10	Budgets to Period 10	Projected Outturn	Projected over or (under) spend	Variation percent- age
	£000	£000	£000	£000	£000	£000	£000	%
Education	81,153	(1,369)	82,522	66,912	67,878	82,042	-480	-0.6
Social Care	35,990	245	35,745	32,978	29,812	37,259	1,514	4.2
Policy and Finance - General	14,999	(1,929)	16,928	29,336	30,405	28,813	-1,592	-9.4
Policy and Finance - Property	2,094	433	1,661	1,405	1,710	2,155	494	29.7
Environment - General	17,657	97	17,560	12,934	14,940	16,505	-1,055	-6.0
Environment - Regulatory	2,405	(31)	2,436	1,957	2,031	2,396	-40	-1.6
Environment - Planning	2,226	(411)	2,637	1,707	2,197	2,217	-420	-15.9
Social Development	8,056	(192)	8,248	6,496	7,145	8,248	0	0.0
Economic Development	2,162	(331)	2,493	1,411	1,880	2,263	-230	-9.2
Housing	1,320	(56)	1,376	1,341	1,147	1,539	163	11.8
	168,062	(3,544)	171,606	156,477	159,145	183,437	(1,646)	-0.9
Financing adjustments etc	7,511	3,797	3,714	3,001	1,876	2,464	(1,250)	
	175,573	253	175,320	159,478	161,021	185,901	(2,896)	-1.5

CAPITAL PROGRAMME MONITORING 2004/05 TO 31 JANUARY 2005

PROGRAMME AREA RESPONSIBILITY: CORPORATE STRATEGY AND FINANCE

CABINET

17TH MARCH, 2005

Wards Affected

County-wide

Purpose

To note the current position of the Capital Programme forecast for 2004/05 including Prudential Borrowing and the current position regarding Prudential Indicators.

Key Decision

This is not a Key Decision.

Recommendation

THAT the position be noted.

Reasons

Report for noting only.

Considerations

1. This report is broken down into two sections. The first section reports on the current position of the capital programme and prudential borrowing. The second section reports on Prudential Indicators.

Capital Programme Monitoring

2. This is the fourth 2004/05 capital monitoring report. The purpose of this monitoring exercise is to update the capital budget position, as at 31st January, reporting new funding allocations and to manage any slippages or overspends.

Overview

3. The revised forecast outturn for 2004/05 as at 31st January totals £33,855,000, an increase of £1,348,000 from the budget reported at the end of November. Explanations of the changes are detailed in the body of this report. This programme is funded as detailed in Appendix 1.
4. Cabinet allocated Prudential Borrowing of £4,741,000 to various capital schemes on the 22nd July, 2004. The current forecast spend on these schemes for 2004/05 is £4,088,000 with slippage of £653,000 being identified. It is possible that further

Further information on the subject of this report is available from
Josie Smith, Accountant – Capital and VAT Services, on (01432) 261867

amounts of the 2004/05 allocation may slip into 2005/06 but as this funding is unconditional no resources will be lost. Only 40% of the revised forecast for schemes funded through Prudential Borrowing has been spent to date.

5. Each individual capital project has an expected spend profile and expected spend in the first ten months totalled 78% of the revised forecast. However actual spend at £22,799,000 represents 67% of the revised forecast. Actual spend reported at this time last year was 60%. A summary of the expenditure for each service area is set out on Appendix 2.
6. Set out in Appendix 3 is a list of all capital schemes with a budget in excess of £500,000. The detailed capital programme listing all capital schemes can be found on the Intranet. (*Information Library > Treasurers > Financial Policy > Capital > Capital Programme*).
7. Set out in Appendix 4 is a list of the capital receipts received and expected in 2004/05.

Capital Programme Areas

9. Education

The capital forecast for this area has increased in this round of capital monitoring by £29,000 in relation to various schemes. This will be funded through the capital receipts reserve. Actual spend to date appears low and unless spend accelerates between now and March there will be slippage on capital schemes. Any slippage however would not result in the loss of conditional funding.

10. Social Care

The forecast for this area has increased by £8,000 due to additional costs being incurred relating to the purchase of mini buses, this will be funded through a revenue contribution.

11. Property

The forecast for this area has increased by £1,986,000 due to the purchase of units 1 to 17 at Station Approach, Hereford. The purchase is funded through a grant from Advantage West Midlands.

