

AGENDA

Cabinet

Date: **Thursday 30 July 2009**

Time: **2.00 pm**

Place: **The Council Chamber, Brockington, 35 Hafod Road,
Hereford**

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

For any further information please contact:

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Agenda for the Meeting of the Cabinet

Membership

Chairman **Councillor RJ Phillips**
Vice-Chairman

Councillor LO Barnett
Councillor AJM Blackshaw
Councillor H Bramer
Councillor JP French
Councillor JA Hyde
Councillor JG Jarvis
Councillor PD Price
Councillor DB Wilcox

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AGENDA

		Pages
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 the Agenda.	
3.	MINUTES To approve and sign the minutes of the meeting held on 25 June 2009.	1 - 8
4.	SHARED SERVICES REVIEW To update Cabinet on the progress of the Shared Services Review being undertaken by Herefordshire Council, NHS Herefordshire and Herefordshire Hospitals NHS Trust.	9 - 14
5.	RESPONSE TO SCRUTINY REVIEW OF TOURISM To respond to the Community Services scrutiny review of tourism.	15 - 46
6.	CALL-IN OF CABINET DECISION ON THE ESG RETAIL QUARTER DEVELOPMENT AGREEMENT To consider the recommendations made by the Community Services scrutiny committee in relation to the call-in of the key decision on the ESG Retail Quarter Development Agreement.	47 - 50
7.	PROPOSALS TO BE SUBMITTED TO THE LGA SELECTOR UNDER THE SUSTAINABLE COMMUNITIES ACT 2007 To note the proposals put forward by Herefordshire citizens and organisations under the Sustainable Communities Act 2007, and approve the recommendations of the representative panel for submission to the Local Government Association (LGA) Selector.	51 - 58
8.	REGIONAL SPATIAL STRATEGY PHASE THREE - CONSULTATION To respond to the consultation on the West Midlands Regional Spatial Strategy – Options for Phase Three Revision.	59 - 78
9.	RESPONSE TO AUDIT COMMISSION AND ENVIRONMENT SCRUTINY COMMITTEE REPORTS ON THE PLANNING SERVICE To approve responses to the two reports.	79 - 188
10.	TREASURY MANAGEMENT ACTIVITIES 2008/09 To note the Council's treasury management activities for the period 1 April 2008 to 31 March 2009 and the outturn of prudential indicators for the year 2008/09.	189 - 204

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HEREFORDSHIRE COUNCIL

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HEREFORDSHIRE COUNCIL

MINUTES of the meeting of Cabinet held at The Council Chamber, Brockington, 35 Hafod Road, Hereford on Thursday 25 June 2009 at 2.00 pm

Present: Councillor RJ Phillips (Chairman)

Councillors: LO Barnett, AJM Blackshaw, H Bramer, JP French, JA Hyde, JG Jarvis, PD Price and DB Wilcox

In attendance: Councillors PA Andrews, WLS Bowen, PJ Edwards, TM James, JD Woodward and RI Matthews

1. APOLOGIES FOR ABSENCE

Apologies for absence were noted for Councillors: ACR Chappell, Labour Group Leader and GFM Dawe, Alliance Group Leader.

2. DECLARATIONS OF INTEREST

Councillor RJ Phillips and the Chief Executive declared personal interests in agenda item 8 : 'ESG Retail Quarter Development Agreement' as Members of the ESG Board.

Councillor RI Matthews declared a personal interest in agenda item 4: 'Smallholdings Estate Strategy Review'.

3. MINUTES

RESOLVED: That the Minutes of the meeting held on 4 June 2009 be approved as a correct record and signed by the Chairman.

4. SMALLHOLDINGS ESTATE STRATEGY REVIEW

The Cabinet Member Corporate Customer Services and Human Resources, Councillor JP French presented the report and drew Cabinet's attention to the key headline issues contained in the document which acknowledged the valued contribution to the local economy of the Council's smallholdings estate and the opportunities available to people to both enter into farming and progress to larger farms. It was clarified that the policy recommendations would pertain to the Council's smallholdings estate, with the exception of those managed on behalf of the Buchanan Trust. Members are asked to consider and agree; a Smallholdings Policy Framework and accompanying action plan, the creation of a £25,000 allocation (from existing rental income) to create a match funded enterprise development fund, and for Cabinet to receive an annual update on progress in delivering the action plan. Cabinet was reminded that a revised action plan had been circulated prior to the meeting which superseded that which had been included in the original agenda pack.

The Cabinet Member Corporate Customer Services and Human Resources advised Members that as part of the 2009/10 budget setting process, an additional £1.5million of capital expenditure had been made available at a rate of £500,000 per annum for improvements to the estate. As a result it would be important to demonstrate value for

money on such a significant investment. Currently the average rate of rental income remained static at £420,000 per annum with the Council averaging an outlay of £240,000 per annum on the day-to-day management, repair and maintenance of the estate. An additional capital spend of £200,000 had been made to cover the costs of upgrading electrical wiring on the estate. A further £900,000 of required maintenance had been identified via a five year rolling programme of conditions surveys, this included works required to meet the relevant Decent Homes standard.

The Cabinet Member advised Members that the requirement for a capital receipts target of £10million within 10 years (from April 2005), as included in the former smallholdings estate policy had been removed. Members were also informed that the current omission within corporate documentation of the positive contribution of the smallholdings estate to meeting council priorities would be rectified. The contribution of the Strategic Monitoring Committee Members and their comments which helped inform the review were acknowledged as were the meetings with tenants, Herefordshire Young Farmers and a visit to Staffordshire County Council.

Members were advised of the outline of the policy framework which had, at its core, a clear aim to assist people seeking a career in farming and to allow progression. Particular attention was drawn to the fact that the Council would only consider requests from tenants to sublet in exceptional circumstances and that consideration would be given to further six year renewals of tenancies subject to the meeting of a defined criteria. In relation to the rents of smallholdings, the levels would be reviewed regularly and compared solely against similar smallholding properties. The Cabinet was additionally advised that the policy framework outlined the necessity to consider surplus farm houses and farm buildings whilst maintaining productive agricultural land. In the event of disposal of surplus buildings, some land would be included for the provision of a garden.

In discussion Members were of the view that the smallholdings policy should emphasise the mixture of farming opportunities and not be too prescriptive on the nature of the farms, as the types of farming undertaken would be dependant on many factors, not least the economic environment.

The Chairman of the Strategic Monitoring Committee, Councillor PJ Edwards, commented positively on the smallholdings policy and was pleased that additional consultation had been undertaken, however he expressed disappointment that agricultural land had been disposed of prior to completion of the smallholdings review. For consistency and clarity, it was requested that the dual measurements of hectares and acres were used in the policy. The approach to starter and progression farms outlined in the policy was applauded, as this was considered a way of valuing local food, drink and produce. Councillor Edwards stated that the policy did not address possible integration of smallholdings and the possibilities of capitalising on such opportunities. This issue was noted by the Cabinet Member who stated that any changes to smallholdings would be monitored with opportunities assessed and, where appropriate grasped.

Responding to comments raised by Members, the Cabinet Member emphasised that any land which would accompany the disposal of surplus buildings would be adequate for a garden, it was not envisaged that larger parcels of land would accompany any disposal. Responding to a comment regarding the justification of retaining the Council's smallholdings estate, the Cabinet Member assured Members that the action plan outlined the need to investigate all options relating to the future management and tenancy options of the smallholdings estate, which would include consideration of full repairing tenancies.

Members strongly welcomed the policy's recognition that the smallholdings houses should comply with the relevant decent homes standard. The Cabinet Member stated that local members would be kept informed on the progress of the action plan.

RESOLVED That:

- (a) the Smallholdings Policy framework contained in the report be agreed subject to amended wording at para 63 to read: "the Council will maintain an appropriate mixture of farm opportunities";**
- (b) That the action plan be agreed (revised version circulated separately to the main report).**
- (c) The creation of a £25,000 allocation from existing rental income to create a match funded enterprise development fund be agreed; and**
- (d) Cabinet receives an annual update on progress in delivering the action plan.**

5. HEREFORDSHIRE UNITARY DEVELOPMENT PLAN 'SAVED' POLICIES

Members were advised that under the new planning arrangements the Council was continuing to establish its Local Development Framework (LDF), and that the Unitary Development Plan (UDP) formed part of the framework until it was replaced by other plan documents. As the replacement policies would not be adopted prior to the automatic expiration date of UDP policies, the Council would need to apply to the Secretary of State to retain any policies at least six months before the expiry date. In deciding which policies to save there was a need to demonstrate that the policies reflected the principles of local development frameworks and were consistent with current national policy; a series of six criteria were considered in forming this view.

In response to a question raised, the Planning Policy Manager advised Members that a saved policy would automatically save any accompanying supplementary planning documents.

RESOLVED that:

- (a) Cabinet recommends to Council to approve those policies and proposals within the Herefordshire Unitary Development Plan that the Council wish to be saved as set out in Appendix 1 of the report and those not to be saved as set out in Appendix 2 of the report beyond the expiry of the three-year saved period; and**
- (b) The Secretary of State's agreement be sought to issue a direction to this effect.**

6. PROCUREMENT STRATEGY 2009

Cabinet was reminded that a revised Procurement Strategy had been circulated prior to the meeting that superseded the version included in the original agenda pack.

The Cabinet Member Resources presented the report on the Procurement Strategy 2009 and informed Cabinet that this strategy was a departure from the previous year's approach as it reflected the importance of sustainable procurement and of the local sourcing of goods and services where possible. The strategy sought to reflect the collaborative approach developed with NHS Herefordshire to deliver efficiencies and reinforced the Council's commitment to achieving value for money which would be

further reflected in the Use of Resources assessment. Cabinet was advised that whilst local suppliers could not be favourably discriminated due to their location, the Council had developed a proactive approach to increase the awareness of local suppliers to opportunities to bid for Council contracts and business. This included an event which was attended by 40 medium and small local business which was co-facilitated by the Council, Business Link and the Chamber of Commerce and which assisted potential suppliers to understand the requirements when tendering for public sector contracts. To increase the potential opportunity for local bids, the Cabinet Member stated that it would be mandatory for all requirements of £5,000 or over to be published on the Council's web portal (located within the Council's website). Cabinet was advised of the inclusion of a new Forward Plan section in the updated strategy which outlined considerations of the impact to procurement systems and processes of organisational changes and efficiencies e.g. shared services agenda, Herefordshire Connects project. The need for appropriate staff training was emphasised and the Forward Plan reflected the training provided to core practitioners.

Responding to a query raised regarding the scope of the shared services agenda, the Leader stated that undertaking this work should strengthen the financial viability of public service provision in Herefordshire at a time of considerable pressures on all organisations within the public sector. It was confirmed that there was active dialogue with the County Hospital as it was a formal partner within the shared services partnership; other public sector organisations would be welcomed to consider joining in the approach in order to deliver greater efficiencies and maintaining a wide range of public services within Herefordshire.

The Chief Executive was encouraged to continue active lobbying with Government and others regarding the issue of contractual boundaries between public sector organisations and specifically between that of the NHS and local government procurement processes, in order that best value could be delivered from holistic contract procurement negotiations.

It was stated that as a greater emphasis was being placed, by OFSTED and the Department of Schools and Families, on schools to deliver value for money, schools should be strongly encouraged to use existing procurement arrangements (e.g West Mercia Supplies [WMS]) and increase their use of generic products. It was suggested that the Director of Resources and the Director of Children's Services issue a joint briefing note to schools on this issue which would emphasise the importance placed by the Department of Schools and Families on delivering value for money and the way that existing procurement arrangements would support schools in demonstrating this.

The issue of fair-trade was also highlighted and it was stated that WMS would be looking further at this issue.

Responding to a question raised regarding the availability of priorities and time lines relating to potential saving opportunities outlined in para 7.4.3 of the strategy, the Acting Head of Financial Services stated that this work was being overseen by the Herefordshire Connects Programme Board and was consolidating much information.

Responding to a comment regarding the need to reduce duplication through the maintenance of a corporate contracts register, the Cabinet Member Corporate, Customer Services and Human Resources stated that work to provide solutions to this issue was underway. The Leader emphasised, in response to a comment regarding the possible limitations of the Hospital for joint purchasing, that the shared services project's focus was entirely on back office and administrative functions which would be of benefit to all partners.

It was suggested by Cabinet that the Herefordshire Connects benefits realisation process be considered as a possible issue for the scrutiny function.

Whilst welcoming the support provided to local suppliers, a member in attendance requested that consideration be given to minimising bureaucracy within the procurement processes and illustrated an example of where a local supplier did not progress with a contract due to the bureaucratic procurement process.

RESOLVED That:

- a) **the updated Procurement Strategy be approved subject to additional wording at para 7.8.9 to read: "... to ensure schools are aware of the need to deliver value for money opportunities which arise from the procurement strategy"; and**
- b) the Strategy's emphasis on sustainability be noted.

7. REVIEW OF ASSET MANAGEMENT AND PROPERTY SERVICES

The Cabinet Member for Resources provided Members with an update on the Review of Asset Management and Property Services (AMPS) which had been recently undertaken. It was stated that the original timescale for completion of the review had been extended from March 2009 to provide the newly appointed Director of Resources the opportunity to consider the review in full. Cabinet were informed of two factors which would have significant implications for the AMPS; the Comprehensive Area Assessment and the contribution of the AMPS to the Use of Resources assessment (specifically in relation to the management of its assets), and the shared services project which would provide a healthy challenge in delivery of services.

The Director of Resources thanked officers for their detailed work on the review and advised Cabinet that in relation to benchmarking data the property management satisfaction indicators currently rated the service in the top 10% of local authorities in the group. He stated that there was a need to consider the potential implications and opportunities of the Quirk Review which looked at Community Management and Ownership of Assets, as had been recently demonstrated with the progression of the transfer of Grange Court to a local development trust. The Director of Resources emphasised the potential future impact of the shared services agenda on the AMPS.

Responding to a query raised, the Director of Resources stated that the Carbon Reduction Commitment was a mandatory legally binding climate change and energy saving scheme which would come into effect from April 2010, however further guidance was currently awaited from Government. He stated that this Commitment may have an impact on the Council.

RESOLVED that:

- (a) **the contents of the report be noted.**
- (b) **Cabinet agreed that, pending the outcome of the work on Shared Services, the Asset Management and Property Services Division continues to explore service improvements.**

8. ESG RETAIL QUARTER DEVELOPMENT AGREEMENT

The Cabinet Member Economic Development and Community Services presented the report on the ESG Retail Quarter Development Agreement. Members were provided

with a summary of the detail provided in the report, of which the following points were highlighted:

- The signing of the Development Agreement would tie both Herefordshire Council and Stanhope into the development process and would provide greater certainty for the progress of the mixed-use scheme within a structured timeframe.
- The current Herefordshire UDP and the ESG SDP identified that the entire Retail Quarter site be considered for re-development as a mixed use site.
- Of the land outlined for the Retail Quarter, the Council's ownership amounted to approximately four hectares.
- Stanhope had been in negotiations with Herefordshire Council, ESG Herefordshire LTD and AWM with regard to; the final development mix, the designs for the site and over detailed financial considerations. During this time (15 months), the economy had deteriorated and the terms of the Development Agreement had been amended to reflect the requirements of both principal parties. These amendments included the consideration of a phased approach in order to deliver the retail development part of the project on a staged basis.
- Following negotiations, and subject to Cabinet approval to the recommendations within the report, it was anticipated that the Development Agreement would be in a position to be signed shortly and would comprise the following elements:
 - Development Agreement with around 20 appendices and over 10 schedules;
 - CPO Indemnity Agreement (to be concluded at a later date following agreement of the phased scheme); and
 - 250 year Head Lease (this would not be granted to Stanhope until the scheme has been practically completed)
- The infrastructure for the development programme would consist principally of: off-site flood mitigation, the Link Road, on –site flood alleviation and re-alignment of Widemarsh Brook, and the new livestock market construction. The major development projects to support the wider ESG programme would include the individual development projects of the Retail Quarter, Urban Village, Transport Hub and New Area.
- In relation to funding arrangements, the Development Programme identified elements of the redevelopment which were unfinanced by either Herefordshire Council or AWM. Discussions were being held between the Council, ESG Herefordshire Ltd, and the Homes and Communities Agency (HCA) regarding the HCA providing appropriate financial contribution.
- Further benefits of the wider scheme, both economic and social were outlined, these included a multi-screen cinema, restaurants, car parking, high quality pedestrianised streets (together with substantial improvements to current provision) and a department store. Members were advised that Ben Hamilton Baillie had been retained to ensure that the design would join together both the old and new parts of the city to ensure a single city centre.
- Members attention was drawn to the legal, financial and risk management considerations as contained in the report.

The Leader advised Members that a recommendation to Cabinet was to approve the Development Agreement as negotiated to date, and that this included recognition of the proposed phased approach whilst retaining the integrity of the overall scheme. Cabinet were reminded of the preconditions needed to be satisfied by the end of the conditionality agreement, which included the condition relating to the livestock market

relocation. The Leader emphasised the importance of the ESG development for Herefordshire and stated that the City should aspire to the great potential it had to offer as a vibrant retail centre, however this vision was not deliverable within the existing retail footprint. The City Centre should positively embrace the complementary vision of independent stores and major signature retailers, and the development of the Retail Quarter provided a window of opportunity which was partly funded by other public sector financing. The Leader expressed concern regarding the possible detrimental consequences should the opportunities as currently presented not be grasped and delivered.

Responding to a comment regarding concerns that the development of the Retail Quarter fell outside the curtilage of the existing area, and the possible detrimental effect to established retail outlets, the Cabinet Member Economic Development and Community Services emphasised the point that the current retail footprint was not appropriate to support the mix of national brands and independent stores which were being sought. Members were advised that the City Centre was currently heavily dependent on value led stores.

The Cabinet Member Economic Development and Community Services, responding to a query regarding the designs undertaken by Ben Hamilton Baillie, advised Members that together with the Cabinet Member Highways and Transportation, he had met with Mr Hamilton-Baillie and considered the initial draft on the Hereford Streetscape Design Strategy, which the Cabinet Member considered to be a consummate piece of work and which crucially considered commonality of design and identity of the street scape within Hereford.

Following consideration during the confidential session of the restricted appendices which outlined as Synopsis of the Retail Quarter Development Agreement and the ESG Programme Finance, Cabinet agreed the following recommendations.

RESOLVED That:

- (a) The substantive terms of the Development Agreement so far negotiated as described in the report be approved; and that**
- (b) Approval be given for negotiations to be finalised on the basis of those substantive terms and for the finalised Development Agreement to signed under the authority of the Director of Regeneration.**

The meeting ended at 3.45 pm

CHAIRMAN



MEETING:	CABINET
DATE:	30 JULY 2009
TITLE OF REPORT:	SHARED SERVICES REVIEW
PORTFOLIO AREA:	CORPORATE AND CUSTOMER SERVICES AND HUMAN RESOURCES

CLASSIFICATION: Open

Wards Affected

County-wide

Purpose

To update Cabinet on the progress of the Shared Services Review, being undertaken by Herefordshire Council, NHS Herefordshire and Herefordshire Hospitals NHS Trust.

Key Decision

This is not a Key Decision.

Recommendation

THAT progress to date be noted.

Key Points Summary

- A joint Programme Board (HC, PCT and HHT) was formed in May 2008 to review potential approaches to and opportunities for the greater sharing of common support services.
- The Programme Board recommended an approach for the development of a shared services strategy for the wider partnership of Herefordshire Council, NHS Herefordshire and Herefordshire Hospitals NHS Trust; and that a specialist independent advisor be secured to support this work.
- PA Consulting were selected through a West Midland Improvement & Efficiency Partnership (WMIEP) recommended framework procurement process in April 2009. WMIEP have also provided financial support for the review.
- The work commenced in May 2009 and is scheduled for completion over the next three months, with the key outputs of an option assessment and business case.

Further information on the subject of this report is available from Annie Faulder, Interim Deputy Chief Executive on Tel: (01432) 260037

Alternative Options

- 1 The purpose of the review is to identify options.

Reasons for Recommendations

- 2 To ensure Cabinet is informed of progress.

Introduction and Background

- 3 The scope of this work is the production of a shared services strategy for these public service partners. This will include a full assessment of the delivery options for shared services together with an accompanying benefits assessment and a programme plan for the next stages of the work.

Key Considerations

Context

- 4 A number of key public service drivers underpin the review, these include:
 - i. Making local public services more joined up, customer focused and responsive, so that they are easier to understand and access
 - ii. Maintaining a strong sense of place for Herefordshire
 - iii. Consideration of the likely outcomes of the Public Sector Finance settlement and need to secure efficiencies and provide value for money
 - iv. Increasing the quality of service against a background of increasing demand for many front line services.
- 5 Governance of the shared services is through a programme board with senior representation across the partnership.

Background

- 6 A Shared Services Programme Board with representation from Herefordshire Council, NHS Herefordshire (PCT) and Hereford Hospitals NHS Trust (HHT) was established in May 2008. A working paper was produced that described a proposed approach for developing a shared services strategy. The paper went on to detail the work carried out to date across the partnership, identifying service areas that have potential for sharing and outlined a road map for the remainder of the programme.
- 7 It was agreed that an independent advisor with expertise in shared services be identified to complete the development of the Shared Services Strategy. It was essential that the supplier had a breadth of expertise across Local Government, Health and the Private Sector, together with a track record of delivering benefits. The evaluation panel, made-up of senior officers from the partnership, determined that the best quality proposal came from the PA Consulting Group. It is an independent, employee-owned global group of 3,000 people with a strong track record in delivering shared services in the public sector.
- 8 This work commenced in May 2009 and is scheduled for completion over the next three

months, with the key outputs of an option assessment and business case for Cabinet consideration late September/early October. The work is being led by PA Consulting with a strong supporting team drawn from across the partnership. The outline timetable is illustrated below:

Three month study - key deliverables

Month 1	Month 2	Month 3
<ul style="list-style-type: none"> • Integrated programme team • Baseline data collated/verified • Performance benchmarks • As-is baseline 	<ul style="list-style-type: none"> • Service analysis • Developing shared service models • Change assessment 	<ul style="list-style-type: none"> • Agreed business case • Programme implementation plan • Procurement plan (dependent on option)

Current Position

- 9 The work is progressing well with progress to date including:
- i. Completion of data gathering, data validation and establishing the 'as is' baseline on service scope, costs, staffing levels (full time equivalent's) and performance benchmarks.
 - ii. Completion of the detailed service analysis, options appraisal and market analysis of shared services models.
 - iii. Commencement of the business case, associated programme implementation plan and consideration of procurement approaches.
- 10 The innovative nature of Herefordshire's approach has been recognised in the region with funding support of £175,000 being provided by the WMIEP; WMIEP is also represented on the Programme Board and is playing an active role as 'critical friend'.
- 11 A stakeholder and communications management plan has been developed. This process began with a workshop on Shared Services held during November 2008 involving Cabinet and NHS Herefordshire Non-Executive Directors. This activity has been stepped-up across all key stakeholder groups and includes:
- i. *Staff* – regular staff briefings, updates in Team Talk and First Press and a full website. The website, accessible to staff in all three organisations,

explains the principles behind the shared services programme, as well as the timescales, news updates, frequently asked questions and provides an opportunity for staff to raise ideas or comments or even check any rumours they may have heard, with the programme team. The interim deputy chief executive has commenced a number of lunchtime sessions to promote dialogue with Council and NHS Herefordshire staff, with HHT undertaking their own arrangements.

- ii. *Trade Unions* – In conjunction with updates through the Joint Consultative Forum (JCF) and Staff Partnership Board, scheduled briefings have already been held (first session held 1st June, 2009), with further briefings scheduled for July, August and September.
- iii. *Members, Non-Executive Directors* – Updates through members' newsletter, political group briefings and Service Updates.

- 12 There are a number of key dependencies for the Shared Services programme, including; Herefordshire Connects, the Accommodation and Asset Management Strategy, World Class Commissioning and the Comprehensive Area Assessment.

Community Impact

- 13 N/A.

Financial Implications

- 14 WMIEP have allocated £175,000 to Herefordshire Council for this work. A further £25,000 is being funded from Council and NHS Herefordshire budgets. Staff costs are being met from existing staff budgets.

Legal Implications

- 15 These will be assessed as part of the options appraisal. The procurement plan in particular will need to be formulated with regard to the law on procurement and contracts, as well as any applicable legal provision relating to the governance of local authorities and NHS bodies

Risk Management

- 16 A full risk analysis has been undertaken and is subject to regular review. Current risks and mitigations include:
- a. *Ineffective Programme Governance* - Strong leadership and sponsorship from the JMT, Herefordshire Hospitals Trust and the Programme Board will ensure that there is effective governance for the programme.
 - b. *Lack of alignment between this work and other major initiatives* - Whilst there may be some different strategic drivers for each other programmes of work such as the Accommodation Strategy and Herefordshire Connects, the shared services strategy will clearly set out individual purpose statements as well as where there are overlaps with other initiatives.

- c. *Risk of the review having a negative impact on staff morale* - This will be mitigated by a comprehensive communication strategy recognising the needs of staff and Trade Unions.
- d. *Return on Investment (risk that the business case does not justify the investment)* - This will be mitigated by the regular review of the business case to regularly test that it is viable.

Consultees

- 17 Consultations have commenced and will continue to take place during the Shared Service Review with members, directors, heads of service, service managers, staff, non-executive directors (Health) and partners. An action plan, which is updated monthly, outlines how each stakeholder group will be informed and engaged in the process.

Appendices

None.

Background Papers

- None identified.

MEETING:	CABINET
DATE:	30 JULY 2009
TITLE OF REPORT:	RESPONSE TO SCRUTINY REVIEW OF TOURISM
PORTFOLIO AREA:	ECONOMIC DEVELOPMENT AND COMMUNITY SERVICES

CLASSIFICATION: Open

Wards Affected

County-wide

Purpose

To respond to the Community Services scrutiny review of tourism.

Key Decision

This is not a Key Decision.

Recommendation

THAT the response to the 14 recommendations (see Appendix 1) be agreed.

Key Points Summary

- The Cabinet Member for Economic Development has considered the recommendations contained in the report of 18 April 2008.
- The Cabinet Member's response to each recommendation is set out in Appendix 1.

Alternative Options

- 1 That the original recommendations are accepted in full. This would, however, in one case conflict with existing Council policy and in another lead to overspend on budget.

Reasons for Recommendations

- 2 To ensure the continued provision of a high quality tourism service in Herefordshire.

Further information on the subject of this report is available from Michael Hainge, Director of Environment & Culture on Tel: (01432) 260041

Introduction and Background

- 3 Community Services Scrutiny brought forward a report reviewing tourism services in Herefordshire on 18 April 2008. Since that time the Cabinet Member and the Directors of Environment & Culture and Regeneration have considered the report's findings. The considerable delay in the executive responding to the report arose over the transfer of responsibilities between directorates for the tourism function, for which the author apologises.

Key Considerations

- 4 That tourism services continue to be offered in a variety of forms across the county in a manner that is affordable, flexible and make the most of shared accommodation and services such as info shops and libraries.

Community Impact

- 5 Tourism plays a vital role in the economic life of the county. Tourism services play a key role in promoting the county as a destination and in supporting tourism related businesses.

Financial Implications

- 6 All costs must be met from within existing budgets.

Legal Implications

- 7 None

Risk Management

- 8 Failure to provide effective tourism services would impact on the economic life of the county. The Executive's response to the recommendations made by Scrutiny seeks to balance this against finite budgets and existing policy.

Consultees

- 9 None

Appendices

- 10 **Appendix 1 Recommendations arising from Scrutiny review of Tourism**
Appendix 2 Scrutiny Review of Tourism

Background Papers

- None identified

Appendix 1 Recommendations arising from Scrutiny Review of Tourism

Recommendation No. 1	Continue to provide TIC's at or close to the main centres' of tourist activity in the County, notwithstanding reductions and changes in patterns of use. Utilisation and effectiveness to continue to be monitored via footfall and cost per visitor data.				
Executive's Response	Accept the recommendation in principle				
Action	Owner	By When	Target/Success Criteria	Progress	
TIC stake holder day to review the work of the TIC's	Tourism Food & Marketing Manager	June 2009	An understanding of what is required from a TIC Service.	Meeting arranged for 23 rd June.	
Annual review of footfall and cost per visitor data	Visitor & Promotions Officer	December 2009	Increased usage or enquiries via the TIC.		

Recommendation No. 2	Retain direct control over tourism information services. Never combine the functions of a TIC with those of an 'Info in Herefordshire' office.				
Executive's Response	Do not accept this recommendation as there is a Corporate agreement to combine services where possible.				
Action	Owner	By When	Target/Success Criteria	Progress	

Recommendation No. 3	Meet the challenges posed by rising expectations and modern means of communication, and the drive for greater VFM, with a new 'hub and spoke' structure for the delivery of tourist information.				
Executive's Response	Accept in principle				
Action	Owner	By When	Target/Success Criteria	Progress	
Investigate via the TIC review/	Tourism Food & Marketing Manager	September 2009	Develop new methods of accessing information and cost savings attributed to one central hub.		

Recommendation No. 4 & 5	<p>Establish a central hub, co-located with a principal TIC, staffed by 2.25 fte staff plus the TIC supervisor. Its functions to comprise:</p> <p>a. Centralised handling of tourism enquiries providing higher standards of promptness, comprehensiveness and professionalism.</p> <p>b. A centralised facility for the maintenance and provision of brochures etc relating to destinations beyond the County boundary, thus facilitating the updating of this information whilst eradicating multiple holdings and, most importantly, freeing valuable storage and display space at the TICs.</p> <p>c. The potential for centralisation of some peripheral TIC functions such as accommodation, bus and theatre bookings.</p>				
Executive's Response	Accept in principle.				
Action		Owner	By When	Target/Success Criteria	Progress
Identify a location that could work as a central TIC.		Tourism Food & Marketing Manager	February 2010	One central hub will support all Tourist Information Centres in the county.	Alternative locations for TIC in Ross on Wye being investigated but no final decision made to date.

Recommendation No. 6	Bromyard Centre to become a TIP with better internal and external signage, a more obvious telephone for enquiries and, as a trial the installation of window mounted touch-screen information facility.				
Executive's Response	Accept in Principle				
Action		Owner	By When	Target/Success Criteria	Progress
Telephone linked to Ross Tourist Information Centre for accommodation bookings		Visitor & Promotions Officer	completed	Easy access for visitors to book accommodation.	Telephone link installed and working effectively
Display Cabinet for the sale of gifts to enhance the offer		Visitor & Promotions Officer	completed		Sales increased at the centre and more opportunity to display

					local crafts and goods.
Monthly SLA review to ensure that there is a full understanding of the requirements of all partners. Signage being investigated	Visitor & Promotions Officer	On going			Improved working relationships with all partners. Meeting has been held to look at the signage.
Staff visits are more frequent from other centres but there is not one dedicated member of staff for the centre.	Visitor & Promotions Officer				Volunteers are working well in the centre but there is an issue with not having the one member of tourism staff .

Recommendation No. 7	Enable the Kington TIC to remain in its present location and refurbish the building's fabric and decoration providing this can be done from within existing budgets.				
Executive's Response	Accept the recommendations as it reinforces the sense of place. This would be subject to acceptance by Property Services who are currently reviewing the use of Council owned buildings.				
Action	Owner	By When	Target/Success Criteria	Progress	
Liaise with Property Services regarding the lease of the building being transferred to Kington Tourist Association at a peppercorn rent and that all the necessary decoration works are undertaken.	Tourism Food & Marketing Manager	October 2009	That Kington TIC have a permanent venue for their centre.		

Recommendation No. 8	Complement each of the other 'spoke' TICs with 2.5fte paid staff plus any available volunteers.				
Executive's Response	Do not accept due to budget restrictions. The TIC review will identify all staffing requirements for the centres.				
Action	Owner	By When	Target/Success Criteria	Progress	

Recommendation No. 9	Move Hereford TIC from its current location to new and less costly premises as close as possible to the historic city centre.				
Executive's Response	Accept in principle subject to property services being able to reassign the lease and that the appropriate savings can be achieved.				
Action	Owner	By When	Target/Success Criteria	Progress	
Undertake a review of alternative sites for a TIC in the city.	Tourism Food & Marketing Manager	September 2009	Alternative site located.		
Negotiate a termination or reassignment of the lease.	Tourism Food & Marketing Manager	December 2009	Cost savings achieved.		

Recommendation No. 10	Find alternative accommodation for Leominster TIC in a central location as soon as possible.				
Executive's Response	Accept in principle.				
Action	Owner	By When	Target/Success Criteria	Progress	
Investigate alternative locations within the Market town/	Tourism Food & Marketing Manager			Alternative locations reviewed include, the library, Grange Court and the Bus Station. All premises could be suitable but all would require significant capital expenditure.	

Recommendation No. 11	Agree with Visit Herefordshire that the latter will take the lead in all aspects of the marketing of tourism in and to the County.				
Executive's Response	Accept				
Action	Owner	By When	Target/Success Criteria	Progress	

Visit Herefordshire undertake all of the marketing activity on behalf of Herefordshire	Tourism Food & Marketing Manager	Achieved.	A number of successful campaigns have been undertaken with the value of tourism increasing to £410 million.
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Recommendation 12	Explore with Visit Herefordshire how best to develop and improve the linkages between marketing information.		
Executive's Response	Accept		
Action	Owner	By When	Target/Success Criteria
Review of literature published to ensure value for money and relevance.	Tourism Food & Marketing Manager	Achieved	Reduced number of publications.
			Progress

Recommendation 13	Seek to make improvements to the contents, user-friendliness and updating of the Web site.		
Executive's Response	Accept		
Action	Owner	By When	Target/Success Criteria
Improved front page of the web site with links to the events with special themed banners for the different seasons.	Visitor Links Co-ordination Officer	Completed	Front page has a fresh look easier to read and link through.
Improving search optimisation for each page of the web site resulting in more hits to the web site.	Visitor Links Co-ordination Officer	On going	Additional hits to the web site.
Request a booking of accommodation has increased the number of bookings via the web site and increased e shop to enable	Visitor Links Co-ordination	Completed	More bookings for accommodation via the web site.
			Progress

more tickets for events to be sold.	Officer	Completed	Focused view on the web site for food and drink producers.	
Established an area for food and drink businesses thereby	Visitor Links Co-ordination Officer	Completed		
Added travel Buddy to enable people to connect to the data via their mobile phones.	Visitor Links Co-ordination Officer	Completed	Using new technology to improve access to the range of activities, events and accommodation in the county.	

Recommendation 14	The proposal for a hub and spoke structure should be monitored closely and a review and report prepared after the first year of operation.			
Executive's Response	Accept as per recommendations 4 and 5 above.			
Action	Owner	By When	Target/Success Criteria	Progress
Report when arrangements have been completed.	Tourism Food & Marketing Manager	December 2010.		

Review of Tourism with Specific Reference to Tourist Information Centres

**Report by the Tourism
Review Group
February 2008**

**For presentation to the Community
Services Scrutiny Committee on
-18 April 2008**

...**Putting** people first
...**Promoting** our county
...**Providing** for our communities
...**Protecting** our future

Quality life in a quality county

Community Services Scrutiny Committee

Review of Tourism With Specific Reference to Tourist Information Centres

1. Introduction

1.1 At its meeting on 20th December 2006, the Community Services Scrutiny Committee resolved to add a review of tourism to its work programme. The review was to focus on how tourism is managed in the County with particular reference to the operation of the Tourist Information Centres (TICs). However, the committee agreed to delay the review until the new Destination Management Partnership (DMP) had become more fully established.

1.2 In May 2007, an Audit Commission inspection report on the Council's Cultural Services included the following:

1.2.1 The Council does not always know the extent to which its initiatives to promote access in Cultural Services are effective, local indicators and performance measures being insufficiently developed;

1.2.2 Value for money (VFM) was not fully integrated into the delivery of Cultural Services;

1.2.3 Accordingly the Council should institute a means of measuring the effectiveness of tourism

1.3 In response to this report, the Council adopted an Action Plan which included examination of the cost of TICs, linked to the Scrutiny Review of Tourism and a potential remodelling of TICs.

1.4 The scoping statement for the Scrutiny Review (Annex 1), including terms of reference, was approved by the Community Services Scrutiny Committee at its meeting on 2nd July 2007. It was agreed that the Review Group would comprise five Members: Councillor TM James (Chairman); Councillor MAF Hubbard; Councillor B Hunt; Councillor PM Morgan and Councillor RH Smith.

1.5 The review was undertaken between 4th September and 17th January 2008. This report summarises its findings concluding with its recommendations to the Community Services Scrutiny Committee and Cabinet.

1.6 The Review Group would like to express its thanks to the many people who have presented verbal evidence to the Review Group, the providers who responded to the survey questionnaire and those who have provided further information and/or data analysis as required.

2. Method of Gathering Information

2.1 The Review Group agreed a calendar of meetings in order to collect the evidence to complete the review. Evidence that was considered included the following:

2.1.1 Face to face interviews. A series of interviews took place with key local and regional tourism representatives, tourism providers in the County, representatives of the DMP and relevant Council officers. The list of interviewees is at Annex 2. Members of the Review Group proposed and agreed questions for each of the interviewees

based on the issues raised in the scoping statement and linked to the key outcomes of the review.

2.1.2 Survey questionnaire. The Review Group was anxious to gather as many views as possible in relation to tourism in the County. In consultation with the Council's Research Section a brief questionnaire (Annex 3) was devised and distributed to approximately 1,500 tourism providers in Herefordshire in the quarterly newsletter distributed on 22nd October 2007. A total of 63 completed questionnaires were returned. The Review Group accepted that no conclusions could be drawn from such a small percentage return. Nevertheless the completed returns provided some interesting comments which have been passed to the DMP and officers.

2.1.3 Visits to local and neighbouring TICs. Members of the Review Group were already acquainted with the majority of the County's TICs. In order to ascertain at first hand what the County was offering in terms of the other TICs, individuals from the Review Group paid visits to the Bromyard, Kington and Leominster offices; for comparison purposes, members also visited Ludlow TIC and the award winning Shrewsbury TIC in Shropshire.

