

**Deputy Chief Executive's Office**

A. Faulder (Interim)

**TO: ALL MEMBERS OF THE COUNCIL**

Your Ref:

Our Ref: CA/SAHC

Please ask for: Mrs S Cole

Direct Line / Extension: (01432) 260249

Fax: (01432) 261868

E-mail: scole@herefordshire.gov.uk

28 January 2010

Dear Councillor,

**YOU ARE HEREBY SUMMONED** to attend the meeting of the Herefordshire Council to be held on **Friday 5 February 2010** at The Shirehall, St Peter's Square, Hereford at 10.30 am at which the business set out in the attached agenda is proposed to be transacted.

Please note that car parking will be available at the Shirehall for elected Members.

Yours sincerely



**C. ADAN**  
**ASSISTANT CHIEF EXECUTIVE (INTERIM), LEGAL AND DEMOCRATIC**



# AGENDA

## Council

Date: **Friday 5 February 2010**

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Time: **10.30 am**

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Place: **The Shirehall, St Peter's Square, Hereford**

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

For any further information please contact:

**Sally Cole, Committee Manager Executive**

Tel: 01432 260249

Email: [scole@herefordshire.gov.uk](mailto:scole@herefordshire.gov.uk)

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If you would like help to understand this document, or would like it in another format or language, please call Sally Cole, Committee Manager Executive on 01432 260249 or e-mail [scole@herefordshire.gov.uk](mailto:scole@herefordshire.gov.uk) in advance of the meeting.

# Agenda for the Meeting of the Council

## Membership

**Chairman**

**Councillor J Stone**

**Vice-Chairman**

**Councillor JB Williams**

**Councillor PA Andrews**

**Councillor LO Barnett**

**Councillor DJ Benjamin**

**Councillor WLS Bowen**

**Councillor ACR Chappell**

**Councillor PGH Cutter**

**Councillor H Davies**

**Councillor BA Durkin**

**Councillor MJ Fishley**

**Councillor JHR Goodwin**

**Councillor DW Greenow**

**Councillor KS Guthrie**

**Councillor MAF Hubbard**

**Councillor RC Hunt**

**Councillor JA Hyde**

**Councillor JG Jarvis**

**Councillor MD Lloyd-Hayes**

**Councillor RI Matthews**

**Councillor R Mills**

**Councillor AT Oliver**

**Councillor RJ Phillips**

**Councillor PD Price**

**Councillor A Seldon**

**Councillor RV Stockton**

**Councillor AP Taylor**

**Councillor AM Toon**

**Councillor WJ Walling**

**Councillor DB Wilcox**

**Councillor WU Attfield**

**Councillor CM Bartrum**

**Councillor AJM Blackshaw**

**Councillor H Bramer**

**Councillor ME Cooper**

**Councillor SPA Daniels**

**Councillor GFM Dawe**

**Councillor PJ Edwards**

**Councillor JP French**

**Councillor AE Gray**

**Councillor KG Grumbley**

**Councillor JW Hope MBE**

**Councillor B Hunt**

**Councillor TW Hunt**

**Councillor TM James**

**Councillor P Jones CBE**

**Councillor G Lucas**

**Councillor PJ McCaull**

**Councillor PM Morgan**

**Councillor JE Pemberton**

**Councillor GA Powell**

**Councillor SJ Robertson**

**Councillor RH Smith**

**Councillor JK Swinburne**

**Councillor DC Taylor**

**Councillor NL Vaughan**

**Councillor PJ Watts**

**Councillor JD Woodward**

## **GUIDANCE ON DECLARING PERSONAL AND PREJUDICIAL INTERESTS AT MEETINGS**

The Council's Members' Code of Conduct requires Councillors to declare against an Agenda item(s) the nature of an interest and whether the interest is personal or prejudicial. Councillors have to decide first whether or not they have a personal interest in the matter under discussion. They will then have to decide whether that personal interest is also prejudicial.

A personal interest is an interest that affects the Councillor more than most other people in the area. People in the area include those who live, work or have property in the area of the Council. Councillors will also have a personal interest if their partner, relative or a close friend, or an organisation that they or the member works for, is affected more than other people in the area. If they do have a personal interest, they must declare it but can stay and take part and vote in the meeting.

Whether an interest is prejudicial is a matter of judgement for each Councillor. What Councillors have to do is ask themselves whether a member of the public – if he or she knew all the facts – would think that the Councillor's interest was so important that their decision would be affected by it. If a Councillor has a prejudicial interest then they must declare what that interest is. A Councillor who has declared a prejudicial interest at a meeting may nevertheless be able to address that meeting, but only in circumstances where an ordinary member of the public would be also allowed to speak. In such circumstances, the Councillor concerned will have the same opportunity to address the meeting and on the same terms. However, a Councillor exercising their ability to speak in these circumstances must leave the meeting immediately after they have spoken.

**AGENDA**

		<b>Pages</b>
<b>1.</b>	<b>PRAYERS</b>	
<b>2.</b>	<b>APOLOGIES FOR ABSENCE</b> To receive apologies for absence.	
<b>3.</b>	<b>DECLARATIONS OF INTEREST</b> To receive any declarations of interest by Members in respect of items on the Agenda.	
<b>4.</b>	<b>MINUTES</b> To approve and sign the Minutes of the meeting held on 13 November 2009.	1 - 36
<b>5.</b>	<b>CHAIRMAN'S ANNOUNCEMENTS</b> To receive the Chairman's announcements.	
<b>6.</b>	<b>QUESTIONS FROM MEMBERS OF THE PUBLIC</b> To receive questions from members of the public.	37 - 42
<b>7.</b>	<b>FORMAL QUESTIONS FROM COUNCILLORS TO THE CABINET MEMBERS AND CHAIRMEN UNDER STANDING ORDERS</b> To receive any written questions from Councillors.	
<b>8.</b>	<b>NOTICES OF MOTION UNDER STANDING ORDERS</b> No Notices of Motion have been received for consideration by Council.	
<b>9.</b>	<b>DRAFT FINANCIAL STRATEGY 2010/13</b> To propose the three year draft financial strategy for 2010/13 that includes the 2010/11 budget.	43 - 110
<b>10.</b>	<b>HEREFORDSHIRE COUNCIL AND NHS HEREFORDSHIRE JOINT CORPORATE PLAN</b> To invite Council to approve the Council and NHS Herefordshire Joint Corporate Plan vision, objectives and long-term outcomes.	111 - 124