12. Policy and Finance

The Service Improvement Project at Garrick House is currently showing a predicted overspend of £17,000 for which funding remains to be identified.

13. ICT Services

The forecast for this area has decreased by £71,000 due to slippage identified on IEG capital schemes funded through LPSA reward grant.

14. **Environment General**

The revised forecast has decreased by £44,000. This is due to slippage on the LPSA improving road safety scheme. This funding must be expended before the end of September 2005.

15. **Social Development**

The forecast for this area has increased by £12,000 due to increased expenditure on the lift at the Courtyard to be funded through a private contribution.

16. **Economic Development**

The forecast for this area has decreased by £112,000, this represents slippage on capital spend into 2005/06. No conditional resources will be lost as a result of this slippage. The Hereford City Enhancements Shop Front Scheme approved capital bid of £50,000 will not be defrayed in this financial year although progress on the scheme is being made. Increased costs of the Leominster Industrial Estate Access Road capital scheme mean £239,000 is currently unfunded. A report covering this issue will be presented to Cabinet on 24th March, 2005.

17. **Strategic Housing**

The forecast for this area has decreased by £466,000. This decrease represents slippage on affordable housing grant capital schemes. This is committed to be spent in future years.

Prudential Indicators

18. The Prudential Code applies from 2004/05 onwards and the key objectives are to ensure that capital investment plans and treasury management decisions are made in a manner that supports prudence, affordability and sustainability.
19. Cabinet have endorsed a range of Prudential Indicators that are to be monitored on a regular basis as part of the existing Capital Programme monitoring process. The PIs included in this report are now based on the 2005/06 Capital Programme and the new round of Prudential Borrowing.
20. The Prudential Code recommends the PIs set out below. The framework of PIs covers Capital Expenditure and Treasury Management and includes the following:
- Actual and estimated capital expenditure for the current and future years (Appendix 5)
 - Ratio of financing costs to net revenue stream (Appendix 6)
 - Capital Financing Requirement (Appendix 7)
 - Authorised limit for External Debt (Appendix 8)
 - Operational boundary for External Debt (Appendix 9)
 - Council Tax implications of the incremental effect of capital decisions (Appendix 10)
 - Treasury Management Indicators (Appendix 11)

Conclusion

Capital programme actual spend to date is lower than expected, the position is being closely monitored to ensure no conditional funding is lost. Prudential Indicators are being monitored as required by the Prudential Code with no areas of concern to report.

Alternative Options

There are no alternative options.

Consultees

Not applicable.

Risk Management

Capital Programme and Prudential Indicator monitoring is an integral part of risk management. Potential over and under spends are highlighted at the earliest opportunity so adjustments can be made accordingly.

Background Papers

None identified.