2.1.4 Financial details. The Directorate budget is required to reduce by 5% (£0.5M) over the next three years, but the scrutiny review was neither cost-driven nor required to deliver specified savings. Instead, it was tasked to identify realistic improvements in cost-effectiveness and hence VFM.

2.1.5 Written Evidence. The Review Group considered a wealth of written evidence to assist their deliberations including relevant local and regional strategies, best practice information and comparison information.

3. Tourism: the Wider Picture

3.1 Drawing upon an invaluable assessment of the future of tourist information services in England and the Region¹, which confirmed the continuing need for local TICs but also underlined the importance of an effective system for handling telephone and e-mail enquiries, the Review Group had the benefit of a long discussion with the Cluster Manager, Tourism West Midlands.

3.2 He provided a copy of an assessment of issues facing TICs in the Heart of England region and confirmed the following broad themes:

3.2.1 Visitors are increasingly doing their research and booking before arrival and therefore are less likely to use a TIC. However, the recent decline in numbers of visits to TICs ("footfall") does not invalidate the TIC model and appears to be stabilising;

3.2.2 Accommodation bookings through TICs are decreasing, as are visitor numbers generally;

3.2.3 Customers now consulting a TIC expect more detailed and more authoritative information extending for example to dietary issues and disabled access;

3.2.4 Tourism service providers need to focus upon the provision and updating of web site information, with links to attractions, destinations and supporting services. TIC staffs need to be able to respond promptly, effectively and comprehensively to telephone and e-mail enquiries;

¹ Source: Tourist Information in England, A National Partnership: Visit Britain February 2007 and West Midlands Tourist Information Study, Part 1, 2005

3.2.5 Herefordshire had done well to establish the Destination Management Partnership (DMP), which was well-regarded;

3.2.6 Tourism West Midlands were in the process of developing key performance indicators to measure tourism volume and value throughout the region. Data collection was scheduled to start in December 2007

3.2.7 Council officers are currently working on similar performance indicators based on the Cambridge Economic Impact Assessment model 2004. The annual Visitor Economic Impact study is well established and gives the Council an insight into the effectiveness of its initiatives to improve tourism services.

4. The Value of Tourism in Herefordshire

4.1 The tourism industry in Herefordshire is worth £291 million to the economy of the County². The industry is primarily made up of small/medium size operators who between them employ approximately 6,000 people in the County.

4.2 The Councils current budget for tourism services is summarised at Annex 4. Relating these data to the value of tourism in the County, the Review Group concluded that current expenditure was both moderate and justified.

5. Previous Management of Tourism in Herefordshire

5.1 The erstwhile County tourist association - the Association for the Promotion of Herefordshire (APH) - and Herefordshire Council's tourism team had historically provided the tourism service jointly. This partnership enabled the private and public sectors to work together to obtain funding to assist in delivering the best possible tourism service in the County. APH published the main County tourism guide and Herefordshire Council undertook all the marketing activity, promoted and distributed the guide, operated the tourist information centres and developed the tourism product in the County.

5.2 In 2002 a bid for European Funding was successful and Herefordshire Tourism, in partnership with APH, delivered a £1.3 million tourism project until March 2005. This project included the identification of new markets to promote the County; re-branding as a 'Green Sustainable and Active County'; developing specific products e.g. walking with a Walking Festival; food tourism with the Flavours of Herefordshire scheme; and the conference, travel trade and international markets. The funding also enabled the partnership to offer training and business support to the operators in the County by providing funding and up to date research on trends and marketing opportunities.

6. The Destination Management Partnership – Visit Herefordshire

6.1 In 2004, Advantage West Midlands launched a Visitor Economy Strategy which suggested that each sub region of the West Midlands should set up a formal Destination Management Partnership (DMP). This was in essence already being done in Herefordshire but there was no formal Board of Directors and Service Level Agreement with the Council. During the following 18 months a consultation process was entered into with all of the tourism operators in the County to find out whether they would be prepared to work with such a partnership and in March 2006 the new DMP, 'Visit Herefordshire' was launched.

6.2 The Visit Herefordshire Board has 15 members: 7 from the private sector, all nominated and elected by the different sectors, and 7 from the public sector nominated by Herefordshire Council and including 2 Councillors plus representatives from The National

Trust, English Heritage, Farming Union, Community Sector and the Chamber of Commerce. There is an independent chair of the Board who is neither Councillor nor a current tourism operator.

6.3 During the first year the Board has been involved in a number of projects including:

6.3.1 Production of the main visitor guides;

6.3.2 Development of a membership organisation;

6.3.4 Fund raising through sponsorship and grant aid – in 2006 a grant of £30k was received from AWM for a 'Green Herefordshire' project and £60k from Leader + for the Food Festival and Flavours of Herefordshire;

6.3.5 Product Development including the cider route; Green Tourism Awards; Food Festival and Walking Festival;

6.3.6 Marketing activity both domestic and overseas raising the profile of the County; and,

6.3.7 Cross County marketing with the Forest of Dean and Shropshire.

6.4 In financial terms Herefordshire Council contributes £106,000 into the budget of the DMP together with staff costs for 4 full time and 2 part time officers together with office costs. The income generated through membership and advertising in 2007/8 amounted to £105,000 from the private sector. Council officers work in close liaison with the DMP and this should continue.

6.5 The Chairman, Visit Herefordshire, was content with the DMP's progress to date and felt that marketing was going in the right direction. The Review Group agreed. Membership of VH was currently 340 and expected to rise to about 500 in due course.

6.6 The Scrutiny Review Group noted the possibility of further integrating the Council's delivery of tourism services into the DMP structure. The Review Group came to the view that whereas marketing could and should be primarily a matter for the DMP, financial and logistical factors as well as public accountability required the management and delivery of TIC services to remain under the Council's direct control. However, close contact should continue between the DMP and the Council's Cultural Services officers.

6.7 Discussions with a variety of tourism providers suggested that there was scope for yet closer coordination of marketing in general and for more finely focused concentration on specific destinations, attractions and services.

6.8 The Review Group saw three broad categories for marketing priorities and budgets:

6.8.1 Destinations: e.g. the Cathedral, Hereford City, Queenswood Country Park, the Market Towns, the Marches, the Black and White Village Trail, historic churches and castles.

6.8.2 Activities and Interests: e.g. the University of the Great Outdoors; food and drink; The Three Choirs Festival; Edward Elgar; Herefordshire's twinned towns and city; established local events e.g. Bromyard Folk Festival, Ledbury Poetry Festival; green/sustainable tourism, and myths and legends.

² Source: 2007 Visitor Economy Survey

6.8.3 Supporting Services: parking and coach access e.g. to the cathedral; signage and signposting; fully-serviced public toilets (at a price); touch-sensitive window units for

TICs. The policing of town centres in the evening is another issue.

6.9 The Council should discuss with the DMP a joint approach to developing and improving linkages between marketing information, the TICs and their respective local attractions including supporting services such as pubs, hotels, B&Bs, restaurants, clubs and societies.

6.10 The existing Web site(s) should be developed by the DMP so that each TIC has its own area with links to local and County attractions (including the cathedral, the Courtyard Centre for the Arts, Halo, cinemas and Flicks in the Sticks) together with local lists – updated monthly and with a print friendly facility – of what's on, eating out, and what to do on a wet day. Web sites should include improved provision for the visually impaired and incorporate international-standard facilities for alternative language selection, including Polish, Russian and Portuguese.

7. Tourist Information Centres

7.1 In addition to the funding for marketing and product activity, Herefordshire Council funds and operates Tourist Information Centres in Hereford; Ledbury; Leominster; Ross on Wye; Queenswood Country Park (Dinmore) and in a joint facility in Bromyard. The Tourist Information Centres currently open all year, with the exception of Dinmore TIC which closes from late December to March. Kington has a part time TIC in an ideal location, which is run by local volunteers and operates from a building owned by Herefordshire Council. Detailed financial data on the TICs in Herefordshire are at Annex 5; at Annex 6 is a list of the Council officers involved in the delivery of tourism services; and footfall trends are illustrated at Annex 7.

7.2 The Review Group takes the view that although a TIC is another public face of the Council, it is not the same as the 'Info in Herefordshire' concept. Where it may be practicable, the two might with advantage be co-located but they should not be combined, the TIC should invariably be staffed by appropriate specialists.

7.3 The Review Group was impressed by the evident enthusiasm and expertise of the TIC staffs, including two supervisors who provided invaluable insights. Premises were generally bright, well laid out and attractive if sometimes somewhat cluttered, not least with brochures etc relating to destinations beyond the County boundary. The Review Group believed the performance of the TICs to be very good.

7.4 The most pertinent and current information likely to be of interest to visitors would be made more readily accessible and comprehensible by the relegation of more distant destination information to a centralised facility – co-located with one of the principal TICs - where it could most easily be maintained and updated. Such a centralised facility could also offer a cost effective means of dealing – at least in the first instance - with remote enquiries whether received by letter, telephone call, e-mail, or text. It should aim to offer a central resource facility for the TICs and also, coincidentally, represent an exemplar TIC able to stand comparison with the best in the Region.

7.5 The cost and VFM of TICs has been highlighted as an issue by the cultural services inspector. The cost per visitor average is £1.06. It is felt that salary costs have been driven down as far as possible without compromising quality of service and the health and safety of staff. Dinmore has relatively higher staff costs per visitor due to lower visitor numbers per

hour open. Despite an improving situation this probably makes Dinmore uneconomic, although the total cost per visitor is about average. Further savings can only be made by reducing accommodation costs. It should be remembered that TICs are very location sensitive, so this is not without risk of affecting performance. TICs also generate some income to help offset costs. A move which reduces this earning potential could negate the cost savings.

7.6 The excessive property costs for Ledbury and Leominster TICs are currently being addressed. As a general principle TICs should be located in Council owned property provided this is near the centre of the town/city and demonstrates value for money. Further:

7.6.1 Retention of the current TIC premises in **Hereford** should be revisited as a matter of urgency with a view to relocation where and when possible. It is essential that any such site relocation is close to the centre of the historic city core, i.e. environs of High Town, not within the Edgar Street Grid (ESG).

7.6.2 As plans and proposals for the **ESG development** are brought to fruition, it may well be that some form of additional but subsidiary tourist information facility should be included.

7.6.3 Accepting that the **Leominster** TIC must vacate its current premises shortly whilst refurbishment work is undertaken, and that in the short term the library was the only readily available alternative location, the Review Group makes a strong recommendation below that the Leominster TIC be re-housed in a central location as soon as possible in time for the 2008 tourist season. For example urgent consideration should be given to the provision of a temporary building on Etnam Street car park.

7.6.4 In the course of the Review Group's work, the decision was announced to move **Ledbury** TIC to the Masters' House, Ledbury. The Review Group supports this decision but emphasise that the TIC must retain its separate identity.

7.7 The Review Group also noted the following current ongoing difficulties with particular TICs:

7.7.1 **Ross** – the limited duration of the lease suggests that a new location may have to be found within the next 2 years. In terms of a suitable alternative, the Review Group would not support a move to the Heritage Centre even though this is an ideal central position. The Review Group would be in favour of locating in the library or to a retail unit in the town centre if either was practicable.

7.7.2 **Dinmore** – this TIC is co-located with a significant tourist attraction, thereby meeting modern criteria for TICs, but it is markedly different in nature from other TICs in the County. However, the Review Group felt that officers should investigate reducing the number of paid staff and developing the recruitment of volunteers provided this would not contravene the Council's Volunteering Policy.

7.7.3 **Bromyard** – the Review Group was impressed by the modern, attractive and integrated facilities offered by the Bromyard Centre. However, the space allocated to the tourist information point is neither large nor prominent, though the latter deficiency could be addressed by better internal positioning and signage. The Review Group discussed at length the feasibility and implication of providing the tourism facility with paid full time staff but regretfully concluded that this would not be a cost effective use of resources. Facilities should be improved by making the point to point telephone link more obvious and in particular by the introduction, as a trial for Herefordshire, of a touch- sensitive information screen in the window.

7.7.4 **Kington** – this TIC is unique in the County in that it is staffed by volunteers. The location could not be bettered and, thanks at least in part to the supervisory services rendered by the Council, it appears to provide an excellent and highly cost effective service in a prime tourist area. The Review Group feels strongly that current efforts to re-house this TIC should be discontinued and efforts be made to bringing the fabric and decoration of the building up to Council standards, providing this can be done from within existing budgets.

8. Conclusions

Tourist Information

8.1 The Council is fortunate in the high standards of commitment and professionalism of the staff and volunteers who deliver tourism services.

8.2 TICs remain the primary and essential means of delivering tourist information and thus maximising the effectiveness and economic benefits of tourism. The principal factor in the effectiveness of a TIC (measured by the number of visitors - “*footfall*”) is its location which must be as close as possible to the centre of visitor activity.

8.3 The management and delivery of tourism information services should remain under the Council’s direct control. A TIC may be co-located with an ‘Info in Herefordshire’ office but the two should never be combined. A TIC requires permanent specialist staff and signage.

8.4 Visitors’ lifestyles are changing, their expectations are increasing and they are becoming more independent and self reliant and more likely to use modern means of communication. These factors, particularly the latter, are reflected in a general decline in the number of visitors to TIC premises, a marked increase in the use of websites and e-mails, and a demand for increasingly comprehensive, detailed and authoritative information. The County’s current TIC structure should be revised to respond more promptly and effectively to these new demands.

8.5 It would be to the County’s advantage to establish at least one exemplar TIC able to stand comparison with the best in the Region, provided that this could be achieved at no additional cost.

8.6 The Review Group therefore came to the view that the TIC structure should be changed to a ‘hub and spoke’ concept. Such a structure would neither reduce nor increase costs but the Review Group hoped that it would offer significant gains in efficiency and hence VFM.

8.7 The central hub should be co-located with the TIC at either Hereford, Ross, Leominster, Ledbury or Dinmore - as space etc considerations may dictate – and should be staffed by 2.25 full time equivalent (fte) staff plus the TIC supervisors. It would:

8.7.1 Offer the most cost-effective means of dealing centrally with all remote enquiries whether by letter, telephone, email or text message – and to common higher standards of promptness, comprehensiveness and professionalism

8.7.2 Enable the removal from TICs of brochures etc relating to destinations beyond the County boundary, thus facilitating the updating of this information whilst eradicating multiple holdings and, most importantly, freeing valuable storage and display space at the TICs for local information.

8.7.3 Provide an opportunity for the centralisation of some peripheral TIC functions such as accommodation, bus and theatre etc bookings.

8.7.4 Act as a central resource facility for the TIC/TIPs.

8.7.5 Lastly, its co-location would also constitute an exemplar TIC.

8.8 Of the 'spoke' TICs proper:

8.8.1 Kington should remain in its present location, staffed as now by volunteers with advice and support from the TIC hub. The building fabric and decoration should be refurbished.

8.8.2 The remaining 'spoke' TICs should each be staffed by 2.5fte paid staff plus any available volunteers. The TIC supervisors should review, in consultation with respective TIC staffs, the nature and extent of retail and booking services and whether any centralisation of the latter would be sensible.

8.8.3 Hereford TIC should be moved from its current inordinately expensive location as soon as possible, to new and less costly premises as close as possible to the historic city centre. The Review Group found no other viable scope for cash savings in tourism services without serious prejudice to tourism's economic benefits to the County.

8.8.4 The Review Group notes and endorses the intention to move Ledbury TIC to the Masters' House, Lebury.

8.8.5 Leominster library is not a suitable location for this thriving and invaluable TIC. It should be rehoused in a central location as soon as possible.

8.8.6 If or when Ross TIC has to move, it should be to the library or to a retail unit in the town centre if one should become available at acceptable cost. The Heritage Centre is ideally located but unsuitable both in itself and in terms of displacement of current use.

8.8.7 Bromyard TIC should become a TIP benefiting from improved telephone signage and touch-screen technology.

8.8.8 If in the future it is judged appropriate and affordable to establish a TIP within Hereford's Edgar Street Grid development, this should be subsidiary to the city centre TIC.

The Value of Tourism

8.9 In 2005, tourism in Herefordshire contributed £291m to the County's economy.

8.10 Key performance indicators are being developed by Tourism West Midlands to measure the volume and value of tourism throughout the Region and are due to be rolled out, effective from December 2007.

8.11 Council officers are currently working on County performance indicators using the key driver templates of the Cambridge Economic Impact Assessment Model 2004, e.g. average accommodation occupancy, visitor numbers to the County's attractions etc

Marketing and Planning

8.12 The Review Group was impressed by the progress made to date by Visit Herefordshire, the County's Destination Management Partnership (DMP).

8.13 Council officers are working in close liaison with Visit Herefordshire and this should continue.

8.14 Visit Herefordshire should continue to take the lead in all aspects of the marketing of tourism in and to the County. Discussions should extend to the development and improvement of linkages between marketing information. Particular attention should be paid to the improvement to, links both inward and outward, and regular updating of website information.

9. Alternative View Expressed by Review Group Member

9.1 Councillor B Hunt wished it to be recorded that while he supports the principles set out in the recommendations from this review he is strongly of the opinion that Bromyard should be treated the same as the other market towns in that it should have a fully staffed TIC.

10. Next Steps

10.1 The Review Group anticipate that, if approved by the Community Services Scrutiny Committee, this report will be presented to Cabinet for consideration.

10.2 The Review Group anticipates that if the report is approved, the Council and Visit Herefordshire would act in concert upon the recommendations and suggestions made in the report.

10.3 The Review Group would also expect the Cabinet to report back to the Community Services Scrutiny Committee in six months time with a detailed action plan reporting on activity taken upon the Review Group's recommendations.

11. Recommendations

11.1 Continue to provide TICs at or close to the main centres of tourist activity in the County, notwithstanding reductions and changes in patterns of use. Utilisation and effectiveness to continue to be monitored via footfall and cost per visitor data.

11.2 Retain direct control over tourism information services. Never combine the functions of a TIC with those of an 'Info in Herefordshire' office.

11.3 Meet the challenges posed by rising expectations and modern means of communication, and the drive for greater VFM, with a new 'hub and spoke' structure for the delivery of tourist information.

11.4 Establish a central hub, co-located with a principal TIC, staffed by 2.25 fte staff plus the TIC supervisors. Its functions to comprise:

- 11.4.1 The centralised handling - to common higher standards of promptness, comprehensiveness and professionalism - of all remote enquiries.
- 11.4.2 The formation of a centralised facility for the maintenance and provision of brochures etc relating to destinations beyond the County boundary, thus facilitating the updating of this information whilst eradicating multiple holdings and, most importantly, freeing valuable storage and display space at the TICs.
- 11.4.3 The potential for centralisation of some peripheral TIC functions such as accommodation, bus and theatre etc bookings.
- 11.4.4 The provision of a central resource facility for the TICs.
- 11.5 Constitute the central hub and its co-located 'spoke' TIC as an exemplar facility.
- 11.6 Bromyard Centre to become a TIP with better internal and external signage, a more obvious telephone for enquiries and, as a trial the installation of window mounted touch-screen information facility.
- 11.7 Enable the Kington TIC to remain in its present location and refurbish the building's fabric and decoration providing this can be done from within existing budgets.
- 11.8 Complement each of the other 'spoke' TICs with 2.5fte paid staff plus any available volunteers.
- 11.9 Move Hereford TIC from its current location to new and less costly premises as close as possible to the historic city centre.
- 11.10 Find alternative accommodation for Leominster TIC in a central location as soon as possible.
- 11.11 Agree with Visit Herefordshire that the latter will take the lead in all aspects of the marketing of tourism in and to the County.
- 11.12 Explore with Visit Herefordshire how best to develop and improve the linkages between marketing information.
- 11.13 Seek to make improvements to the contents, user-friendliness and updating of website information.
- 11.14 The proposal for a hub and spoke structure should be monitored closely and a review and report prepared after the first year of operation.

List of Annexes

Annex 1	Scoping Statement.
Annex 2	List of Interviewees.
Annex 3	Survey Questionnaire.
Annex 4	Current Budget for Tourism Services.
Annex 5	Financial Analysis – Tourist Information Centres.
Annex 6	Council Officers involved in Tourism Services.
Annex 7	Footfall Trends.

REVIEW:	Review of Tourism with specific reference to TIC	
Committee:	Community Services Scrutiny Committee	Chair: not confirmed
Lead support officer:	Not confirmed	

SCOPING

Terms of Reference

This review will cover:

- **Address recommendations and comments of the Cultural Services Inspection in relation to tourism and specifically TIC spend**
- **Investigate the TIC model in relation to national trends and customer demands**
- **Consider budget allocations in relation to other pressures within Cultural Services and the council's priorities in relation to improvement plans**
- **To review delivery of marketing and strategic planning in terms of tourism**

Desired outcomes

- Forecast future delivery of TICs based on the priorities of Visit England
- Consider the best options for investment in TIC linked to delivery arrangements of the service, corporate priorities and service needs
- An understanding of marketing and strategic priorities
- Establish performance indicators to measure the value of tourism

Key questions

- What are the national trends in delivering TICs and trends in customer use?
- What is the cost in relation to use?
- What are the future options in utilising new technology and joining with other facilities / services?
- Where is the growth market for tourism in the county?
- How is the value and volume of tourism measured and how performance is measured against other areas in the West Midlands?
- What are the key products for tourism?
- What are the marketing plans and strategic direction?
- Where are the pressure points in terms of delivery of the wider cultural service?

Corporate Plan Priorities

Economic Development, community well being and enterprise,

Timetable (some of the facilities are only open seasonally and will influence the time table)

<i>Activity</i>	<i>Timescale</i>
Agree approach, programme of consultation/research/provisional witnesses/dates	End of July 07
Collect current available data	August 07
Analysis of data	September 07
Final confirmation of interviews of witnesses	Beginning of August 07
Carry out programme of interviews	September 07
Final analysis of data and witness evidence	October 07
Prepare options/recommendations	September 07
Present Final report to Economic and Community Scrutiny Committee	October 07
Present options/recommendations to Cabinet	November 07

Cabinet response	December 07
Implementation of agreed recommendations	January 08 onwards
<i>Members</i>	<i>Support Officers</i>
Councillors: TM James (Chairman); MAF Hubbard; B Hunt; PM Morgan; RH Smith.	Penny Jones, Social and Economic Regeneration Manager (Lead Officer for the review) Jane Lewis, Cultural Services Manager Andrew Tanner, Interim Change Manger Geriant Pritchard, Principal Tourism Officer Paul James, Democratic Services Officer

Annex 2

List of Interviewees

Jay Brittain	Small Breeds Farm Park and Owl Centre
Peter Hands	Chairman of Visit Herefordshire, DMP
Dominic Harbour	Communications and Marketing Manager, Hereford Cathedral
Lindsay Heyes	Wye Valley Butterfly Zoo and Maze
Geoff Hughes	Director of Adult and Community Services
Jane Lewis	Cultural Services Manager
Chris Lilly	Cluster Manager, Tourism West Midlands
Clare O'Reilly	Senior TIC Supervisor
Geriant Pritchard	Principal Tourism Officer
Sally Ann Roberts	Visitor and Promotions Officer
Silvia Silvers	The Falcon Hotel, Bromyard
Alan Simpson	Senior TIC Supervisor

Tourism in Herefordshire: Your View

Herefordshire Council would like to find out what people who provide accommodation or attractions to visitors think about the county's marketing of these services and the help provided by the Tourist Information Centres. This information will help in our planning of these services. We would be grateful if you would spend a few minutes completing this survey. All responses are anonymous. We will publish a summary of the findings in a newsletter in the New Year. If you have any questions or need help in completing this survey, please contact Geriant Pritchard at gpritchard@herefordshire.gov.uk or 01432 260 608.

Q1 Which of the following best describes your business

- B & B Guest House Hotel Holiday Let
 Caravan Park Visitor attraction Other, please specify

Q2 How effectively do you feel that your business is marketed as part of the county tourism product?

- Very effectively Reasonably effectively Not very effectively Don't know

Q3 How, if at all, does "Visit Herefordshire" help in marketing your business?

- Advertising in the Visitor Guide Advertising on the County web site
 Specialist campaigns Not at all
 Other, please specify

Q4 How do you feel the county tourism marketing has changed over the last three years?

- Got better Stayed about the same Got worse

Q5 How many of your guests / visitors do you think use the Tourist Information Centres (TICs) in Herefordshire?

- Most About half A few None Don't know

Q6 If you are an accommodation provider, what proportion of this season's bookings came via the TIC?

- Most About half A few None Don't know

... and how does the number of bookings that came via the TIC compare to last year?

- Increased About the same Decreased

Q7 What do you feel should be done in the future to market Herefordshire as a tourism destination?

Q8 Are there any other comments that you would like to make regarding tourism marketing or this questionnaire?

Thank you for completing this questionnaire.

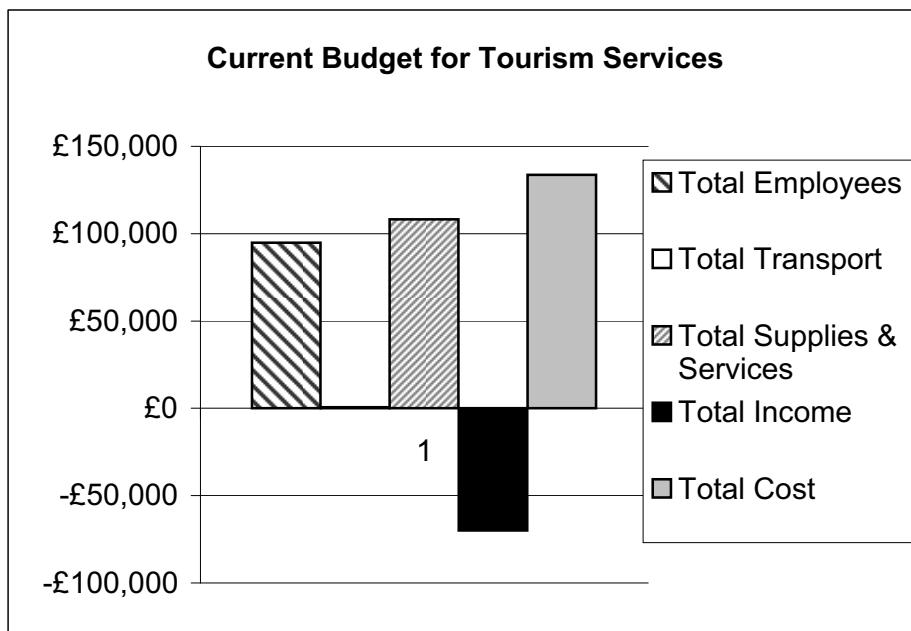
Please return it in the envelope provided by 16th November.

If the envelope has been mislaid, please post to Herefordshire Tourism, PO Box 4, Plough Lane, Hereford, HR4 0XH, or drop in at your nearest Tourist Information Centre

Current Budget for Tourism Services

Annex 4

Remaining	Annual
Operational Staff Basic	£75,890
Operational Staff Ni	£5,050
Operational Staff Superan	£13,810
Total Employees	£94,750
Mileage General-Inc Car Park	£640
Total Transport	£640
Printing & Photocopying	£500
Postages	£8,000
Conference Expenses	£500
Promotions And Events	£99,300
Total Supplies & Services	£108,300
Awm Main Pot	-£60,000
Conts From Private Sector	-£10,000
Total Income	-£70,000
Total Cost	£133,690



Financial Analysis – Tourist Information Centres

- Following review of budgets and user numbers, some high level analysis can be drawn in regard to the TIC;s. These are demonstrated in tabular and graphical format as follows:

Table 1 - Average Unit Costs for all TICs

	05/06	06/07	07/08 est to date
	£	£	£
Salaries	265,288	276,300	187,350
Other Expenditure	217,343	249,358	196,972
Income	- 170,350	- 206,100	- 149,636
Total	312,281	319,558	234,686
Visitor Numbers	306,917	302,144	
Average Unit cost	1.02	1.06	

Table 2 - Unit Costs for each TIC 2007/08

Approximate to Period 8

	Visitor Numbers	Unit Cost per visitor £
Bromyard (No data)		
Hereford	68916	1.03
Ledbury	60,031	0.74
Leominster	34,858	1.18
Dinmore	33,066	1.02
Ross	52,114	0.82

- Although Dinmore is a comparatively high cost operation at the moment, its unit costs will reduce over time as it has increasing user numbers. The development of new attractions at Queenswood will help sustain this growth.
- Leominster has low unit costs as it has a large number of volunteer staff which help minimise salary costs. The following tables further analyse salary costs:

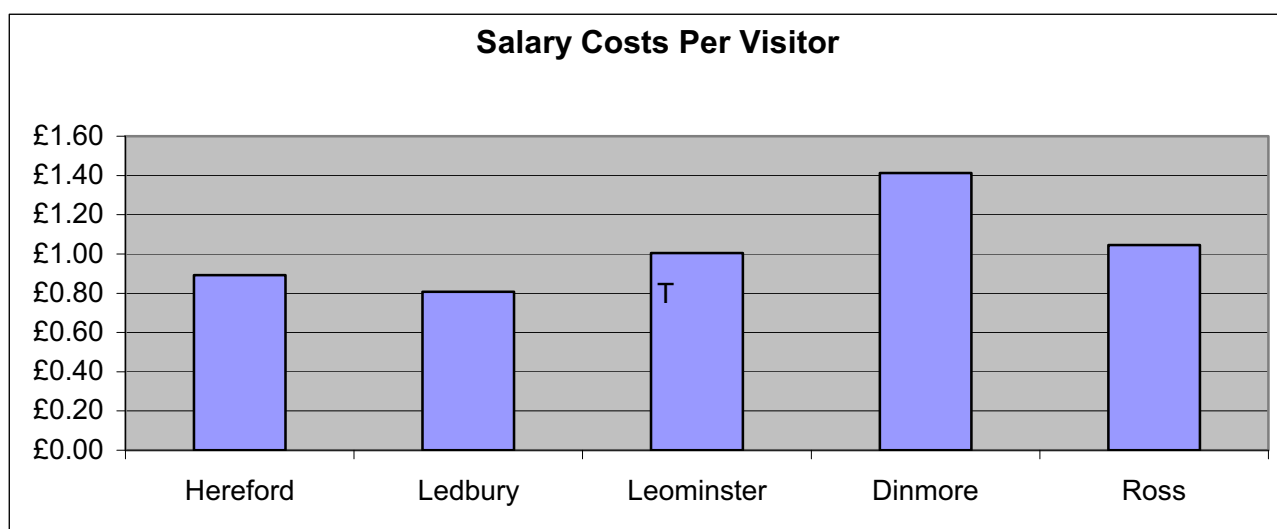
Table 3 - Salary Breakdowns

	Salary Costs	Full time equivalent (fte)	Cost per FTE (£)
	£		£
Hereford Tourist Information	69,006	3.60	19,168
Ledbury Tourist Information	63,106	3.61	17,481
Leominster Tourist Information	37,640	2.06	18,272
Dinmore Tourist Information	46,932	2.50	18,773
Ross Tourist Information	59,615	3.39	17,585
Totals	276,299	15.17	18,213

Table 4a - Salary costs per visitor

	Salary Costs	Visitor Numbers	Cost per visitor (£)
Hereford	69,006	77,368	0.89
Ledbury	63,106	78,192	0.80
Leominster	37,640	37,451	1.00
Dinmore	46,932	33,220	1.41
Ross	59,615	56,996	1.04

Table 4b



4. This analysis shows a degree of consistency in salary costs per visitor in the four main towns and also supports the relatively high unit cost of TIC provision at Dinmore.

NB. Queenswood Tourist Information Centre is operational 7 days per week from 1st March to 24th December, whilst the other centres are open approximately 10 Sundays per year, with the exclusion of Leominster.

5. Queenswood also acts as the booking office for the Herefordshire Walking Festival and the Food Festival which together generate approximately £7k income per annum. However, this income is not recorded into Queenswood's individual cost centre code but is allocated to a Tourism code.
6. Lease costs are the other major cost component for TICs and any decisions made on future provision will need to take this into account, particularly on long-term leases acting as a constraint. Table 5 summarises the lease position:

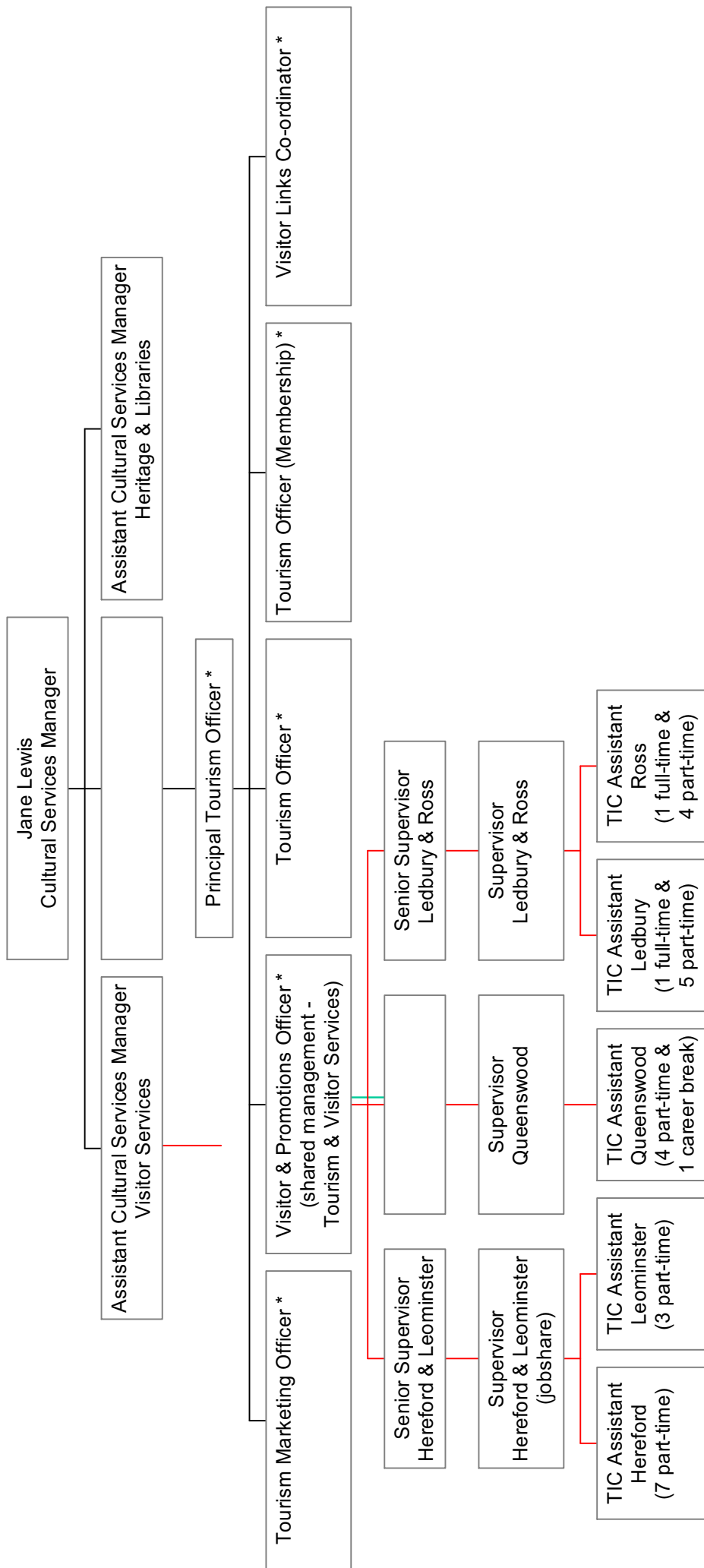
Table 5 - TIC Lease Information

	Lease length	Lease expiry	Annual rent	Next review	Break clause	Notes
Leominster	9 years	31/08/2010	£ 9,600		Early exit after 1/9/07	
Hereford	25 years	31/01/2019	£33,250	25/12/08	No break clause	The upper floors are let as flats.
Ross-on-Wye	5 years	28/2/2008	£8,100			Part of Swan House leased, rest used by other Council services therefore annual rent figure is only part of rent paid.
Ledbury		Expired	£21,000			Council in the course of handing back the property and will vacate late February 2008.

7. The following summary conclusions can therefore be made:

- a. The cost effectiveness of TICs is reducing year on year with the exception of Dinmore (Queenswood). This has the advantage of having increasing numbers of visitors being on a 'tourism site' and is also Council owned.
 - b. There is limited flexibility within the lease arrangements for the Hereford site and early surrender of the lease would be prohibitive in terms of cost, unless an alternative Council service can be placed in there.
 - c. An early surrender of the Leominster lease would be financially more attractive and this sum could be written off in the first year. However the landlord is under no obligation to accept an early surrender.
8. There is flexibility within the Ledbury and Ross TICs for a move to Council owned premises although consideration will need to be given to the impact on access by the public and the extent to which fixed costs are retained, ie: salaries. It needs to be noted that the Council leases the whole site at Ross and would be liable for any remaining costs.

Tourism Staff



* Working in conjunction with the DMP

TIC FOOTFALLS 1995 - 2006

	Hereford	Ross	Leominster	Ledbury	Dinmore	Bromyard
1995	155,963	74,212	33,579	43,287	13,692	10,020
1996	173,047	84,582	38,147	53,870	8,982	9,474
1997	164,846	83,392	36,223	62,151	8,327	8,216
1998	153,541	76,213	34,358	61,480	14,499	6,342
1999	125,948	70,670	34,774	46,108	21,332	6,452
2000	82,642	63,510	34,623	50,777	19,890	6,945
2001	98,608	58,572	38,707	72,295	21,566	7,499
2002	104,553	60,011	42,333	79,815	24,378	5,036
2003	89,544	62,768	43,664	84,664	27,117	5,360
2004	80,633	63,496	38,227	78,906	32,929	12,726
2005	76,433	59,540	34,665	80,534	33,205	19,056
2006	77,368	56,996	37,451	78,192	33,220	18,917

MEETING:	CABINET
DATE:	30 JULY 2009
TITLE OF REPORT:	CALL-IN OF CABINET DECISION ON THE ESG RETAIL QUARTER DEVELOPMENT AGREEMENT
PORTFOLIO AREA:	ECONOMIC DEVELOPMENT AND COMMUNITY SERVICES

CLASSIFICATION: Open

Wards Affected

Central

Purpose

To consider the recommendations made by the Community Services Scrutiny Committee in relation to the call in of the Key Decision on the ESG Retail Quarter Development Agreement.