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

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

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

Please Note:

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

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

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

## **Public Transport Links**

The Shirehall is within ten minutes walking distance of both bus stations located in the town centre in Hereford. A map showing the location of the Shirehall is found opposite.

If you have any questions about this Agenda, how the Council works or would like more information or wish to exercise your rights to access the information described above, you may do so either by telephoning Democratic Services on 01432 260249 or by visiting in person during office hours (8.45 a.m. - 5.00 p.m. Monday - Thursday and 8.45 a.m. - 4.45 p.m. Friday) at the Council Offices, Brockington, 35 Hafod Road, Hereford.



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Whitecross School

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



# **FIRE AND EMERGENCY EVACUATION PROCEDURE**

## **IN CASE OF FIRE**

**(no matter how small)**

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

## **ON HEARING THE ALARM**

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

## **GAOL STREET CAR PARK**

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



HEREFORDSHIRE COUNCIL

**MINUTES of the meeting of Council held at The Shirehall, St Peter's Square, Hereford. on Friday 13 November 2009 at 10.30 am**

**Present:** Councillor J Stone (Chairman)

**Councillors:** PA Andrews, WU Attfield, LO Barnett, CM Bartrum, DJ Benjamin, AJM Blackshaw, WLS Bowen, H Bramer, ACR Chappell, ME Cooper, PGH Cutter, SPA Daniels, GFM Dawe, BA Durkin, PJ Edwards, JP French, JHR Goodwin, DW Greenow, KG Grumbley, KS Guthrie, JW Hope MBE, MAF Hubbard, B Hunt, RC Hunt, TW Hunt, JA Hyde, TM James, JG Jarvis, Brig P Jones CBE, MD Lloyd-Hayes, G Lucas, RI Matthews, PJ McCaull, R Mills, PM Morgan, AT Oliver, JE Pemberton, RJ Phillips, GA Powell, PD Price, SJ Robertson, A Seldon, RH Smith, JK Swinburne, AP Taylor, DC Taylor, AM Toon, NL Vaughan, PJ Watts, DB Wilcox and JD Woodward

**45. PRAYERS**

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

**46. APOLOGIES FOR ABSENCE**

Apologies were received from Councillors H Davies, MJ Fishley, AE Gray, RV Stockton, WJ Walling and JB Williams.

**47. DECLARATIONS OF INTEREST**

Councillors MAF Hubbard and JD Woodward declared personal interests in Item 8 as directors of the 'It's Our City campaign'

Councillor RJ Phillips declared a personal interest in agenda item 8 as a Director of the Edgar Street Grid Company

The Chief Executive declared a personal interest in agenda item 8 as a Herefordshire Council appointed Director of the Edgar Street Grid Company.

**48. MINUTES**

**RESOLVED: That the minutes of the meeting held on 24 July 2009 be approved as a correct record and signed by the Chairman.**

**49. CHAIRMAN'S ANNOUNCEMENTS**

The Chairman reported that on 26 October, the County received a Royal Visit by HRH The Princess Royal to Global Radiodata Communications Limited facilities for the opening of the new business park. She also visited Milsys (uk) Limited at Rotherwas and Chamber of Commerce Herefordshire and Worcestershire.

The Chairman informed Council that he would be attending the opening of the Flood Alleviation Scheme at Ross-on-Wye on Monday 16 November.

Council was informed that Herefordshire Council had been presented with a prestigious award for having the best regeneration team in the region. It received the top prize at the RegenWM awards evening at Birmingham's Millennium Point on the 10 November 2009.

The Chairman updated Council on Herefordshire's new recycling service. In the first week of the new recycling service more than double the amount of recyclable materials were collected compared with the same time last year. This year 240 tonnes of recyclable materials were collected, compared with 97 tonnes during the same period last year. This proves that people in the County are willing to do their bit for the environment.

The Pride of Herefordshire Awards took place on Wednesday 21 October. Josie Pearson, 23, from Whitney-on-Wye, was named overall winner of the 2009 Pride of Herefordshire awards for her courage at readapting to life in a wheelchair after a car accident left her with serious injuries.

Councillors took part in Remembrance Sunday services across the County last Sunday. This year's commemorations have been particularly poignant as we remember those servicemen and women who have been killed or injured in Iraq and Afghanistan and the regiments continuing to serve there. He added that this was particularly poignant following the sad loss of Sergeant Paul Macaleese and Rifleman William Aldridge. He said that he was looking forward to welcoming home the 3rd Battalion currently serving in the Helmand province of Afghanistan.

The Chairman thanked those Councillors on behalf of SACRE for attending the multi-faith event at Holmer Primary School which took place on Monday 19 October. Thanks were also given to the Mrs Julie Cecil and the pupils and staff at the school.

It was reported that the Council's "in-house" fundraising team, The Goodwill Group, had been working hard throughout the year raising money for a variety of good causes. At the recent annual coffee morning, The Goodwill Group ran cake stalls at several Council offices and raised over £2,500.00. This sum, together with money raised at other fundraising events, will be divided between St Michael's Hospice, Macmillan Cancer Care and Hereford Hospital's Charles Renton Unit. The Group recently made over £350.00 on Jeans for Genes Day which supports children with genetic illnesses and The Goodwill Group is also continuing to raise funds for Help for Heroes. The Chairman thanked fellow Councillors, Officers and staff for their support.