APPENDIX 1

FUNDING OF REVISED 2004/05 CAPITAL PROGRAMME

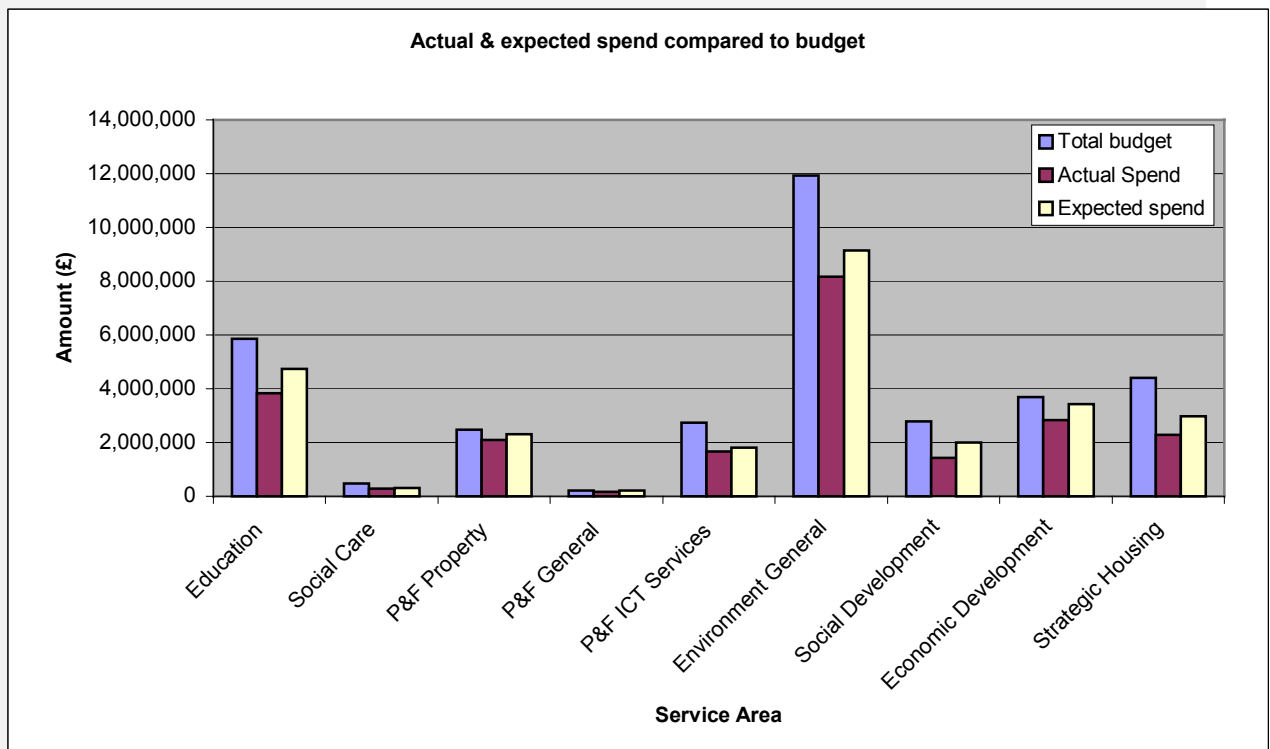
Capital Programme Area	2004/05 Revised Forecast 30/01/05	SCE(R)	Prudential Borrowing	LPSA UCA	Grants	Revenue Contribution	Capital Receipts Reserves	Unfunded
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Education	5,886	3,411	-	-	2,319	120	36	-
Social Care	480	91	124	-	117	8	140	-
P&F – Property	2,489	-	300	-	2,001	16	172	-
P&F – General	271	-	4	-	60	100	90	17
P&F – ICT Services	2,732	-	1,020	126	1,470	-	116	-
Environment General	11,930	11,098	305	-	527	-	-	-
Social Development	2,804	-	2,050	-	677	-	77	-
Economic Development	3,693	-	260	-	1,547	-	1,647	239
Strategic Housing	3,570	2,055	25	-	477	-	1,013	-
Total Revised Forecast	33,855	16,655	4,088	126	9,195	244	3,291	256
Original Budget	33,538	16,483	5,000	-	8,585	-	3,470	-
Change from original budget	317	172	(912)	126	610	244	(179)	256

<i>Reported to date</i>								
<i>Original Budget</i>	33,538	16,483	5,000	-	8,585	-	3,470	-
<i>July 04 Forecast</i>	31,521	16,430	4,511	126	6,479	247	3,655	73
<i>September 04 Forecast</i>	31,603	16,529	4,479	126	6,103	258	3,887	211
<i>November 04 Forecast</i>	32,507	16,656	4,313	126	7,585	171	3,435	221
<i>January 05 Forecast</i>	33,855	16,655	4,088	126	9,195	244	3,291	256

APPENDIX 2

CAPITAL EXPENDITURE BY PROGRAMME AREA

	Outturn	Original Budget	Revised 2004/05 Forecast as at 31/01/05	Change from previous forecast as at 30/11/04	Actual spend at 31/01/05	Actual spend as a % of the revised forecast	Expected spend as a % of the revised forecast
Programme area	2003/04	2004/05	2004/05	2004/05	2004/05	2004/05	2004/05
	£'000	£'000	£'000	£'000	£'000	%	%
Education	8,248	7,014	5,886	29	3,844	65%	81%
Social Care	413	132	480	8	290	60%	62%
P&F – Property	2,142	402	2,489	1,986	2,103	84%	94%
P&F – General	924	25	271	6	178	66%	92%
P&F – ICT Services	882	127	2,732	(71)	1,656	61%	67%
Environment General	10,879	11,846	11,930	(44)	8,163	68%	77%
Social Development	460	2,467	2,804	12	1,434	51%	72%
Economic Development	4,157	4,092	3,693	(112)	2,844	77%	93%
Strategic Housing	4,929	4,233	3,570	(466)	2,287	64%	68%
Prudential Borrowing to be allocated	-	3,200	-	-	-	-	-
Total	33,034	33,538	33,855	1,348	22,799	67%	78%