Key Decision

This is not a Key Decision.

Recommendation

THAT the proposed responses to the recommendations of the Community Services Scrutiny Committee be agreed.

Key Points Summary

- Cabinet is asked to consider the recommendations of the Community Services Scrutiny Committee that it consider periodic update briefings for all Members on the ESG project's programme and progress; and that it assures Members will be given the opportunity to question and be satisfied as to the financial and operational viability of the project before irrevocable decisions are taken.

Alternative Options

- 1 The alternative options are for Cabinet to accept the recommendations of the Community Services Scrutiny Committee, to reject them or decide on some alternative course.

Reasons for Recommendations

- 2 Following the call-in of Cabinet's decision on 25 June the Community Services Scrutiny Committee meeting on 13 July made the following recommendations:

Further information on the subject of this report is available from
Geoff Hughes, Director of Regeneration (01432) 260695.

That (a) Cabinet decision no 2009. Cab. 036 be endorsed and supported;

(b) Cabinet be invited to consider periodic update briefings for all Members on the project's programme and progress; and

(c) Cabinet's assurance be sought that Members will be given the opportunity to question and be satisfied as to the financial and operational viability of the project before irrevocable decisions are taken.

Introduction and Background

3 Cabinet on 25 June agreed to grant approval to enter into the Edgar Street Grid (ESG) Retail Quarter Development Agreement between Herefordshire Council, ESG Herefordshire Ltd, and Stanhope. Cabinet approved the substantive terms of the Development Agreement so far negotiated as described in this report; and gave approval for negotiations to be finalised on the basis of those substantive terms and for the finalised Development Agreement to be signed under the authority of the Director of Regeneration.

4 The decision was called-in in accordance with the Scrutiny Committee Rules. The stated reasons for the call-in were:

- There being no previous indication that a 250 year lease was being considered, and insufficient explanation as to why this was necessary.
- The 'Masterplan' was negotiated before the start of the credit crunch and there has been no public re-negotiation of plans for the Retail Quarter since those events.
- With due regard to matters of commercial confidentiality, there is insufficient information about the structure of the financial arrangements in relation to the Retail Quarter itself, and also between the Retail Quarter and other parts of the ESG project.

Key Considerations

5 The Community Services Scrutiny Committee on 13 July considered the call-in and agreed the resolution as set out at paragraph 2 above.

6 As the Committee endorsed and supported Cabinet's decision, that decision took effect on 15 July. Cabinet does however, need to consider how it wishes to respond to recommendations b and c above.

7 It is proposed that recommendations b and c are accepted and that recommendation c is dealt with through planned Member briefings. It is important however to note that the Cabinet decision of 25 June 2009 delegated the authority to agree this development agreement to the Director of Regeneration providing all conditions have been met.

Community Impact

8 Not applicable.

Financial Implications

9 Costs of running Member briefings can be met from within existing budgets.

Legal Implications

10 Not applicable.

Risk Management

11 Not applicable.

Consultees

12 Not applicable.

Appendices

13 None.

Background Papers

- None identified.

MEETING:	CABINET
DATE:	30 JULY 2009.
TITLE OF REPORT:	PROPOSALS TO BE SUBMITTED TO THE LGA SELECTOR UNDER THE SUSTAINABLE COMMUNITIES ACT 2007.
PORTFOLIO AREA:	ECONOMIC DEVELOPMENT AND COMMUNITY SERVICES

CLASSIFICATION: Open

Wards Affected

County-wide

Purpose

To note the proposals put forward by Herefordshire citizens and organisations under the Sustainable Communities Act 2007, and approve the recommendations of the representative panel for submission to the Local Government Association (LGA) selector.

Key Decision

This is not a Key Decision.

Recommendation

THAT:

- a) the proposals submitted by local people and organisations be noted; and**
- b) the recommendations of the representative panel be approved for submission to the LGA selector.**

Key Points Summary

- Approval is sought for proposals sent in by citizens, organisations and communities in Herefordshire under the Sustainable Communities Act and agreed by the representative panel of local people, to be submitted to the LGA Selector (the body selected by the Government to administer the process) on 31 July 2009.

Further information on the subject of this report is available from
Anthony Bush, Parish Liaison and Rural Services Officer on (01432) 260611.

Alternative Options

- 1 A response could be delayed until the next round, expected in late 2009 or early 2010. However, a more proactive approach demonstrates the Council's community leadership role.

Reasons for Recommendations

- 2 Participation in the process of submitting proposals under the Sustainable Communities Act 2007 (SCA) has already been approved by Cabinet (18 December 2008). These recommendations are the result of the process agreed by Cabinet.

Introduction and Background

- 3 The Sustainable Communities Act 2007 sets up a new process whereby local communities and their councils (parish and unitary) are given the opportunity to influence central government policy and action. The decision to participate in the process was taken by Cabinet on 18 December 2008.
- 4 Local people, organisations, parish councils and Herefordshire Council officers have been invited to submit proposals under the Act in the period February to June 2009. In June the proposals that had been received, were evaluated as to whether they fell within the SCA. As required by the SCA, those that did, were put before a representative group of local people (which in the case of Herefordshire has been assembled into three focus groups, in mid-July with a view to reaching agreement as to which of the proposals to submit to the selector.
- 5 The process needs to be completed and the proposals delivered to the LGA Selector by 31 July 2009.

Key Considerations

- 6 The proposals outlined in Appendix 1 have been submitted by citizens, organisations and Parish & Unitary councils in Herefordshire. The proposals are being discussed and agreed in three representative focus groups in mid-July. Recommendations will be available for approval by Cabinet at the meeting of 30 July 2009.

Community Impact

- 7 The Council, by participating in this process, will be supporting communities and promoting local sustainability.

Financial Implications

- 8 Costs associated with seeking the proposals have been covered by existing budgets. There are no cost implications in submitting these proposals to the LGA Selector.

Legal Implications

- 9 The Council has no statutory duty to participate in this process. Care must be taken to avoid raising expectations of communities that their proposals will be selected by the LGA Selector for presentation to the Government and that the Government will deliver.

Risk Management

- 10 Failure to be proactive in co-ordinating proposals for submission to the Selector may affect the credibility of the Council in terms of its community role. Further, there is a risk that following this detailed process, the Government decides not to devolve any power to local communities and accept any of the proposals. Herefordshire Council has no influence on the outcome of this process; the acceptance of any proposal is the responsibility of both the LGA Selector and Central Government. It will be important to stress this to residents at each stage.

Consultees

- 11 All households in Herefordshire have been informed of the SCA process through an advertisement in the February Edition of Herefordshire Matters. 1200 organisations in Herefordshire have been advised of the process in March 2009 by mail. Individuals have also been advised on request. Proposals received have been assessed for eligibility under the Act and where necessary grouped together into one proposal. All eligible proposals will be the subject of discussions with the representative panel whose agreement to progress to the LGA Selector stage will be sought.

Appendices

- Appendix 1 List of proposals received
Appendix 2 Recommendations of the representative panel (TO FOLLOW)

Background Papers.

- None identified.

**Draft List of proposals for submission under the
Sustainable Communities Act – July 2009**

Transport

New train stations on existing lines

A number of places have been suggested where a new train station could be opened on an existing line. The most commonly suggested is at Pontrilas, which is in the south of the county between Hereford and Abergavenny. Other suggestions are at Woofferton (between Leominster and Ludlow) and Moreton-on-Lugg (between Leominster and Hereford).

Re-opening old train lines

Herefordshire used to have an extensive rail network but many of the lines have been closed and dismantled. Suggestions for re-opening rail lines include between Leominster and Kington, or between Hereford and Ross-on-Wye or Hereford to Kington. These could run either as tourist routes with steam trains (similar to the Severn Valley Railway), or as ordinary commuter lines.

Twin-tracking the line between Hereford and Ledbury

There is a train line from Hereford which runs through Ledbury and Worcester to Birmingham. The section between Hereford and Ledbury is single track, while the rest is double track. The single track section means that fewer trains can run at a time, and trains are more likely to be delayed or cancelled. There has been a suggestion to lay a second track along side the first, making it double track all the way from Hereford to Birmingham.

Preserving redundant railway lines

A suggestion for planning restrictions on old railway lines, to stop any development on them which would prevent them from being returned to rail, walking or cycling routes in the future.

Creating a public transport governing body

Bus and train services in Herefordshire are provided by a number of independent companies. A governing body might be able to ensure that services provided by different companies were joined-up (for example, buses timed to meet trains at the station). It might also make sure that buses covered routes everywhere they were needed, or allowed profitable routes to subsidise those which were socially necessary but unprofitable.

Public transport to all settlements

There is a suggestion that all settlements of over 100 people more than 3 miles from a town should have a public transport service.

Consideration of public transport alternatives to road-building

It has been suggested that whenever a new road is proposed to overcome a congestion or safety problem, it should be investigated whether the same amount of money invested in public transport, cycle paths etc could achieve the same result.

Highways Agency and local needs.

The biggest “trunk” roads in Herefordshire are maintained by the Highways Agency. One of these is the A49 which goes North from Ross through Hereford and Leominster. There is a request that the Agency should be required to take into account and act on local needs which are currently ignored. For instance, heavy and fast-moving traffic on this road can often put people off cycling. There is a suggestion that the Highways Agency provides a cycle path on the A49.

Reducing speed limits to encourage cycling

Fast traffic can often put people off cycling. There is a suggestion that where it is not possible to build a separate cycle path, speed limits are reduced by 10mph to encourage people to cycle. This would apply to roads in towns and in open countryside.

Canal Development

It is requested that the local Hereford to Gloucester canal is re-opened funded by the government or government agency.

Housing

Stop the “right-to-buy” social housing

Herefordshire Council has transferred all its social housing (sometimes called “Council housing”) to Housing Associations. Some social housing tenants who have lived in their house for a long time have the right to buy the house from the Housing Association. The right-to-buy scheme can give people an important first step on the housing ladder. However, selling social housing means there is less available for other people, and currently there is not enough social housing in Herefordshire for the people who need it. There has been a suggestion to stop the right-to-buy scheme, to keep more social housing available in the county.

Vacating social housing

There has been a suggestion that when a Housing Association or Council housing tenant comes into a large amount of money (for example by inheriting it or winning the national lottery), they are required by law to give up their house.

Priority for local people in social housing

Social housing is available in Herefordshire through Housing Associations. Apart from some new-builds, this social housing is available to anyone who meets the criteria. This means that people cannot get social housing in their own village. It has been requested that in rural communities, priority is given to people who live locally or have a connection to the area when allocating social housing (currently this is not possible under the existing legislation).

Planning

Reduced VAT on building conversions

Brand new buildings are “zero rated” for VAT, which means no tax is paid on the materials and labour. Conversions of existing buildings are taxed at the “reduced” VAT rate of 5%. It is suggested that the 5% VAT rate on converting buildings is altered to 0%, to encourage development of flats above shops. This would help in the regeneration of town centres, and reduce the need for houses to be built in open countryside.

Education

Farm visits for school children

It is suggested that every school – urban and rural – has to offer children one day's work experience on a farm a year. This would aim to increase children's understanding of where food comes from.

Shops and local services

Post banks

People who live in rural areas sometimes find it difficult to access banking facilities, particularly elderly people and those without transport. A "Post Bank" is an idea for a new bank run through Post Offices. This would make use of existing Post Offices to provide banking facilities to people in a wide range of locations, and would also help keep local Post Offices more viable and less likely to close. Access to free cash machines is sometimes seen as a problem in rural areas, and they would help on this front too.

Alcohol sales in supermarkets

It is sometimes claimed that supermarkets sell alcohol at a price which is lower than what the supermarket originally paid for it. This is known as selling at a loss. The idea is that cheap alcohol draws people into the supermarket, and the lost money is made back by also selling people other items. Cheap alcohol is sometimes blamed for anti-social behaviour. It is suggested that supermarkets are forbidden from selling alcohol at a loss, or that there is a minimum price per unit of alcohol.

Pub closing times

Pubs used to have to close at 11pm, but recently this restriction was removed. The idea was that lots of people turning out of a pub at once resulted in alcohol-fuelled violence soon after 11 o'clock, and by staggering closing times, this might be avoided. However, some people claim that longer drinking hours result in more anti-social behaviour. It has been suggested that pubs revert to the old 11pm closing time.

Chewing gum tax

Chewing gum that is spat onto pavements is expensive and time-consuming to clean up. It has been suggested that a tax is added to all chewing gum sales, to pay for its removal from pavements.

Broadband

Many areas in Herefordshire have no broadband, or a very limited service. Broadband is increasingly seen as a vital service for businesses and households. It is suggested that high-speed broadband is provided throughout the county.

Considerations when closing or moving public services

When closing or moving public services, it has been suggested that as well as the financial cost of different options, the environmental and social cost should also be considered. For example, closing a rural service might impact local people and the environment if they have to travel further to access the service. Service providers would have to choose the option with the least overall cost, even if this is not the cheapest in terms of financial cost.

Environment

Herefordshire Black Mountains

The Black Mountains are mostly located in Wales, but a small portion extends into Herefordshire. The Welsh part of the mountains are in the Brecon Beacons National Park, but the Park stops at the Herefordshire border. It has been suggested that the Herefordshire Black Mountains are designated as an Area of Outstanding Natural Beauty (AONB), or the National Park boundary extended to cover the whole of the Black Mountains. National Parks and AONBs provide additional protection to the land they cover, for example by having a say in granting planning permission.

MEETING:	CABINET
DATE:	30 JULY 2009
TITLE OF REPORT:	REGIONAL SPATIAL STRATEGY PHASE 3 – CONSULTATION
PORTFOLIO AREA:	ENVIRONMENT AND STRATEGIC HOUSING

CLASSIFICATION: Open

Wards Affected

County-wide

Purpose

To respond to the consultation on the West Midlands Regional Spatial Strategy – Options for Phase Three Revision.

Key Decision

This is not a Key Decision.

Recommendation

THAT the responses to the consultation questions posed in the Phase Three Options document as set out in the appendices to this report be approved.

Key Points Summary

- The Regional Spatial Strategy for the West Midlands (RSS) was approved in 2004 and has been reviewed in three phases. Phase 1 concerned the Black Country and was approved in 2007. Phase 2 sets out policies to update the main housing, employment and commercial allocations; it was the subject of an Examination in Public in April, May and June this year. The Inspector's report is due in September. Phase 3 has now reached "Options" stage and is the subject of a new consultation which closes on 14th August. This report is the chance for the Council to state its views on the proposed policies.
- The policies cover five topic areas:
 1. Critical Rural Services,
 2. Gypsies and Travellers,
 3. Culture Sport and Tourism,
 4. Quality of the Environment,
 5. Minerals.
- The appendices to this report propose responses to three areas of the above policies: Critical

Further information on the subject of this report is available from
Peter Yates, Planning Policy Manager on (01432) 261952

Rural Services, Gypsies and Travellers, and (within Quality of Environment) policies for renewable energy. Comments on the other topics are more technically based and are proposed to be delegated to Officers.

- The detailed recommendations are drafted with the principle in mind that the final approved regional planning policies must give the Council sufficient discretion to develop its own more locally based policies in the LDF in a way which protects the interests of the communities in Herefordshire.
- The consultation sets out the Options for the various topic areas and lists the specific questions being posed by the West Midlands Regional Assembly. The suggested answers on behalf of Herefordshire Council are set out in the appendices to this report after each set of Options.

Alternative Options

- 1 Not to respond to the consultation; however this would remove the Council's ability to influence future regional strategic direction.

Reasons for Recommendations

- 2 To inform the West Midlands Regional Assembly of the Council's views on the consultation.

Introduction and Background

- 3 This is a proposed response to the consultation as set out in the Key Points Summary above.

Key Considerations

- 4 The key considerations are set out in the appendices in the context of each topic.

Community Impact

- 5 Most of the topics raised in the consultation have the potential to have a high impact on the wellbeing of communities in the County, especially in respect of emerging policies on service delivery and environmental issues including flooding and climate change policies. It is therefore appropriate that the Council takes this opportunity to influence the development of these regional policies.

Financial Implications

- 6 None in respect of the consultation.

Legal Implications

- 7 None.

Risk Management

8. There is a risk that by not responding the Council will have less influence on the final outcome of the Review of the Regional Spatial Strategy.

Consultees

- 9 The Council is itself a consultee and is therefore not obliged to carry out any consultations of its own. The Planning Committee was invited to make views at their meeting on 3rd July, and a “Stakeholder” event was held, on half of the Regional Planning Body, at the Courtyard on 7th July.
10. The Planning Committee raised the following points:
- With respect to Rural Services: if the Regional Planning Policies make assumptions about public transport in rural areas as a means to access services then it is important that there is also financial support for such bus services. This may need to come from regional sources. In other words, the spatial planning policies need to be backed up with finance where relevant such as for rural public transport,
 - The allocation of pitches to be found for Gypsies and Travellers is perceived to be unreasonably high given the under-occupancy (typically 25%) of the authorised pitches which exist at present. Herefordshire appears to have been given a large allocation on the basis that we provide a lot of spaces to begin with. It appears that those Councils which are less good at providing pitches are “rewarded” by being allocated fewer sites/pitches to find in the Regional Spatial Strategy,
 - Concern was expressed about the funding of additional gypsy sites. If the Region wishes to provide money to provide new sites then that can be accepted as ringfenced money for that purpose. However, in the current (and likely future) straightened financial circumstances, the Council is unlikely to be giving priority from its own resources for new gypsy sites in the light of the current rates of under occupation of authorised sites in the County,
 - Concern was also expressed about two other groups: “Travellers” as opposed to “Gypsies” who may not, actually, have a culture of moving around the country, and Travelling Showpeople. The Regional Spatial Strategy suggests an allocation for showpeople sites despite the evidence in the Gypsy and Travellers Accommodation Assessment which did not identify any need for sites for Travelling Showpeople in the County.
- 11 The stakeholder event at The Courtyard raised the following issues:
- There are links between tourism, culture and the environmental “assets” of the county, and tourism is especially important to the well-being of the county. The list of “Assets” appears to omit the River Wye as a significant regional feature for environmental reasons and for sports provision. The sports facilities at the Royal National College for the Blind are significant at regional, national and international levels and should be recognised as such,
 - With regard to Critical Rural Services there is a risk of Option 1 implying that only the Market Towns and larger villages will be supported leaving other settlements to decline. Thought must be given to community-led planning and Parish Plans are part of this. Broadband access is also very important for the rural economy and service provision,
 - The proposed targets for Gypsies and Travellers need to be backed up with more evidence. There is significant under-occupancy of existing authorised sites, and there is no evidence of need for sites for Travelling Showpeople in the County. There are many variations in the status of both “Gypsies” and “Travellers”. There may be management issues on some of the sites which won’t be solved by simply providing more. Perhaps part

of the solution might be more transit sites rather than permanent ones,

- Both geology and minerals are very important to the county, and the issues of food security and climate change appear to be underplayed. Cross-border issues, especially with Wales, need to be taken into account,
- Appropriate infrastructure will be needed to achieve regional policy aspirations.

Appendices

- 12 Each Appendix deals with one topic area. The consultation options are listed and then the questions posed by the Regional Planning Body are set out with the suggested response on behalf of Herefordshire.
- Appendix A Critical Rural Services
 - Appendix B Gypsies & Travellers
 - Appendix C Culture, Sport & Tourism
 - Appendix D Quality of the Environment
 - Appendix E Minerals

Background Papers

Regional Spatial Strategy Phase 3 Review, Options Consultation Document.

APPENDIX A – Critical Rural Services

- A1 The Options paper sets out three potential ways of addressing Rural Renaissance, along with the consequences of each, in the following terms:

TABLE A – CRITICAL RURAL SERVICES	
Options	Implications
<p>Option 1: SUSTAINABLE – CLIMATE CHANGE DRIVEN</p> <p>Provide for and encourage service provision in a manner that offers the opportunity to reduce the need to travel by:</p> <ol style="list-style-type: none"> concentrating most service provision in County and Market towns, with a particular emphasis on multi-use centres. maximising the use of ICT and mobile facilities to deliver services elsewhere in the rural areas. allowing growth of housing and employment development in the County and Market towns at a level that will help support existing, and create new, services. Placing strict limits on growth elsewhere in the rural areas. improving public transport between the rural areas and County/Market towns, including those rural areas that are regarded as accessible. 	<p>There would be a concentration of services, not just higher-order services, in the larger towns. Because of their wider catchments, and being the focus of new development, services in these towns would be better supported, and are more likely to be created (new services) or to survive (existing services) than if located in smaller settlements.</p> <p>Limiting new development in the rural areas beyond the towns will reduce future travel between smaller settlements and the towns. This should help to reduce CO2 emissions.</p> <p>There would be fewer services in smaller settlements, and existing services might decline further and faster than would otherwise be the case.</p> <p>People in the smaller, more remote settlements who have limited access to private transport would be disadvantaged unless an adequate public transport network can be provided alongside innovative mobile service delivery and improved ICT.</p> <p>The Option suggests a focus of development on County and Market towns to support service provision. Care would have to be taken to ensure that the growth strategy of WMRSS is not prejudiced by this approach.</p> <p>The SQW Report identified significant service deprivation issues for people in “accessible rural” areas whose access to transport is limited. This option, in particular (d) above, would focus more attention on the needs of this group in</p>

	relation to public transport provision.
<p>Option 2: COMMUNITY BASED</p> <p>Adopt a “bottom-up” approach by facilitating local people, together with voluntary and community groups, to identify service needs, scale and locations.</p> <p>Locally led reviews of service levels may be a useful basis for justifying the case for the protection/enhancement of services.</p> <p>Develop this work through Parish Plans, Community Strategies, LTPs and LDFs.</p>	<p>In contrast to Option 1, Option 2 would foster service development and protection of existing services throughout the rural settlement hierarchy.</p> <p>To give this option chance of success, local authority LDFs and LTPs should consider locally identified service reviews and adopt a flexible approach to their implementation to manage needs and expectation.</p> <p>Unless it was carefully managed, this option could generate unrealistic wish-lists for services in unsustainable locations. The scope and nature of service reviews may have to be carefully prescribed at the regional or sub-regional level to try and avoid this.</p> <p>If it could be made to work, this option would bring local knowledge and understanding of service needs to the fore, and give local people ownership of decision making. In contrast, there would be little regional planning involvement, although overall programming, funding and monitoring would still rest with the regional bodies.</p> <p>There is a risk with this option that, in order to support more widespread service provision, there would be pressures for more scattered housing development. However to maintain existing services, or provide new ones, often needs significant population and therefore considerable new development. This could lead to more private travel, with adverse consequences for CO2 emissions</p>
<p>Option 3: STATUS QUO</p> <p>Accept that the existing RSS polices on Rural Renaissance and related topics are adequate in dealing with rural service provision, and reject the need for any further definition of critical rural services</p>	<p>The current policy RR4 is very general about the location of services and there are major questions over its implementation. Therefore if the status quo is chosen as the option to take forward, it will need to be accompanied by details on how the policy can be made to work more effectively.</p> <p>LDPs and LTPs should consider setting out clear policy guidance on service</p>

	<p>provision, reflecting the outcome of locally led reviews of services, Community Strategies and Parish Plans.</p> <p>Because it is less specific about service location the status quo does offer a measure of flexibility, particularly compared to Option 1. However flexibility can also lead to uncertainty, making the task of policy development in LDPs and LTPs more difficult.</p>
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- A2 In effect the three options above represent (1) concentrating service in existing service centres, or (2) distributing rural services widely where possible and practicable, or (3) leaving the issue to local planning authorities to resolve through their own Local Development Documents.
- A3 One of the difficulties created by the phased approach to the review of the Regional Spatial Strategy is that the policy on rural services is being consulted on in phase 3 whereas policies on housing and employment growth were consulted on in phase 2. The most obvious way to bring these two closely related issues together would be for them to be considered together in the Council's own Core Strategy. It may transpire that once the housing figures for the rural areas are finalised then the appropriate distribution of rural services will become self evident.

Critical Rural Services: Suggested Response

- A4 In the light of the above options the following questions are posed, with suggested responses as appropriate:

Question CRC1. Studies have shown that it is very difficult to define rural services as “Important” or “Critical” and that pursuing these definitions is unlikely to be of much value. Do you agree with this view?

Suggested response: It is difficult to define a difference between “Important” and “Critical” on a region-wide basis because each settlement has its own character and will have different levels of service available. Definitions of this nature are best left to be dealt with at local planning authority level through their own Local Development Frameworks. Policies generally need to account for the fact that individual settlements do not exist in isolation but operate as part of a local network where it may be wrong to “downgrade” any one settlement.

Question CRC2. The evidence report by SQW identified significant service deprivation issues for people in “Accessible” rural areas whose access to transport is limited. Do you think more attention should be given to the service needs of this group?

Suggested Response: This is simply a matter of finance available to subsidise (and optimise the use of subsidies) for rural public transport. If a policy in the RSS is likely to result in more central funding for certain types of rural transport then such a policy would be welcomed.

Question CRC3: Arguments have been put forward that new development should be allowed in settlements lacking a service base in order to reverse a cycle of decline in such places (for example in the Matthew Taylor Report). Do you agree with this view?

Suggested response: Investing in services in areas lacking a service base will be very difficult to reconcile with basic principles of sustainability. Few people will be able to use such services without travelling long distances. However, there may well be scope to allocate development to settlements

where there are some services present, in order to increase the likelihood of those services continuing in operation and even new ones added. Care must, however, be taken to ensure that unrealistic aspirations are not encouraged. In some cases it will be more appropriate to consider groups of villages/settlements rather than assess them individually – and this is a concept which will be explored as part of the consultations on our own Core Strategy. The fine detail of this is best left to local planning authorities in their Local Development Frameworks.

Question CRC4. Three policy options for rural service developments are suggested above. Please state if you have a preferred option. ?

Suggested response: A combination of Options 2 and 3 – because, compared with Option 1, it leaves the most discretion to local planning authorities to assess and allocate service provision in the light of local circumstances and local community needs.

Question CRC5. For your preferred option please state how best to deliver the option at the regional level, taking into account the relevant key issues and implications in this chapter.

Suggested Response: There is considerable difficulty in trying to create a single region-wide approach. The rural areas vary greatly across the region in their character and functional relationship to the major towns and cities of the Region. The villages in Herefordshire have almost no functional relationship with the Major Urban Areas in the West Midlands, but through such matters as school catchment areas and the availability of health care facilities, can have quite strong relationships with each other and with the nearest Market Towns. The provision of rural services needs linking very closely with the wider agenda for the development of the County through the Sustainable Community Strategy. The RSS policies must allow the flexibility for this to be dealt with in a comprehensive manner in our own Core Strategy rather than have an overarching philosophy of styles and types of service provision imposed at the Regional level. The Regional Planning Body will need to consult with local authorities to establish a preferred methodology for any service audits and monitoring needed to ensure consistency of approach.

APPENDIX B – Gypsies and Travellers

B1 The consultation sets out three options.

TABLE B – GYPSIES AND TRAVELLERS	
Option	Comment
<p>OPTION 1: Need Where it Arises:</p> <p>Option 1 would see additional pitch requirements being distributed largely on the basis of the findings from the sub-regional Gypsy and Traveller Accommodation Assessments (with some additions to fill information gaps). The implicit assumption in this Option is that requirements will usually be met in the District in which they arise. The geographical pattern of requirements reflects the location of current site provision, unauthorised sites and concentrations of Gypsies and Travellers living in housing. There is zero or very low requirements in several Districts. While the GTAAs suggest that many Gypsies and Travellers favour living in the areas where they were interviewed, it is not known to what extent preferences are distorted by the pattern of current provision/ lack of provision or local enforcement policies.</p>	<ul style="list-style-type: none"> ▪ Would meet the need for new pitches identified by the GTAAs ▪ Would reinforce existing patterns of residential Gypsy and Traveller provision – with some authorities continuing to make very low levels of pitch provision ▪ Will not significantly expand Gypsies and Travellers choices as to where they can legally reside in the West Midlands Region
<p>OPTION 2: Planning Criteria:</p> <p>Option 2 would see additional pitch requirements being distributed on the basis of both ‘need where it arises’ and the potential land supply within each District for new sites. Three-quarters of requirements are distributed on a ‘need where it arises’ basis as in Option 1. The remaining 25% of requirements are distributed in relation to the footprint (area in hectares) of opportunities on unconstrained land within each District. Opportunities broadly reflect access to key services. Constraints include, for example, flood risk zones, Green Belt and built-up areas. The ‘need where it arises’ element in this Option takes account of Gypsy and Travellers’ wishes to retain community and support links, while the planning opportunities and constraints element takes account of development potential.</p> <p>A map of all constraints (map 14) is available from the Assembly website, together with maps of the opportunities (maps 15, 16, 17, 18, 19 and 20).</p>	<ul style="list-style-type: none"> ▪ Would see additional pitch requirements being largely distributed in line with existing patterns of provision but would also deliver a limited re-distribution and thereby increase the areas where Travellers can legally reside in the West Midlands Region ▪ Would re-distribute some pitch requirements towards those areas which have unconstrained areas of land, together with areas of opportunity, with the balance of opportunity areas being in Shropshire and Herefordshire
<p>OPTION 3: Re-distribution:</p> <p>Option 3 would see some additional pitch requirements being re-distributed beyond the areas where need currently arises to other parts of the Region. The</p>	<ul style="list-style-type: none"> ▪ Would expand the areas in which Gypsies and Travellers could legally reside in the West Midlands Region

<p>underlying rationale is that there should be no District in the Region where Gypsies and Travellers cannot live on authorised sites. Option 3 allocates a minimum of 14 pitches to all Districts. Requirements to meet this minimum are 'diverted' from all other Districts so that those with the highest 'need where it arises' requirements contribute most to the diversion. The Option seeks to maximise choice for Gypsies and Travellers and, by spreading new provision, increases the areas of search for suitable locations for new sites. The minimum of 14 pitches is set to provide opportunities for a range of site provision while reducing the risk that families would be unduly isolated from other community members.</p>	<ul style="list-style-type: none"> ▪ The costs associated with making additional provision and the task of identifying suitable land would be more equitably shared between each District authority, than currently ▪ Could potentially lead to new pitches being provided in areas where significant demand does not exist but due to the overall scale of need across the Region (identified by the GTAAs) this is considered unlikely
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B2 Options 1 and 2 would result in 109 spaces being allocated to Herefordshire. Option 3 allocates 100. The full table of allocations is set out in the Annex to these appendices below.

B3 It can be seen from the full table of allocations that Herefordshire is given the largest numerical allocation of any county in the Region. This would appear to reflect the nature of the County rather than, necessarily, the hidden demand for additional pitches. The County has a large number of long term tolerated sites which add significantly to the supply and thereby would reduce the demand if these sites were taken into account.

Gypsies , Travellers and Travelling Showpeople: Suggested Response

B4 In the light of the above options the following questions are posed, with suggested responses as appropriate:

Question GTQ1: Do you agree with the total residential pitch requirements (939 pitches) as identified by the sub-regional Gypsy and Traveller Accommodation Assessments – can you provide any other evidence?

Suggested Response: As an estimate of global need it does not take account of the under occupation which habitually affects existing sites. The apparent lack of capacity should take account of these unused spaces which exist at present. Additionally there is a significant number of long term tolerated sites (around 60 pitches in Herefordshire) which, if counted, would reduce the numerical need significantly. The result is to direct a disproportionate level of allocation to those districts and counties where Gypsies and Travellers currently frequent – which is not always the same as where they would wish to frequent. This issue then compromises the list of options which follow which appear to direct more sites to the areas with the most at present, rather than trying to establish whether there is a need for a wider choice of sites across the region. Effectively those authorities which already make the most generous provision at present are being “Punished” whilst those authorities which make little provision are not being asked to improve their performance to any significant degree.

Question GTQ2: Do you think the 3 options listed for the provision of residential Gypsy and Traveller pitches provide a good range of solutions – do you think there is another Option which could be explored?

Suggested response: See previous answer – the picture would change significantly if under-occupancy of existing sites and long term tolerated pitches were taken into account. Another approach would be to respond solely to demand for additional pitches arising from family growth

rather than estimates of latent demand.

Question GTQ3: Which is your preferred option of the three options, and why?

Suggested response: Option 3 because it acknowledges some (albeit not much) re-distribution of pitches around the region instead of maintaining the current distribution of “Hotspots”.

Question GTQ4: You may wish to consider need in specific parts of the West Midlands Region (for example in a particular City or sub-Region) – please state where and provide any comments on this specific area in the region.

Suggested response: The particular characteristic of Hereford in this context is one of a large, rural area with, outside the Market Towns and Hereford, a sparsely distributed population. Thus, whilst the GTAA report suggested that there is a large unmet demand for pitches, in practice the current demand is met through long term tolerated sites. This will not be the case in other, more densely populated sub-regions, and thus there is a justification for a different approach in Herefordshire which recognises the role of tolerated sites.

Question GTQ5 and GTQ6: Do you think the numbers allocated for transit provision [in Herefordshire this equates to 10 pitches] will meet the accommodation needs of Gypsies and Travellers?

Suggested Response: There are 10 unused transit pitches in the County at present and, therefore, there already is the potential provision to meet this need. Any decision on relocating this provision is best left at the local level.

Questions TSQ1 and 2: Do you think the additional number of pitches allocated for Travelling Show People will meet their needs? [in Herefordshire this equates to a share of 9 plots allocated to Shropshire, Herefordshire and Telford/Wrekin in Option 1 and 19 plots in Option 2]

Suggested response: There is no evidenced need (from the GTAA) for any provision for Travelling Showpeople pitches in Herefordshire. Given the acknowledged preference of Travelling Showpeople for sites in the West Midlands conurbation there is no need to allocate sites in Herefordshire.

Question TSQ3: Do you agree that the plot numbers for Travelling Showpeople should be allocated on a County basis, rather than down to District basis?

Suggested Response: This distinction is not significant to Herefordshire.

APPENDIX C – CULTURE, SPORT AND TOURISM

- C1 The options for Culture Sport and Tourism deal with matters of broad principle along with the question as to whether individual sites of regional, national and/or international significance should be listed in the policy. Culture, Sport and Tourism are, of course, all important in their own right for the County but the particular options being considered are ones of detailed refinement which can be developed as appropriate in our Core Strategy in due course in order to allow detailed consideration. It is **recommended** that the response is delegated to the **Cabinet Member for Environment and Strategic Housing** (taking into account the views expressed by both Planning Committee and the Stakeholder meeting concerning the importance of the River Wye and the sports facilities at the Royal National College for the Blind).

APPENDIX D – QUALITY OF THE ENVIRONMENT

- D1 The issues covered in this section include the very important ones of making the best use of Brownfield land (in preference to Greenfield land where there is a choice), provision of green spaces, management, protection and enhancement of the historic environment, the Region's landscapes and biodiversity and natural assets, woodland management and the recognition of the importance of agricultural land. These are all issues which are being taken up in the background studies to, and developed further in, the Core Strategy and thus the proposed revisions to the Regional policies will support work currently being undertaken without significantly changing the direction of the emerging Core Strategy. It is therefore **recommended** that technical responses to these issues be delegated to officers.
- D2 Principal changes worth noting are the proposed revisions of policy QE4 previously headed '*Greenery, Urban Greenspace and Public Spaces*' to '*Green Infrastructure*'; reflecting the widely adopted approach of planning and developing multifunctional green space at a range of geographic levels and scales, providing for a broad range of activities and aspirations, and changes to policy QE6 '*The Conservation, Enhancement and Restoration of the Region's Landscape*'; intended to reflect significant change in national policy and commitment to the implementation of the European Landscape Convention (ELC) (signed by the UK government in February 2006 and implemented in March 2007).
- D3 Green infrastructure, as with 'grey' infrastructure (roads, water and drainage provision, energy supply, etc.) should be planned in advance of development to ensure truly sustainable places and communities. A Green Infrastructure Strategy for the county is in the process of being developed as part of the Growth Point agenda and Core Strategy. Similarly, the ELC is a voluntary 'code of conduct' developed to further the understanding, protection and enhancement of landscapes through the recognition that all landscapes matter and have some importance and that importance is best identified and understood by people living in those landscapes. Again, the identification of distinct landscapes, their significance and sensitivity, value and condition is being considered in the development of the Core Strategy.
- D4 An alternative and simplified approach to the management of environmental assets is proposed by the revision of policy QE1, recognising the need to take an integrated and holistic approach to the management and protection of the environment at all scales. Options extend to; protecting and enhancing key assets and poor quality environments; targeting areas affected by significant growth, protecting and enhancing key assets and poor quality environments; extending protection and enhancement of key assets and poor quality environments across the region, but with a focus on major urban areas and regeneration zones.
- D5 The proposed options also propose revisions to the policies on floodplain management including implementation of the Water Framework Directive. This work is also being undertaken anyway as part of the evidence base for the Core Strategy and thus the proposed revisions to the Regional Planning policies merely reinforce the work which is being undertaken anyway.
- D6 It is **recommended** that the response to the Quality of Environment policies discussed above is delegated to the **Cabinet Member for Environment and Strategic Housing**.