The Chairman reminded Council that when debating item 9 the purpose of the debate would be to focus on the principals and core content of the constitution and the recommendations in the report.

At the close of Chairman's announcements, Councillor RI Matthews referred to a recent royal visit in his ward and requested that Local Ward Members were informed in advance of any Royal visits that might take place. The Chairman advised that he would pursue the matter following the meeting.

The Chairman received petitions from:

Councillor MAF Hubbard and Mrs B Clay regarding It's Our City Campaign, which the Chairman presented to the Cabinet Member Economic Development and Community Services.

Councillors: RC Hunt and PJ McCaull presented a petition on behalf of Mrs Smart of Leominster regarding Hay Lane, Leominster, which was handed to the Cabinet Member Highways and Transportation.

Mrs A Crowe, Chairman of Ledbury Traders Association regarding St Katherine's Car Park Ledbury, which was handed to the Cabinet Member Highways and Transportation.

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

Copies of all public questions, received by the deadline, with the written answers were distributed prior to the commencement of the meeting. Supplementary questions were asked by Ms Roberts, Mr Clay, Mrs Clay, Mr Miller, Ms Evans, Mr Thomas and Mrs Crowe. A copy of the public questions and written answers together with the supplementary questions and answers are attached as to the minutes.

## **51. FORMAL QUESTIONS FROM COUNCILLORS TO THE CABINET MEMBERS AND CHAIRMEN UNDER STANDING ORDERS**

**Question from Councillor MAF Hubbard to the Cabinet Member Economic Development and Community Services.**

- 1.1 *What funds have been made available to assist in the re-location of businesses affected by the proposed ESG Link road?*
- 1.2 *How many businesses will have to close or re-locate to facilitate the proposed ESG Link road and how many people are employed by these businesses?*
- 1.3 *What research was undertaken to ensure that the purchase of the Three Elms Trading Estate would meet the requirements of the businesses needing to relocate from the ESG area as opposed to the Faraday Road site and how many businesses expressed a preference for one site or the other?*
- 1.4 *Are there sufficient funds available to the Council and ESG Ltd to purchase the Faraday Road site and if not, why not?*
- 1.5 *How much did the banners that have appeared in the Franklin Barnes windows advertising the ESG project as "One bigger buzzing city" cost and who funded these costs?*
- 1.6 *How much has been spent by Herefordshire Council and ESG Ltd taking advertising out for the promotion of the ESG project since the beginning of the It's Our City (IOC) Campaign on 2 September 2009? Please supply a breakdown of each advert, event or item of publicity material.*
- 1.7 *What is the total financial contribution from the Council to the ESG Company so far? Please provide outturn up to the end of the 2008/09 year, latest estimate for the current year and current estimate for the 2009/10 year.*
- 1.8 *What plans are there for a new Hereford City Library?*
- 1.9 *What is the latest information as to the number of houses to be built on the Edgar Street Grid? Please give figures for the "Urban village", the "Retail Quarter" and the "New Area". How many of these houses will be socially affordable?*

**Answer from Councillor AJM Blackshaw Cabinet Member Economic Development and Community Services**

1.1 I refer to the answer given to Ms P Roberts at public question 1.1

1.2 I refer to the answer given to Ms P Roberts at public question 1.2

1.3 Three Elms Trading Estate was purchased by Advantage West Midlands in 2006 primarily to help facilitate the wider economic regeneration of Hereford City as well as securing in public ownership land and premises that could meet the requirements of businesses relocating from within the ESG area. The acquisition costs for purchasing this Trading Estate have not come from within the £20m allocated to the ESG project.

The Council is exploring the acquisition of the Faraday Road site

A survey has been completed in which businesses on the ESG were asked where they would be looking to relocate to. Whilst the majority of respondents said they did not know where they would be looking to relocate two identified Faraday Road and one identified Three Elms as a preferred location.

1.4 Yes.

1.5 The banners in the Franklin Barnes window cost £1,293.75 and were funded by ESG Herefordshire Ltd.

1.6 The overall amount spent since 2 September is £6,165.78. The breakdown is:

<b>Date</b>	<b>Description</b>	<b>Cost</b>
04.09.09	Hereford Times: Advertisement re Link Road Consultation	329.00
07.09.09	Hereford Journal: Advertisement (2) re Link Road Consultation	133.50
14.09.09	Material printed in respect of Link Road Planning Application	568.00
14.09.09	Hereford Journal: Link Road Public Notice	96.00
18.09.09	Hereford Times: Link Road Public Notice	262.00
20.09.09	Promotional material for consultation	2,925.00
21.09.09	Link Road leaflet distribution	98.53
02.10.09	Advertorial - Hereford Journal	460.00
20.10.09	Communication Banners	1,293.75
<b>Total</b>		<b>6,165.78</b>

1.7 I refer to the answer given to Mrs B Evans at public question 5.1.

1.8 I refer to the answer given to Mrs U Clay at public question 3.1



1.9 I refer to the answer given to Mr B Clay at public question 2.3.

**Question from Councillor A Seldon to the Cabinet Member Corporate and Customer Services and Human Resources**

In September of this year, a company called 'Rite Angle' was operating in Bromyard, allegedly on behalf of Herefordshire Council. The company held two meetings (one at the Falcon Hotel and the other, a day later, in a private house) where members of the public were paid for their 'time and expenses' to express their views of this Council.