APPENDIX 3

MAIN CAPITAL SCHEMES OF REVISED 2004/05 CAPITAL PROGRAMME

Capital Programme Scheme	Schemes with a Revised Forecast >£500,000
	£'000
Education schemes:	
Site Acquisitions	680
John Kyrle High – Sixth Form Extension	506
Weobley High – Science Laboratories	526
New Deal for Schools Condition Improvement Works	1,400
Property schemes:	
Purchase of Station Approach	1,976
ICT Services schemes:	
ICT The Golden Thread Network Enhancement	770
Herefordshire in Touch E-Gateway Phase 2	1,229
Environment General schemes:	
Roman Road Improvements	3,270
Rural low floor bus project	502
Capitalised maintenance of principal roads	1,225
Capitalised maintenance of non-principal roads	3,272
Footways	550
Capitalised assessment & strength of bridges	500
Social Development schemes:	
Replacement Swimming Pool for North Herefordshire	1,709
Friar Street Museum Resource and Learning Centre	555
Economic Development schemes:	
Leominster Industrial Estate Access Road	3,049
Strategic Housing schemes:	
Disabled Facilities Grants – Mandatory	550
Social Housing Grants	1,130
<i>Other schemes with a revised forecast of less than £500,000</i>	<i>10,456</i>
Revised Forecast	33,855

APPENDIX 4

CAPITAL RECEIPTS FOR 2004/05

Sale Detail	Directorate Share	Directorate Share	Corporate Share	Total receipt
		£'000	£'000	£'000
<i>Received</i>				
The Old Goods Shed, Ross on Wye	50% Property	154	154	308
Wye Street Depot Store	50% Social Development	45	45	90
Trinity House	100% Corporate	-	300	300
Coldnose Road, Rotherwas	100% Corporate	-	40	40
Right to Buy Clawbacks, Discounts and Improvement Grant Repayments to date	100% Housing	160	-	160
Sub Total		359	539	898
<i>Anticipated</i>				
Various	100% Housing	648	-	648
Various	100% Corporate	-	650	650
Sub Total		648	650	1,298
Total		1,007	1,189	2,196

APPENDIX 5

ACTUAL AND ESTIMATED CAPITAL EXPENDITURE

Capital Monitoring information is set out in the first part of this report.

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.

	2004/05 £'000	2005/06 £'000	2006/07 £'000	2007/08 £'000
Capital Programme Area:-				
Economic Development	3,693	1,135	245	0
Education	5,886	5,691	3,251	2,763
Environment General	11,930	10,626	10,459	10,459
Policy & Finance - ICT Services	2,732	1,754	1,483	1,933
Policy & Finance - General	271	0	0	0
Policy & Finance - Property	2,489	250	250	250
Social Care	480	472	95	95
Social Development	2,804	887	63	0
Strategic Housing	3,570	10,710	7,883	5,383
Potential Prudential Borrowing to be allocated	0	2,968	4,187	3,950
	33,855	34,493	27,916	24,833
By funding				
Capital Receipts Reserve	3,791	5,469	3,477	3,382
Grants	9,321	9,875	5,703	3,234
SCE(R)	16,655	13,726	13,736	13,217
Agreed Prudential Borrowing	4,088	2,455	813	1,050
Prudential Borrowing to be agreed	0	2,968	4,187	3,950
	33,855	34,493	27,916	24,833

APPENDIX 6

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. The indicator will change in due course based on actual Prudential Borrowing allocations and revised estimates of the Capital Financing costs.

	2004/05 £'000	2005/06 £'000	2006/07 £'000	2007/08 £'000
Net Revenue Stream	175,320	184,689	195,021	204,994
Capital Financing Costs	7,418	8,362	10,269	12,162
Ratio of financing costs to net revenue stream	4.23%	4.53%	5.27%	5.93%

APPENDIX 7

CAPITAL FINANCING REQUIREMENT

This indicator represents the underlying need to borrow for a capital purpose. Future years requirements includes a potential £5 million Prudential Borrowing per year. This indicator will change in due course as the allocation of supported and unsupported borrowing is confirmed. This indicator is affected by Governments decisions to provide capital funding either in the form of supported borrowing or by direct grant.