D7 The section on Renewable Energy Generation proposes a significantly enhanced review of the policies. The main policy choices are:

TABLE C – RENEWABLE ENERGY POLICIES	
Options	Implications
<p>Option 1: Retain existing RSS Policy EN1 with the aspiration that the region meet the national target for generating electricity from renewable sources – this means setting targets to generate 10% of electricity from renewable sources by 2010, with a further target of 15.5% by 2015 and 20% by 2020.</p>	<p>Would reduce the demand on fossil fuels, make a positive contribution to tackling climate change and would be consistent with national targets.</p> <p>Would encourage the development of a “green economy” based on renewable energy and low carbon technologies and provide employment benefits.</p> <p>Locational requirements of renewables (particularly in high wind speed areas) could create significant landscape impacts and lead to negative effects in regard to biodiversity.</p> <p>This Option does not include a target for renewable energy to contribute to heat consumption or transport.</p>
<p>Option 2: Adopt Regional Energy Strategy targets for renewable energy which requires 5% of electricity consumption by 2010 rising to 10% by 2020; 0.3% of heat consumption by 2010 rising to 1% by 2020; and for at least 460 GWh of liquid biofuels to be produced for transport use in the region – this means targets for 2010 which would be equivalent to up to 75 MW of landfill gas fuelled generators, 100 1.5 MW wind turbines (in rural and urban areas) and 27 1MW biomass/biogas powered generators. The regional target for biofuels by 2010 equates to approximately 44 million litres.</p> <p>[Please note that the exact mix of renewables to achieve the above targets would depend on a wide range of factors. The mix of renewable energy technologies to meet the Regional Energy Strategy target was for presentation purposes only and are not specific targets]</p>	<p>Increased level of renewable energy in the region compared with the present</p> <p>Fails to meet Government targets for renewable energy</p> <p>Would fail to meet Government climate change (CO2) targets</p>
<p>Option 3: Sub-Regional targets for renewable energy – this means the RSS including targets for the sub-regions in the West Midlands which reflect renewable energy opportunities and constraints in those areas. This would involve assessing the potential renewable energy and low carbon technology resources (for example</p>	<p>Sub-regional targets which reflect renewable energy opportunities and constraints</p> <p>Technical assessment of renewable energy opportunities and constraints in sub-regions required</p>

wood and wind) and planning constraints in each sub-region and apportioning a target for that area.	sub-regions required Different targets in different parts of the region Realistic sub-regional targets might help better contribute to the achievement of regional targets.
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- D7 This choice of options is complicated by the fact that, at the Examination in Public (EIP) into Phase 2 of the RSS (which finished on 24th June) the question of “Merton Rule” type policies was challenged. (The “Merton Rule” is named after the London Borough of Merton which introduced policies to require new housing developments to provide at least 10% of their energy needs from renewable sources.) The Panel Report on the EIP is not expected until later this year and thus the basis for having a policy which goes beyond national policy guidelines is not yet certain. If, as a result of the Phase 2 policies, the Secretary of State is prepared to accept the Region having its own, more demanding renewable energy policies then the choice of the three options above becomes a realistic choice.
- D8 In Herefordshire’s context a blanket application may not be appropriate, for example for relatively small sites in villages where there is no easy access to “Renewable” energy sources. However, policies along these lines may well be appropriate for the larger scale Greenfield developments which may well be required as urban extensions to Hereford. In such cases bespoke policies could be introduced at Development Brief level.
- D9 A further set of policy options is put forward on the issue of the location of renewable energy developments (such as wind farms). The options are set out in the following terms:

TABLE D – LOCATION OF RENEWABLE ENERGY DEVELOPMENT	
Location of Renewable Energy and Low Carbon Technologies	Implications
Option 1: Retain existing policy EN1 in RSS which states that local authorities in their Local Development Documents should identify the environmental and other criteria which will be applied to determine the acceptability of renewable energy proposals – this means that there are no clear or consistent criteria for the Regional Planning Body or local authorities to assess whether planning applications for renewable and low carbon technologies are in appropriate locations.	No clear criteria for assessing appropriate locations for renewable energy and low carbon technology development. Inconsistent approach to assessing applications in the region.
Option 2: Criteria based policies for renewable energy and low carbon technology - this means that the RSS would set out consistent criteria against which planning applications for renewable energy and low carbon technologies would be assessed. For example this could include setting out minimum acceptable distances from residential properties, maximum noise levels and guidelines for considering the visual impact of developments on the landscape.	Clear and consistent approach to assess whether applications for renewable energy and low carbon technologies are appropriately located.

Quality of the Environment (Renewable Energy): Suggested Response

D10 In the light of the above options the following questions are posed, with suggested responses as appropriate:

Question ENV18: Do you think policy EN2 should be revised to encourage improvements to the energy efficiency of exiting buildings as opportunities arise?

Suggested response: As a general rule, "Yes". A critical issue is the outcome of the current Phase 2 review of the RSS. If the Secretary of State is prepared to accept regional targets which are more challenging than national standards then further regional guidance will be needed as to how that can be achieved. Herefordshire Council will be preparing a Design Code SPD to put the latest policies into practice in a locally distinctive policy anyway.

Question ENV19: Which of the three Regional Energy Target Options do you think should be used in the RSS to promote the development of renewable energy and low carbon technologies in the West Midlands?

Suggested Response: Option 1 is essentially keeping the national targets and leaving it to local planning authorities to apply them. Option 2 needs to be adjusted to be at least as onerous as the national targets, otherwise there is no point to it. However, Regional targets may be prevented by the Secretary of State's decision on the Phase 2 policies. Biofuels, (which are referred to as a suggestion in the Option) may be seen as environmentally destructive and not suitable where there is conflict with other environmental policies. Option 3 will require a lot of work to establish the evidence for sub-regional targets and, in common with Option 2, depends on the outcome of the relevant phase 2 policies. A better option would be to allow local planning authorities to develop their own distinctive policy guidance based on the national standards. The efficacy of such guidance can then be monitored through local development frameworks.

Question ENV20: Do you think that the RSS should set regional targets for specific renewable energy and low carbon technologies such as biomass, combined heat and power, ground source heat, landfill gas, solar, wind etc.?

Suggested response: No. The technologies for all of these will change significantly during the plan period of the RSS (i.e. to 2026) and thus the relative advantages and disadvantages of each technology, and their suitability for any one site, will be likely to change. Consequently any such policy is likely to become out of date long before the end of the plan period. The most effective technology will vary from locality to locality and from site to site and therefore trying to comply with an overarching regional demand for certain specific technologies will not be practicable.

Question ENV21: Do you think the RSS should retain the existing policy EN1 or should set out clear regional criteria to assess whether applications for renewable energy and low carbon technologies are appropriately located?

Suggested response: The landscapes and characteristics of the different parts of the region are so diverse that it may prove difficult to define, at the regional level, the relative importance of different criteria. There may be conflict between trying to locate large installations close to centres of population whilst at the same time protecting residential amenities. Similarly, criteria which encourage installations in sparsely populated areas may encourage installations in localities with the highest adverse landscape impact. In the absence of specific suggestions for criteria it is not possible to comment in detail.

Question ENV22: If you think the RSS should include clear criteria for assessing applications for renewable energy and low carbon technologies (Option 2 in table D above) please tell us which are the most important factors in assessing where renewable energy and low carbon technologies would

be most appropriately located. Please rate each factor on a scale of 1 to 5 (where 1 is the least important and 5 is the most important). (see table on next page)

Criterion	Score (from 1 to 5)
Contribution to the global environment	
Contribution to the local economy	
Impact on flora and fauna	
Noise	
Odour	
Traffic implications	
Visual impact	
Other factor(s)	

APPENDIX E – MINERALS

- E1 In common with the Quality of Environment Policies (other than renewable energy policies) above, the issues raised by this part of the consultation are being covered anyway in the work on the evidence base for the Core Strategy. That evidence suggests that there is no need to seek regionally significant new sites for minerals extraction in Herefordshire during the anticipated plan period. It is therefore **recommended** that the responses to this section are delegated to the **Cabinet member for Environment and Strategic Housing**.

ANNEX to APPENDIX B – Proposed District Allocation of Pitches

Table 1: District Allocation of Pitch Requirements under Options 1, 2 and 3

Local authority	Additional Residential Pitch Requirements		
	Option 1	Option 2	Option 3
Staffordshire			
Cannock Chase	35	28	32
East Staffordshire	15	23	14
Lichfield	11	12	14
Newcastle-under-Lyme	20	20	19
South Staffordshire	50	44	46
Stafford	37	42	34
Staffordshire Moorlands	2	7	14
Tamworth	7	6	14
Warwickshire			
North Warwickshire	18	16	17
Nuneaton & Bedworth	29	27	27
Rugby	66	55	61
Stratford-on-Avon	45	43	41
Warwick	13	15	14
Worcestershire			
Bromsgrove	3	4	14
Malvern Hills	33	34	30
Redditch	0	4	14
Worcester	22	19	20
Wychavon	66	70	61
Wyre Forest	44	35	41
Metropolitan districts			
Birmingham	19	16	18
Coventry	3	5	14
Dudley	21	17	19
Sandwell	3	3	14
Solihull	26	23	24
Walsall	39	31	36
Wolverhampton	36	27	33
Unitary authorities			
Herefordshire	109	109	100
Shropshire	93	122	86
Stoke-on-Trent	40	36	37
Telford & Wrekin	34	46	31
West Midlands Region	939	939	939

Figure 1 shows in graphical terms the pattern of requirements resulting from each Option at county level. Staffordshire includes Stoke-on-Trent; Herefordshire, Shropshire and Telford & Wrekin are considered together.

MEETING:	CABINET
DATE:	30 JULY 2009
TITLE OF REPORT:	RESPONSE TO AUDIT COMMISSION AND ENVIRONMENT SCRUTINY COMMITTEE REPORTS ON THE PLANNING SERVICE
PORTFOLIO AREA:	ENVIRONMENT AND STRATEGIC HOUSING

CLASSIFICATION: Open

Wards Affected

County-wide

Purpose

To approve responses to the two reports.

Key Decision

This is not a Key Decision.

Recommendations

THAT:

- (a) the responses as set out in Appendix 1 and 2 be approved; and**
- (b) the proposed incorporation of the responses into a single action plan for service improvement be noted.**

Key Points Summary

- Two reports have recently been produced on the Planning Service.
- Both make detailed recommendations on service delivery.
- The proposed responses will assist in future service delivery and will be incorporated into a single action plan for service improvement.

Further information on the subject of this report is available from
Andrew Ashcroft, Head of Planning and Transportation on (01432) 383098

Alternative Options

- 1 Both reports require the preparation of a detailed response.

Reasons for Recommendations

- 2 The two reports have provided useful guidance on service improvements which complement and extend improvements already being implemented or planned for the future.

Introduction and Background

- 3 The Audit Commission published a report in March 2009 on the operation of the development control system. The report was produced as part of the 2008/09 programme that the Audit Commission agreed with the Council for the delivery of its audit and inspection remit. A copy of the report is attached at Appendix 3 for Members' information.
- 4 The report of the Planning Services Scrutiny Review Group of the Environment Scrutiny Committee was presented to the Environment Scrutiny Committee on 20 April, 2009. The remit of this report covers a far wider area than the Audit Commission report. A copy of the report is attached at Appendix 4 for Members' information.
- 5 There are clear overlaps between the two reports. Usefully there is a high degree of consistency between the two sets of findings and recommendation.
- 6 A summary of the two sets of recommendations are set out in Appendix 1 (Audit Commission) and Appendix 2 (Environment Scrutiny review) together with a series of proposed responses and actions plans.

Key Considerations

- 7 The reports set out recommendations that largely fall to be tackled at two levels. The majority are of a professional, procedural or technical nature and can be readily incorporated into systems and practices within the Planning Service. Others are of a constitutional nature and relate to the way in which the Council delivers its development control service in general, and the composition of planning committee structures in particular. This latter aspect has already been the subject of detailed discussion with political groups, and is being reported to Council on 24 July, 2009 in order to allow the widest possible debate on this matter. The views of Council will be reported verbally to Cabinet.

Community Impact

- 8 The acceptance of the recommended responses will have a largely notional impact on the wider community. The degree of public involvement in the planning process will continue. The ability of local members to engage in the planning process will be consolidated and extended.

Financial Implications

- 9 Most of the proposed responses to the recommendations are likely to be cost neutral.
- 10 Any potential reduction in the number of planning committees may bring about some reduction in the overheads of delivering the existing development control service and these will need to be assessed in full in due course.

- 11 The Audit Commission's report has highlighted the high cost of the unsuccessful defence of several high profile refusals of planning permission in recent years, together with the costs that have been associated with other challenges to the operation of the service. An improved Planning Service would be in a better position to avoid future legal and other expenses.

Legal Implications

- 12 There are no specific legal implications arising from this report.
- 13 Appropriate amendments will need to be made to the Constitution to give effect to the proposed changes; these will be effected as part of the ongoing refresh of the Constitution.

Risk Management

- 14 The Planning Service remains high-profile, and this will continue as the county embarks on the New Growth Point initiative in general, and its Local Development Framework in particular.
- 15 The effective operation of the planning system also has a significant impact on the wider reputation of the Council. Since the publication of the Audit Commission report and the findings of the Environmental Scrutiny review group the Local Government Association has published an update of its report on Probity in Planning. This is timely and will allow your officers to ensure that all documentation that supports the new arrangements will be entirely in accordance with national best practice.

Consultees

- 16 Both reports engaged with Members and other key stakeholders in the formulation of their recommendations. Detailed meetings have taken place with political groups on the proposals for new governance arrangements in delivering the development control function.

Appendices

- 17 Appendix 1 – Recommendations and Proposed Actions – Audit Commission Report.
Appendix 2 – Recommendations and Proposed Actions – Environment Scrutiny Report.
Appendix 3 – Audit Commission – Planning Services Review – Herefordshire Council Audit 2008/09 – March 2009
Appendix 4 – Scrutiny Review of Planning Services – Report by Planning Services Scrutiny Review Group – March 2009

Background Papers

Local Government Association – Probity in Planning May 2009

Audit Commission – Planning Services Review

Action Plan

Recommendation R1	Maximise opportunities to engage and learn from existing/new stakeholders.				
Cabinet's Response	Accepted. The recommendation reflects ongoing and planned work, especially on the LDF and the Civica project.				
Action	Owner	By When	Target/Success Criteria	Progress	
Remodelling of Agent's Forum	DC Manager	Sept 09	Greater understanding. Engagement by agents		
Securing feedback from public attendees at Committee	DC Manager	Oct 09	Greater customer focus to meetings		
Revised arrangements for working with the business community	HOP&T/DC Manager	Oct 09	Swifter processing of applications and tailored pre-application advice		
Workshops with community groups, town and parish councils on delivering an electronic planning information system	HOP&T/DC Manager	Nov 09	Understandable and simple-to-use system		

APPENDIX 1

Recommendation	Exploit potential for learning from appeals and other challenges in a training and development setting					
R2	Accepted					
Cabinet's Response	Accepted					
Action	Owner	By When	Target/Success Criteria	Progress		
Training for all Development Control officers on lessons learnt from appeals/challenges	HOP&T/DC Manager	Sept 09	Understanding of areas where Inspectorate does not support Council decisions			
Training event for all Members on lessons learnt from appeals/challenges	HOP&T/DC Manager	Oct 09	Understanding of Inspectorate decision			
Preparation of detailed notes for affected ward members on cases referred to in the Audit Commission report	DC Manager	Nov 09	Understanding of Inspectorate decision			
Preparation of new protocol for reporting appeal decisions to committee(s)	HOP&T/DC Manager	Dependant on revised committee structures	Informed debate on appeal decisions			
Preparation of and delivery of training event(s) for town/parish councils on the wider system and any changes made	HOP&T/DC Manager	Sept/Oct 09	Wider understanding of the system			

APPENDIX 1

Recommendation R3	Develop a full understanding of the impact of external challenges on capacity and reputation				
Cabinet Response	Accepted.				
Action					
Preparation of detailed protocol with Communications Team	HOP&T	Oct 09	Preparation of appropriate and timely releases of information to the press and public		
Recommendation R4	Review the planning delegation scheme.				
Cabinet Response	Accepted. A new system should reflect good practice and be in an accessible format.				
Action					
Preparation of revised scheme of delegation on planning matters.	HOP&T/DC Manager	Relates to revised Committee Structures (R5) Oct 09	Clear and transparent system		
Circulation of revised scheme of delegation to all members and clerks of town/parish councils	DC Manager	Relates to revised Committee Structures (R5) Oct 09	Clear and transparent system		

APPENDIX 1

Recommendation	Review and amend the planning decision-making process					
R5	Review and amend the planning decision-making process					
Cabinet Response	Accepted.					
Action	Owner	By When	Target/Success Criteria	Progress		
Detailed meetings with all political groups.	Cabinet Member (E&SH)	July 09	Full debate on the issue	Conservative Group Liberal Democrat Group Independent Group		
Discussion of options with Cabinet Member	Cabinet Member (E&SH)	June 09	Feedback on Group discussions			
Preparation of Report on Options to Full Council	Cabinet Member (E&SH)/ HOP&T	Oct 09	Agreement of revised structures	Referral of options to Constitutional Review working party		
Recommendation	Clarify procedures for conduct of planning committee(s)					
R6	Clarify procedures for conduct of planning committee(s)					
Cabinet's Response	Accepted.					
Action	Owner	By When	Target/Success Criteria	Progress		
Preparation of protocol for officer presentations to Committee	HOP&T	Sept 09	Consistent and clear reporting			
Preparation of protocol for Members role at Committee	HOP&T	Sept 09	Agreed levels of input and comments			
Preparation of revised guidance notes for members of the public attending/speaking at the Committee	HOP&T	Sept 09	Better understanding by the public of Committee proceedings			

APPENDIX 1

Recommendation R7	Improved documentation on call-ins, site visits, and amendments/overturns to proposals				
Cabinet's Response	Accepted				
Action		Owner	By When	Target/Success Criteria	Progress
Preparation of revised protocols and procedures on these matters		DC Manager	Sept 09	Greater clarity and consistency	
Incorporation of these matters into Member training event (see R1)		HOP&T	Oct 09	Member training on revised arrangements	
Recommendation R8	Reinforce the importance of preparedness, impartiality, open-mindedness and policy planning for members.				
Cabinet's Response	Accepted. There are clear links to R4 and R5.				
Action		Owner	By When	Target/Success Criteria	Progress
Organisation of training event for Members with an ongoing development control function. (Delivered by external facilitators)		HOP&T	Oct 09	Operation of new committee(s) to national best practice	

APPENDIX 1

Recommendation R9	Ensure greater separation between role of local ward Member and the planning decision maker			
Cabinet's Response	Accepted. This overlaps with the action plan on R5.			
Action	Owner	By When	Target/Success Criteria	Progress
Organisation of training event for Members without a seat on a development control committee in the new structure.	HOP&T	Sept 09	Understanding of revised roles and flexibilities	
Recommendation R10	Continue to build commitment to and ownership of the UDP and the emerging county-wide planning policy framework.			
Cabinet's Response	Accepted. This reflects ongoing work			
Action	Owner	By When	Target/Success Criteria	Progress
Preparation of detailed timetable for Member engagement in the LDF.	Forward Planning Manager	Sept 09	Member engagement in LDF process	
Preparation of detailed engagement for key stakeholder groups.	Forward Planning Manager	Sept 09	To secure stakeholder engagement in this important document	
Recommendation R11	Reinforce the need for all Councillors to make a balanced and consistent contribution to debates on planning applications at Committee			
Cabinet's Response	Accepted.			
Action	Owner	By When	Target/Success Criteria	Progress
See responses to R7 and R 8				

APPENDIX 1

Recommendation R12	Make induction and regular specific training mandatory for all Councillors involved in the planning decision making process.				
Cabinet's Response	Accepted.				
Action	Owner	By When	Target/Success Criteria	Progress	
Amend constitution to make induction and on-going training mandatory for all members with a development control function.	HOP&T/ Assistant Chief Executive (Legal and Democratic)	Sept 09	To ensure full and appropriate training		
Recommendation R13	Set out planning competencies and future training and development opportunities for all councillors involved in the planning decision-making process.				
Cabinet's Response	Accepted.				
Action	Owner	By When	Target/Success Criteria	Progress	
Establish members planning and skills framework	HOP&T	May 2010	Member competencies to be assessed against national benchmarks		
Preparation of annual training and development package for members with a development control function	HOP&T	Nov 09 (for 2010)	Training geared to ongoing development needs		

APPENDIX 1

Recommendation	Continue to explore good practice, and share experiences with other planning authorities				
R14					
Cabinet's Response	Accepted. This builds on existing practices.				
Action	Owner	By When	Target/Success Criteria	Progress	
Benchmarking processes with similar councils	DC Manager	Ongoing	Exposure to national/developing best practice		
Visits to other authorities with similar committee models to those adopted in the County pursuant to R5.	DC Manager	Oct 09 onwards	Learning issues around system operation		

Environment Scrutiny Review of Planning Services

Action Plan

Recommendation 4A	Using capacity from recession to work even more closely with growth issues in the County.			
Cabinet's Response	Accepted. This has naturally developed as discussions have taken place about this report and that produced by the Audit Commission.			
Action	Owner	By When	Target/Success Criteria	Progress
The redeployment of staff from development control will be monitored on an ongoing basis.	HOP&T	Quarterly	Appropriate use of staff resources	
Recommendation 4B	Give particular attention to elected members representing wards in Hereford City given the concentration of new growth.			
Cabinet's Response	Accepted. As the report suggests this should not be at the expense of consultation with other members, as there is also significant growth proposed in other parts of the County.			
Action	Owner	By When	Target/Success Criteria	Progress
Preparation of detailed timetable for Member engagement in the LDF.	Forward Planning Manager	Sept 09	Member engagement in LDF process	
Preparation of detailed engagement for key stakeholder groups.	Forward Planning Manager	Sept 09	To secure stakeholder engagement in this important document	

APPENDIX 2

Recommendation 4C	Preparation of Planning Services Masterplan.				
Cabinet's Response	Accepted. The outcome of the Cabinet's consideration of the two reports will allow the HOP&T to prepare an overall service improvement Masterplan.				
Action	Owner	By When	Target/Success Criteria	Progress	
Incorporation of responses from this report and that of the Audit Commission into a single service improvement masterplan.	HOP&T	August 09	Clarity of tasks to be undertaken.		
Recommendation 4D	Examples of authorities with significant experience in modernising be studied and incorporated into Masterplan.				
Cabinet's Response	Accepted. This overlaps with the response to the Audit Commission report.				
Action	Owner	By When	Target/Success Criteria	Progress	
Benchmarking processes with similar Councils.	DC Manager	Ongoing	Exposure to national/developing best practice.		
Visits to other authorities with similar committee models to those adopted in the County.	DC Manager				

APPENDIX 2

Recommendation 4E	Arrangement of seminar to involve other Councils.			
Cabinet's Response	This is partially accepted. Learning and development from others will be essential to the change management process. This may best be achieved by visiting other authorities.			
Action	Owner	By When	Target/Success Criteria	Progress
Benchmarking processes with similar Councils.	DC Manager	Ongoing	Exposure to national/developing best practice.	
Visits to other authorities with similar committee models to those adopted in the County.	DC Manager			
Recommendation 4F	Preparation of a comprehensive consultation plan be developed on future growth proposed in the LDF.			
Cabinet's Response	A detailed consultation strategy has already been agreed as part of the LDF process. The matter will be discussed with members and stakeholders.			
Action	Owner	By When	Target/Success Criteria	Progress
See action to R10 of the Audit Commission report.				
Recommendation 5A	Expansion of membership of LDF Task Group.			
Cabinet's Response	Accepted. The matter was raised at the Task Group meetings on 11 th May 2009 and discussions are underway to extend the membership of the Group.			
Action	Owner	By When	Target/Success Criteria	Progress
Preparation of revised terms of reference for the Task Group and invitations to potential new members.	Cabinet Member (E&SH)/HOP&T	August 09	Wider membership of Task Group.	

Recommendation 5B	Expansion of opportunities for members to discuss emerging LDF issues.				
Cabinet's Response	Agreed. This overlaps with the response to the Audit Commission report.				
Action	Owner	By When	Target/Success Criteria	Progress	
Preparation of detailed timetable for Member engagement in the LDF.	Forward Planning Manager	Sept 09	Member engagement in LDF process		
Preparation of detailed engagement for key stakeholder groups.	Forward Planning Manager	Sept 09	To secure stakeholder engagement in this important document.		
Recommendation 5C	Give greater attention to plainer English in planning documents.				
Cabinet's Response	Accepted. As the planning process becomes more complete the ability of the Council to engage with the public becomes ever more important.				
Action	Owner	By When	Target/Success Criteria	Progress	
Arrange Plain English Campaign training course for key staff	HOP&T	Sept 09	Appreciation of the need to produce clear, jargon-free literature		

APPENDIX 2

Recommendation 5D	Preparation of timetable for members involvement in LDF.					
Cabinet's Response	Accepted. This overlaps with the response to the Audit Commission report.					
Action	Owner	By When	Target/Success Criteria	Progress		
Preparation of detailed timetable for Member engagement in the LDF.	Forward Planning Manager	Sept 09	Member engagement in LDF process			
Preparation of detailed engagement for key stakeholder groups.	Forward Planning Manager	Sept 09	To secure stakeholder engagement in this important document.			

Recommendation 5E	Agree with Town and Parish Councils the role of parish planning within the LDF				
Cabinet's Response	Accepted. This overlaps with the response to the Audit Commission report.				
Action	Owner	By When	Target/Success Criteria	Progress	
Preparation of detailed timetable for Member engagement in the LDF.	Forward Planning Manager	Sept 09	Member engagement in LDF process		
Preparation of detailed engagement for key stakeholder groups.	Forward Planning Manager	Sept 09	To secure stakeholder engagement in this important document.		
Arrange meeting with HALC/Cabinet Member, and send briefing note to all Town/Parish Councils	HOP&T/ Planning Policy Manager	Sept 09	Clarity in role of parish plans in the development plan process.		
Recommendation 5F	Appropriate funding of growth point initiative.				
Cabinet's Response	Partially accepted. The growth point initiative is already funded through central resources, the Growth Point fund from CLG and via the Planning and Housing Delivery Grant. The importance of funding this important initiative should not, however, be underestimated.				
Action	Owner	By When	Target/Success Criteria	Progress	
Monitor the financial position of the Growth Point initiative	HOP&T / Forward Planning Manager	Quarterly	Appropriate resources being available.		

Recommendation 5G	A programme of communication be commenced with developers/agents.			
Cabinet's Response	Accepted. This overlaps with the responses to the Audit Commission Report.			
Action	Owner	By When	Target/Success Criteria	Progress
See responses to R1 and R10 of the Audit Commission Report.				
Recommendation 6A	Establishment of an all-authority infrastructure group.			
Cabinet's Response	Accepted in principle. It is suggested that this is debated initially at the LDF Task Group, and that the remit of existing groups (such as the Major Projects Group) be reviewed to assess whether they can be incorporated into such an overarching group.			
Action	Owner	By When	Target/Success Criteria	Progress
Consider establishment of all-authority infrastructure group at LDF Task Group 14 th September, 2009.	HOP&T	Sept 09	Relationship of LDF Working Group to infrastructure issues.	
Recommendation 7A	Achievement of top quartile DC Performance.			
Cabinet's Response	Accepted in principle. The ability or otherwise of achieving this target can be assessed once the Civica system has been implemented and any new committee structures established.			
Action	Owner	By When	Target/Success Criteria	Progress
Monitor performance and reassess procedures once the Civica system is in place.	HOP&T	Oct 09	Continuously improving performance.	

APPENDIX 2

Recommendation 7B	Redeployment of Planning Services employees to priority areas within the Service.			
Cabinet's Response	Redeployment of staff from development control to planning policy took place earlier in the year. The situation is being monitored.			
Action	Owner	By When	Target/Success Criteria	Progress
The redeployment of staff from development control will be monitored on an ongoing basis.	HOP&T	Quarterly	Appropriate use of staff resources	
Recommendation 7C	Establish how other authorities deliver services			
Cabinet's Response	Agreed in principle. This overlaps with responses to the Audit Commission report.			
Action	Owner	By When	Target/Success Criteria	Progress
Benchmarking processes with similar Councils.	DC Manager	Ongoing	Exposure to national/developing best practice.	
Visits to other authorities with similar committee models to those adopted in the County.	DC Manager			
Recommendation 7D	Establishment of a contingency budget.			
Cabinet's Response	Not accepted. Measures are already in place to cover abnormal expense.			
Action	Owner	By When	Target/Success Criteria	Progress
N/A.				

APPENDIX 2

Recommendation 7E	Ensure an appropriate balance between expenditure on planning policy and development control.			
Cabinet's Response	Accepted. See response to 7A			
Action	Owner	By When	Target/Success Criteria	Progress
N/A.				
Recommendation 8A	Preparation of a costed and timed programme for the major planning issues in the LDF process.			
Cabinet's Response	Accepted. The Council has already allocated additional resources to the LDF process through its own Medium Term Financial Plan, and the Council will continue to be able to bid for external funding from the Growth Points Challenge Fund.			
Action	Owner	By When	Target/Success Criteria	Progress
Monitor the financial position of the Growth Point initiative.	HOP&T / Forward Planning Manager	Quarterly	Appropriate resources being available	
Recommendation 8B	Roll-out of programme of training on development management principles.			
Cabinet's Response	Accepted. This overlaps with response to the Audit Commission report.			
Action	Owner	By When	Target/Success Criteria	Progress
See Action Plan to Audit Commission report (R2).				

APPENDIX 2

Recommendation 8C	Staff training in development management.			
Cabinet's Response	Accepted. This overlaps with response to the Audit Commission report.			
Action	Owner	By When	Target/Success Criteria	Progress
See Action Plan to Audit Commission report (R2).				
Recommendation 9A	Take account of committee cycles and town and parish councils when consulting on applications			
Cabinet's Response	Not accepted. The Council has a duty to determine applications within a statutory period. Town and parish councils are notified on applications and are given 21 days in which to respond. Nonetheless training offered to town and parish councils will offer guidance on how best to respond to planning applications in a timely manner.			
Action	Owner	By When	Target/Success Criteria	Progress
Incorporate advice on commenting on planning applications on wider training to town and parish councils.	HOP&T	Sept 09	Speedier response to planning applications	
Recommendation 9B	Reconsideration of Parish Compact			
Cabinet's Response	Agreed. The Compact needs to be reconsidered in the light of the wider committee changes, and in advance of the determination of major LDF – derived applications.			
Action	Owner	By When	Target/Success Criteria	Progress
Re-negotiate Parish Compact	HOP&T	Oct 2009	Relationship to new committee structure and wider arrangements.	

Recommendation 9C	Placing Agents Forum on a formal basis.			
Cabinet's Response	Accepted.			
Action		Owner	By When	Target/Success Criteria
Discuss future composition/arrangements at next Agents Forum		HOP&T/DCM	Agents Forum 16 th July, 2009	Clarity of future arrangement/meeting schedules/governance
Recommendation 9D	Member guidance and training on relationships with officers			
Cabinet's Response	Accepted. This overlaps with proposed training stemming from the Action Plan to the Audit Commission report.			
Action		Owner	By When	Target/Success Criteria
Incorporating of this aspect of training into wider training packages		HOP&T	Sept/Oct 09	
Recommendation 9E	Any formal Agents Forum presents an annual report to the Environment Scrutiny Committee			
Cabinet's Response	This is ultimately a decision that the agents concerned would need to determine. The issue will be raised at the meeting on 16 th July, 2009			
Action		Owner	By When	Target/Success Criteria
Discuss this matter at the Agents Forum		HOP&T	16 July 09	

APPENDIX 2

Recommendation 10A-10E	Various recommendations on Section 106 Procedures			
Cabinet's Response	Accepted. In general several of the recommendations are now incorporated (or being incorporated) into the day-to-day operation of the Service following the appointment of the Planning Obligations Manager. It is recognised that these ongoing arrangements need to be incorporated into widely-accessible guidance. To this extent these elements of guidance will be incorporated into the report to Council in due course.			
Action	Owner	By When	Target/Success Criteria	Progress
Incorporation of revised Section 106 Agreement procedures into Council report on committee structures on 24 th July, 2009.	HOP&T	July 2009	Information	
Recommendation No. 10F	Increase size of member training budget			
Cabinet's Response	Agreed in principle. The matter will need to be considered in the round setting the 2010/11 budget.			
Action	Owner	By When	Target/Success Criteria	Progress
Direction of this information to the Director of Resources	HOP&T	July 09		
Recommendation No. 10G	Notice is taken of survey results included in the Environmental Scrutiny report.			
Cabinet's Response	Agreed. The Environment Scrutiny report has been important in shaping service improvements.			
Action	Owner	By When	Target/Success Criteria	Progress

APPENDIX 2

Recommendation No. 10H	Development and roll out of training programme to town and parish councils.			
Cabinet's Response	Accepted. This overlaps with responses to the Audit Commission Report.			
Action	Owner	By When	Target/Success Criteria	Progress
See other responses on training and development.				
Recommendation No. 10 I	Establish standards for acknowledging letters and responding to phone calls.			
Cabinet's Response	Accepted. Customer standards already exist. Nonetheless there will be clear benefits to all concerned that these standards are incorporated in revised guidance notes on the operations of the system.			
Action	Owner	By When	Target/Success Criteria	Progress
Include standards for acknowledging letters and responding to phone calls in updated guidance notes on the operation of the Development Control system.	HOP&T	Sept 09	Readily-understood system	
Recommendation No. 10J	Introduction of a systematic approach to collecting and analysing and using customer feedback.			
Cabinet's Response	Accepted. The existing information is collected and presented in a patchy way.			
Action	Owner	By When	Target/Success Criteria	Progress
Introduction of systematic approach to collecting, analysing and using customer feedback.	HOP&T	Oct 09	Availability of readily useable information	

APPENDIX 2

Recommendation No. 10K	Enforcement service to be more viable and proactive.			
Cabinet's Response	Accepted. The enforcement service needs to take a balanced approach to breaches of planning permission based on the individual circumstances.			
Action	Owner	By When	Target/Success Criteria	Progress
Preparation and circulation of an Enforcement Guide and set of protocols.	Development Control Manager	Nov 09	Clarity on operation of planning system	
Recommendation No. 11A – 11H	Detailed recommendations on the introduction of the Civica system (through Herefordshire Connects).			
Cabinet's Response	The system will be operational in September 2009. Detailed arrangements will be made to business processes as a result of its introduction. These will be refined on the basis of any changes to Committee structures and arrangements. Document scanning will be introduced in Phase 2 of the project and once a corporate decision has been made on document management systems.			
Action	Owner	By When	Target/Success Criteria	Progress
Monitoring of successful roll-out of the Civica Project.	IERS Project Board	Sept 09	Effective roll-out of the new system.	
Recommendation No. 11 I & J	Accommodation of Planning Services in a single building.			
Cabinet's Response	These matters will be addressed in the wider accommodation review of the Council.			
Action	Owner	By When	Target/Success Criteria	Progress
Ensure that the operational requirements of the Planning Service are appropriately managed as part of the wider accommodation review.	Accommodation Review Group	Ongoing		

APPENDIX 2

Recommendation No. 11K & L	Various recommendations relating to the Committee system.			
Cabinet's Response	These areas overlap with the responses on the Audit Commission report (R5).			
Action	These matters will be dependent on the Council's decision on any revisions to the Committee structures	Owner	By When	Target/Success Criteria
				Progress

Planning Services Review

Herefordshire Council

Audit 2008/09

March 2009



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Status of our reports

The Statement of Responsibilities of Auditors and Audited Bodies issued by the Audit Commission explains the respective responsibilities of auditors and of the audited body. Reports prepared by appointed auditors are addressed to non-executive directors/members or officers. They are prepared for the sole use of the audited body. Auditors accept no responsibility to:

- any director/member or officer in their individual capacity; or
- any third party.

Summary report

Introduction

- 1 The planning system plays an important role in people's lives. Effective land use is vital for the well being of the country. Planning is about delivering what people want: jobs, homes, lively city centres, better transport, and sensitive care for our historic buildings and the countryside.
- 2 The planning service within local authorities provides the means to resolve the many competing demands for land and development. It protects the environment in towns, cities and the countryside. Planners strike a balance between meeting today's needs and those of future generations.
- 3 An effective, progressive service will be enable local community, regional and national priorities to be realised, and do so efficiently, and in a manner which enhances public satisfaction and confidence with both the process and the outcome of the planning decisions the Council makes.
- 4 Through its audit and inspection remit, the Audit Commission supports improvement in councils and provides assurance to the public. Work is programmed annually through an audit and inspection planning process that takes account of what the Council is aiming to achieve, service and corporate performance, and value for money. We agreed with the Council a 2008/09 programme that includes a planning services review, the outcome of which is reported here.

Background

- 5 The county of Herefordshire has a population of 178,000. Herefordshire Council is the second largest unitary by area and is the most parished unitary in the country with around 1,300 parish councillors, within 238 parishes and on 134 parish councils. The county of Herefordshire has the fourth lowest population density of the 150 'top tier' authorities in England. The Wye Valley is designated an area of outstanding natural beauty. There are 3,460km of public rights of way in the county. Key issues include access to services, high levels of dependency on the car, housing affordability, low income levels, and a lack of local employment opportunities for the highly skilled.
- 6 The planning service currently determines around 2,500 planning applications per year, and is exceeding government targets for the speed of handling applications, although the Council was briefly designated a planning standards authority in 2006/07 for failing to meet all three BVPI 109 standards.
- 7 Planning services have not been the subject of an Audit Commission planning inspection in the past. The service itself reports half yearly to the main planning committee using a range of qualitative and quantitative measures. In 2008/09 the service will be reviewed by the Scrutiny Committee, as well as by the Audit Commission.

Contribution of the planning service

- 8 The Council has recently revised its (2007 to 2010) corporate plan. In addition to the top priorities of children and young people, vulnerable adults and older people and the economy, is the priority to increase the availability of appropriate, decent and affordable housing for the community, particularly for disadvantaged groups and first-time buyers.
- 9 Planning services aim to provide better services, quality of life and value for money through continuous improvement. In addition the service aims to contribute to corporate priorities by enabling:
 - the essential infrastructure for a successful economy;
 - sustainable prosperity for all; and
 - affordable housing to meet the needs of local people.
- 10 Emerging national and regional housing priorities are reflected in the Council's core strategy (options stage - May 2008) which outlines the possibility of an increase in the rate of housing completions per year in the long run, with this also contributing to the provision of high levels of affordable housing. The Council supports the proposal for the city of Hereford to be designated as a new growth point.
- 11 The County's local area agreement The Story of Place 2008 to 2011 has recently been agreed. This includes the following priorities.
 - Economic development and enterprise including Increasing the economic potential of the county, with particular regard to higher skilled and better paid jobs.
 - Stronger communities, including increasing the availability of appropriate, decent and affordable housing and improving the availability of sustainable services and facilities and access to them.
 - The environment, including leading a local contribution to climate change reduction.