- 2.1 *Was 'Rite Angle' operating on behalf of this Council?*
- 2.2 *Where else in the county did this take place?*
- 2.3 *For what purpose was the company engaged?*
- 2.4 *Were there any other companies engaged for the same purpose?*
- 2.5 *How much were individual members of the public paid for their 'time and expenses'?*
- 2.6 *What was the total budget for this exercise?*
- 2.7 *Who authorised the expenditure?*
- 2.8 *Why were the elected Members not told about the operation of this company?*

**Answer from Councillor JP French Cabinet Member Corporate and Customer Services and Human Resources**

Composite response

As Councillor Seldon will be aware from the information he has already received on this subject from the Chief Executive, local research has been commissioned, through the Council's Research Team, to further explore local issues identified by the Herefordshire Quality of Life survey, known nationally as the 'Place Survey' and which every council in England is required to carry out every two years and in accordance with national guidance.

The purpose of this further work is to inform future measures to improve customer satisfaction with the Council and its services and, as part of this research a cross section of some 100 local residents from market towns and rural communities across the county have been contacted to participate in discussions. It is understood that those who participated in the two hour facilitated group discussions were recompensed for their time and expenses in accordance with market research practice; however the arrangements for doing so are a matter for the research company.

The company referred to in the question was not contracted by the Council, but it is understood acts on behalf of the company that is undertaking the work the later being secured in full compliance with the Council's procurement processes for a contract with a value below £50,000.

**Question from Councillor PJ Watts to the Cabinet Member Highways and Transportation**

With regards to the ongoing dispute between Herefordshire Council (HC) and adjoining properties over St Katherine's car park boundary wall repairs in Ledbury, which includes the loss of 7 car parking spaces for over 18 months:

- 3.1 *How much are the legal costs to date for HC?*
- 3.2 *How much possible revenue has been lost from these 7 car parking spaces by HC?*
- 3.3 *Will this revenue loss be reclaimed through a compensation agreement by HC?*

**Answer from Councillor DB Wilcox Cabinet Member Highways and Transportation.**

- 3.1 The legal costs to date are approximately £7,600.00.
- 3.2 If we base our estimates on the revenue over the financial year 2008/09 (£54,000) and average that income across the 130 bays, then the average per year per bay is £415.38. For 7 bays over 18 months (the period of loss) therefore the potential lost income would be £4,361.
- 3.3 This will be dependent upon the outcome of any agreement that is reached as a result of the on going discussions.

**Question from Councillor PJ Watts to the Cabinet Member Environment and Strategic Housing**

- 3.4 *Given that HC has policies to reduce carbon emissions/carbon footprint throughout the county and has encouraged residents to do the same. What is HC going to do now that pedestrians have been banned from entering waste recycling centres county wide by the private waste contractors who run these sites?*
- 3.5 *There is a rudimentary system in place where residents have to book an appointment by phone for a time and date by staff, but clearly from various emails from residents in Ledbury, this does not work, some have returned home complete with waste. How will HC rectify this situation?*

**Answer from Councillor JG Jarvis Cabinet Member Environment and Strategic Housing**

- 3.4 Pedestrians have not been banned from entering the Household Recycling Sites. It is clear that the Ledbury Site in particular has very restricted one-way vehicular access and there is no pedestrian access to the tipping area as there is inadequate space for vehicles to pass pedestrians on this site. The situation has been made worse as there is considerable evidence that commercial vehicles circumvent the permit scheme to illegally tip waste on the site by parking outside and carrying waste on to the site. It is an offence to dispose of commercial waste on these sites and it is an offence for the contractors to allow such waste to be disposed of.
- 3.5 Officers are aware of the difficulties and are discussing with the Contractor and Worcestershire County Council alternative arrangements that are easier for the residents in the immediate neighbourhood.

**Question from Councillor GFM Dawe to the Cabinet Member Highways and Transportation**

- 4.1 *What is the total financial contribution from the Council to the Edgar Street Grid (ESG) Company so far and how much of this has been paid by Advantage West Midlands or other external agencies? Please provide outturn up to the end of the 2008/09 year, latest estimate for the current year and current estimate for the 2009/10 year.*

The Outer Distributor Road (ODR) was costed at £130m by Herefordshire Council in their press release of February 24 2009, which presumably formed the basis of the Regional Funding Application to the Department for Transport of £60m that was refused in the Department for Transport letter of 22 July 2009. A report by Bloor Homes and the Church Commissioners to the Regional Spatial Strategy of July 2009 estimated an ODR on the west of Hereford including bridge would be £40m.

- 4.2 *How did the Council reach their £130m figure?*

**Answer from Councillor DB Wilcox Cabinet Member Highways and Transportation**

- 4.1 I refer to the answer given to Mrs B Evans at public question 5.1
- 4.2 As explained in my answer to Ms Protherough's question 8.1 it must be emphasised that funding for the ODR has not been refused.

In order to identify a single cost estimate for inclusion in the West Midlands Regional Funding Advice, an average of the highest east/west route cost estimates was taken.

**Question from Councillor GFM Dawe to the Cabinet Member Environment and Strategic Housing**

The Conservatives have said they will immediately abandon Regional Spatial Strategies (RSS) if they win the next election and leave housing targets to local councils.

- 4.3 *If the Conservatives win the next general election will Herefordshire Council abandon its 18,000 target set by the Regional Assembly and if not, why not?*

**Answer from Councillor JG Jarvis Cabinet Member Environment and Strategic Housing**

- 4.3 No. If we want this County to be a sustainable and cohesive community we will need to sustain commitment to growth.