	2004/05	2005/06	2006/07	2007/08
	£'000	£'000	£'000	£'000
Capital Financing Requirement (as at 31/3)	96,486	110,347	123,149	134,341

APPENDIX 8

AUTHORISED LIMIT FOR EXTERNAL DEBT

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

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

APPENDIX 9

OPERATIONAL BOUNDARY FOR EXTERNAL DEBT

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

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

APPENDIX 10

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. The figures will change depending on actual Council Tax levels and allocations of Prudential Borrowing.

	2004/05	2005/06	2006/07	2007/08
	£ p	£ p	£ p	£ p
Increase in council tax (Band D, per annum) based on Prudential Borrowing of £5,000,000 taken for 2005/06 and subsequent years.	N/A	3.72	10.42	17.13

APPENDIX 11

TREASURY MANAGEMENT INDICATORS

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

	2004/05	2005/06	2006/07	2007/08
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	50%	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	2004/05	2005/06	2006/07	2007/08
	£'000	£'000	£'000	£'000
(per maturity date)	10,000	10,000	10,000	10,000

CLOSURE OF ST. MARY'S OF HOPE CE PRIMARY SCHOOL, HOPE-UNDER-DINMORE

PROGRAMME AREA RESPONSIBILITY: CHILDREN'S SERVICES

CABINET

17TH MARCH, 2005

Wards Affected

Hampton Court.

Purpose

To determine the outcome of the Statutory Notice to discontinue St. Mary's of Hope CE Primary School with effect from 24th March, 2005.

Key Decision

This is a Key Decision because it is significant in terms of its effect on communities living or working in Herefordshire in an area comprising one or more wards. It was included in the Forward Plan.

Recommendation

THAT the permanent closure of this school with effect from 24th March be formally agreed.

Reasons

Following a request from the Governing Body the Council agreed to support the closure by the issuing of the statutory notice in consultation with the Cabinet Member.

Considerations

1. At the beginning of the autumn term 2004, the total number of pupils at these schools was 12. This compares to the figure of 25 in January, 2002 when the previous proposal to close the school was opposed by the national adjudicators. In light of this on 20th October, 2004 the Chairman of Governors and Headteacher wrote to all parents of registered pupils at St. Mary's of Hope concluding that despite the schools very good work over several years it would now be in the best interests of the children for the school to close permanently as soon as possible (Appendix 1). This letter was followed by a letter from the Director of Education to the same parents on 22nd October, 2004 explaining the legal process (Appendix 2).
2. An initial public notice was issued on 11th November (Appendix 3) indicating a possible closure within the 2004/5 year subject to any objections/comments being received by the Council. By November, 2004 all parents had indicated that they wished their children to transfer to an alternative school from the commencement of the spring term 2005. The preferred school for the 11 children remaining at the school was as follows:

Further information on the subject of this report is available from
George Salmon, Head of Policy and Resources on 01432 260802

Bodenham, St. Michael's - 6 children
Marden Primary - 2 children
Leominster Infants - 1 child
Leominster Junior - 1 child
Wellington - 1 child

3. On 17th December, 2004 (last day of autumn term) all children had been offered and accepted places at the preferred alternative school with transport arrangements determined, and support offered to purchase new school uniform.
4. The DfES recommended that an additional public notice be issued to set a specific date for closure (Appendix 4). This public notice was issued on 30th December and has now completed its six weeks representation period. No objections or comments have been received. The Council must now determine the future of this school which currently has no pupils registered. The Council has the power to decide the permanent closure of St. Mary's of Hope without reference to the Schools Organisational Committee as there have been no objections. The Council must advise the DfES of its decision.

Alternative Options

There are no realistic alternative options

Risk Management

There is no perceived risk management implications. The property is not owned by the Council, and cessation of use as a school means that the property reverts to the Trustees. It is understood that the trustees intend to maintain a lease with a childcare provider who occupies part of the buildings

Consultees

In line with statutory procedures all interested bodies were formally consulted.

Background Papers

Letter from Chairman of Governors and Headteacher dated 20th October, 2004.