Scope and objectives

- 12** We agreed a number of key questions as the focus of our work following an initial risk assessment and a discussion with officers relating to the work the Council is doing within its own scrutiny of planning services during 2008/09. These key questions are as follows.
- How is learning from appeals outcomes (and other forms of challenge eg ombudsman's findings and internal complaints processes) incorporated into officer and member development, and development of management arrangements?
 - Do arrangements ensure that planning decision-making is efficient and effective including transparent and accessible procedures, effective use of call-ins, referrals and delegation?
 - How effectively is advice given and received in committee decision making and are the existing safeguards effective?
 - How well do councillors balance their different responsibilities (to individual members of the community, to neighbourhoods or settlements, their area committee, and the countywide community)?
 - Are the arrangements effective for providing members with knowledge and skills development opportunities in relation to planning?
- 13** A fuller explanation as to how these themes have arisen can be found in the separate project brief, October 2008. The project brief clarifies why the audit work is focused narrowly on learning and development, and on decision making. This review does not look more widely at the positive outcomes the planning service has achieved nor is this an assessment of the general strength of the service.

Audit approach

- 14** Fieldwork has been undertaken in three phases. Initially we conducted a document review based upon a document request. The second phase involved area planning committee paper reviews and a series of committee observations. In the third phase of our work we conducted a range of on-site interviews with councillors and officers, a file review and further reality checks. Details of all inputs can be found in Appendix 1.

Main conclusions

- 15 Our work focused on a narrow range of issues which had been previously identified as potential areas of risk for the Council. Our findings have not identified any individual, significant actions that have resulted in the Council acting illegally or that require an urgent review of governance arrangements. However, we found a number of concerns that need addressing as a matter of some urgency to ensure that in the future more serious problems are avoided.
- 16 Some of these concerns relate to planning decisions being overturned by the Planning Inspectorate or by the courts, particularly where this has resulted in the award of costs or compensation for which there was no budget. Failure to address these concerns will lead to the continuation of a high number of appeals being determined by the Planning Inspectorate with the loss of local sovereignty for decision making. It will also result in a high risk of further financial claims being made against the Council which will impact adversely on the planning service budget and capacity. Finally unless the concerns set out in this report are addressed the reputation of the Council is at risk which will ultimately undermine its ability to deliver its corporate priorities, especially those around regeneration and housing.
- 17 Existing planning decision-making arrangements at committee are cumbersome. Key characteristics include a system where all councillors play a part in decision making through area committees, a two-tier committee structure, and complex referral and delegation mechanisms. Furthermore, the way councillors participate in planning decision making within these arrangements is having a negative impact on the efficiency and effectiveness of the service.
- 18 Finally, unless the concerns set out in this report are addressed, the reputation of the Council is at risk, which will ultimately undermine its ability to deliver its corporate priorities, especially those around regeneration and housing.

Learning from challenge

- 19 The Council is not effectively using the judgements of external bodies, such as the Local Government Ombudsman, the courts, or the Planning Inspectorate to improve the soundness of its planning decision making and its service delivery, and thereby reduce potential risks. The service has overspent by more than £400,000 in legal costs alone in the last four years in defending appeals, yet councillors have so far not accepted the findings of external bodies and initiated appropriate action to resolve or minimise future reoccurrence. This undermines the Council's reputation, jeopardises future delivery of corporate priorities and increases financial risk. The Council is also missing the chance to use existing contact with stakeholders, such as the Agent's Forum, as a means of gaining users' views on service quality. There are no mechanisms in place to seek such feedback which could be used to gain external views about the planning service to improve future delivery.

Main conclusions

Decision-making process

- 20 The existing decision-making procedures for determining planning applications are complex and unlikely to be readily understood by the public. As a consequence, the perception is that they are not consistent, fair or transparent despite the fact that the procedures are formally set out in the constitution. Planning files and reports to committee provide a clear account of how applications have been handled, but on occasion planning committee members are perceived to be voting and making decisions in the absence of established reasons. The call in and referral processes lack transparency and add delay and uncertainty to the decision-making process. This also leads to a lack of accountability for the final decision. The delegation agreement identifies what decisions are delegated to officers but its wording is confusing and the number of applications referred to committee remains high. This adversely impacts on the capacity of the planning service. It is unclear whether the Council understands both the costs and value added of the present arrangements.

Councillor roles in planning decision making

- 21 Councillors are not effectively balancing their different responsibilities. Councillors take their local representational role very seriously: they have a deep-seated belief that this is the purpose for which they have been elected. However this local advocacy carries over into planning decision-making which is then unduly influenced by the local perspective. This means decision-making is overly parochial although it does not routinely raise significant probity issues. This bias is amplified by the existing committee and decision-making arrangements and by the way debate is conducted. The impact of continued parochialism will be an inability to deliver fully the Council's countywide strategic planning ambitions, and the investment of officers' and members' energies and resources in heading off appeals and other challenges rather than improving outcomes for the wider community.

Member training and development

- 22 Training and development activity is adequate, but it has weaknesses which limit its overall effectiveness. The quality of training is generally good and it is well received by those members who attend. However, there is no clear structure to training and development opportunities to ensure learning and experience is consolidated, and training is not mandatory or needs based.

Way forward

- 23 We have made a set of recommendations which arise from the main conclusions of this review. We have asked councillors and officers to respond to these recommendations by 30 June 2009. We will monitor progress in relation to the appended action plan as part of our ongoing audit.

Key recommendations	
R2	Exploit the potential for councillors' and officers' learning from appeals and other significant challenges within a training and development setting. Ensure lessons are drawn from key challenges, and that action is taken to address identified weaknesses.
R5	Review and amend the planning decision-making processes to ensure these are more efficient, fair and transparent and increase accountability for decisions by: <ul style="list-style-type: none"> • reviewing the operation of the delegation scheme and call in system; • abandoning or amending the area committee referral mechanism to increase committee accountability; and • evaluating the costs and value added by the present two-tier committee arrangements that involve all councillors, compared to other alternative committee structures.
R8	Reinforce through training, committee advice or through changes to the existing committee arrangements the importance of preparedness, impartiality, open-mindedness and policy primacy for members participating in planning decision making.
R9	Ensure greater separation of roles between the local ward councillor and the planning decision maker through a review of current committee membership and application of codes of conduct and good practice.

Detailed report

Introduction

24 The review's main focus is on learning and development, and on decision making in line with the project brief, October 2008. Audit work aims to answer the following four descriptors.

The Council learns from challenge ie:

- officers are effective in raising and developing members' awareness of challenges to the planning process at HCC its outcomes (including judicial review, ombudsman's findings, appeals and complaints); and
- Members are receptive to learning from sources of challenge.

Decision making is transparent and sound ie:

- planning decision-making procedures are clearly laid out and understood by stakeholders;
- the application of procedures is well documented (eg case management, call ins, referrals and delegation);
- planning reasons are provided, evaluated and taken into account as part of decision making; and
- appropriate advice (eg legal, technical, statutory consultation) is sought, given and taken account of, and this is done in a timely manner.

Councillor roles in planning decision making are clear and effective ie:

- committees reflect an acceptable balance of members' different responsibilities;
- time taken in committee dealing with overly parochial thinking is kept to the minimum; and
- exchanges in meetings (between members, the chair, officers, the public) are courteous and businesslike.

Member development is effective ie:

- Member development is well structured and designed to encourage ongoing learning; and
- development opportunities are effective in engaging members.

Learning from challenge

- 25** The Council is not effectively learning from the judgements of external bodies, such as the Local Government Ombudsman, the courts, or the Planning Inspectorate in order to improve the soundness of its planning decision making, its service delivery, and reduce potential risks. The service has overspent by more than £400,000 in legal costs alone in the last four years in defending appeals, yet councillors have so far not accepted the findings of external bodies and initiated action is taken to resolve or minimise future reoccurrence. This undermines the Council's reputation, jeopardises future delivery of corporate priorities and increases financial risk. The Council is also missing the chance to use existing contact with stakeholders, such as the Agent's Forum, as a means of gaining users' views on service quality. There are no mechanisms in place to seek such feedback which could be used to gain external views about the planning service to improve future delivery.
- 26** The Council is not maximising routine learning opportunities in order to improve the planning service. Some useful arrangements are already in place such as the agents' forum, and the planning chairman's group. However, the forum is primarily used by the Council to impart information to the agents and not to seek regular, constructive feedback from an important section of users of the planning service. There are no other standing arrangements for gathering feedback from other key stakeholder groups such as regular consultees, parish councils, businesses, committee attendees or applicants. The chairman's group is used with some success to share practice on the way the three area committees are run. It also issues a regular newsletter to planning members but it does no structured evaluation of learning points arising from sources of challenge such as appeals or formal complaints. These weaknesses represent lost opportunities to thoroughly engage and learn from stakeholders in the planning process.
- 27** Councillors are not receptive to views on planning decision making given by external bodies. The number of complaints to the Local Government Ombudsman about planning, building control and enforcement matters fell in 2007/08 to its lowest level of the past four years. However the Council has a high number of appeals against refusal of planning permission. In the last two years the Council has lost 34 per cent of these appeals which is slightly higher than the national average, and much higher than its two previous years' performance. Arrangements have been recently introduced to provide regular summary feedback on the success rate at defending appeals to the three area committees. However individual appeal outcomes are underutilised, with planning members reluctant to revisit decisions overturned by planning inspectors. Some area committee members view getting on with planning decision making as their main business, and have little interest in learning from upheld, or even dismissed, appeals either within a committee setting or outside of it. Without the willingness to complete the feedback loop between decisions made and the process of decision making, there is a risk of poor decision making being perpetuated.

Learning from challenge

- 28** More serious challenges to the planning decision-making process fail to secure Council commitment to learn from the points arising and to take action. The recent judicial review of the Council's decision to allocate a particular site within the UDP did prompt an extraordinary Council meeting, but did not secure either a public inquiry, a scrutiny review, or even a clear set of learning points, recommendations and an action plan. In one case in late 2007, the local government ombudsman awarded costs to the complainant but also recommended that the Council produce 'a good practice guide for members of the planning committee on dealing with all aspects of the decision-making process'. To date no action has been taken to do this, nor are there future plans to do so. In several cases recently costs have been awarded to appellants, likely to amount to more than £30,000. In one case, costs were awarded against the Council due to weaknesses in the decision-making process even though the inspector agreed with the Council's decision. Such cases have not triggered specific learning points to be identified and shared in order to reduce the likelihood of future challenges.
- 29** There is a lack of openness about the extent of the impact of external challenge on the capacity of the planning service and on the reputation of the Council more widely. A budget of around £10,000 has been agreed each year for the last four years to meet legal and associated costs in defending appeals, yet the actual additional cost, excluding officer time and overheads, for the same period, including the award of costs, amounts to £440,000. This means the planning service budget has absorbed an extra £400,000 of costs arising from planning appeals over this four-year period. Further unquantifiable costs arise from officer time in preparing the Council's position in defending appeals, and depending on the volume of cases and their complexity each year these represent a significant opportunity cost. There is therefore a mismatch between the expectations of those setting budgets and the planning performance of the Council. In the extraordinary Council meeting to discuss the UDP judicial review, the Council's costs were estimated at £15,000 but there was limited recognition of the wider reputational damage to the Council, or the community capital and goodwill expended in pursuing the case. This means it is more difficult for the Council to weigh up the importance of learning and taking action to prevent similar mistakes happening in future.

Recommendations

- R1** Maximise opportunities to engage and learn from existing stakeholders on an ongoing basis as a means of informing service improvements. Consider ways of engaging new stakeholders.
- R2** Exploit the potential for councillors' and officers' learning from appeals and other significant challenges within a training and development setting. Ensure lessons are drawn from key challenges, and that action is taken to address identified weaknesses.
- R3** Develop a full understanding of the impact of external challenge and decisions on the capacity and reputation of the Council and the importance of responding to such challenges or decisions, and agree resources accordingly.

Decision making – transparent and sound

- 30** The existing decision-making procedures for determining planning applications are complex and unlikely to be readily understood by the public. As a consequence, the perception is that they are not consistent, fair or transparent despite the fact that the procedures are formally set out in the constitution. Planning files and reports to committee provide a clear account of how applications have been handled, but on occasion planning committee members are perceived to be voting and making decisions in the absence of established reasons. The call in and referral processes lack transparency and add delay and uncertainty to the decision-making process. This also leads to a lack of accountability for the final decision. The delegation agreement identifies what decisions are delegated to officers but its wording is confusing and the number of applications referred to committee remains high. This adversely impacts on the capacity of the planning service. It is unclear whether the Council understands both the costs and value added of the present arrangements.
- 31** While planning decision-making procedures are formally set out¹, procedures are complex, and run the risk of being poorly understood by the public. The existing two tier system with three area planning committees and an overarching planning committee, and the associated referral process is difficult to understand and results in a lack of ownership of, and responsibility for, the final decision. National studies show that the operation of an area based decision-making structure for development control raises potential concerns² around the consistency of decision making; probity; maximising use of resources and improvement in development control performance. To varying degrees all of these concerns are present in the current arrangements and these concerns are set out in this report.
- 32** There is a perceived lack of clarity around who determines a planning application. The delegation agreement is not written in 'Plain English' and therefore does not help users and local residents understand who is responsible for determining planning applications and other planning matters. Professional agents voice concerns over its clarity and consistency of interpretation. The current delegation agreement includes a long list of what is delegated, whereas good practice guidance issued by then ODPM and Local Government Association (LGA)³ and other organisations such as the Planning Officers Society (POS)⁴ recommends that a 'by exception' approach is adopted. This is where all applications are delegated unless they fall into defined exceptional categories. The benefits of such an approach are that it is simple; understandable by users, applicants, agents, interested parties and officers and has the advantage of being easily adaptable to local conditions.

¹ DC Manual, Herefordshire Council code of conduct for members and officers dealing with planning matters, Council Constitution App18 and App 18(i).

² Area based decision making for development control: a review, PAS April 2006.

³ Delivering Delegation, ODPM and LGA, March 2004.

⁴ Excellence checklist for a successful scheme of delegation, Planning Officer Society.

Decision making – transparent and sound

- 33** Call in procedures to area committee lack transparency. Many elements of the delegation agreement include reference to decisions to call in an application to committee being made in consultation with the Chairman or Vice Chairman of an area planning and Ward councillor sub committee. While there will be occasions where quick action is required, such as the serving of stop notices, such internal consultation procedures need to be clearly documented so that applicants and third parties can see why, or why not, an application has been called in to committee. Such a process is not in place and the present system is perceived, at best, as not being transparent, open and consistent.
- 34** The number of applications determined under delegated powers is relatively low at 89 per cent whereas the best performers nationally routinely achieve over 95 per cent. The delegation agreement includes a clause requiring any application which has attracted objections on significant material planning considerations to be referred to committee for decision. The term 'significant' is open to interpretation and often, as in this council, leads to the majority of such applications being automatically referred. Any practice to automatically refer applications where there are objections to a committee needs to be continually challenged and it is not evident that this is happening. Again good practice suggests not all applications with objections need to go automatically to committee but it is important that a balance is struck between the need to achieve speedy delivery of decisions, an effective process and the public's desire to see significant applications aired at committee. It is the quality of objections, not the quantity or who makes them that should support a call in to committee. Effective use of delegation powers allows the councillors to focus on key matters that affect the area where their input is important. It also permits officers to focus on pre-application discussions or negotiations to improve the quality of development in the area since any application that is reported to committee requires a significantly greater amount of time spent report writing and presenting at committee. It is not clear if the Council is aware of the costs of the current arrangements and whether they reflect value for money in terms of improving development quality and ensuring development contributes to the delivery of the Council's priorities.
- 35** Referral up to the overarching planning committee is clearly explained in the constitution, but it is not clearly understood by the public or by some councillors. The senior planning officer at an area committee is required to make the final judgement whether or not a voted on, provisional decision stands or should be referred on up to the overarching planning committee. This referral is made to the Head of Planning Services who then makes the final decision to refer or not. This leads to a small delay, and a greater level of uncertainty for the applicant when it is not known whether the provisional decision stands or not. It also undermines the area committee's accountability for its decisions, as lines become blurred between officers' and members' roles and between the two layers of planning committee.

- 36 Furthermore, in area committee decision making, chairs do not consistently support a full understanding of decision making for the benefit of the public in attendance. Turn taking is not always observed, with some councillors being allowed two or even three turns before others have spoken. Some chairs and vice chairs insist on a more obvious show of hands in the eventual vote than others. Some reiterate the decision, especially when a contrary or amended motion has been moved and then passed. Others do not. A perceived fair process and clear outcomes are important for the public in attendance, who may be very unfamiliar with committee procedures.
- 37 There is generally a good formal record of how planning applications have been handled by officers. Case files tell the story effectively of how applications have been validated, and evaluated, with good use of digital photos, and short delegated decision reports. Officer reports to the committees are also clear, covering the relevant local and national policy considerations and with an appropriate summary of objections. This means the public can review files and committee reports and gain an understanding of how their applications have been determined.
- 38 In the past there has been a limited approach to providing a formal record of discussions between officers, developers and councillors. The Council has a clear policy on how meetings between councillors and developers or applicants should be conducted in its code of conduct on planning matters. The UDP judicial review case highlighted weaknesses in this record of internal and external meetings, but officers have since indicated that procedures have been tightened up.
- 39 Officers and councillors have a variable track record in providing reasons in support of the arguments put forward to overturn recommendations. Several recent judgements by external bodies, such as planning inspectorate, the Local Government Ombudsman and the judge in the recent judicial review case highlight inadequacies in the evidence base to support of a line of thinking. At a more routine level, legal and planning officers pursue members in committee with mixed success to provide a clear rationale for amendments, and potential overturns of officer recommendations. Appropriate planning reasons are sometimes provided for site visits, call-ins and overturns but not in all cases. A lack of openness and transparency can undermine confidence and lead to unnecessary delay.
- 40 Members are generally receptive to officers' advice in committee, but on occasion members are perceived to be voting and making decisions in the absence of established reasons. This observation is made by officers, by people who attend committee and by councillors themselves. This is despite planning, technical and legal officers providing a good and consistent level of advice in committee to members. However, there are occasions when area committee members appear:
- to have already made up their minds at the outset and be beyond reason, including when ward members speak at overarching planning committee on applications in their ward referred up from an area committee;
 - to apply different tests of materiality depending on portfolio interests;
 - to vote according to an affinity with others in the committee;
 - to place undue weight on emotional appeals rather than on policy; and
 - to have not read the planning reports circulated prior to the meeting.

Decision making – transparent and sound

- 41 This means there is a risk that some decisions are based on factors other than the planning reasons made transparent to the public.

Recommendations	
R4	Review the planning delegation scheme ensuring it reflects good practice and is written in an accessible form.
R5	Review and amend the planning decision-making processes to ensure these are more efficient, fair and transparent and increase accountability for decisions by: <ul style="list-style-type: none">• reviewing the operation of the delegation scheme and call in system;• abandoning or amending the area committee referral mechanism to increase committee accountability; and• evaluating the costs and value added by the present two-tier committee arrangements that involve all councillors, compared to other alternative committee structures.
R6	Clarify minimum expectations about how committee business is to be conducted in area planning committees in order to meet the needs of the public in attendance.
R7	Improve documentation and insist on greater level of precision from councillors in identifying planning reasons for call-ins, site visits, committee amendments and overturns to proposals and make sure this is consistent between committees.
R8	Reinforce through training, committee advice or through changes to the existing committee arrangements the importance of preparedness, impartiality, open-mindedness and policy primacy for members participating in planning decision making.

Councillor roles

- 42 Councillors are not effectively balancing their different responsibilities. Councillors take their local representational role very seriously: they have a deep-seated belief that this is the purpose for which they have been elected. However this local advocacy carries over into planning decision-making which is then unduly influenced by the local perspective. This means decision-making is overly parochial although it does not routinely raise significant probity issues. This bias is amplified by the existing committee and decision-making arrangements and by the way debate is conducted. The impact of continued parochialism will be an inability to deliver fully the Council's countywide strategic planning ambitions, and the investment of officers' and members' energies and resources in heading off appeals and other challenges rather than improving outcomes for the wider community.
- 43 Councillors are not effectively balancing their different responsibilities⁵. This is because many members place too much emphasis on the local community in which a planning application falls, and too little on the countywide community. Councillors, officers and agents all identify the over-emphasis of area committee ward members who routinely strongly advocate the prevailing view of the local community. This is often synonymous with the view of the Parish Council for the smaller settlements, and this is then presented as the justification for agreeing or disagreeing with the officer's recommendation. Furthermore there is a perceived culture of reciprocity between area committee members. Since ward members are the first committee members to speak, this then sets the tone for the following debate, with other members often deferring to the ward member view. In this way the local perspective is given undue weight to the extent that it overrides legitimate policy considerations, and in some cases a reasoned argument. There is a significant risk that this orientation towards the parochial will prevent the Council from achieving its policy objectives as set out in its emerging local development framework.
- 44 Time taken in committee dealing with overly parochial thinking is not being minimised. This is because councillors frankly express the view that they are local advocates first and foremost, and that member involvement in planning decision making is about exploiting policy flexibility, or in extreme situations, overriding policy to delivery the outcomes local people want. This is not limited to a few members on any one area committee but occurs in any area committee and seizes any member on occasion when strong local views surface. This is less likely to happen at the overarching planning committee, where a better balance is struck between local and wider community interest.

⁵ Different responsibilities of councillors: for example, within a planning decision-making setting this will include responsibilities to individual members of the community, to neighbourhoods or settlements, to their area committee, and to the countywide community, and outside of the planning decision-making process, to political groups.

Councillor roles

- 45** Since all councillors are on area committees, there is no clear separation of roles between local ward councillor role, the executive portfolio holder and the area committee decision maker. Councillors have an important role in representing their local community but by having all councillors on planning committees this restricts the way that they can become involved in ward councillor activities, in community leadership or in taking up a campaigning role on planning matters affecting their constituents, or the wider community in the case of executive members. The existing arrangements mean members speak and vote on planning matters even when there is a possibility that the councillor's view will affect a local election outcome. This also means members on occasion 'grandstand', either unnecessarily emphasising points already clearly made, or, raising spurious counter-arguments. This detracts from clear, balanced and effective decision making which must give appropriate weight to planning policy.
- 46** The quality of area committee debate is generally fair, although it is variable. The overarching planning committee debate is more effective. The quality of debate is due to differences in the member make up and balance within each of the three area committees. Other than the local ward member, executive portfolio members often make a major contribution to debate, although not directly in relation to their portfolio interest. The number of executive members varies in the three area committees. Some applications prompt little or no debate while some members say little until prompted by a specific issue of interest to them. Since there is no system of substitutes, on occasion attendance is relatively low and this can affect the nature of debate. This means there is a risk of inconsistency in the treatment of applications between committees.
- 47** Committee meetings are usually courteous and business like, and the committee chairs work hard at developing a unique committee culture, and at putting the public at their ease. Interaction between officers and members is usually, although not always, cordial and respectful. Some committee meetings are more effective than others at making the committee process accessible to the lay person. Councillors identified that all committees had settled down after a period of difficulty following the May 2007 elections.

Recommendations

- R9** Ensure greater separation of roles between the local ward councillor and the planning decision maker through a review of current committee membership and application of codes of conduct and good practice.
- R10** Continue to build commitment to and ownership of the UDP and the emerging countywide planning policy framework which should form the basis of all planning decisions.
- R11** Reinforce the need for all councillors to make a more balanced and consistent contribution to the debate over all planning applications that come to committee.

Member development

- 48 Training and development activity is adequate, but it has weaknesses which limit its overall effectiveness. The quality of training is generally good and it is well received by those members who attend. However, there is no clear structure to training and development opportunities to ensure learning and experience is consolidated, and training is not mandatory or needs based.
- 49 Training and development activity is adequate, but it has weaknesses which limit its overall effectiveness. Training activity has ensured many members are able to make an effective contribution to the planning decision-making process much of the time. Initial training was timed to ensure most members were able to sit in a planning capacity following elections in May, 2007. Due to the number of new members in 2007 (40 per cent of all councillors) and the frequency of area meetings, some members were unable to take advantage of even basic training prior to sitting. Training is not mandatory, and neither do members attend according to need. This means some members who could benefit from training do not. This presents a significant risk following election, although this risk has diminished since then, as members develop their effectiveness through hands-on experience.
- 50 The quality of training is generally good. The Council has organised both in-house and externally run events, and members' evaluation of training indicates a mostly good level of satisfaction, although a significant minority are unsure of the impact of the training in improving future decision making. Attendance is variable, given all members sit in a planning decision-making capacity.
- 51 There is no clear structure to training and development opportunities to ensure learning and experience is consolidated. For example there is no formal competency framework⁶ or appraisal for planning members. Training themes during 2007 focused on decision making and probity, with an emphasis on building commitment to the UDP, while in 2008 training has covered more topical themes such as wind turbines and place shaping. Development needs are identified by the planning chairman's group, by officers and on occasion in committee by councillors during debate on individual applications. This risks undermining public confidence in the decision-making process.
- 52 The Council does look elsewhere for examples of good practice. Officers and councillors refer to good practice visits focusing on planning committee arrangements, but are unable to identify any learning resulting from these visits. This risks such visits being perceived as a means of validating the Council's arrangements already in place.

⁶ Elected members' planning skills framework, Planning Advisory Service, sets out key competence for councillors exercising their planning responsibilities.

Member development

Recommendations

R12 Make induction and regular planning specific training mandatory for all councillors involved in the planning decision-making process.

R13 Set out planning competencies and future training and development opportunities for all councillors involved in the planning decision-making process.

R14 Continue to explore good practice, and share your experiences with other planning authorities.

Appendix 1 – Audit inputs

Stage 1

Committee observations

- 17 September Southern Area Planning Committee
- 1 October Central Area Planning Committee
- 17 December Northern Area Planning Committee
- 21 January Southern Area Planning Committee

Stage 2

Document reviews

- Summaries of valuation of planning training 2007 and 2008
- Scrutiny Review survey feedback of councillors and PC clerks
- DC manual and constitution
- Documents relating to appeals with costs, and LGO outcome (application DCNC 2005/3689/0)
- Judicial Review - claimant Dinedor judgement and four September Council reports on the UDP JR outcome
- DC half yearly reports 2007/08 and 2008/09.

Stage 3

Interviews and focus groups

- Cllr Philips - Leader
- Cllr Jarvis - executive member, portfolio Environment
- Cllr Wilcox - executive member, portfolio Transport and Highways
- Cllr Blackshaw - executive member, portfolio Economic Development
- Cllrs T Hunt, Cutter, and Pemberton - Chairs and Vice Chairs of planning committees
- Cllrs Grumbley, and Seldon - Area Planning Committee Members
- Chris Bull - Chief Executive
- Geoff Hughes - Director of Regeneration
- Alan McLaughlin - Assistant Chief Executive
- Kevin O'Keefe - Legal Practice Manager
- Andrew Ashcroft - Head of Planning services
- Peter Yates - Development Control Manager
- Mark Tansley, Mike Willmott, Simon Withers, Team leaders
- Agents' and Developers' forum

Appendix 2 – Action plan

Page no.	Recommendation	Priority 1 = Low 2 = Med 3 = High	Responsibility	Agreed	Comments	Date
	Learning from challenge					
11	R1 Maximise opportunities to engage and learn from existing stakeholders on an on-going basis as a means of informing service improvements. Consider ways of engaging new stakeholders.	2				
11	R2 Exploit the potential for councillors' and officers' learning from appeals and other significant challenges within a training and development setting. Ensure lessons are drawn from key challenges, and that action is taken to address identified weaknesses.	3				
11	R3 Develop a full understanding of the impact of external challenge and decisions on the capacity and reputation of the Council and the importance of responding to such challenges or decisions, and agree resources accordingly.	2				
	Decision making – transparent and sound					
15	R4 Review the planning delegation scheme ensuring it reflects good practice and is written in an accessible form.	2				

Appendix 2 – Action plan

Page no.	Recommendation	Priority 1 = Low 2 = Med 3 = High	Responsibility	Agreed	Comments	Date
15	<p>R5 Review and amend the planning decision-making processes to ensure these are more efficient, fair and transparent and increase accountability for decisions by:</p> <ul style="list-style-type: none"> ● reviewing the operation of the delegation scheme and call in system; ● abandoning or amending the area committee referral mechanism to increase committee accountability; and ● evaluating the costs and value added by the present two-tier committee arrangements that involve all councillors, compared to alternative committee structures. 	3				
15	R6 Clarify minimum expectations about how committee business is to be conducted in area planning committees in order to meet the needs of the public in attendance.	2				
15	R7 Improve documentation of and insist on greater level of precision from councillors in identifying planning reasons for call-ins, site visits, committee amendments and overturns to proposals and make sure this is consistent between committees.	2				
15	R8 Reinforce through training, committee advice or through changes to the existing committee arrangements the importance of preparedness, impartiality, open-mindedness and policy primacy for members participating in planning decision making.	3				

Page no.	Recommendation	Priority 1 = Low 2 = Med 3 = High	Responsibility	Agreed	Comments	Date
Councillor roles						
17	R9 Ensure greater separation of roles between the local ward councillor and the planning decision maker through a review of current committee membership and application of codes of conduct and good practice.	3				
17	R10 Continue to build commitment to and ownership of the UDP and the emerging countywide planning policy framework which should form the basis of all planning decisions.	2				
17	R11 Reinforce the need for all councillors to make a more balanced and consistent contribution to the debate over all planning applications that come to committee.	2				
Member development						
19	R12 Make induction and regular planning specific training mandatory for all councillors involved in the planning decision-making process.	2				
19	R13 Set out planning competencies and future training and development opportunities for all councillors involved in the planning decision-making process.	2				
19	R14 Continue to explore good practice, and share your experiences with other planning authorities.	2				

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Scrutiny Review of Planning Services

**Report by the Planning
Service Scrutiny Review
Group
March 2009**

**For presentation to the Environment
Scrutiny Committee 20 April 2009**

Environment Scrutiny Committee on 20th April 2009 considered this report and following debate, as indicated in the minutes of the meeting (see Minute 66 – Scrutiny Review of Planning Services) **RESOLVED that:**

- a) **The report of the Planning Services Review Group be approved and referred to the Executive for consideration;**
- b) **The Executives response to the findings and recommendations, including an action plan, be reported to the first available meeting of the Committee after the Executive has approved its response; and**
- c) **It be noted in the Committee work programme that a further report on progress in response to the Review be made after six months with consideration then being given to the need for any further reports to be made.**

SCRUTINY REVIEW OF PLANNING SERVICES

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- 4** How best can the Planning function deliver the growth required up to 2026?
- 5** How can the Local Development Framework best be integrated with the Growth Points agenda?
- 6** How will the Planning Service contribute to the regeneration of the County in general and to the provision of infrastructure in particular?
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- 8** How best can planning policies be implemented through the development management function?
- 9** How effective are relationships between officers, members and parish / town councils?
- 10** What work needs to be done to develop processes that support and enable good communications and relationships to be established and maintained?
- 11** What service delivery arrangements will assist in the ongoing modernisation of the service?
- 12** Appendices
 1. List of Interviewees.
 2. Development Control comparison with Development Management.
 3. Results of the Planning Services Review for members survey
 4. Results of Planning Services Review survey – Town & Parish Councils.

1. Introduction

- 1.1. Environment Scrutiny Committee at its meeting on 31st March 2008, briefly considered a suggestion made by the Cabinet Member (Environment & Strategic Housing) that a Scrutiny review be undertaken into the Planning Service.
- 1.2. Environment Scrutiny Committee on 9th June 2008 considered a report highlighting that while the Planning Service had enjoyed wide ranging success in recent years, the challenge for the future was to respond locally to the national Planning Reform agenda. At the heart of this is the move from land use to a spatial planning system as the Council rolls out the Local Development Framework and delivers the new Growth Points agenda.
- 1.3. The Committee considered and agreed the terms of reference (the key lines of enquiry) for the Scrutiny review namely:
 - How best can the Planning function deliver the growth required up to 2026?
 - How can the Local Development Framework best be integrated with the Growth Points agenda?
 - How will the Planning Service contribute to the regeneration of the County in general and to the provision of infrastructure in particular?
 - Does the Planning Service have the capacity and the financial resources to deliver the wider agenda?
 - How best can planning policies be implemented through the development management function?
 - How effective are relationships between officers, members and parish / town councils?
 - What work needs to be done to develop processes that support and enable good communications and relationships to be established and maintained?
 - What service delivery arrangements will assist in the ongoing modernisation of the service?
- 1.4. The Committee also agreed the membership of the Review Group namely Councillors: PA Andrews (Chair); CM Bartrum; WLS Bowen; PM Morgan; PJ Watts JB Williams and RI Matthews (ex-officio as Chair of Environment Scrutiny Committee).
- 1.5. The review was undertaken between 9th July 2008 and March 2009 and was supported by Dr T Geeson (Head of Policy and Performance) as lead officer and Mr P James, Democratic Services Officer. Based on the key lines of enquiry, this report summarises the findings of the Review and contains recommendations for the Executive.
- 1.6. The Scrutiny Review Group would like to express its thanks to the people who have presented verbal evidence to the Review Group, the Town and Parish Councils and Councillors who responded to the questionnaire and those who have provided further information and or data as required.

Next Steps

- 1.7. The Review Group anticipate that, when approved by the Environment Scrutiny Committee, this report will be presented to Cabinet for consideration.
- 1.8. The Environment Scrutiny Committee would then expect Cabinet within two months of receipt of the report to consider the report and recommendations and respond to

the Committee indicating what action the Cabinet propose to take together with an action plan.

- 1.9. The Review Group are aware that the Audit Commission are also undertaking a review of certain aspects of Planning Services which may complement the findings of this scrutiny review. Therefore in the interests receiving a complete picture it is anticipated that the report to Environment Scrutiny Committee will also include any recommendations and action plan resulting from that review.

Caveat

- 1.10. When the Scrutiny Review Group met for the first time in July 2008 the issue was the capacity of the Planning Service to address the many aspects of growth facing Herefordshire. Nine months later the service is still addressing long-term growth, but against the background of a recession. While this may free up staff capacity, particularly in development and building control and slow major developments such as the Edgar Street Grid (ESG) it also reduces income significantly. The pressure on resources has changed but continues.

2. Method of Gathering Information

2.1. The Review Group undertook a series of meetings in order to collect the evidence to complete the review. Evidence that was considered included the following:

- **Face to Face interviews** – a series of interviews took place with key Council members and officers and a representative sample of professional service users but not the public. A list of those interviewed is set out at Appendix 1
- **Survey Questionnaires** – survey questionnaires were sent to all Town and Parish Councils and all members of Herefordshire Council
- **Written evidence** - the Review Group considered a range of written evidence to assist their deliberations including:
 - ‘Councillor Involvement in Planning Decisions’ by Communities and Local Government.
 - ‘Area-based decision making (ABDM) for development control; a review by the Planning Advisory Service.
 - ‘Development Control’ and ‘Development Management’ by PJ Yates Development Manager.
 - Various information reports; guidance notes or statistics by: the Head of Planning and Transportation; the Planning Policy Manager; the Management Accounts Manager, and the Lead Officer for the review.

3. Links to the Herefordshire Community Strategy

3.1. The Planning Service supports a number of themes identified in the Herefordshire Community Strategy, the Local Area Agreement (LAA) and the Corporate Plan through its work in contributing to a safe and pleasant environment to live and work, increasing the availability of affordable housing, protecting the environment and improving access to services.

3.2. The Planning Services is responsible for preparing and implementing all the elements of the Local Development Framework (LDF) in co-operation with other service areas across the Council and its partners. This ensures a consistent approach to overarching themes as climate change, community and social issues, transportation and economic development. An example of the links to the Strategy would be the relationship of the Growth Point agenda/proposed outer distributor road to the LDF.

3.3. The review Group believe the findings contained in this report will help the Service achieve its objectives.

4. How best can the Planning function deliver the growth required up to 2026?

The Planning background

- 4.1. Although growth involves employment land, essential infrastructure etc, we have focussed on the number of new dwellings to be provided. The numbers allocated to Herefordshire are derived from the national housing projections, cascaded regionally and then allocated within the West Midlands. The Council has to comply with regional policy.
- 4.2. In summary the policy background is as follows:
- 4.3. The 2004 regional spatial strategy (RSS) identified five sub-regional foci that could take the growth that the major urban areas of the West Midlands could not. One of these foci was Hereford. The RSS has evolved and in December 2007, the five foci were superseded by ten settlements of significant development (SSD), Hereford is one of these.
- 4.4. Housing numbers were allocated to each SSD by the RSS preferred option in December 2007. In the case of Hereford the allocation was 8,300 new dwellings plus an equal number in the rest of the County. In May 2008 the Planning Committee considered the matter and then Cabinet resolved not to object to a maximum of 16,600 new dwellings up to the year 2026. Cabinet however, only accepted the concentration on Hereford on the understanding that the necessary infrastructure came forward.
- 4.5. Subsequently the maxima was increased by a further 1,200 dwellings in rural areas which was agreed by Cabinet in November 2008. The numbers and distribution of new dwellings are therefore matters of both regional and Council policy. The Secretary of State will take the final decision on the RSS, including housing numbers, later this year after an examination in public.
- 4.6. If provision is not made for the necessary infrastructure, the Review Group expects Cabinet to reconsider the matter.