**Question from Councillor ME Cooper to the Cabinet Member Environment and Strategic Housing**

- 5.1 *May we be updated as to the introduction of the new Waste Collection Contract which started on 2 November 2009?*

**Answer from Councillor JG Jarvis Cabinet Member Environment and Strategic Housing**

- 5.1 In the first week of November last year we collected 826 tonnes domestic refuse and 97 tonnes of recyclate. The first week of the new contract saw 693 tonnes domestic refuse with 260 tonnes recyclate being collected. Whilst we are aware

that many residents have stockpiled recycling the drop in the amount of residual waste is dramatic (16%). Severn Waste Services, whose plant the recycling is sent to for sorting have told us that the quality of the mixed recyclate being delivered to the plant is exceptionally high which means we are able to recover the maximum value.

There have been a relatively small number of teething problems which will, in the main, be ironed out by the end of week two of the new contract.

In addition the service will be supplemented by a new SMS service. Members of the public can text to 80800 with the message hcrecycle their postcode and the first line of their address and they will receive a weekly message to remind them to put out their recycling and waste on the appropriate day.

### **Question from Councillor RI Matthews to the Cabinet Member Environment and Strategic Housing**

6.1 *The Audit Commission recently compiled a report in which they made a number of recommendations concerning the Authority's General Planning Procedures. My understanding is that this investigation was asked for by either an officer or a member of this Authority. Could you please tell me who requested this investigation and for what reason?*

### **Answer from Councillor ACR Chappell Chairman of the Audit and Corporate Governance Committee**

6.1 The Audit Commission, as the Council's contracted external auditor, agrees each year with the Council a work programme which includes both core annual work such as the Use of Resources assessment and service specific review work which varies from year to year. These service specific reviews are mutually agreed taking into account a number of factors including performance, risk, public correspondence, previous reviews and other inspections taking place within the authority; in 2008/09 these included both Development Control and Procurement services. I am not aware of any individual officer or member making a request for any 'inspection' of Planning Services.

### **Question from Councillor AT Oliver to the Cabinet Member Resources**

7.1 *There appears to be considerable slippage in the Council's capital budget for 2009/10. Would you identify the major projects which will not be started or completed by 31 March 2010 with an explanation as to why?*

### **Answer from Councillor H Bramer Cabinet Member Resources**

7.1 As reported in the capital monitoring reports to Cabinet the slippage is largely due to the following schemes;-

- £1m - Ross library – there is a three month delay with building work; although this is now expected to start in April. A limited budget meant the scheme had to be re-engineered and tenders are to be invited early in 2010 with a start on site - April 2010.
- £2.4m - Ledbury library - extensive consultation has been undertaken with the Town Council and community on the proposals. Planning application is to be submitted in early December following consultation with English Heritage. Tenders to be sought April 2010 and commencement on site in June 2010.

**Question from Councillor AT Oliver to the Cabinet Member Environment and Strategic Housing**

- 7.2 *What is the total number of affordable and social housing units completed in the 4 years to March 2009 across the county?*
- 7.3 *How many of these are 3 bedroomed properties and how many 4 bedroomed?*
- 7.4 *Following planning permission being given to Crest Homes for 300 houses at Holmer, would the Cabinet Member confirm whether there are any proposals to improve the road bridge at College Road and the railway bridge at Roman Road?*

**Answer from Councillor JG Jarvis Cabinet Member Environment and Strategic Housing**

- 7.2 Total number of affordable and social housing units completed in the 4 years to March 2009 across the County.
- |       |     |
|-------|-----|
| 05/06 | 188 |
| 06/07 | 182 |
| 07/08 | 141 |
| 08/09 | 208 |
- 7.3 How many of these are 3 bedroomed properties and how many 4 bedroomed?
- |       |                  |   |
|-------|------------------|---|
| 05/06 | 3 bedroomed = 38 | 4 bedroomed = 0                               |
| 06/07 | 3 bedroomed = 50 | 4 bedroomed = 0* * 1 no. 5 bedroomed property |
| 07/08 | 3 bedroomed = 98 | 4 bedroomed = 7                               |
| 08/09 | 3 bedroomed = 52 | 4 bedroomed = 3                               |
- 7.4 The Council currently has no specific proposals to improve the road bridge at College Road or the railway bridge at Roman Road. However, a s106 Agreement in relation to the development of 300 houses at Holmer was secured . which will provide a financial contribution to the Council of £138,000. The terms of the s106 agreement allows for this contribution to be used as follows:  
"Towards the cost of the Council designing and/or letting a contract for improving the existing bridge or constructing a replacement road bridge or towards such alternative works in the vicinity of the existing bridge as may be approved in writing by the Council and which are designed to improve vehicle cycle and pedestrian safety in the College Green locality and/or the free flow of traffic over the existing bridge."

**Question from Councillor AT Oliver to the Cabinet Member Highways and Transportation**

- 7.5 *What is the estimated cost of extending the Rotherwas Relief Road to the river and building a road bridge across the river at Rotherwas?*

**Answer from Councillor DB Wilcox Cabinet Member Highways and Transportation**

- 7.5 Estimated costs will be determined as part of the process of determining the route.

**Question from Councillor AT Oliver to the Cabinet Resources**

- 7.6 *What is the annual cost of the pension arrangements for the Chief Executive, Deputy Chief Executive, the Assistant Chief Executives and the Directors of Hereford Council?*

### **Answer from Councillor H Bramer Cabinet Member Resources**

- 7.6 The annual cost of the pension arrangements for the Herefordshire Council is £107,596.30. In addition the individuals make personal employee contributions as required by the Local Government Pension Scheme (LGPS).

### **Question from Councillor WLS Bowen to the Cabinet Member Resources**

- 8.1 *How many Council services can be accessed, currently, at village post offices?*
- 8.2 *How many more services, such as trailer permits for the tips and so on could be added to the list?*
- 8.3 *Do you agree that with modern bar code systems these services would be easy to provide through local post offices and would give the Council near instant payments and records of transactions?*

### **Answer from Councillor H Bramer Cabinet Member Resources**

- 8.1 The Council has taken steps to extend its payment facilities to Post Offices. Since 2008 all post offices and some local shops can accept payment of council tax. This will be extended in April 2010 to include all other types of council payment such as business rates, parking penalty notices and general invoices. The bills will all be bar coded thus enabling the council to have next day updates of all payments received by post offices and shops.
- 8.2 We are already exploring additional options for delivery through local post offices.
- 8.3 Bar coding is already being undertaken for all the services currently provided.