Letter from Director of Education dated 22nd October, 2004.

First public notice dated 11th November, 2004

Final public notice dated 30th December, 2004.



**St. Mary's of Hope
C.E. Primary School**

Head Teacher: Gail Richards B.A., P.G.C.E.

Wednesday, 20 October 2004

To All Parents/Guardians,

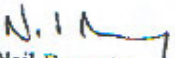
It is with much regret and sadness that we are writing to advise you that due to the continuous fall in pupil numbers we are proposing that our school is closed as soon as it is practicably possible.

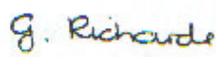
We are sorry that we have had to come to this decision but we do not believe that it is in the best interests of the children to continue with such low numbers in each year group. We hope parents will support us in coming to this decision.

We have notified the LEA of our decision and they will be writing to advise you of the closure procedure, which will begin with a 2 month period of consultation following a public announcement on the 4th November.

We will make every effort to ensure that this change is as painless as possible and that the children continue to receive a first class education during the interim period, with the move to a new school creating as least disruption as possible.

We plan to hold a meeting on Thursday 4th November at 3 p.m. in the school hall for all parents of current pupils at the school, a representative of the LEA will join us at 3.30 p.m. to answer any questions that you may have.


Neil Ramsay
Chair of Governors


Gail Richards
Head Teacher

Hope-under-Dinmore, Loominster, Herefordshire HR6 0PJ Tel: 01568 611713

Education

Director: Dr. E. Oram

Parent/Guardian of children living in the catchment
area of St Mary's of Hope CE Primary School

Your Ref:

Our Ref: EO/DLL

Please ask for: Dr Eddie Oram

Direct Line/Extension: (01432) 260801

Fax: (01432) 260808

E-mail: eoram@herefordshire.gov.uk

22nd October, 2004

Dear Parent/Guardian,

PROPOSED CLOSURE OF ST MARY'S OF HOPE CE PRIMARY SCHOOL

The parents of children attending St Mary's of Hope CE Primary School have this week received a letter from Mr N Ramsay, Chair of Governors, and Mrs G Richards, the Headteacher. In their letter, they made clear to parents that the Governing Body have concluded that, despite the school's very good work over several years, it would now be in the best interests of the children for the school to close permanently as soon as possible. In coming to their difficult decision, the Governors took into account the fact that there are currently just 12 children at the school.

In these circumstances, therefore, I need to let all local parents of primary aged children know that, in response to the school's assessment of the position, the Council will go forward with the formal processes for permanent closure of St Mary's CE Primary School within the current school year.

We are planning for the proposal to be published in the Hereford Times on Thursday, 4th November. From the same day, the public notice will be displayed at the school, on Parish Council noticeboards, and at Bodenham, St Michael's Primary School which is proposed as the designated alternative school for the St Mary's catchment area. St Michael's Primary School is proposed as the designated alternative school because it has sufficient places and has the same links as St Mary's with the Minster College. It is also proposed that, for families living in Hope-under-Dinmore catchment area, free transport would be available for any local children enrolled at Bodenham, St Michael's if they live more than 2 miles (children under 8) or 3 miles (children aged 8 and over) from that school.

You now have the opportunity to comment on, or object to, any aspect of the proposal. You should write to me by 30th December 2004, so that any representations, together with my comments, can be considered by the Herefordshire School Organisation Committee (SOC) during January 2005. The SOC is an independent body made up of six separate groups, including the Council and the Diocesan Education Board. The SOC has the power to decide whether or not the school should close. If the SOC is unable to reach agreement, then the decision would have to be taken by the Office of the National Adjudicator later in the summer term, after the adjudicator has considered the evidence.

This is clearly a sad occasion for everyone connected with the school, and the governors have reached their judgement reluctantly. The continuing problem for the school has always been its low numbers. The current level of 12 pupils, with no sign of recovery, is too low for the school to continue for long.

I hope this letter explains the position clearly, but please let me know if you need any further explanation or wish to comment.

Yours sincerely,

STATUTORY NOTICE OF A PROPOSAL TO DISCONTINUE A SCHOOL

NOTICE is hereby given, in accordance with section 29 of the School Standards and Framework Act 1998, that the County of Herefordshire District Council as Local Education Authority intend to discontinue St Mary's of Hope CE Primary School, Leominster, Herefordshire, HR6 OPJ, during the current school year. **[Explanatory Note 1 below]**.