Local implications

- 4.7. It is important that elected members understand that the new maximum of 17,800 additional dwellings in the County between now and 2026 is not excessive either when compared with the annual rate of completions historically (@830pa.) or the forecast natural growth in population from the Council's own research team.
- 4.8. What is critical are exactly where the dwellings eventually go and the pace at which they are provided. The central issue is how to manage growth and avoid being defensive, even though the longer the recession continues the more likely it becomes that larger and more complex applications will eventually emerge. Currently, neither the Planning Service nor elected members have significant experience of these kinds of application. In addition, the available planning statistics show relatively slow performance on what are currently regarded as major applications.
- 4.9. The Review Group believes that the planning function can best deliver the growth required if:
 - All members of the Council sponsor and promote appropriate growth.
 - Town and Parish Councils and other partner organisations are kept informed and able to make considered contributions to the planning process.

- There is detailed engagement and support from bodies such as the Highways and Environment agencies.
 - Planning officers are appropriately trained e.g. on project management and planning performance agreements and
 - Local people understand the need for growth and are positively engaged in the planning process.
 - Significant shortcomings on any of these points will limit the planning function's future success.
- 4.10. The Review Group believes that the profile of the service needs to be raised. However, despite representations we are not convinced that a new planning directorate is required to achieve this. The most recent re-organisation, placing the Planning & Transportation service within the Regeneration directorate seems to be wholly positive although it is still relatively early days. The necessary profile will be achieved by the successful delivery of the growth and infrastructure required and through leading the 'place shaping' agenda.
- 4.11. However we do consider that the way in which the service is currently structured should be examined. Existing team structures, particularly in development and building control, may not be the most effective for the future and actually limit the outcomes and quality achieved. What is required for the future is the flexibility to set up staff groups across teams and disciplines to initiate, manage and deliver specific projects such as the growth point agenda or major applications.
- 4.12. The Review Group regrets that there is no clear 'master plan' for tackling all the changes facing the service. Without this there is a danger that the service will continue to live from 'hand to mouth'. Such a plan should, for instance, clearly identify the 3, 5 and 10 year implications of change for the service in terms of the capacity and skills of the staff as well as the new processes / ways of working to be adopted and the resources required. Authorities that have already handled significant change, successfully, may provide useful learning in this respect. We understand that Ashford (Kent) and South Cambridgeshire and, more generally, the Beacon Councils may have direct experience and could show Herefordshire how to achieve wide-spread support for the changes underway.

RECOMMENDATIONS

4.A	That the service utilises some of the capacity resulting from the recession to work even more closely with members on the issue of growth in Herefordshire.
4.B	That particular attention, by way of consultation, is given to elected members representing wards in the city and its immediate surrounding parishes given the concentration of new houses in these areas being proposed. However this should not be at the expense of addressing the growth pressures facing the market towns.
4.C	That a master plan be prepared for the service that shows the current challenges, their phasing and the changes needed.
4.D	That the examples of authorities with significant experience in modernising and successfully handling growth be studied and appropriate lessons incorporated into the master plan.
4.E	That a seminar be arranged by the Planning Service that involves representatives from other successful planning authorities so that local councillors in Herefordshire can learn from their experience at first hand and compare the various approaches.
4.F	That a comprehensive consultation plan be developed showing how and when the public of Herefordshire will be involved in the choices facing the County.

5. How can the Local Development Framework (LDF) best be integrated with the Growth Points agenda?

Background

- 5.1. The impact of the LDF must not be underestimated. It is the plan for Herefordshire 2011-2026 and will replace the current Unitary Development Plan (UDP) and almost all other land use plans and policies in the County. For this reason elected members and the public must be given significantly more opportunities than at present to debate and discuss its content before it is finalised.
- 5.2. The Review Group understands that the LDF is a spatial plan dealing with sustainable services and is not a physical land use plan. It places much greater emphasis on work within the Council and between partners to define where services can be supported. The LDF will cover everything of importance: housing, transport, schools, employment land, green spaces etc. Crucially it endeavours to show how all these elements fit together into a strategic option that should result in a better Herefordshire. At the heart of the LDF is the core strategy.
- 5.3. This core strategy – based around the preferred strategic option – will set out what is needed to make Herefordshire a better place in which to live and work and how this will be done. This vision for a better Herefordshire will need to reflect the sustainable community strategy for the County approved by the Herefordshire Partnership as well as the 3 year action plan (local area agreement) designed to make the community strategy a reality. In future all applications for development in Herefordshire will be assessed against the core strategy. This is the greatest challenge for elected members and the Planning Service now and in the future.
- 5.4. The Review Group notes the pressure that the development of the LDF was putting on staff resources during 2008 and was surprised that senior development control staff were not more knowledgeable and involved. Now that there is considerably less pressure within the Development and Building Control teams, the opportunity should be taken to redirect appropriate resources to the LDF. This should help if the same employees have to interpret and implement its provisions in the years ahead.

The current challenge

- 5.5. The Review Group is clear that all elected members need to understand and appreciate the importance of the core strategy much more than they currently appear to do. They need to shape its content and accept the implications of their preferred option for Herefordshire, its people and the elected members of the future. Four different options have now been consulted upon
- An economic focus;
 - A social focus;
 - An environmental focus; and
 - A housing focus.
- 5.6. A preferred options paper is expected at Cabinet in the summer. Once approval is given, the core strategy based on this option will be finalised and submitted to the Government in the spring of 2010 with an examination in public and adoption anticipated towards the end of 2010. This will replace the current UDP.
- 5.7. The UDP is sometimes the cause of tension within the Council because it is not always owned by current elected members or understood by the public that they

represent. If similar tension is to be minimised in future under the LDF then current elected members need to:

- Be much more familiar with its potential content and timeline for completion.
- Demonstrate much greater interest in strategic planning.
- Be prepared to accept the consequences of their preferred option.

5.8. Elected members generally must understand the differences and similarities of the four options and communicate these clearly to partners, including town and parish councils, and the public. Unless these are achieved, the LDF will not have the clarity of intent at its core that is so essential for the future. Plain English, with the correct use of grammar and punctuation, should be used in all future documentation and consultation exercises along with appropriate charts, diagrams, graphics etc.

5.9. Communications should also be enhanced with the developers themselves. The Review Group commends the initiative taken to establish an ad-hoc agent's forum. However discussions with agents during this review indicate a general lack of awareness of what lies ahead. While understanding why the service is reluctant to discuss potential sites for growth, the Review Group believes that there are many items of joint interest to discuss over and above current issues. The move from development control to development management is a case in point.

The future challenge

5.10. Unlike the UDP, the LDF will not be underpinned by detailed control policies. At present the application of detailed policies can cause frustration. However, the same policies do provide a known structure against which all proposals can be judged.

5.11. In the absence of such detailed policy guidance (e.g. which might not include settlement boundaries) behind the LDF, the source of frustration may shift in future. The acceptability of development proposals will be assessed solely against the broader criteria of the preferred option. That is why member involvement and support for this is crucial.

5.12. Some planning decisions will always be unpopular with sections of the community. However the best way of minimising this is, as noted above, to build interest and support behind the relevant strategic plan and its interpretation, rather than wait for particular 'hard cases' at some point in the future.

5.13. Because the LDF is, arguably, less objective than the current UDP it will reduce some current frustrations (for instance permitting tourism related expansion) but cause others. Members and officers will need training in how to interpret the LDF provisions consistently and sensitively. This training and awareness needs to be extended to parish councils particularly in relation to the future of parish planning. However good this training is, the Review Group are concerned that more appeals / complaints will be generated in future with potentially increased financial consequences.

Growth point agenda

5.14. In October 2006 the Government announced that Hereford was one of around 20 growth points in England. The Review Group's understanding is that, given that housing growth is coming to Herefordshire as a result of the RSS (see section 4 earlier), it made sense to accept growth point status which provided more grant aid towards investigating issues related to that housing.

5.15. However, the initial growth point funding has been used for LDF work along with the now defunct planning delivery grant (PDG). The LDF does not have a budget of its

own and despite the receipt of pump-priming funds for the growth point initiative, work is still needed to identify readily available sites to deliver the anticipated growth. Ideally both projects can be undertaken by any staff re-deployed or from staff vacancies as a result of the recession. The Review Group's view is that the medium term financial management strategy must provide adequate funding. If this is not possible, Cabinet should give clear directions to the Director of Regeneration and the Head of Planning & Transportation about what other activities should be displaced to allow the necessary LDF and growth-point work to proceed.

RECOMMENDATIONS

5.A	To ensure more member involvement in the development of the LDF, the Cabinet members' working group should be expanded to include, as a minimum, the chair of the main Planning and Environment Scrutiny Committees. Careful consideration should be given to making the working group all party.
5.B	There should be greater opportunities for all members to discuss the emerging LDF at its formative stages through regular seminars, newsletters etc. Solely using formal Scrutiny or Planning Committee meetings is insufficient for decisions of this magnitude or for members to understand the differences between the choices facing Herefordshire and the consequences of their choices.
5.C	Much greater attention should be given to plainer English, including the correct use of grammar and punctuation, and such devices as diagrams, graphics, charts in all communications concerning the LDF. The widely circulated developing options paper is overly complex.
5.D	A clear timeline for member involvement in the developing LDF should be produced and regularly updated.
5.E	The future purpose and contribution of parish planning to the LDF process needs to be discussed and agreed with Town and Parish councils so that they too can understand the choices ahead and the differences between them.
5.F	That the LDF and the growth point initiative should be funded at an appropriate level until complete.
5.G	That a structured programme of communications be commenced with developers / agents.

6. How will the Planning Service contribute to the regeneration of the County in general and to the provision of infrastructure in particular?

6.1. To some extent this general question is answered in other sections of the report. However, to re-iterate the service needs to:

- move to being a development management function rather than separate Development Control, Forward Planning etc teams;
- develop its project management skills;
- engage even more effectively with members, business groups: Town and Parish Councils, and the public;
- be seen as the deliverer of key Council objectives i.e. an enabling not a policing service.

6.2. In addition to these general points the Review Group did consider the proportionality of the paperwork required by applicants. No final views were reached, but it goes without saying that the burdens on any applicant should be minimised consistent with the need to provide good professional advice to members. i.e. is easy to use and is a cost effective service that minimises delays and delivers the required outcomes.

6.3. The service's other critical contribution to the regeneration of Herefordshire and the provision of infrastructure is to ensure that all sections of the Council and its partners are clear about the infrastructure required in the future. At present the process of consulting individual services, largely on the basis of individual applications or in relation to specific S106 agreements seems rather ad-hoc to the Review Group. All parts of the council and our partners, including parish councils, need to work together to maximise benefits of the spatial planning process. Bringing these interested parties together should be led by the Planning Service. Generally:

- services need educating to provide comments on individual applications that are in accord with planning criteria;
- services need to understand what can be provided by S106 agreements and provide consistent evidence for their requirements;
- there needs to be a ward by ward data base of costed infrastructure requirements based on council or partners plans and members priorities.

RECOMMENDATION

6.A	Consideration should be given to establishing an all-authority infrastructure group under the Head of Planning and Transportation. The purpose of this group is to ensure that all future infrastructure requirements throughout the County are identified and quantified in a structured way. In order to do this the group will need to involve partner organisations, parish councils etc.
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7. Does the Planning Service have the capacity and the financial resources to deliver the wider agenda?

Current performance

7.1. The Review Group regards the Planning Service as an important front-line service that should provide first class services. It is not a failing service and can, in our view, continue to improve. In summary according to CIPFA statistics:

- Herefordshire is the second largest unitary council in England, approximately three times larger than the third placed council. Both its geographical size and its sparsity have implications for the delivery of a planning service.
- Expenditure on planning policy is relatively low historically.
- Expenditure on development control is relatively high historically.
- As far as staff numbers are concerned, Herefordshire ranks 14th out of 33 unitary authorities for planning policy staff and 7th out of 33 for building control staff. Vacancies are not unusual in any authority.
- Herefordshire was the 4th busiest unitary planning service in 2007 also having large numbers of alleged breaches of planning consents and enforcement notices / injunctions.

7.2. Performance measured by the former best value indicators (BVPI's) of the length of time taken to determine major, minor and 'other' planning applications has improved over the last three years but is now falling and is below the internal targets set. As reported to the Planning Committee on 11 November 2008 the number of successful appeals against refusals of planning permissions has risen to a point where the Audit Commission are concerned. In 2007/08 over half of these successful appeals related to member refusals of permission against officer recommendations. There has been a significant reduction in the number of planning complaints considered by the Local Government Ombudsman.

Capacity

7.3. The Review Group notes the Head of Planning and Transportation's opinion at the start of this review that he did not have the resources necessary especially in Development Control. At that stage it was reported that each Development Control Officer handled approximately 190 applications a year against what might be regarded as a professional norm of 150. The Review Group also noted the growing pressure from ESG and the LDF. Major consultations (e.g. on the core strategy) or applications that attract public interest (e.g. wind-farms) do cause staff to be diverted from other tasks to deal with peak workloads. Despite this, no figures were ever provided to indicate the potential shortfall in capacity and the Review Group is surprised at the lack of clarity about what the changes facing the Planning Service would mean for employee numbers and competencies.

7.4. However the recession has changed the position. Planning applications and income (from fees immediately and potentially via S106 in the longer term) have dropped dramatically. In only six months the concern has gone from 'do we have sufficient planning officers to cater for the anticipated growth' to one where other authorities are reported to be making planning staff redundant. We need to ensure value for money. Therefore, in terms of local capacity the first thing to do is explore how the staff affected by the declining workload can be redeployed and, if necessary trained and developed, into the roles still required. This should mitigate against future recruitment difficulties in planning after the recession as suitable trained staff have, in the past, proved hard to retain and recruit.

- 7.5. The Review Group believes that in addition to the necessary professional development to cope with the transfer from UDP to LDF, key skills for the future include:
- Communications and consultation.
 - Presentation.
 - Partnership working.
 - Community development.
 - Political sensitivity.
 - Negotiation.
- 7.6. These skills should be identified in person specifications in future and staff trained in them now.

Financial resources

- 7.7. The Review Group notes that 2007-08 was the first year, recently, that the service has over spent (@£418k). The main elements were the costs of document scanning, consultancy fees, legal costs and a shortfall of income. We understand that there are currently no plans to increase the base budget.
- 7.8. Other local authorities have apparently invested pump-priming funds (such as PDG or growth point money) and their own funds to manage the introduction of the growth agenda. In contrast Herefordshire has used PDG and any excess income over targets to fund the LDF and match overspends on consultants (e.g. on wind-farms and major housing schemes) or legal fees when defending contested planning decisions. As previously noted there has been little progress on growth point research as a result. The recent, significant, decline in income has made the financial situation of the Planning Service even less stable than it was.
- 7.9. The Review Group is clear that the planning service cannot possibly balance its budget during 2008-09. The shortfall in income will have to be addressed by Joint Management Team (JMT) and, ultimately, Cabinet on a corporate basis consistent with other, similarly affected income streams.
- 7.10. There are future cost savings from the introduction of modern ICT and potentially project working. Other planning authorities must face the need to pay for major consultation exercises, significant consultancy fees and legal costs. The practice in other high performing authorities should be established. Subject to this, the Review Group considers a budget should be provided for these purposes. If this principle is established it could be funded by top-slicing income when this returns to levels over the relevant targets. However, these will inevitably have to be adjusted downwards so that for at least the next two years any budget will require funding from corporate sources. The budget should be under the control of the Director of Resources and be the subject of bids from the service.

RECOMMENDATIONS

7.A	Performance targets that show year on year improvements in performance should be set with the aim of the service being consistently in the top quartile of comparable authorities. These should be reviewed regularly to ensure value for money and high quality services are provided.
7.B	Employees whose workload has declined recently should be considered for redeployment (with training as necessary) into those longer-term projects that were in danger of being short of resources prior to the recession.
7.C	The way in which other high performing planning authorities fund consultation exercises, consultancy fees and legal expenses be established.

7.D	Subject to the previous recommendation, a contingency budget should be established to provide limited funding for major consultations, specialist consultants or legal fees. Access to any such budget should be controlled by the Director of Resources.
7.E	The Head of Planning and Transportation should examine the balance between expenditure on planning policy and development control within the service to ensure it is correct for all future requirements.

8. How best can planning policies be implemented through the development management function?

- 8.1. It is clear that the Development Control function will be most affected when the LDF becomes the new planning framework for Herefordshire and the recession ends, potentially producing an increased number of major / more complex planning applications. What is less obvious is that there needs to be a greater degree of co-ordination between the policy formulator (Cabinet and those that advise them) and those involved in the determination of planning applications (Planning Committees and officers under delegated powers).
- 8.2. While development management will be the major area of impact, the service as a whole, needs to shift from controlling to managing development. Technically competent employees need to develop to see 'the bigger picture' driven by the core strategy that individual applications contribute to and need to be judged against.
- 8.3. A useful table has been provided by the service (Appendix 2) to explain the nature of the change from controlling to managing development. This is worthy of more detailed discussion between officers and elected members. It is essential that elected members fully understand the future position. Such follow up work should be costed and programmed.
- 8.4. Under development management, planning policies can best be developed if the initial process to approve the LDF and the follow up work address as many as possible of the normal development issues in advance of any planning application.
- 8.5. The Review Group accepts that this will mean amongst other things:
- Major partners such as the environment agency and water authorities becoming partners not consultees.
 - Town and Parish councils becoming 'bidders' for services / growth and champions for schemes rather than foci for objections.
 - More structured and consistent consultations in the locality of applications.
- 8.6. The Review Group agrees with the Head of Planning and Transportation that a key indicator of success in the future will be the lack of objections received since all significant issues have been addressed and explained prior to the application.
- 8.7. It goes without saying that employees, members, the development industry, town and parish councils and the public need to understand the changes underway much more comprehensively than they do at present. A comprehensive programme of training and awareness events will be required in the next 18 months.

RECOMMENDATIONS

8.A	The Head of Planning and Transportation should prepare a costed and timed programme for the work necessary to address the major planning issues raised during the LDF process.
8.B	The Head of Planning and Transportation should prepare and roll-out a comprehensive programme to explain development management to members, developers and agents, town and parish councils and the public.
8.C	Staff are trained, as necessary, in the changed requirements of development management.

9. How effective are relationships between officers, members and parish / town councils?

9.1. We will deal with each of these groups in turn although there are obvious links between them all. The Scrutiny Review Group wishes to record its thanks to the Council's Research team. It developed, conducted and analysed the surveys of Herefordshire councillors and parish clerks, who were requested to respond on behalf of their council, upon which much of this section is based. The results, including 'free text' comments are at Appendix 3 & 4.

9.2. Response rates were 50% for councillors and 48% for parish clerks. These are excellent for surveys of this sort. The Review Group wish to thank all those concerned, but are disappointed that only half of the Council could find time to express their views on such an important subject. While the results are certainly sufficient to produce statistically valid conclusions, the Review Group would have wished that more of their colleagues had responded on an issue that affects all members of the Council.

Relationships between officers and members

9.3. Those officers with whom we discussed this issue believe that there are generally good professional arrangements and good working relationships. From the member perspective, as the survey results show (Appendix 3), 90% of those who responded i.e. 26 of the 29 were satisfied with their working relationship with the Planning Service. The Review Group believes that this is a good indication of a fundamentally effective relationship.

Relationships between officers and town / parish councils

9.4. As the survey results show (Appendix 4), responses were received from 64 of Herefordshire's 134 town and parish councils (48%). Of these, 79% felt that they were adequately informed about planning applications and 81% were satisfied with their working relationship with the Planning Service. When asked about planning officers attending meetings, the preference was on request (47 responses) and / or for complex issues (34 responses). As this particular question was multiple choice, there is clearly some overlap between the two responses.

9.5. While Herefordshire Council has targets for the time taken to approve applications, one potential area for improvement is to take more account of the cycle of town and parish council meetings.

9.6. The Review Group considers that the current Parish Compact will need reviewing in light of the LDF. The compact is intended to guide the relationship between the county and parish councils, including their respective roles in spatial planning. These roles will clearly change as the LDF replaces the UDP.

Relationships between the Council and agents

9.7. The Review Group deliberately sought the views of those involved in the development industry in Hereford. Officers had already taken the initiative and convened meetings of a voluntary agents' panel to discuss matters of mutual interest. The Review Group commends this initiative. The officers believe the relationship is working well overall. Member direct contact with agents is, understandably, limited, but it does appear to the Review Group that agents regard neither officers nor members particularly positively.

RECOMMENDATIONS

9.A	Planning staff should take account of the committee cycles of town and parish councils when seeking their views on local applications.
9.B	That the Parish Compact be reconsidered in light of the emerging LDF.
9.C	Consideration should be given to placing an agents panel on a formal basis.
9.D	That member guidance and training continues to emphasise the need for appropriate speech and behaviour to officers.
9.E	That any formal agents panel present a report on its deliberations to the Environment Scrutiny Committee e.g annually.

10. What work needs to be done to develop processes that support and enable good communications and relationships to be established and maintained?

10.1. The Review Group considered this question from a number of perspectives. Considerable time was spent on S106 funding which might now be somewhat academic during the current recession. The Review Group notes that the Audit & Corporate Governance Committee (21 November 2008) has also received a report on this topic.

S106

10.2. The Review Group's recommendations are set out below. A number relate to the current lack of clarity about this source of funding.

10.3. The Review Group notes the following views from agents:

- The amounts sought appear inconsistent and there is no tariff.
- The Council needs to be better at pulling together and making sense of all the bids produced. This can appear disorganised and may be wasting officer time and effort. (Recommendation 6.1 refers).
- There is potentially an adverse affect on small developments. (S106 agreements are not limited to large developments, but are also applied to single property developments).
- The recession may result in applications being resubmitted to avoid payments agreed at the height of the market.

10.4. The Review Group also supports the intentions of the Head of Planning and Transportation to appoint a Section 106 Officer.

Members

10.5. There is a general dissatisfaction with the limits on member involvement in the early stages of major development in their wards. Under the new LDF arrangements this dissatisfaction may grow as detailed control policies cease, major applications increase and if development management is seen to exclude members. The existing statutory training for members is insufficient and our earlier recommendations are intended to address this (Recommendations 5.2 and 8.2 refer) but may add to pressures on the member training & development budget.

10.6. Some members, particularly those who had attended Planning Summer School events, felt that this training opportunity should continue. If this form of training were re-instated then it is essential that attendees pass on what they have learned to other members.

Customer and user focus

10.7. The Review Group notes that there is apparently no capacity within the service currently to answer general points contained in letters of objection, or enquiries, or acknowledge their receipt. Acknowledgements and substantive responses should be provided in future in a timely fashion, in line with the Council's existing customer care standards. Our impression is that response rates for calls and letters need to improve and an annual service report could prove to be a useful publicity tool.

10.8. Notwithstanding the introduction of better ICT to the service in the near future, responses should be given in the form preferred by the public rather than that which is most convenient or cost effective for staff.

- 10.9. Our recommendation relating to the agents' forum should improve the current position, particularly if it is used, as we would advocate, to listen as well as to explain / educate. The Review Group notes that there is currently no process for collecting customer feedback from any section of the community. This is essential, particularly in light of the introduction of a Comprehensive Area Agreement (CAA). A systematic approach to collecting, analysing and using such information should be introduced as soon as possible.

Enforcement

- 10.10. There is a degree of dissatisfaction amongst members with the shortcomings of the enforcement function and this is reflected in the survey results. The Review Group considers that the enforcement function should be more pro-active and visible in future, but also be proportional. We need re-assurance that the soon-to-be introduced ICT system will make it easier to track outstanding conditions, but would remind all other members that conditions that cannot be enforced should be avoided. Officer advice can be given on this point.

Consultation results

- 10.11. The two surveys conducted for us by the Council's Research team give some further clues as to what needs to be done to establish even better communications and relations than currently exist.
- 10.12. These surveys – of county councillors and parish clerks – give a remarkably consistent view.
- 10.13. When asked 'do you feel adequately informed about planning applications' 74% of councillors and 79% of clerks to town and parish councils said 'yes'. Perhaps accounting for the 'no' responses, a number of specific improvements were suggested including:
- Providing more initial information on the application.
 - Clarity over the process by which Councillors get items onto Planning Committee agendas.
 - The need for progress reports to avoid members chasing officers.
 - More time be given to town and parish councils.
 - Increasing the amount of explanation given to town and parish councils, perhaps including the past planning history of the site.
 - Clarity about S106 arrangements for town and parish councils.
 - The need for up to date plans and maps.
 - More knowledge of parish boundaries so that the correct councils were consulted.
- 10.14. When asked 'have you been adequately trained?', 81% of councillors who responded said 'yes' compared with only 23% of clerks. A follow up question 'do you think that town and parish councils (your council / in your area) have been adequately trained?' resulted in only 23% of councillors saying 'yes' compared with 36% of clerks. Based on these results the Review Group concludes that, despite the Planning Services' successes in the past, there is still a significant training need amongst town and parish councils. Perhaps this should focus on those councils that have yet to participate. The changes to the planning system that we have described earlier mean that this local knowledge and expertise needs enhancing rapidly. The training programme should be developed by the Planning Service and promoted as a Herefordshire Council initiative. To encourage attendance by town and parish council members this could be organised on an area basis e.g. north, city and south.

- 10.15. For members the following issues were highlighted for training:
- S106 agreements.
 - Declarations of interest.
 - On the future / LDF / regional spatial strategy.
 - Planning considerations.
- 10.16. Town and Parish Councils highlighted a need to understand more about officer-delegated powers; planning considerations and discretion.

RECOMMENDATIONS

10.A	A guide should be prepared for members on what can be paid for by S106 agreements. Amongst other things the guide should include: <ul style="list-style-type: none"> • Clear responsibilities for chasing contributions when the trigger points are reached. • How liability to pay transfers if sites are sold on or subdivided. • The treatment of interest / inflation proofing.
10.B	Local members should have more say at an earlier stage in what happens to S106 funds derived from developments in their wards. Consideration should be given to 'top slicing' income to supplement, not substitute for, the financing of permissible local aspirations under the parish plan.
10.C	There should be transparency about what S106 funds are spent on, what remains to be spent and what it is earmarked for. National guidance on the use of such funds should be followed consistently.
10.D	A final statement should be prepared for the public, local member and agents identifying how S106 money derived from each development was spent.
10.E	That a dedicated S106 officer be appointed as soon as it is appropriate.
10.F	The size of the member training budget be increased in light of the potential, future training needs identified in this report.
10.G	Notice is taken of the survey results reported here to improve communications and relationships in the future including acknowledging letters, providing progress reports, up to date maps and identifying the correct parish council for each application.
10.H	A training programme be developed and offered to town and parish councils by the Council
10.I	Standards should be set for acknowledging letters and telephone calls. Members and the public value personal contact and replies.
10.J	A systematic approach to collecting, analysing and using customer feedback should be introduced as soon as possible.
10.K	In view of member dissatisfaction, the enforcement service needs to be more visible and pro-active. The new ICT system should be used to report regularly on its activities and members kept informed when visits and decisions have taken place.

11. What service delivery arrangements will assist in the ongoing modernisation of the service?

- 11.1. In addition to all the points made earlier in this report, the Review Group wishes to comment further, and finally, on three specific elements of service delivery:
- ICT.
 - Accommodation.
 - Committees.

ICT

- 11.2. The Review Group have received a demonstration of the new ICT system to support the Planning Service. The demonstration outlined the background to the project, the phases of its implementation and an indication of how the public and officers will interact with the system. The Review Group wish to thank the Council's Project Manager and representatives from APP, Civica and Deloitte for attending and informing the Group.
- 11.3. Based on the demonstration the Review Group feel the new system will be a vast improvement and has much to commend it and should lead to a much improved service. A suggestion the Review Group have registered with the Project Manager for consideration is to include a facility enabling the public and Councillors to see the status of enforcement action concerned with a particular application and report any outstanding issues to the relevant Officer.
- 11.4. The Review Group note that the new ICT system for the Planning Service is only part of what has been termed 'the single environment platform' which is, in fact, an application that covers parts of both the Environment & Culture and the Regeneration directorates. While we are assured that it supports service delivery, we need to be re-assured that it will also meet wider corporate requirements through the performance management and risk application being implemented to a similar timetable.
- 11.5. The Review Group is pleased that the new planning system is to be funded corporately (including ongoing licensing fees) but it is clearly sensible that the Planning Service itself supports its implementation and use. We expect the 'go live' date of June 2009 to be met and expect the Environment Scrutiny Committee to monitor achievement.
- 11.6. It is regrettable that the public / users were not involved in the procurement process. The Review Group believes that members should now be involved in its implementation and set up period, getting a feel for the new system, and expressing a view as to its look and usability in what we believe is known as a 'sand pit' or 'test bed' environment.
- 11.7. Future ICT strategies should not allow systems, like the current MVM one, to become unsupported ever again. Planning is a major frontline service; old systems pose unacceptable reputation risks and may adversely affect the service's efficiency and effectiveness.
- 11.8. We understand that the new planning system allows access to and submission of planning applications 'on line' and, bases on the demonstration, we understand that objections can also be submitted in a similar way. We note that it has been reported that Herefordshire currently has the lowest on line application rate of any authority excluding the Isles of Scilly. However, as our survey shows, while the majority of

councillors (96%) prefer to be notified about planning application by e-mail, the majority of parish clerks (88%) prefer letters. While ICT produces considerable cost benefits to the Council, and may become our preferred communications channel, the Review Group is clear that the public should be able to choose, and remain with, their preferred method of contact.

- 11.9. The Review Group strongly supports the introduction of a document management system under a separate Herefordshire Connects work stream and urges its speedy implementation and swift roll out to the Planning Service. Considerable time and cost is currently being incurred by scanning off site. We believe that such systems integration will bring benefits. We have not explored these but trust the officer judgement on this matter. The introduction of both systems should bring with it a fundamental review and revision of the administrative systems within the service (business process re-engineering) including, we believe, the introduction of a single support team. Such changes are necessary if the service is to remain cost-effective.

RECOMMENDATIONS RELATING TO ICT

11.A	The new 'single environment platform' should be configured to meet the wider corporate requirements through the performance management and risk system as well as service needs.
11.B	A report should be made to the Environment Scrutiny Committee on the implementation of the system no later than September 2009.
11.C	As a matter of urgency, interested members, should have access to the new system as it is being developed and have the opportunity to give their opinions on its look and feel.
11.D	A full explanation of the new system's functionality, in plain English, should be provided to members and courses run to encourage its use amongst them and parish councils.
11.E	Future ICT strategies should prevent a repetition of systems becoming unsupported by their suppliers unless there is an adequate replacement available.
11.F	The principle that the public are able to choose their preferred type of communication should be adhered to. This is basic good customer care.
11.G	A compatible document management system should be introduced as soon as possible.
11.H	The business processes within the planning service should be reviewed and restructured for maximum efficiency and effectiveness alongside the introduction of ICT. Serious consideration should be given to a single administrative /support team for the whole service.

Accommodation

- 11.10. The Review Group is not convinced that the separate Planning reception at Garrick House benefits the service, although there may be corporate advantages and it is in line with the Council's current customer services policy. In particular it has been put to us that there has been no significant reduction in telephone calls to Planning staff, as calls are not resolved by Info-by-Phone. We question the benefits of this additional layer between the public and planners.
- 11.11. The Review Group would like to see all the Planning Service in one location. We believe that this would provide far greater opportunities for greater involvement in LDF as well as efficiency gains. Herefordshire is fortunate in that it has retained an holistic Planning Service of all major disciplines. However, we restate our conviction

that what is needed for the future is to merge and mix the current good staff into project teams and change traditional structures.

- 11.12. The Review Group supports the service's new location within the Regeneration directorate.

RECOMMENDATIONS RELATING TO ACCOMMODATION

11.I	The benefits of the current Planning reception arrangement should be clearly demonstrated by the forthcoming, revised customer services strategy.
11.J	Without prejudice to the previous recommendation, the joint accommodation strategy should ensure that all other elements of the Planning Service are co-located.

The current Committee system

- 11.13. The Review Group recognised right from the start that this was a subject that could have dominated its examination of the service delivery arrangements. It did not. The views of both the chairman of the Planning Committee and the current Cabinet member (Environment and Strategic Housing) were sought and are understood. However, our survey of Council Members (of whom 50% responded) produced very few comments at all, either for or against, significant changes to our area-based system. From this we conclude that there is little appetite for change within the current Council, but that this should be kept under regular review.
- 11.14. The facts are as follows: appreciating that each authority varies in its geographical, population and number of planning application submissions, Herefordshire is in a small minority of planning authorities (14%) that have an area committee model. Only 7 of 46 unitary planning authorities have area committees. We understand that it is a relatively expensive system involving three separate officer teams and report writing, plus staff attendance for up to four committees each month. As resources are demonstrably limited, this may be financially unsustainable in the long run. Equally, the reduction in the number of planning applications on agendas currently could make the area committee process look inefficient. However, we have not seen any evidence that the current system slows down the application process or makes meeting the target turn-round times more difficult.
- 11.15. More significant in our view is that the three teams of Development Control officers could have different cultures. That is unacceptable. We have already recommended that their administrative support should be merged. Resources should be reviewed to support strategic areas and reflect the volume and complexity of applications in each area.
- 11.16. We are not going to consider the merits of the current system as opposed to a variety of alternative models. However, we consider that supporters of the current system may overstate the opportunities it provides for active member involvement in local issues (limited by law). Arguably a single committee would allow more active member engagement locally, but potentially, a loss of local knowledge on the committee itself.
- 11.17. Public engagement, if measured by attendance, is generally varied depending upon the type/size of application being considered. It is hard to see how a single committee could improve this and advocates for this model may underestimate the

need for more frequent meetings and / or more delegation if it were to be adopted. We note that the new Planning Act 2008 may require more delegation to officers anyway and consider that its implications should be explained to members before its various stages are implemented.

RECOMMENDATIONS RELATING TO THE COMMITTEE SYSTEM

11.K	The relative costs of the area based committee system and a single committee should be established and benchmarked against other authorities. The Executive should review the results on a regular basis.
11.L	The implications of the Planning Act 2008 need to be explained to all members as part of the proposed training programme, particularly in advance of the enactment of its various elements.

List of Interviewees

Councillors

Councillor TW Hunt	Chairman of Planning Committee
Councillor JG Jarvis	Cabinet Member – Environment and Strategic Housing

Officers

Mr Andrew Ashcroft	Head of Planning and Transportation
Mr Greg Evans	Management Accounts Manager
Mr Akif Kazi	Programme Manager – Herefordshire Connects.
Mr Mark Tansley	Planning Area Officer -Northern Team Leader
Mr Mike Willmont	Planning Area Officer – Central Team Leader
Mr Simon Withers	Planning Area Officer – Southern Team Leader
Mr Peter Yates	Planning Policy Manager

Users of the Service

Mr G Burton	Burton & Co Brimfield, Ludlow
Mr T Ford	Axys Design, Hereford
Mr C Goldsworthy	St Owen Street, Hereford
Mr A Jamieson	Jamieson Associates, Hereford

Herefordshire Council

Planning and Transportation

Development Management Team

May 2008

Development Control (what we used to do)

- Purpose: to minimise harm, enhance environment, process applications
- Restricted to land use matters
- Restricted to considering specific application types
- Consults others
- Asks, "What does the policy say?"
- Primacy of Development Plan
- Requires interpretation of national, regional and local policies
- Focussed on separate environmental, economic, social and resource issues raised by proposal
- Asks: "Is this good enough to approve - or bad enough to refuse?"

Development Management (what we do now)

- Purpose: to manage development to maximise planning objectives: "Place shaping"
- Includes all spatial issues in RSS, LAA and SCS
- Includes working with partner agencies to deliver development including key infrastructure
- Consultees become partners
- Asks: "What are we trying to achieve?"
- Looks beyond the DP to the LAA and SCS
- Calls for the same interpretation, *plus evaluation of the proposal against spatial vision, objectives and policies*
- Focus on sustainability and the likely outcomes of proposals
- Asks: "Can this proposal help to achieve our spatial vision and objectives?"

P.J.Yates
Development Manager
May 2008

Appendix 3

Report of Planning Services Review for Members survey

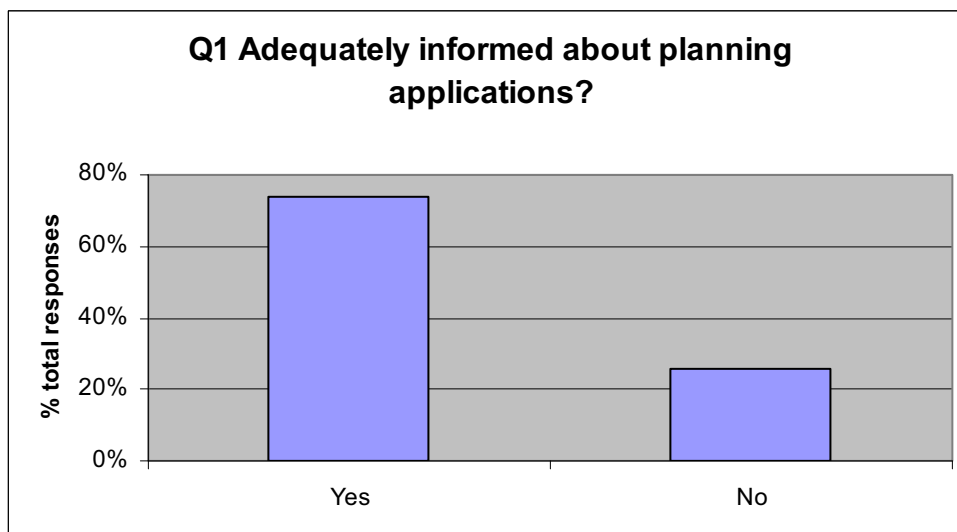
The environment scrutiny committee is reviewing the planning service and wish to establish the views of all the members of the council. For this reason, Planning Services Review for Members survey was launched on 23rd of July 2008. A questionnaire was sent to all council members and the survey was live till 16th of September 2008. The responses received by 22nd of September 2008 were included in this analysis and the responses received after this date were not included in this report.

This full report summarises the findings of the Planning Services Review survey for the members and also includes lists of free text comments in the appendices.