### **Question from Councillor JD Woodward to the Cabinet Member Highways and Transportation**

- 9.1 *Now that this Council has granted planning permission for the flood alleviation scheme at Credenhill, what assurances will this Council give to the residents of both Greyfriars Avenue and Wye terrace that they will suffer no adverse flooding, and will funds be made available to these residents to protect their homes?*

### **Answer from Councillor DB Wilcox Cabinet Member Highways and Transportation**

- 9.1 The Yazor Brook Flood Alleviation scheme provides significant benefits to the city of Hereford by reducing the potential for flooding within the city centre. The scheme affords flood relief for 115 commercial and residential properties. This is estimated to save £2.76 million in costs associated with flooding.

Having regard to the minimal impact of the scheme on the River Wye flood levels, there is no reason to consider that any specific funding is likely to be required in response to the scheme for additional flood protection.

### **Question from Councillor JD Woodward to the Cabinet Member Corporate and Customer Services and Human Resources**

- 9.2 *The strap line for Herefordshire Council has changed to 'Working in partnership for the people of Herefordshire'. When did it change, who decided to change it and who are in the partnership?*

## **Answer from Councillor JP French Cabinet Member Corporate and Customer Services and Human Resources**

- 9.2 The strap line refers to the enhanced partnership working between Herefordshire Council and NHS Herefordshire, which has been in place for around two years. The strap line *Working in Partnership for the People of Herefordshire*, was approved by joint management team, the PCT Board and relevant Cabinet Members, and has been in use in communications material for over a year. For example, it has been used on the front of Services Update and Members' News, which goes to all elected members.

## **Question from Councillor JD Woodward to the Leader of the Council**

- 9.3 *In light of the fact that the Chief Executive of the ESG admitted in a public meeting at the Courtyard on 19 October that the consultation by the ESG was flawed, can we now expect the development to be stopped so that proper consultation can take place?*

## **Answer from Councillor RJ Phillips Leader of the Council**

- 9.3 No. The development will proceed, however there remains an ongoing commitment to consultation on the ESG Project. Nothing is yet set in stone and we will ensure full consultation in the future development of the City.

## **52. NOTICES OF MOTION UNDER STANDING ORDERS**

The Chairman informed Council that three notices of motion had been submitted as a matter of urgency. The first notice of motion was submitted by Councillors RJ Phillips and JP French:

*This Council affirms that the sustainable future for our City and County depends on creating more and better paid jobs, significantly increasing the number of homes, particularly affordable, improving leisure and shopping and procuring the supporting infrastructure. This must include another bridge crossing over the Wye and relief roads for Hereford and Leominster.*

The Chairman ruled that the motion was urgent as it related to matters that had generated much public interest.

The second notice of motion has been submitted by Councillors MAF Hubbard, DJ Benjamin, JD Woodward and MD Lloyd-Hayes:

*Herefordshire Council calls on the Executive to suspend, defer and/or delay the current proposals for retail development on the cattle market and the related link road, to provide time for the council to reconsider the development of Hereford city.*

*We believe that whatever the original merits of such proposals, the economic crisis has fundamentally altered what is possible and what is desirable.*

*We ask the Executive to urgently examine regeneration measures that will enhance the historic core of the city; support and enhance existing businesses; promote urgently needed, affordable and sustainable housing; improve public transport and the public realm; provide new and imaginative civic amenities; and encourage new leisure facilities, particularly for younger citizens.*

The Chairman ruled urgency on the Motion as, similar to the first Motion; the issues had generated recent public interest. As Council had been invited to suspend, delay or defer a current proposal, the motion should be considered as a matter of urgency.

The third notice of motion was submitted by Councillors AT Oliver and WLS Bowen

*With reference to the Council's objective to reduce CO2 emissions as set out in the Local Development Framework, Herefordshire Council recognises that it is a vital part of this strategy that all new buildings, whether houses, offices or industrial, should be low/zero carbon buildings, incorporating the best available technology, including renewable energy generation on site. All new developments of 10 Houses or more should have to include energy from renewable sources on site. As part of Herefordshire Council's commitment to combat climate change this policy should be adopted at the earliest opportunity.*

The Chairman ruled that the notice was not urgent, although its contents would be noted in order for a debate to take place when the Local Development Framework is considered in the future. The Chairman added

The Leader rose to speak on the first Notice of Motion and made the following points:

- Important issue for the city and county.
- Unanimous support that Herefordshire needs to have investment in its city and market towns with leisure facilities, shops and affordable housing and for residents to be loyal to the county and not shop out of county.
- There are 5,000 people on the housing waiting list.
- Average pay is low at £20k per annum, which is not reflected in the cost of housing in the county.
- If the ESG is delayed Herefordshire will lose funding not only for the link road but for flood alleviation projects. An outer distributor road and additional river crossing are essential to future investors in the county.
- Government has identified Herefordshire as a growth centre. It is important Herefordshire maintains its status alongside neighbouring counties and retains its place as the capital of the Welsh Marches region.
- There are only 20 major investment projects in the West Midlands and Herefordshire has two of them with the ESG and Affordable Housing.
- The upgrade of the retail on offer is essential and the upgrade of the Butter market was a key pivotal point.
- Without the growth agenda the county would not be able to put forward a strong case for higher education and make the county viable and sustainable.