It is proposed to provide for pupils, attending or living within the catchment area of St Mary's of Hope CE Primary School, at Bodenham, St. Michael's CE Primary School, Bodenham, Hereford HR1 3JU. Bodenham, St. Michael's has sufficient room to accommodate all pupils currently at St. Mary's of Hope CE Primary School or living within the area of Hope under Dinmore. The Council, therefore, has no proposals to increase the number of places at Bodenham St. Michael's. Parents may alternatively seek admission to any other school, that may have places available. **[Explanatory Note 2 below]**.

The proposed transport arrangements are for children living within the catchment area of St. Mary's of Hope CE Primary School to be offered appropriate free transport assistance for their journey to and from Bodenham, St Michael's CE Primary School each day, provided they live more than 2 miles (children under 8) or 3 miles (children 8 and over) from Bodenham, St. Michael's CE Primary School or have other relevant circumstances covered by the Authority's home to school transport policy. **[Explanatory Note 3 below]**.

Within two months after the date of publication of these proposals, any person may object to the proposals by sending their objection in writing to the Director of Education, The Herefordshire Council, PO Box 185, Hereford, HR4 9ZR. Within a month after the end of the objection period, the Herefordshire Council will send to the School Organisation Committee for the area copies of all objections made (and not withdrawn in writing) within the objection period, together with the Authority's observations on them.

Explanatory Notes.**Note 1**

St Mary's of Hope CE Primary School is a very small school with currently only 12 children on roll. The future of the school has been under consideration for a number of years. Recently, the Governing Body have concluded that, despite the school's very good work over several years, it would now be in the interests of the children for the school to close permanently as soon as possible. The Council have supported the governors' conclusion and have now authorised the issue of a public notice to discontinue the school within the current school year.

Note 2

If the proposal to discontinue the school is approved, particular attention will be given to the needs of the pupils who will transfer to other schools, and to the resourcing of the receiving schools for the additional pupils involved. The extra transport costs and the additional costs for the receiving school(s) will be the first call on the annual revenue resources released. All remaining resources released (estimated at £60,000 annually) will be added to the budgets of all other primary schools in the County.

Note 3

It is anticipated that transport will be in the form of a contracted vehicle or a public bus service, operating at suitable times on every day the school is in session. The provided transport will make stops before and after school to pick up/set down children at reasonable locations along its route. The stops will include Cherrybrook housing estate in Hope under Dinmore Village.

Mark Chamberlain

School Services Manager on behalf of Herefordshire Local Education Authority

Date: 11th November, 2004

**STATUTORY NOTICE OF A PROPOSAL
TO DISCONTINUE A SCHOOL**

NOTICE is hereby given, in accordance with section 29 of the School Standards and Framework Act 1998, that the County of Herefordshire District Council as Local Education Authority intend to discontinue St Mary's of Hope CE Primary School, Leominster, Herefordshire, HR6 OPJ, with effect from 24th March 2005.

The 11 pupils who were in attendance at St Mary's of Hope CE Primary School as at the 17th December 2004 have now accepted places (by parental preference) at a number of local schools. However, the LEA has determined that the catchment school for the St. Mary's of Hope area will be Bodenham, St. Michael's CE Primary School.

The children living within the catchment area of St. Mary's of Hope CE Primary School have been offered free transport assistance for their journey to and from Bodenham, St Michael's CE Primary School each day, provided they live more than 2 miles (children under 8) or 3 miles (children 8 and over) from Bodenham, St. Michael's CE Primary School.

Within 6 weeks after the date of publication of these proposals, any person may object to the proposals by sending their objection in writing to the School Services Manager, Herefordshire Council, PO Box 185, Hereford, HR4 9ZR. Within a month after the end of the objection period, the Herefordshire Council will send to the School Organisation Committee for the area copies of all comments and objections made (and not withdrawn in writing) within the Representation period, together with the Authority's observations on them.

Explanatory Note: This Notice replaces the one dated 11th November 2004 and sets out the final closing date for the School as being 24th March 2005.

Mark Chamberlain

School Services Manager on behalf of Herefordshire Local Education Authority

Date: 30th December 2004

Document is Restricted