Total number of respondents to this survey was 29. Unless otherwise stated, all the proportions in this report are given as a percentage of the number of respondents to each question.

Q1 Do you feel adequately informed about planning applications in your ward? If no, what specific improvement(s) would you like to see?

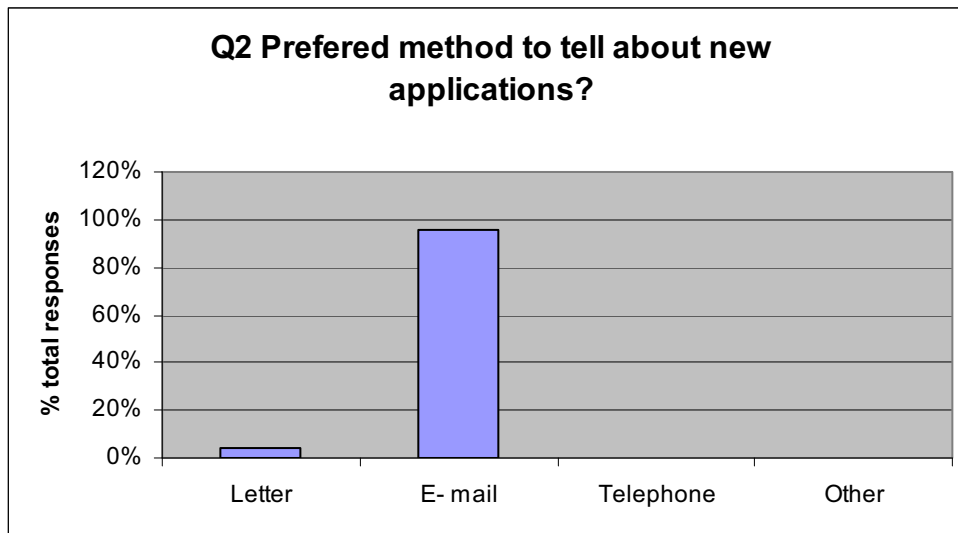
	Number	%
Yes	20	74%
No	7	26%
Not answered	2	
Total responses	27	



There are 15 comments listed in the appendix 1.

**Q2 How do you prefer planning officers to tell you about new applications?
(Tick one box only)**

	Number	%
Letter	1	4%
E- mail	24	96%
Telephone	0	0%
Other	0	0%
Not answered	4	
Total responses	25	



There are 5 comments listed in the appendix 2

**Q3 Have you been adequately trained in planning matters?
If no, what subjects would you like any future training events to cover?**

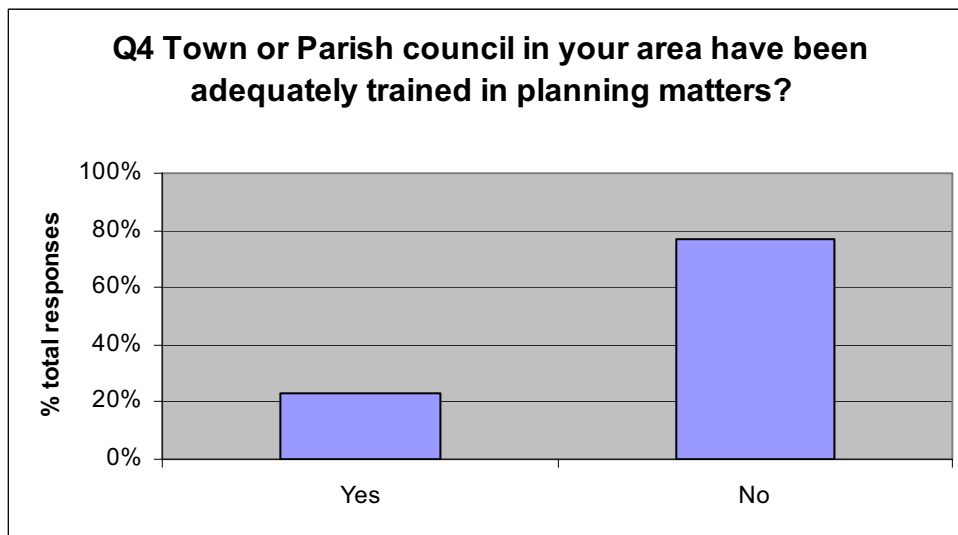
	Number	%
Yes	22	81%
No	5	19%
Not answered	2	
Total responses	27	



There are 15 comments listed in the appendix 3.

**Q4 Do you think that town and parish councils in your area have been adequately trained in planning matters?
If no, what subjects do you think would be of most use to them?**

	Number	%
Yes	6	23%
No	20	77%
Not answered	3	
Total responses	26	



There are 24 comments listed in appendix 4.

Q5 what improvements, if any, would you like to make to the way in which Herefordshire Council’s Planning Committees are run?

There are 23 comments listed in appendix 5.

Q6 Are you satisfied with the working relationship you have with Herefordshire’s planning service?

If no, what would improve the working relationship?

	Number	%
Yes	26	90%
No	3	10%
Not answered	0	
Total responses	29	



There are 11 comments listed in the appendix 6.

Q7 Are there any other comments you would like to make which are relevant to this review of planning services?

There are 19 comments listed in the appendix 7.

Appendix 1 – Comments for Q1

1. initial notification of applications is adequate

2. **Information on progress of applications is never forthcoming voluntarily-** it is necessary for me to contact the planning officer for progress report. I believe the oms should be on the planning officer.

All previous applications on site should be noted down then we would be able to look at application in its complete state. ie. A planning application for a parish doesn't seem important but if site has been previously extended it would be helpful to know. (within 21 days period)

Find it strange that each application is accompanied by a form (when e-mailed to ward member) requiring its completion and agreement by sub-committee chairman for a report to committee. **Any member should have the right to ask for it to go to committee** if in their ward and if based on proper planning grounds. (A member of the public receives this consideration)

Generally speaking Yes.

I am only emailed the very broadest terms of an application. I would wish to receive or have the link to the full application to research online. Also not all the info is in one location and I end up going between Blueschool Street and Garrick House.

In general the day to day applications are sent through when appropriate. It is the long term and for reaching decisions made by senior officers/cabinet members that are not discussed at the initial stages. ie. Communication with large companies/housing.

Individual notifications should include some indication of what is proposed.

More information needed on the initial planning application notification (via email) i.e more details reference the description and location.

On line pictures would be helpful.

Only adequate not fully informed.

See comments no. 6

There needs to be a change in to format of informing chairman for an agenda new to committee.

Usually but there have been exceptions.

We are governed by the office of the dept of PM. we are not free to change or need to now. However, when the UDP march 2007 expires in about 2-3 years time, government may have changed the system again.

Would like to be informed after the consultation period the recommendation instead of having to chase this up.

Appendix 2 – Comments for Q2

By weekly plans list as now, members can then follow up if necessary.

I prefer letters but can cope with emails, just!

Individual letter/emails for each area.

No preference- however to avoid being prejudicial and any changes now

Please put address of subject premises/location in email heading for application

Appendix 3 – Comments for Q3

All aspects of planning

But that is my opinion. Use UDP (???) common sense. Have not impressed with training sessions to date.

But Those info new systems of planningwould be welcome.

But, There is always scope for further training for example on **106 agreements** and how they work. Parish councils also need help and information on these.

Changes in **section 106** procedures particularly where the members fits into the process

I consider that it would be beneficial for further training in planning matters- including changes in planning issues **like 106 agreements** and a thorough 'back to basics' on material planning considerations.

It would be beneficial for new members to receive more than a brief overview of planning which should include its relationship to the UDP (or RSS when in place)

New SPD

pps 8- rollout programme of the mobile phone operations. They do send on plans that the average councillor never see.

Section 106 agreements. Suddenly the committee officers very concerned about these. More information - such as a seminar might provide would be useful.

The initial hardship is when a newly elected member has to make decisions on behalf of the ward when they really have not had enough in site into the planning process.

Too many seminars already.

Training has been repetitive with much used 'case studies' . I would refer to look at Incoming legislation RSS. & realistic plans for the shire county.

we keep training within the capacity of own time. Planning officers are there to help us 'how??' to know their business and we can help them too.

Yes, although improvements always possible.

Appendix 4 – Comments for Q4

1. Case studies of applications relevant to their situation. 2. detailed examination of relevant parts of the UDP.

106 issues & affordable housing. I get asked often by parishes on how they can use **106 to help** implement parish plans.

106 monies and how delegated decisions are reached. The perception that all planning come to sub committees or main planning. The ways government influence local decisions regarding planning.

All aspects of planning

All subjects

Basic training in the rules

City council most members are Twin halted (???), but training would be useful for new members, & refresher for old hands!

Differences **between prejudicial and personal interests. What are planning reasons?** All planning training should be compulsory.

Don't know.

However, while it would be useful for them to understand the process. Sometimes the PC common sense approach can be useful and reflects peoples view in an application as applied to how well it reflects our policies.

It is not their job to be trained in planning matters. Consultation with the Parish council is about awareness that Planning officers would now be aware that is the required limit of this purpose.

New SPD

Notes to each councillor + talk to each council.

Only town clerks and their assistants have had adequate training

Parish councillors should receive training similar to Q3 above. In particular what planning officers would like to see by way of appropriate and relevant comments and how to reference the appropriate area of the planning documents i.e.UDP etc.

Parish councillors would feel more secure in their role if more training would be given.

Process including **declaration of interest**. Need to make representations based on council's resolution, not individuals' views and /or informal sub-committee. Need to understand main principles of policy, and all presentations must be based on these.

Need to be persuaded that their views count & will be heard. Need to know they can come & speak at sub-committee. Provided council has so resolved.

Reasons to refuse an application that are **valid 106 agreements**

some basic planning training for parish councillors should be mandatory

Specific training on how Parish Councils can be heard ie. how to influence decisions when they matter to the parish

Structured approach/planning consideration/UDP/sec **106 SPD**

The situation has improved but **declarations of interest** still need to be taken more seriously and should be more strongly emphasised. At the beginning of meetings.

However, the majority of parish councillors are far better informed on planning matters and the local plan than when I was first elected. More training about the local frame work would also be useful.

Think PCs are UDP + Common sense

Training in: Planning protocol in relation to committee meetings. (When the PC makes a representation -speakers). Planning issues in general - **material planning considerations**.

Appendix 5 – Comments for Q5

1. **Visuals are very poor**; other councils have proper screens etc with sound system.

2. We do not get the full text of letters etc. not full info.

Agenda can sometimes be too long.

Allow flexibility on 3 mins, Allow objections and support use of projector/slides etc rather than the just verbal, Allow planning committee to make recommendations to Environment committee scrutiny & also to link better into licensing ie. caravans req 2 committee approvals.

Area sub committees are vital proposals for their abolition and all going to main planning are ludicrous!

By restructuring the area system, **one committee** is a formula adopted and in practice by a greater number of LPAs. It saves money; officer time gives greater influence to local members and other benefits.

Chaired in a more timely manner, in particular central sub committee

Happy with current area/main planning committee systems

I think the present system is satisfactory.

I would **separate political groups** to encourage more robust examination of applications at meetings.

In general, Central sub planning committee is run excellently.

It has been brought to my attention that speakers feel disadvantaged when a site visit has been asked for and they have already spoken. They feel members are likely not to

remember what has been said because the next meeting is not until the next month. Members to consult normally with officers before meetings.

More balanced and more professional. Less growling. **Presentations of photos and drawings needs to be much better-frequently barely distinguishable.**

Mostly I find the committee satisfactory, however 1. Presentations tend to be a run through out proposal-highlighting the key policies and the issue against there could be useful. 2. **Quality of maps, photo + plans often not good** when put on to an overhead projector.

None.

Only one comment- that members should be encouraged (in debates) to stick to the key issues- otherwise very lengthily meetings result and items at the end of the Agenda then have to be debated early evening (with members of the public still waiting).

Sometimes the agendas are too heavy. Less items going more time for debate.

Suggest that, for electoral purposes, some councillors may not be correctly focussed on applications in their own wards and may focus on issues which are from a majority of residents rather than acceptable from a planning viewpoint? One committee only with greater delegated powers in view of latest changes in planning law.

That planning officers be taught how to address a meeting. How to talk into a microphone. The sequence of a hearing in excellent. Debate is good. Regretfully, members often to now know they are not representing their electorates-their job is semi judicial of an '?????'

The area sub committees are essential to keep local members involved on the planning process

The committees should be run in **non political themes.** The most experienced members should lead.

They seem to be run very well and the public speaking element is both effective and well managed. The often robust debate in northern area is good for democracy and accountability.

Train planning officers in presentation and how to deal with debate without appearing

Appendix 6 – Comments for Q6

But think we all need to remember we are servants of the public and sometimes this is ignored.

Earlier notification of problems or contentious decisions. Perhaps a dialogue on identification of contentious elements would help.

However, improvements always possible. I feel this is an area were an excellent working relationship could give huge benefits to the service provided by councillors+ planning officers to our community. In an ideal world planning officers + members would never disagree!

I feel the officers do not fully understand our role and look upon us as an irritation.

I find the planning service very helpful and the officers always friendly and courteous. I support their recommendation in my ward 95% of the time.

I think we are well served by our planning officers, but moving staff around is not helpful!

It individually takes time to establish mutual trust.

Role of enforcement. We only have 1 officer & he is spread for this.

The ability to get all relevant details of an application on screen

There isn't a working relationship.

Would prefer planning application files to be made available on request at Brockington for a couple of days which are mutually convenient.

Appendix 7 – Comments for Q7

1. Previously the notification of planning application to ward councillors had tick boxes. * Bring to committee ** Keep me advised on progress. In "keeping ward councillors advised", the review group might establish what is Good Practice, Normal Practice, Accepted Practice, Best Practice in other authorities. In this authority, normal practice is that planning officers keep councillors advised very reluctantly.

1. The elected members must decide what comes to committee -not the officers. 2.

Planning sub committees' must be retained. 3. There is an obvious move to reduce applications coming to committee in an attempt to close them down.

As a member of Hereford city council planning committee I feel that I am adequately informed only because I am a member of the unitary. But I know that those who are solely parish councillors feel 'left out of the loop'.

Do not move to one planning committee .the decision is as good as the report and the standard varies. I have a perception that no one ensures standard, consistency. see last Northern area planning re s106 agreements for how applicants were treated. the new tariff system should improve s106 aspects. The update sheet sent round at the committee should be emailed late afternoon the day before as often on a complex case you need time to think some of the late information. More attention needs to be paid to stimulating good architecture. I dread to think what residents of the future will think about our contribution to social architecture- estates of red brick boxes.

Every applicant should be treated with respect. Local members work closely with officers. Every application on to 'own merit' should be carefully considered ' "material consideration" sometimes ignored.

Having acquired the Taylor review of rural economy and affordable housing that spells at a vision of a living, working, sustainable countryside. I would like other members to have the chance of reading this because it advocates for change in the way Authorities view planning for the future.

Hope that comments raised will be taken into consideration and this is not just a paper exercise.

I think the system works very well.

I think there is a conflict of interest when councillors want to support their local communities and planning policies made this difficult. When going against officers recommendations clear reasons should be given ie. An exception to policing doesn't like the policy.

Local members could sometimes benefit from more information about enforcement matters. Members of the public often phone their local members and expect him or her to know. We realise that the enforcement officers have a huge workload. A brief update about a contentious issue would sometimes be very helpful either by phone or email. Not always possible, I know.

No

Some members do not show proper courtesy or regard to planning officers. Some members do not have proper regard to planning policies etc. Some members do not appear to benefit from training. In short one of the weakest links in the system of planning is the members.

Speaking at sub-committees by applicants/objectors needs to be changed. The present system may lead to unfairness in that the speakers may put forward their views and the application subsequently deferred with the decision subsequently taken at a meeting with different attendees. (eg. The Holmer Industrial Estate application was determined 3 months after the speakers gave their views, but helping 2 local members (+others) not hearing their views, but helping to determine the application some 3 months later!)

The diagrams/plans that appear in agenda are of little or no help. Can there be improved please?

The maps included with the individual application notes are not informative enough.

The use of up to date maps. ie some maps are as much as 15 years out of date and do not have previous planning permissiaries included in them.

What is the "Growth points agenda"? Imperative that the LDF improves the balance presentation of the countryside and allowance for new homes when/where this community as a whole wants them.

With so many changes, I think a DVD would be useful, rather than rounds of reports & paper work.

Yes, the new planning proposals for 2/3 years time needs to provide for achieving at least a 10 year development planning policy. That accounts with the council. I don't think the march 2007 UDP was sufficiently understood by the members who voted for it, and now ruled by it. The objectives of HFD council are not profited in the UDP
eg 1. Attracting new businesses into county.

2. Not providing for exec housing to match new business.
3. Not providing enough business dev parks/estates.

SUMMARY OF RESULTS

	Councillors	Clerks
Overall response	29/58 – 50%	64/134 – 48%
Q1 do you feel adequately informed about planning applications?.....	Yes 74% No 26%	Yes 79% No 21%
Suggestions for specific improvements	<ul style="list-style-type: none"> ❖ More initial information ❖ The process by which councillors get items onto committee agendas ❖ Progress / recommendations are not volunteered but have to be chased 	<ul style="list-style-type: none"> ❖ Lack of time ❖ Lack of explanation ❖ Section 106 agreements ❖ Maps & plans being out of date ❖ Lack of knowledge of parish boundaries. Wrong things sent ❖ Historical information needed
Q2 How do you prefer to be informed about planning applications?	Letter 4% E-mail 96%	Letter 88% E-mail 11%
Comments	<ul style="list-style-type: none"> ❖ Repeat of initial information point 	
Q3 Have you been adequately trained?	Yes 81% No 19%	Yes 32% No 68%
If no, what subjects would you like training in?	<ul style="list-style-type: none"> ❖ Section 106 agreements ❖ RSS 	<ul style="list-style-type: none"> ❖ Delegation, planning considerations, discretion
Q4 Do you think that town & parish councils (your council) have been adequately trained?	Yes 23% No 77%	Yes 36% No 64%
If no, what should training cover?	<ul style="list-style-type: none"> ❖ Section 106 agreements ❖ Declaration of interests ❖ The future, LDF ❖ Planning reasons 	
Q5 What improvements would you like to make to the way that HC planning committees are run	<ul style="list-style-type: none"> ❖ Visual aids / plans / maps ❖ Agendas ❖ Presentations by officers ❖ Politics ❖ Four mentions of single v area committees – balanced 	<p>Q6</p> <ul style="list-style-type: none"> ❖ More notice / time to be given ❖ Less delegation to officers ❖ Taking notice of PC views ❖ Location of committee meetings

		❖ 3 minute limit on speaking
Q6 Are you satisfied with the working relationship with HC planning service?	Yes 90% No 10%	Yes 81% No 19% Q7
Comments		❖ Communications ❖ Ignoring PC views ❖ Providing explanations ❖ Enforcement
Q7 Are there are any other comments you would like to make?	❖ Repeats visual aids / plans / maps point. ❖ Support for area committees	Q8 ❖ Enforcement ❖ Ignoring PC views ❖ Early input to large developments / proposals
Q3 (Clerks only) If a planning officer were available how would you like them to attend meetings		On request = 47 Complex issues = 34

Note:-

Similar overall response rates between Councillors and Parish clerks.

Q1 Similar proportion of councillors and clerks feel adequately informed about planning applications.

Q2 A major difference in how Councillors (e-mail) and Clerks (letter) prefer to be informed about planning applications.

Q3 A difference in perceived training needs; the majority of councillors feel they have been adequately trained, a majority of clerks do not feel adequately trained.

Q4 Councillors do not feel that parish councils have been adequately trained, parish clerks agree with them.

Q6 Similar proportions of councillors and clerks are satisfied with their working relationship with the planning service.

Appendix 4

Report of Planning Services Review survey

Herefordshire Council is reviewing the planning service. Town and Parish Councils have important roles to play in the planning process where Parish clerks play major role. To find out the views of parish clerks, Planning Services Review survey has carried out from 16th July to 16th September 2008. A questionnaire was posted to all Parish clerks on 16th of July 2008 and the responses received by 22nd of September 2008 were included in data analysis. The responses received after this date were not included.

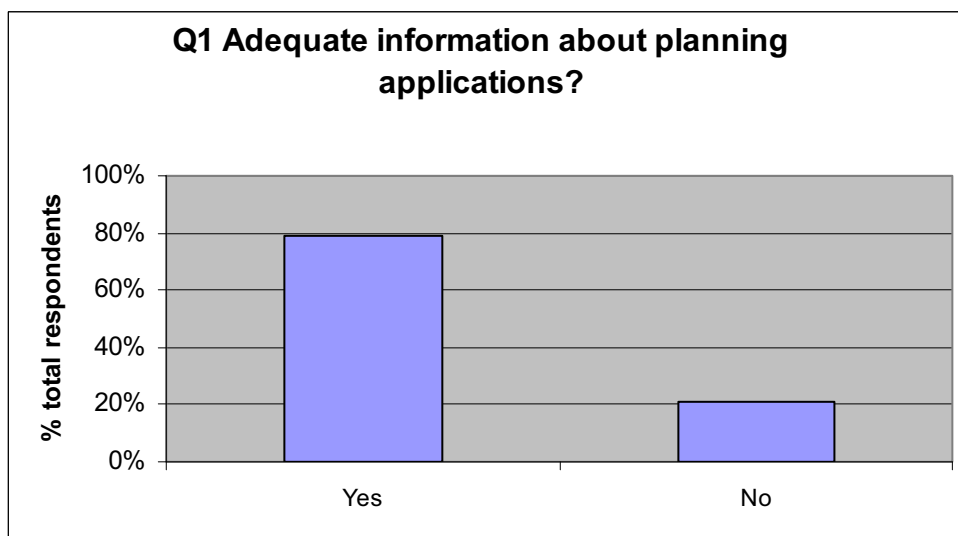
This full report summarises the findings of the Planning Services Review survey for the parish clerks and also includes lists of free text comments in the appendices.

Total number of respondents to this survey was 64. Unless otherwise stated, all the proportions in this report are given as a percentage of the number of respondents to each question.

Q1 Do you feel adequately informed about planning applications in your Council's area?

If no, what specific improvement(s) would you like to see?

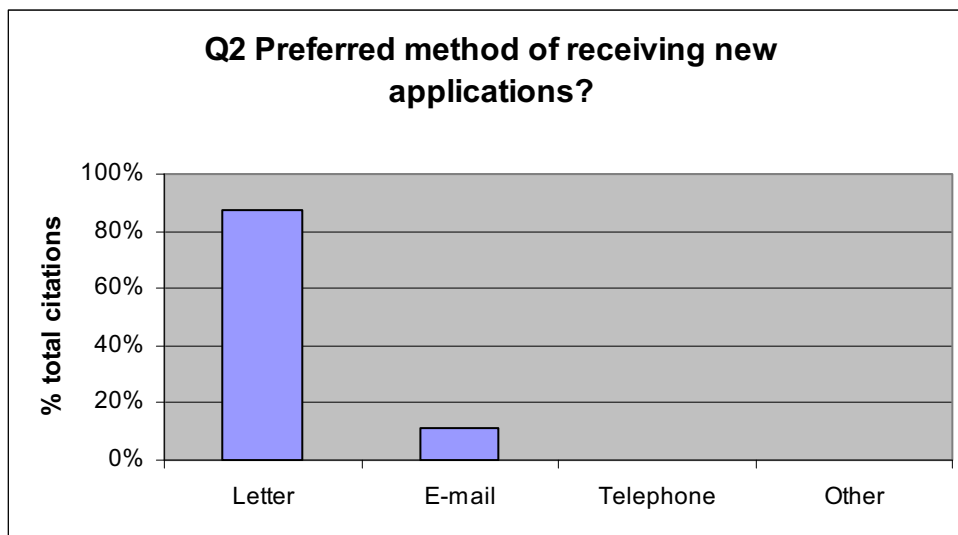
	Number	%
Yes	49	79%
No	13	21%
Not answered	2	
Total responses	62	



There were 18 other comments made.

**Q2 How do you prefer Herefordshire Council to tell you about new applications?
(Tick one box apply)**

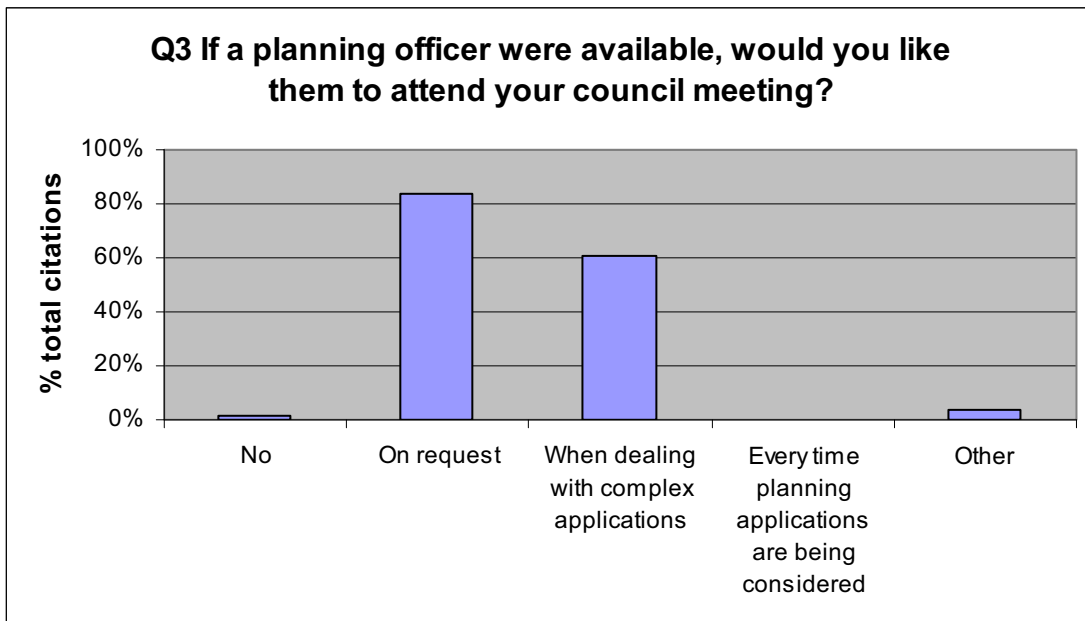
	Number	%
Letter	56	88%
E-mail	7	11%
Telephone	0	0%
Other	0	0%
Not answered	1	
Total responses	64	



4 comments were made explaining their answers.

Q3 If a planning officer were available, would you like them to attend your Council meeting? (Tick all that apply)

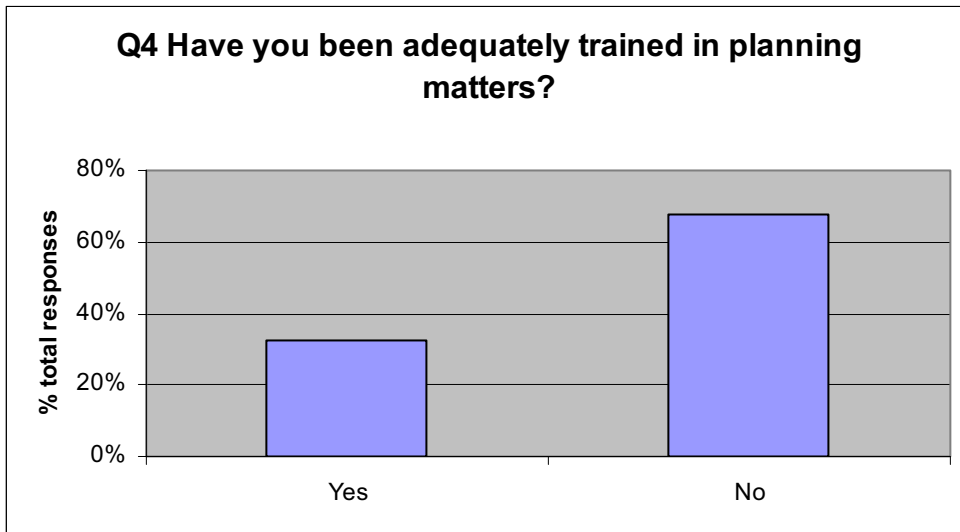
	Number	%
No	1	2%
On request	47	84%
When dealing with complex applications	34	61%
Every time planning applications are being considered	0	0%
Other	2	4%
Not answered	8	
Total responses	56	



There were 8 other comments made.

**Q4 Have you been adequately trained in planning matters?
If no, what future training would you like?**

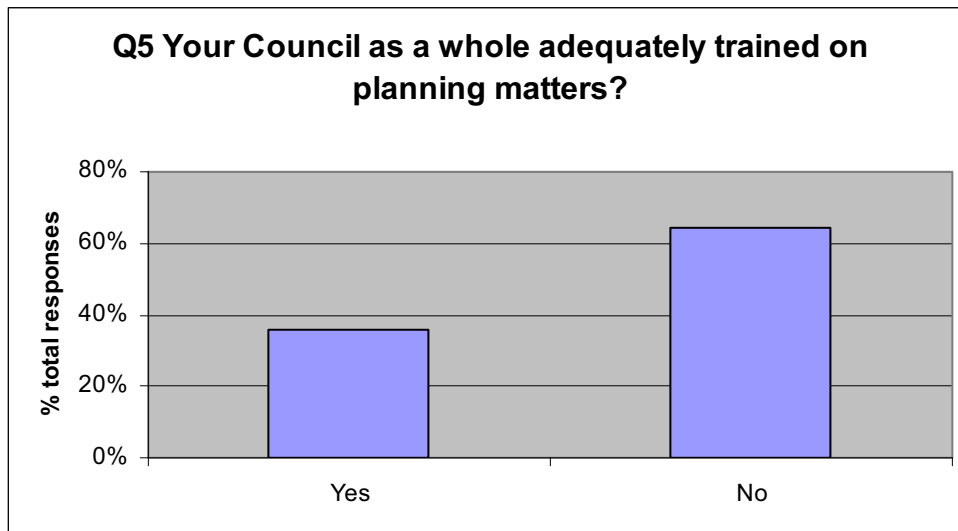
	Number	%
Yes	19	32%
No	40	68%
Not answered	5	
Total responses	59	



43 comments were made.

**Q5 In your opinion, do you think your Council as a whole has been adequately trained in planning matters?
If no, what subjects would be of most use to them?**

	Number	%
Yes	20	36%
No	36	64%
Not answered	8	
Total responses	56	



There were 39 comments made.

Q6 What improvements, if any, would you like to make to the way in which Herefordshire Council’s Planning Committees are run?

There were 45 comments made.

Q7 Are you satisfied with the working relationship you have with Herefordshire’s planning service?

	Number	%
Yes	48	81%
No	11	19%
Not answered	5	
Total responses	59	



21 comments were made.

Q8 Are there any other comments you would like to make which are relevant to this review of planning services?

There were 34 comments made.

Appendix 1 – Comments for Q1

Although sometimes it is a **bit short notice**

If an application is approved when we have recommended rejection, or rejected when we have recommended approval, **we should be informed** of the precise reasons for the difference, including references (i.e paragraph number of local plan etc)

More interaction first level of planning application-106- we would like to have involvement in this as the community of (XXXXX) have large housing developments 7 we have no say in any of this.

N.B There are normal passes in case of certification of development and notification of decisions but there I am sure, we no minor omissions which happen in the best run system.

Need more time to comment for major ones

Note: **But only within our boundaries, would appreciate knowledge of contentious applications in adjoining parishes.**

On the whole, the system works, but there have **been occasions when applications have not been received. (XXX and XXX)**. Parish councils would like **more time** to consider applications, so extend notification would be appreciated.

see answers to Q8

Some times 'HIT' or @MISS@ being sent to **appropriate parish council.**

Speedier return of decisions/more time and **clearer indications of how decisions are arrived at and who by (planners or committee)** plus better co-ordination with Parish Councils who should be able to help Planners and take some of the burden, especially with their localised knowledge.

The XXX council is adequately informed about planning applications. However, specific improvements could include becoming involved in pre application discussions relating to larger developments well in advance of the application being submitted. In addition the XXX council would like further influence in decisions relating to the use of S106 monies raised from developers and suggests that participative community involvement in the decision making relating to S106 funding should be actively explored.

The website needs to be updated faster. **Update your maps of local areas as many are years out of date.**

XXX council would like copies of section 106 Agreement on various applications and would like to be involved in the s 106 process at an early stage so that local input could be considered.

We are kept reasonably well informed and are given adequate time for consultation, but often **HDC planners is not adequately informed about parish boundaries.**

Some applications have been sent to neighbouring p.c's

We encounter two problems. Sometimes we are asked to comment on applications **outside but close to our boundary.** Some cases we are not. If an application is modified or re-submitted in a different way the consultation rounds often fails.

We generally are adequately notified about applications but **sometimes key information has been missing.** For example when a new house was requested for an agricultural worker we did not receive supporting reports which we would have disputed as incorrect. We were not informed of the significance of outline permission and consequently a house was built that should never have been approved. The house is now a white elephant and will continue to be an issue since we are sure the owner will seek.

We need to have the plans etc for each application on-line from Hereford council as soon as the application is received by the Parish. Either change on line system or delay sending application.

would like any relevant historical information regarding the application (ie previous applications)

Appendix 2 – Comments for Q2

But only if plans are available on line at the same venue
Have already requested council notice as soon as applications are received
It is useful for councillors to view all plans
With an email if there is anything urgent or out of the ordinary]

Appendix 3 – Comments for Q3

Also if there are contentious issues
Annually
Attendance as required and requested for controversial or unusual applications.
Can only be achieved if adequate staff are available, (at no cost to Parish council)
Clearly not practical for all applications but desirable for lodge/controversial cases.
This point has already been thoroughly covered in your consultation on involvement of local committee and I hope previous is now in train for this.
This would be very rare in this parish.
To update on changes in planning guidance and to discuss area of concern.

Appendix 4 – Comments for Q4

1. It would help to have similar training sessions to those availability to county councillors
2. To **explain the delegation system**.
A reasonably detailed resume of planning law, in particular the constraints under which officers work, and the guidelines etc. **Which lead them to make the decisions they make** (in printed form, for reference- a training course is not necessary)
PLEASE NOTE: This has been filled in by the clerk and I believe it to express views which reflect the views of the council.
A trainings session for all parish councillors would be useful.
All councillors are 'volunteers'
An insight into **planning considerations/processes** would be useful.
Annual updates on the planning process and how the XXX council can make informed comments.
Any training valuable to Parish clerks training is provided by HALC but anything by HPDC would be welcomed.
Any which would be relevant to clerks and Parish Councillors
As to what is/what is not permissible. The amount of discretion and flexibility that is allowed.
Becoming clerk from new is daunting- planning matters were non existent within the Parish Council and one learns from experience. There is no guide available and questions are answered but not the consequences or alternatives given. A booklet/guide/ or contact point made known. A short training session for a Parish Council could be effective.
Been a clerk 10 years and except for some HALC training have never had any training on planning matters. So any would be welcome.
Brief training in corporation with other local councils.
But I shall continue to encourage Parish Councillors to attend HALC training on

planning.

But the core strategy changes everything and new training will be required

Compulsory training for all councillors.

don't know

general planning issues

Guidance, information, legal requirements

How to assess which relevant policy to the application.

I have good working knowledge of planning matters but additional training would be useful, particularly if it could be accredited.

Need to know which planning officers are in each area need to be kept up to date with changes in policies eg when UDP policies are being superseded by LDF policies.

None- Not my job. knowledge gained through experience and asking questions is adequate to do job of Parish clerk.

ongoing training - locally based with other clerks in the area/ have involvement

ongoing training on subject matter

Only through HALC. Any other training are offered? What about new regulations?

Parish councillors learn by experience. They are more able to take a view similar to a planning committee as opposed to planners; ie. They think more globally. Sometimes, they do attend planning training seminars but they are not, and never will be planners.

Perhaps a seminar could be arranged for all councillors to attend to be briefed in what is currently the objectives 7 accepted planning of Herefordshire council.

Perhaps an annual seminar for clerks and parish councillors where training and consideration of shared experiences can occur, plus ad hoc meetings where necessary with planning personnel (eg in the case of complex or controversial planning applications.)

Some, we are attending various training courses run by HALC

Suitable training to fulfil the planning committee roles.

The chairman of our Parish Council has a good knowledge of planning matters and as Parish Clerk I rely on his input & experience, further training for the parish clerk may be relevant in the future.

The role of the Parish Council in planning matters

The training is in position. Councillors just need to attend.

There are adequately trained parish councillors available.

There are certain assets of the current UDP that are not easily understood or "Layman"-prior to the acceptance of the forthcoming LDF it would be helpful to have a presentation(s)/briefing on its content and application. It would be helpful to have a planning 'aide memoire' to assist in decision making/inclusion of helpful comments etc when responding to planning applications.

Training course (short) for councillors would be useful. E.g. a HALC evening services.

Training on site for planning related matters

Training on what powers planning /council's may have on obtaining beautiful community improvement as part of conditions approving planning developments eg developers pay for play equipment/adventure park/part fund village hall etc

Updates of changes of policies and procedures

We ask advise as necessary.

We think that there could be a case for regular (6 monthly) briefings on any new issues and a reminder about basic principles. We have learned through experience and my Councillors are happy about that route. However, we have failed to understand and grasp the relevance of the situation on a few occasions (refer to Q1).

What training is available?

When planning refers to obscure reference numbers, only known to them. A brief explanation or 'Planning Info Sheet' would be very useful

Appendix 5 – Comments for Q5

As answer to Q4 (6)

Basics: ie. how close to a property can you build can you complaint if your view is spoiled etc

Broader spectrum

But request further visit to council meeting in future

Can't judge but understand from the press that the nation is short of trained planners.

As for parish councillors/clerks, no doubt they could use more knowledge.

Committee should take the professional advice of there officers.

Compulsory 1 day training on dealing with planning issues & their relationship with the UDP. Should be part & parcel of being A P Councillor.

Don't know wherever training courses are suggested there are never any show of hands.