Councillor French reserved her right to speak until later. Several Members spoke in support of the motion and made the following points:

- The need for the development and infrastructure to support a more vibrant and sustainable county.
- Herefordshire, as a retail shopping centre, was described as average and ranked 113 and without the ESG would fall even further.
- Currently a number of residents shopped outside of the county.
- Herefordshire is one of six growth centres in the UK.
- Members were reminded that in a time of tight public expenditure it was essential that everyone supported the proposal. If the development were delayed funding



would be lost and it would be a long time before there was another opportunity for the county.

Councillor Hubbard stated that he felt that all were in agreement with the motion proposed and moved that the motion be put, this was seconded by Councillor Woodward and a named vote was taken.

On the first Notice of Motion Members' voted:

For 47, Against 1, Abstentions 3.

On the second notice of motion Councillor Hubbard spoke and asked Members to do the right thing for the city and referred to the following points:

- The problems caused in Wrexham were due to a shopping centre on the edge of the city, Hereford would be the same.
- Agree need for improvements to the city and up grades to shops in centre, but believe way proposed would be disadvantageous to the city centre.
- Need genuine extensive consultation with residents, shopkeepers / butter market stall holders.
- Most agree no need for additional supermarket, believe a civic quarter would be a better option.
- Need greater commitment to provide leisure facilities to include a new library.
- Should provide car free housing in city centre.
- Should find existing sites within the city centre and extend the ESG proposals to include the city centre.
- Need to match the development to the ancient cathedral city that Hereford has.
- A referendum should be held on ESG proposals alongside the May 2010 elections.
- This is a 20 year project, do not believe that a short delay will loose all the funding or jeopardise the project.
- ESG is stopping investors investing in Herefordshire as waiting to see what is going to happen.

It was felt by some Members' that there was a certain amount of agreement regarding both Notices of Motion but disagreement lay with the proposal to 'suspend, defer and/or delay' on implementing the current proposals for the livestock market site and the related link road. Members agreed that the scheme needed to be refined/amended and be more flexible to the current economic climate and to include the butter market development and design of New Market and Blueschool Streets. However, it was essential to address traffic issues.

On the second Notice of Motion Members' voted:

For 8, Against 31, Abstentions 12

The first Notice of Motion was carried.

## 53. NEW CONSTITUTION

The Assistant Chief Executive Legal and Democratic set the context for Members regarding the new Constitution stating that Members were being asked to agree on the core content and principles outlined in the report and that there were refinements that needed to be made and a single corporate style and the precise language that needed to be addressed. Members were advised that the code on the use of ITC was to follow as the current one in the present constitution was just a statement of intent. It was noted that once it was complete it would be put forward for due process.

Members were referred to the Access to Information code, the complexities of this area, the rights and responsibilities of the differing groups that have been reflected in the broadest terms, however, comprehensive training for Members would be provided in the New Year. In referring to the officer functions, forward planning and agenda management, Members were referred to the previous scheme of delegation, which was now covered under the functions scheme. It was emphasised the need for Members to be better informed on forward planning and this process had already started with a comprehensive agenda planning system. In addition Members were referred to the two late documents that were tabled at the meeting and to recommendations e) and f) and Members' approval of the Chairman, in conjunction with the Assistant Chief Executive, to finalise the document on behalf of the Council. Members were also reminded that Parts 6, 7 and 8 of the constitution were not before them. Part 6 deals with the Members' Allowances Scheme and is the recommendation of the Independent Remuneration Panel, Part 7 deals with the Cabinet Member Portfolios which are a matter of fact and will be included at the appropriate time. Part 8 which will be included once the Crystal mark has been obtained as part of the plain English campaign.

In general Members supported the new Constitution and congratulated officers in producing the document in such a short time and the proposal to put it forward for the plain English campaign Crystal mark. Some concerns were raised, which it was agreed could be dealt with separately through the Monitoring Officer and/or the Standards Committee and on the basis that further consultation and that the Constitution would be brought back to the February 2010 Council meeting, Members supported the document in principle. Members were not in agreement to the increase in the financial boundary for key decisions from £500k to £1m.

### RESOLVED

#### **THAT Council:**

- a) **agrees that its new Constitution will take effect on 1 January 2010;**
- b) **confirms the composition and Members of the Planning Committee and asks Group Leaders to review their nominations to reflect geographic diversity and notify the Chief Executive of any changes to the membership of the Committee;**
- c) **designates its Community Services Scrutiny Committee as its Crime and Disorder Committee;**
- d) **instructs the Chief Executive to prepare and adopt a scheme of delegation in accordance with the new Constitution by no later than 1 January 2010;**
- e) **approves the core content and principles in its new Constitution and instructs the Monitoring Officer to:**

- i. complete Parts 6 and 7 of the Constitution before 1 January 2010;
- ii. complete Part 8 of the Constitution as soon as possible after 1 January 2010;
- iii. incorporate any amendments agreed by Council into the new Constitution, which includes retaining the financial limit for key decisions at £500k;
- iv. correct any typographic or other errors; and
- v. deliver training as appropriate on the new Constitution;
- f) agrees that the Monitoring Officer be authorised to finalise the Constitution in consultation with the Chairman of the Council;
- g) recommends that the Monitoring Officer undertake the following:
  - i. to complete the web-enabling of the Constitution;
  - ii. to review the deferred matters referred to in this report;
  - iii. to consult with the Standards Committee about whether the new Constitution promotes high standards of conduct within the Council;
  - iv. to consult and seek views from partners and the public on the new Constitution;
  - v. present a further report(s) as necessary reflecting that further work; and
  - vi. carry out this work with the Constitutional Review Working Group;
- h) agrees that the Constitutional Review Working Group be retained to assist with such further work as it determines.

#### **54. LGO MALADMINISTRATION REPORT**

The Assistant Chief Executive Legal and Democratic presented the Ombudsman report and referred Members to the reasons set out in the report and to the comments on page 56 of the agenda, which had already been acted upon.