General training would be helpful. see Q4

HALC/planning services to arrange more frequent training sessions on all aspects of planning.

I'm sure the pc would benefit from understanding what policies apply to which area:
UDP

in house training by planning officers on general planning issues

localised training - possible grouped with other parish councils

Many members of the XXX council are dual hatted and have training from

Herefordshire council. Additional training for other members focusing on the role of parish councillors would be welcome.

More liaising with officers on the LDF not just paperwork to be circulated but face to face discussions.

More understanding of correct procedures through meetings (minutes taken)

Most Parish Councillors have several years of experience and we able to handle the majority of applications.

None- not their jobs- unnecessary expenditure to implement.

Not in a position to say

not qualified to comment

Presumably you are asking about the skills and knowledge of the officials in Hereford Council. We do not feel able to comment, but we have not had cause to think that there has been evidence of a shortcoming. Sometimes we have felt that the attitude and interpersonal skills have been lacking but this has been the exception rather than the rule.

Role of Parish Councils

See Q4 (4)

Seminar on planning procedures and key criteria

Through HALC. although will need training in new regulations.

To understand the UDP

Training has been, and still is, non existent for Parish Councils

Training is on going

we all need updating on what is currently the accepted way for ward.

We prefer to rely on the expertise of the planning dept to make the right decisions.

what applications are acceptable and reasons for refusal (failure to support)

Appendix 6 – Comments Q6

As above & not waste tax payers money going against advice & subsequently losing appeals.

Better notification/information as to when /which applications will come before the relevant planning committee.

Clearer explanation of reasons behind decisions (on line access would be sufficient)

Decisions should not be made through delegated powers. The comments/opinions of parish councils (being at grass- root level) should not be dismissed without proper consideration.

Do the planning officers answer the question "Have you an interest to declare?" Do the planning committee members always answer the main questions about applications before voting ie. Does it inform to policies, any local issues, impact on adjoining properties, community benefits and any developer contribution.

Enforcement officers should be visibly accountable for enforcing planning decisions made.

From the occasional planning committee which I have attended, it would seem that some members are biased, uninformed or disinterested. Some are highly involved. Preparation and understanding of each case would appear vital.

Greater use of local (parish/town) councils and improved inter-action with councillors (county/parish/town), planners and clerks.

I do not have the information on this which would allow me to make any relevant comment.

I think the planning committee should **take notice of Parish Councils Opinions** and comments

Improved advertising of meetings better arrangements of floor space

Minutes of meetings taken.

More applications to be determined by planning committee rather than by individual planning officers.

More notice of meetings (hearings) please. Perhaps a list of meetings to all councils in advance

More notice to be taken of the parish council's views & comments. The planning officers seem to wield too much power.

No experience of attending HPC's meetings.

No issues at all. Always good prompt service

Non political

Non technical summaries of for example, environmental impact assessments or flood risk assessments would be very welcome as some of these documents can be inaccessible to members and the public.

None (8)

Northern Area planning meetings to be held in the North of the county - not

Hereford. There is an inconsistency in planning decisions inadequate training on your behalf.

Not happy about 'Heads of terms' payments being considered on single applications as the receipt of money connected with approving an application is open to misconception of neutrality.

Not in a position to judge, but site visits should be routine in conservation areas. not qualified to comment

Perhaps the structure could be explicit to us.

Planning officers should be available for appointments if necessary.

Speaks at site meetings. Make weight given to local opinion.

Take greater note of the views of Parish Councils.

The Parish councils are no longer advised on what dates they are being held.

The 3 minutes allowed to speak at planning meetings when controversial issues were discussed the time should be extended

The possibility of the **southern area committee occasionally meeting in the south** to enable more people to attend to see how the system works (It would also reduce the cost of mileage)

They need to follow the relevant policies as well as Parish Councils.

Three minutes is rarely an adequate time. More than one speaker should be allowed, and visual aids should be permitted.

Timescales to respond are sometimes 'tight'

Timing flexibility to avoid extra council meetings

We would like to see consistency of results.

When we have attended a public meeting (for example XXX) we have been satisfied that we were given a chance to make our points. However, our points were ignored.

We are concerned that too many decisions are delegated and do not come up to committee for airing. For example our agricultural house (refer Q1) was approved under delegated powers. A new house on a green field site in green belt should not have been approved in this way.

Would welcome having **an explanation when decisions are made contrary to the views of the Parish Council.**

Appendix 7 – Comments for Q7

Basic planning generally o.k. Enforcement areas to be very weak and/or ineffective

By and large, **constant communication** is needed to help explain the wide discrepancy in opinion between planners and the lay PCs

Communication could be improved. Officers do not follow through queries, complaints or items for an enforcement officer to look into. **Officers do not ring back** when requested to do so, or let us know results of items looked into.

For if yes, However the relationship has been **one sided with nothing coming from the planning service.**

I am very satisfied with the working relationship I have with Officers

In some cases the **planning committee ignores the parish council's views** and opinions which are fairly obtained for the benefit of the whole community.

Council 1 feel that **more notice needs to be taken of local people with local knowledge. Better communication, fast communication.**

Link to question 6

Local knowledge is generally ignored and attendance by the planning officers would improve this at planning meetings.

Need to be told why our comments are not taken into account in view of our local knowledge + empathy

Not entirely. The Parish council after makes detailed submissions on more complex applications, only to receive months later, a decision notice which does not appear to have been influenced in any way by their submission and without any accompanying explanation. It would be helpful if officers would remain in communication with the council during the planning process and **at the very best offer an explanation to why they have taken a different view at the end.** It would also be very helpful if planning officers would always be open to comments by Parish Councils and prepared at least to listen to these comments. While some officers are excellent in this respect, there are other officers inclined to brush aside queries or comments from the Parish Council on the basis that they are the professionals and the Parish Council are only amateurs. Once again this matter has been very fully dealt

with in the best consultation.

Officers have recently changed and it would be helpful to have regular surgeries to discuss area of mutual interest.

Planning officers always helpful & cooperative. v important to have matters explained thoroughly.

Some personalities are easier than others.

They do seem to be under pressure through lack of staff and time taken to respond to enquiries. Cannot do everything within 'remits' unless adequate staff.

They will not listen to parish councils who have good local knowledge.

Very

We need to have more interaction in the very first instance regarding large developments. Parish councils is an elected body and they should have more involvement in all large applications.

We would like the planning and enforcement staff to be more responsive to our requests and reports and we would like faster results from our enquiries and complaints. This may mean a change in priorities but probably means additional staff.

We are especially concerned about enforcement matters. We have two significant issues being investigated but progress is very slow. One issue is concerning the residential occupation of farm buildings and probably requires a visit to the site out of working hours which does seem to be a very unpopular activity for Hereford Council staff. If there is no intention to follow up our reports then there does need to be a meeting between HC planners and our Parish Councillors to resolve the issue.

When contacted, they are usually very helpful but there seems to be a lack of full collaboration, perhaps because of time constraints, which could be improved, there - by helping all concerned and lifting some of the burden from those most hard pressed. Working relationships are professional and satisfactory.

Appendix 8 – Comments for Q8

1. Feed back can be slow if applications are rejected

2. transparency by the planners and the invitation for local involvement are essential with UDP

Decisions to tax developers for beneficial purposes.

3. It sometimes seems that planners are fearful of an appeal or referral to the Inspectorate which is a political appointment. Compare this with the Judiciary and government driven ideas.

A summary of broad guide lines of what is acceptable ie approved square meter expansion etc. would be useful accepted insulation thickens etc.

Although have always found officers helpful Admin support seems to be lacking.

Decisions are very slow in being sent over and unless an officer is available no body to know what is going on.

As a Parish Council we are very much involved in enforcement. We are the unofficial eyes of Hereford Council. **Enforcement** is probably the most unattractive part of the planning workload and therefore should be staffed with suitable staff to deal with difficult issues and difficult people. It might be helpful to clarify the role of the Parish Council and the enforcement officers and reinforce the activity in both organisations. I have been asked to point out that we are in no way criticising individuals in any of our responses and any shortcomings are, we feel, the result of the policies and structure rather than the individuals.

Better consultation and listening to local councils **and take into account what they say** as we feel very un listened to. When this survey is complete we would like to hear the results and your findings.

From Q7, given our relative lack of resources, could more/better use be made of town/parish councils/clerks in the planning process? This may be especially so given the county's geographical spread and the difficulties for planners based in Hereford of being aware of all the resources and local geographical issues of the many and often remote locations around the county.

If the planning officer's **decision is contrary to the parish council's** comments an application to why the decision appears it ignore local opinion.

It would be helpful if the planners responded to letters in a reasonable time.

More notice **of long term possible developments**.

More transparency, classification, better communication involving Parish councils. We have no input into **large developments only when the application comes to the Parish council for comment**.

No (2)

Our parish council almost invariably makes a site visit to consider planning applications and makes its comments after much deliberation. I would like to see this effort acknowledged in the decision especially if this goes **against the recommendation of the Parish Council**.

Parish council has lost confidence in the ability of the planning officers + the committee and in their implementation of policy. and their **rejection of the parish council's opinions**.

Parishioners are expressing their concerns that some applications are taking more than 6 weeks to process

Perhaps more through checking of applications before sending out. We receive many applications with false statements or questions most completed.

Planning officers should be more professional accurate and not voice personal opinions when presenting to the committee.

Relevant Councillors should come to XXX Parish Council meetings.

Relevant parish councillors to be notified and invited to attend site meetings.

See 6 above (2)

Some times local councils + residents feel that planning officers do not appreciate 'local issues'.

That committee take more notice of input given from Parish Council's when local application is made within villages. Local knowledge regarding road, land, and other relevant local aspects should not be dismissed out of hand

Those planers are far more intent on implementing central government directives than listening to the concerns and views of attached residents.

The ability of Parish councils to leave an input at the time of decision making by the council planning committee.

The XXX council is unsure how the planning service will change in relation to the LDF, in particular what will be the relationship between a parish plan and the LDF. Herefordshire Council should work with Parish Council during the period of change. Also, how can we ensure that local people have more say **on major developments** that are planned for Hereford including 8000 houses and the ESG site- more participative forms of community involvement should be mandatory for larger developments? Applications should be accessible to parish councils in an electronic format compatible with data projection and this has the potential to save time and resources and there should be a facility to allow real time comments to be submitted by Parish councils as they consider the applications.

The main factor is the short time allowed for consultation. Earlier dispatch of papers with notice of applications by email would greatly help.

We are always given the impression that **the views of the Parish Councils are**

insignificant.

We consider that the service has improved over recent years

We have experienced planning applications sent to the wrong Parish and similarly received applications that are not ours. At Parish Council level the majority of councillors do not know a thing about planning. Education is a good thing but you can lead a horse to water - you can't make it drink.

Where planning applications are refused then resubmitted we are not made aware of the reasons for the original refusal.

Whilst it is felt that consultation about new applications could be handled efficiently by e-mail, there is concern that all document would then have to be downloaded and/or printed off on A4 size paper. The consideration of planning applications by parish councillors at open meetings necessitates all relevant documents and - most importantly - drawings being made available without recourse to the **use of magnifying glasses!** Councillors realise that the Government's moves towards e-planning might offer financial rewards for Local Planning Authorities, but they feel that this should not result in poorly resourced Parish Councils having to incur additional expenses. Responses via-email are preferred by this particular Parish Council, and it would be appreciated if case officers and others involved would always quote their e-mail addresses on any correspondence.

Would appreciate understanding how total mechanism works e.g timing process, which makes what decisions. When does appeal take over etc.

Yes. **Faster response to parish councils** after decisions has been made by officers or sub committees. Occasionally need extension to the 21 day consultation to fit around meetings.

MEETING:	CABINET
DATE:	30 JULY 2009
TITLE OF REPORT:	TREASURY MANAGEMENT ACTIVITIES 2008/09
PORTFOLIO AREA:	RESOURCES

CLASSIFICATION: Open

Wards Affected

County-wide

Purpose

To note the Council's treasury management activities for the period 1 April 2008 to 31 March 2009 and the outturn of Prudential Indicators for the year 2008/09.

Key Decision

This is not a Key Decision.

Recommendation

THAT the Treasury Management report be noted.

Alternative Options

1 Not applicable.

Reasons for Recommendations

2 The reporting of the past financial year's performance is a requirement of the Council's Treasury Management Policy Statement.

Introduction and Background

3 The Treasury Management Strategy for 2008/09 was drawn up at the beginning of 2008 and was based on a relatively stable financial framework. This report summarises activity through the year and notes the impact of the economic downturn on the Council's Treasury Management Activities, comparing actual outturn against original estimates.

Key Considerations

4 A detailed report is attached at Appendix 1 with the following key points specifically drawn to the attention of Cabinet:

Further information on the subject of this report is available from
Heather Foster, Acting Head of Financial Services on (01432) 383173

- a Herefordshire Council regards the successful identification, monitoring and control of risk as the prime criteria by which the effectiveness of its treasury management activities can be measured.
- b With regard to the transactions for the financial year 2008/09, the Council's treasury management activities created an under spend against budget (Section 4 of Appendix 1 refers).
- c The return on investments exceeded the index benchmark for 2008/09 (Section 3.5 of Appendix 1 refers). In 2008/09 treasury management activity made a contribution of £2.2m to the council's finances. This was £483k above budget.
- d In addition, borrowing costs were £245k under budget due to slippage in the capital programme, less new borrowing being required, and using internal reserves to fund expenditure rather than taking out new loans.
- e The treasury limits and prudential indicators were complied during 2008/09 (Section 8 of Appendix 1 refers).
- f 2008/09 was an unprecedented year in the financial markets, particularly following the Icelandic bank crisis in the autumn of 2008. The turmoil in the financial markets meant that the Council's investment activities were restricted due to a reducing number of organisations meeting the Council's strict investment criteria. In addition, the reducing bank base rate meant that the rewards from investing fell dramatically. In just four months between September 2008 and January 2009 the bank base rate fell from 5.00% to 1.50%. This was then the lowest rate since the Bank of England was founded more than three hundred years ago. Between January and March 2009 the bank base rate fell further to 0.50% where it has remained.

Community Impact

5 None.

Financial Implications

6 As set out in Appendix 1.

Legal Implications

7 None.

Risk Management

8 Risk is managed in accordance with the Treasury Management Policy Statement.

Consultees

9 None identified

Appendices

Appendix 1 – Treasury Management Report 2008/09

Annex A - Herefordshire Group Account Bank Balances 2008/09

Annex B – Comparison of Interest Rates 2008/09

Annex C – Prudential Indicators

Background Papers

- None identified.

TREASURY MANAGEMENT REPORT 2008/09

PURPOSE

The purpose of this report is to advise Cabinet of the Council's treasury management activities during 2008/09.

1. INTRODUCTION AND BACKGROUND

1.1 The Chartered Institute of Public Finance and Accountancy's (CIPFA's) Code of Practice on Treasury Management 2001 was adopted by the Council in February 2002 and the Council fully complies with its requirements. The primary requirements of the Code are the:-

- a. Creation and maintenance of a Treasury Management Policy Statement which sets out the policies and objectives of the council's treasury management activities.
- b. Creation and maintenance of Treasury Management Practices which set out the manner in which the council will seek to achieve those policies and objectives.
- c. Receipt by the Cabinet of an annual treasury management strategy report for the year ahead and an annual review report of the previous year.
- d. Delegation by the council of responsibilities for implementing and monitoring treasury management policies and practices and for the execution and administration of treasury management decisions.

1.2 Treasury management in this context is defined as:

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

1.3 The authority's treasury management activities expose it to a variety of financial risks:

- a. **Credit risk:** The possibility that other parties might fail to pay amounts to the council.
- b. **Liquidity risk:** The possibility that the council might not have funds available to meet its commitments to make payments.
- c. **Market risk:** The possibility that financial loss might arise for the council as a result of changes in such measures as interest rates.

The Council, in adopting the CIPFA Code of Practice on Treasury Management to produce its annual Treasury Management Strategy, has operated within a control framework to minimise risks relating to financial instruments.

1.4 An internal audit review in February 2009 concluded that the monitoring and control of the treasury management system is **good**.

1.5 This annual treasury report covers:

- a. the Council's borrowing transactions 2008/09.
- b. the Council's investment transactions 2008/09.

- c. the outturn position 2008/09.
- d. the strategy for 2008/09.
- e. the economy in 2008/09 (borrowing and investment rates in 2008/09).
- f. compliance with treasury limits and Prudential Indicators.

1.6 Effective treasury management can make a useful contribution to helping achieve the council's strategic objectives.

2. THE COUNCIL'S BORROWING TRANSACTIONS 2008/09

2.1 The following summary gives information relating to the Council's borrowing transactions in 2008/09.

<u>Borrowing Summary</u>	<u>£</u>	<u>£</u>
Long-term Borrowing		
As at 1 st April 2008	105,888,614	
New Borrowing (see paragraph 2.3)	10,000,000	
Less: Repayments	(485,952)	
As at 31 st March 2009		115,402,662
Short-term Borrowing (see 2.8)		
As at 1 st April 2008	0	
New Borrowing (see paragraph 2.3)	3,000,000	
As at 31 st March 2009		3,000,000
Total Borrowing as at 31st March 2009		118,402,662

2.2 The Public Works Loan Board (PWLB) remains the main source of long-term borrowing for the Council. In addition to PWLB loans the council has two LOBO (Lender Option, Borrowing Option) loans totalling £12m.

2.3 After careful consideration of interest rate forecasts, expected capital spending, repayment profile and having regard to the existing debt, additional long-term loans were taken during 2008/09 as follows:

Date	Loan Type	Lender	Amount £	Period (years)	Interest Rate %
10/09/08	Fixed Maturity	PWLB	5,000,000	50	4.38
09/10/08	Fixed Maturity	PWLB	5,000,000	50	4.36
			10,000,000		

2.4 As comparative performance indicators, average PWLB maturity loan interest rates for 2008/09 were:

Period (years)	Interest Rate %
1 year	3.26
9.5 - 10 years	4.48
24.5 - 25 years	4.57
49.5 - 50 years	4.44

- 2.5 The average rate of interest paid on borrowings during the year was 4.44% compared to 4.50% in 2007/08.
- 2.6 The long-term debt at 31st March 2009 falls due for repayment as follows:

Long-term Debt Profile	£	% of total debt
Within		
1 year	12,255,361	11
1 – 5 years	3,618,066	3
5 – 10 years	1,897,225	2
10 – 15 years	8,288,626	7
15 years and over	89,343,384	77
TOTAL	115,402,662	100

- 2.7 Included in the debt repayable within one year are two LOBO loans for £6 million each which were taken out in 2004. Interest is payable at 4.50%, however, every year on the anniversary of taking out each loan the lender has the option to raise the interest rate payable. If this option is exercised the Council may repay the loans. If the interest rate remains unchanged the loans could remain on the balance sheet until 2054.
- 2.8 In March 2009 the Council borrowed £3 million from West Sussex County Council for 33 days at an interest rate of 0.60%. The loan was taken out at an advantageous interest rate to ensure that the Council had sufficient liquid balances to meet its day to day requirements.
- 2.9 In addition to the external borrowing identified above, the Council has a bank overdraft facility with its bankers, National Westminster Bank plc, of £6,000,000, which was used on a limited basis during the year. This was used in preference to short-term borrowing of amounts less than £100,000 where it would not be cost effective to borrow through the money market.
- 2.10 The Council has twelve accounts with National Westminster Bank but it has an arrangement whereby the balances on the accounts are offset. When the overall balance is in credit the Council does not receive any interest but when the balance is overdrawn the Council pays interest at a rate of 1% over the Bank Base Rate.
- 2.11 The Council's aim is to maintain a nil net cleared balance, as far as possible, on its accounts at National Westminster Bank. In practice this is hard to achieve because some receipts are credited directly to the bank. However, such sums are not significant in overall terms. On ten occasions during the year the net cleared balance was either more than £100,000 in credit or more than £100,000 overdrawn. Excluding these occasions, the average daily bank balance for 2008/09 was £9,526 in credit. **Annex A** illustrates the balances for 2008/09.

3. THE COUNCIL'S INVESTMENT TRANSACTIONS 2008/09

- 3.1 All investments are managed internally using the institutions listed in the Council's approved lending list.
- 3.2 The Council manages its in-house investments with the institutions listed in the Council's approved lending list. The Council placed investments for a range of periods from overnight to 364 days. The length has always depended on factors such as cash flow requirements, and if it was viewed that interest rates would change, but this year the uncertainty in the financial markets was also a major factor.

- 3.3 In the second half of the year many of the banks and building societies were given a “negative outlook” by the credit rating agencies and so the Council stopped investing with them. In addition the decision was taken to only use UK institutions where the situation could be monitored more closely. As a result by the year end the Council had very few eligible counterparties and started using the UK government’s Debt Management Office (DMO). Use of the Debt Management Office is risk-free but the interest rate paid is relatively low (below the Bank Base Rate).
- 3.4 During the year the daily interest rate earned on investments varied between 1.48% (March 2009) to 5.76% (April 2008) with the total daily amount invested averaging £52,509,249. The total invested ranged from £23,560,000 (towards the end of the year) to £68,950,000 (in October 2008), which illustrates how much the temporary cash flow fluctuates throughout the year. The temporary short-term investment transactions for 2008/09 are summarised as follows:

Internally Managed Investments	£	£
As at 31 st March 2008		41,130,000
Investments made during year (265 transactions)	1,915,042,534	
Less: Investments recalled during year	1,929,742,534	(14,700,000)
As at 31st March 2009		26,430,000

- 3.5 The average interest rate achieved was 4.71%, which compares favourably with the generally accepted benchmark of the average 7-Day London Inter-Bank Bid (LIBID) rate of 3.60%. The Bank of England Bank Rate decreased from 5.00% at the start of the year to 0.50% at the end of the year.
- 3.6 **Annex B** compares the monthly average interest rate earned on internally managed funds, the 7-day LIBID rate, borrowing rates offered by the PWLB and the Bank of England Base Rate.
- 3.7 The following table summarises the investment income received in 2008/09:

Summary of Investment Income	£	£
Internally Managed Funds		2,479,078
Less: transfers to Schools Interest payments to trusts etc.	(99,659) (165,677)	
		(265,336)
Interest Received 2008/09		2,213,742

4 TREASURY MANAGEMENT OUTTURN 2008/09

- 4.1 The outturn position for treasury management activities was an underspend against budget of £728,692. The main reasons for this were:
- a. Whilst investment interest rates were below the rates anticipated in the budget, the balances invested were generally higher due to delays in spending, and in particular slippage on the capital programme.
 - b. Borrowing costs were reduced due to delayed external borrowing and the application of a new capital regulation allowing the delay of Minimum Revenue Provision until the year following that in which an asset becomes operational.

5 THE STRATEGY FOR 2008/09

- 5.1 The Council currently has Sector Treasury Services Limited as its treasury advisers and part of their service is to assist in forming a view on economic trends and the effect on interest rates.
- 5.2 The Sector recommended treasury strategy for 2008/09 was based on their view of a declining rate of growth of GDP in the UK economy from the peak of 3.3% in Q3 2007 to 2% in 2008. House prices had started falling in 2007 and this was expected to continue throughout 2008. The combination of a high Bank Rate and hence mortgage rates, food prices rising at their fastest rate since 1993 and increases in petrol prices put consumer spending power under pressure.
- 5.3 It was envisaged that the Monetary Policy Committee (MPC) would be very concerned about inflationary pressures and so would be cautious about cutting interest rates.
- 5.4 In the 2008/09 strategy the effect on interest rates for the UK was therefore expected to be as follows:

Shorter-term interest rates - The Bank Rate had peaked in 2007/08 at 5.75% in July 2007 and had remained at this level until December 2007 when it was reduced to 5.50% and then to 5.25% in February 2008. Sector's interest rate forecast predicted 0.25% cuts would bring the Bank Rate down to 4.75% by the third quarter of 2008 and it would remain at this level until the end of the financial year.

Longer-term interest rates - The view on longer-term fixed interest rates, 50 years, was that they would remain static around 4.45% for the whole of the year. The 25 year rate would also remain fairly stable at around 4.50 - 4.55%. There was expected to be little difference between 5 – 50 year PWLB rates and little variation in rates during the year.

- 5.5 After taking into account the above the 2008/09 strategy was:
- a. To undertake new borrowing over the longer term (50 year borrowing anticipated to be marginally cheaper than 25-30 year borrowing) and at any time in the financial year. A suitable "trigger" point for considering new fixed rate long term borrowing would be below 4.50%.
 - b. If shorter term rates become available around this rate they would also be considered. Variable rate borrowing was expected to be more expensive than long term borrowing and therefore unattractive throughout the year compared to long term borrowing.
 - c. Against the economic background, caution will be adopted with the 2008/2009 treasury operations. The Director of Resources would carefully monitor the interest rate market and adopt a pragmatic approach to any changing circumstances.

6 THE ECONOMY IN 2008/09

Shorter-term interest rates:

- 6.1 In a year that can only be described as unparalleled and extraordinary the financial crisis, commonly known as the 'credit crunch', had a major downward impact on the levels of interest rates around the world.
- 6.2 On 1st April 2008 Bank Rate was 5% and the Bank of England was focused on fighting inflation. Market fears were that rates were going to be raised because of concerns over inflationary pressures.
- 6.3 This phase continued throughout the summer until the 15th September when Lehman Brothers, a US investment bank, was allowed to file for bankruptcy in the absence of any other institution being willing to buy it due to the perceived levels of "toxic" debt it had. This event caused great concern in world financial markets and threatened to completely destabilise them. This also led to an immediate increase in investment rates as markets grappled with the implications this might have on other financial institutions, their credit standing and their viability. On 7th October the Icelandic government took control of their banks and this was followed a few days later by the UK government pumping a massive £37bn into three UK clearing banks, RBS/HBOS/Lloyds, as liquidity in the markets dried up in the UK. The Monetary Policy Committee had reduced interest rates from 5.00% to 4.50% on 8th October.
- 6.4 In 2008/09 market focus shifted from inflation concerns to concerns about recession, depression and deflation. Although inflationary concerns still persisted, they were seen as no barrier to interest rates being cut further. The MPC delivered another cut in interest rates in November, this time by an unprecedented 1.5%. Investors continued to place funds with Government securities. Yields in ten year PWLB temporarily below 4% and 5 years to around 3.5%. In December, the Bank of England cut interest rates to 2%. In early 2009 fifty year PWLB rates dropped below 4%.
- 6.5 On 8th January the MPC reduced rates by 0.5% to 1.5%, a record low. More Government support for the banking sector was announced on 19th January 2009. The debt markets had a sharp sell-off at this stage. This was because the amount of gilt issuance likely to be needed to finance the help provided to the banks. There was also discussion about further measures that could be introduced to encourage lending and economic activity. These included quantitative easing by the Bank of England; effectively printing money.
- 6.6 In February 2009 the MPC reduced the bank base rate to 1% followed by a further cut in March 2009 to 0.50%. The MPC also announced the quantitative easing scheme would start soon. This scheme would focus on buying up to £75bn of gilts in the 5-25 year maturity periods and £10 -15bn of corporate bonds. This led to a substantial improvement in the gilt market, particularly in the 5 to 10 year maturities, and PWLB rates fell accordingly.
- 6.7 The financial year ended with markets still badly disrupted, the economy suffering from a lack of credit, short to medium term interest rates at record lows and uncertainty as to how or when recovery would take place. Investment income returns have been badly hit but borrowing rates in short to medium periods have become lower.
- 6.8 **Longer-term interest rates:**
The PWLB 45-50 year rate started the year at 4.43% and was then generally within a band of 4.3 - 4.6% until mid October when they went up to 4.84% but then fell to 3.86% in early

December. Further spikes of 4.84% and 4.72% occurred in late January and early February with the year closing out at 4.58%. It was not uncommon to see rates fluctuating by 40-50 basis points within a few weeks during this year.

7. IMPACT UPON TREASURY MANAGEMENT ACTIVITIES

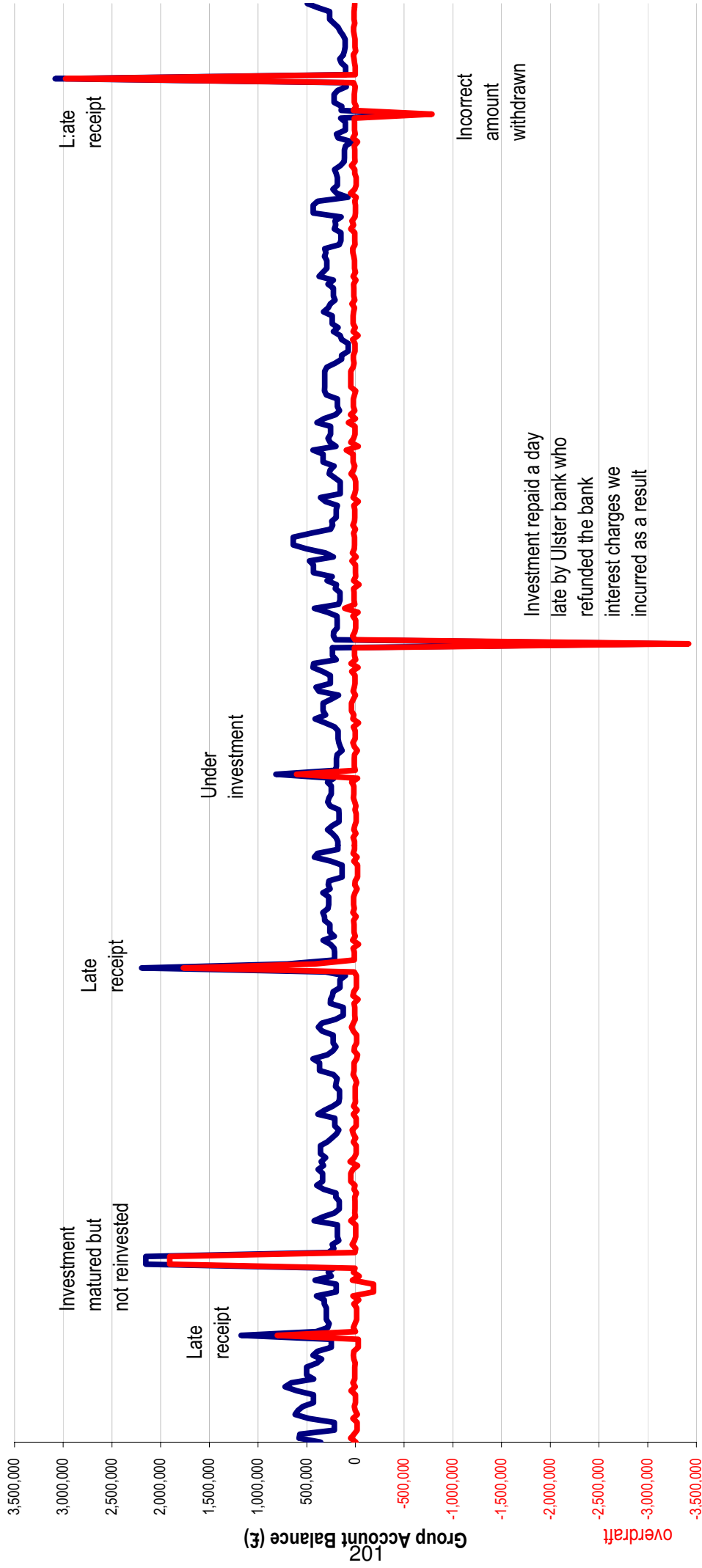
7.1 The main impact on the Council's investment activities was felt in the last four to six months of 2008/2009 through falling interest rates and a reduction in the Council's list of eligible counterparties.

7.2 With reference to the Council's borrowing, the council borrowed £10 million in September and October 2008 when interest rates fell below the target rate. Due to the difficulties in selecting eligible counterparties, coupled with the low interest being earned, the Council did not take out further borrowing but chose to reduce its investment balances.

8. COMPLIANCE WITH TREASURY LIMITS AND PRUDENTIAL INDICATORS

8.1 During the financial year the Council operated within the treasury limits and Prudential Indicators set out in the Council's Treasury Management Policy Statement and annual Treasury Management Strategy. The outturn for the Prudential Indicators is shown in **Annex C**. The Prudential Indicators set out are recommended by the CIPFA Prudential Code for Capital Finance.

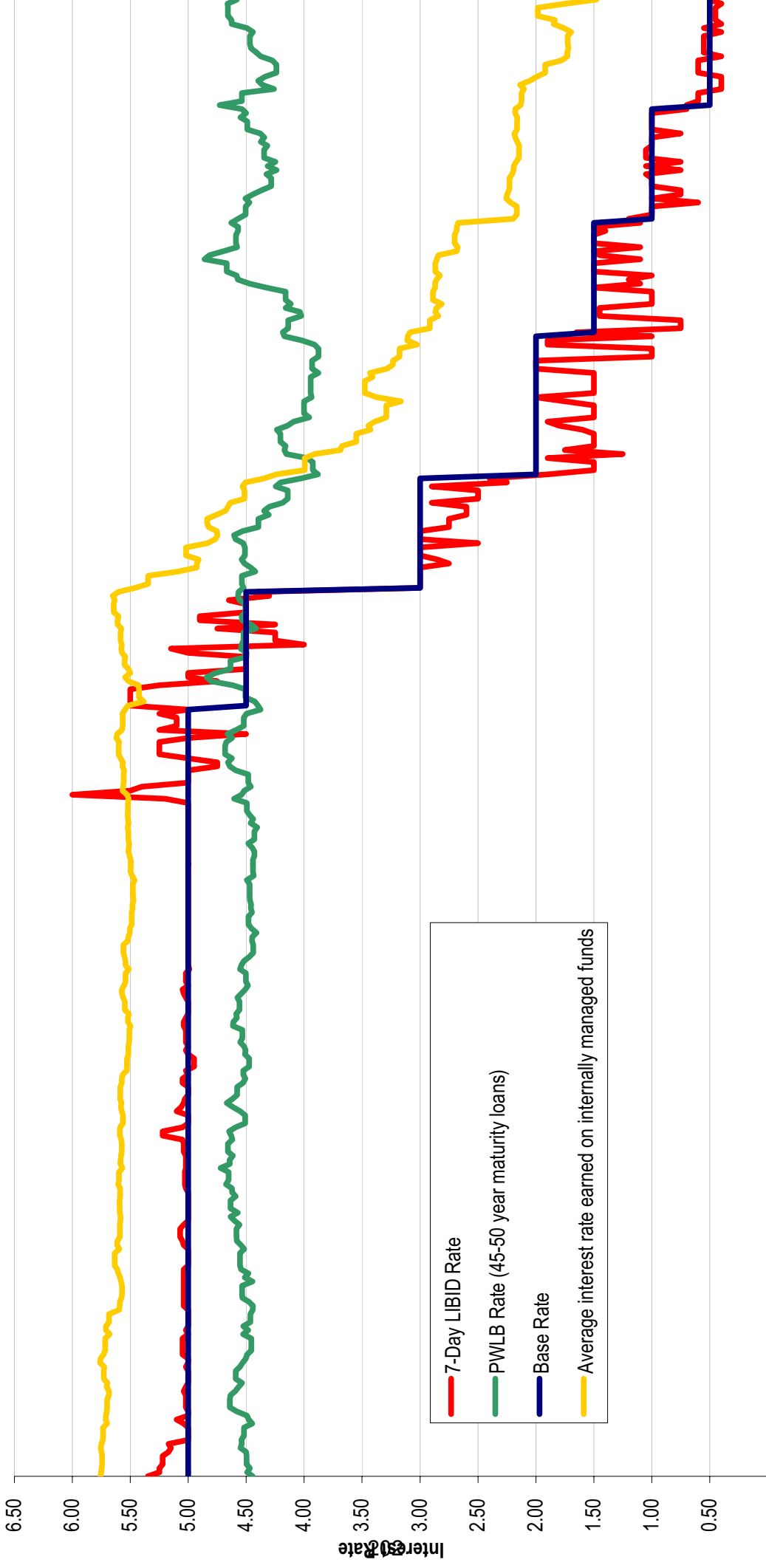
Herefordshire Group Account Bank Balances for 2008/09



1st April 2008 to 31st March 2009

■ Represents the uncleared group account bank balance i.e. some transactions included in this balance are subject to clearance. (This balance agrees to the bank statements).
■ Represents the cleared group account bank balance i.e. all transactions included in this balance have cleared. (This is the balance on which interest is charged or earned)

Comparison of Interest Rates for 2008/09



1st April 2008 to 31st March 2009

PRUDENTIAL INDICATORS

PRUDENTIAL INDICATOR Extract from Budget Setting Report	2007/08 Actual	2008/09 Strategy	2008/09 Actual Outturn
Capital Expenditure (£'000)	£54,200	£57,896	£48,051
Ratio of financing costs to net revenue stream	6.87%	8.00%	7.25%
Capital Financing Requirement as at 31st March (£'000)	£136,270	£158,805	£150,375
PRUDENTIAL INDICATOR Treasury Management Prudential Indicators	2007/08 Final	2008/09 Strategy	2008/09 Final
Authorised Limit for External Debt -			
Borrowing (£'000)	£166,000	£175,000	£175,000
Other Long Term Liabilities (£'000)	£3,000	£10,000	£10,000
Total (£'000)	£169,000	£185,000	£185,000
Operational Boundary for External Debt -			
Borrowing (£'000)	£130,500	£152,000	£152,000
Other Long Term Liabilities (£'000)	£1,500	£6,000	£6,000
Total (£'000)	£132,000	£158,000	£158,000
Upper Limit for Fixed Interest Rate Exposure Net principal re: fixed rate borrowing/investments	100%	100%	100%
Upper Limit for Variable Rate Exposure Net principal re: variable rate borrowing/investments	50%	50%	50%
Upper limit for total principal sums invested for over 364 days (£'000)	£10,000	£10,000	£10,000

Maturity structure of fixed rate borrowing during 2007/08	Upper Limit	Lower Limit
Under 12 months	50%	0%
12 months and within 24 months	50%	0%
24 months and within 5 years	100%	0%
5 years and within 10 years	100%	0%
10 years and above	100%	0%