#### **Resolved**

**THAT the Council:**

- a) pay Mr Ash and Mrs Birch the sum of £1,250 for their outrage, lost opportunity and uncertainty;
- b) make a formal apology for the mistakes identified; and
- c) review its procedures and that specific staff training is carried out on amendments to planning applications and planning permissions in the light of the issues highlighted in the complaint.

**55. CABINET**

The Leader of the Council, Councillor R.J. Phillips, presented the report of the meetings of Cabinet held on 30 July, 10 September, 24 September (reconvened on 1 October) and 29 October 2009. In referring to the scrutiny review of on street parking, page 80 of the agenda, Members welcomed the recommendation that car parking is paid for on exit of a car park and that this would provide support to city traders.

**RESOLVED: That the reports from the meetings of Cabinet held on 30 July, 10 September, 24 September (reconvened on 1 October) and 29 October 2009 be received.**

**56. PLANNING COMMITTEE**

Councillor TW Hunt presented the report of the meetings of the Planning Committee held on 7 August and 23 October 2009.

**RESOLVED: That the report of the meetings of the Planning Committee held on 7 August and 23 October be received.**

**57. STANDARDS COMMITTEE**

Mr Robert Rogers presented the report of the meeting of the Standards Committee held on 2 October 2009. He advised Council of two cases that had been delayed in circumstances beyond the Committee's control and which were not typical of the committees handling. Councillor Bowen raised his concern over the minimum of communications with the people involved. The Standards Committee advised that he would speak with the Member following the Council meeting.

**RESOLVED: That the report of the meeting of the Standards Committee held on 2 October 2009 be received.**

**58. STRATEGIC MONITORING COMMITTEE**

Councillor PJ Edwards presented the report of the meeting of the Strategic Monitoring Committee and stated that he welcomed the closer working between the Cabinet and the Strategic Monitoring Committee with regard to the corporate monitoring report.

**RESOLVED: That the report of the meeting of the Strategic Monitoring Committee held on 21 September and 19 October 2009 be received.**

**59. REGULATORY COMMITTEE**

Councillor Brigadier P Jones CBE presented the report of the meeting of the Regulatory Committee held on 10 August, 9 September, 6 October and 3 November 2009.

**RESOLVED: That the report of the meeting of the Regulatory Committee held on 10 August, 9 September, 6 October and 3 November 2009 be received.**

**60. AUDIT AND CORPORATE GOVERNANCE COMMITTEE**

Councillor ACR Chappell presented the report of the meeting of the Audit and Corporate Governance Committee held on 28 September 2009.

**RESOLVED: That the report of the meeting of the Audit and Corporate Governance Committee held on 28 September 2009 be received.**

**61. WEST MERCIA POLICE AUTHORITY**

Councillor B Hunt presented the report of the annual meeting of the West Mercia Police Authority held on 14 July 2009. A question was raised in relation to special priority payments and how they were agreed. Councillor Hunt agreed to provide further information on the topic.

**RESOLVED: That the report of the annual meeting of the West Mercia Police Authority held on 14 July 2009 be received.**

**62. HEREFORD & WORCESTER FIRE AND RESCUE AUTHORITY**

Councillor Brigadier P Jones CBE presented the report of the meeting of the Hereford & Worcester Fire and Rescue Authority which was held on 14 September 2009. He referred to the Regional Fire Control Project, which should have been completed in 2007 but had still not been completed and the problems caused in obtaining the new equipment.

**RESOLVED: That the report of the meeting of the Hereford & Worcester Fire and Rescue Authority which was held on 14 September 2009 be received.**

The meeting ended at 3.28 pm

**CHAIRMAN**



**PUBLIC QUESTIONS TO COUNCIL – 13 NOVEMBER 2009**

**Question from Ms P Roberts Leominster, Hereford**

- 1.1 *What funds have been made available to assist in the re-location of businesses affected by the proposed ESG Link Road?*
- 1.2 *How many businesses will have to close or re-locate to facilitate the proposed ESG Link Road and how many people are employed by these businesses?*

**Answer from Councillor AJM Blackshaw Cabinet Member Economic Development and Community Services**

- 1.1 An independent valuation of compensation claims and acquisition costs will be submitted to Advantage West Midlands in an application for funding. These costs cannot be released due to the commercial and confidential nature of the negotiations currently underway.

The Council is committed to assisting companies within the ESG site find new premises. In September the Council held two seminars for businesses in the line of the Link Road and the Cattle Market; these seminars focused on providing independent property, legal, financial, and business advice when relocating a business. These seminars were free to the businesses and the full costs were borne by the Council, additionally neither the Council nor ESG were present at these events to allow truly independent discussions to be held.

The Council is also providing affected business with information on the properties that are currently vacant that might be suitable for relocation. This information is matched to particular business needs so that only the most suitable empty properties are sent out to individual businesses.

- 1.2 No businesses will have to close. We are currently anticipating that 18 businesses, including Juson, will have to relocate as a result of the Link Road proposals, accounting for 161 full time and 29 part time jobs. It must be noted that there is a mix of local and national companies within this list, ranging in size from one person operations to medium sized businesses. Obviously some businesses, both local and national, will have branches elsewhere that will not be affected.

## PUBLIC QUESTIONS TO COUNCIL – 13 November 2009

### Question from Mr B Clay, Hereford.

- 2.1 *What is the latest estimate of the total Capital costs of the new Cattle Market and related infrastructure?*
- 2.2 *What estimate does the Cabinet Member have of the costs to the Council of maintaining the new Cattle Market?*

### Answers from Councillor H Bramer Cabinet Member Resources

- 2.1 The cost of developing the site (building and infrastructure) and associated agreed traffic improvement and transport schemes is currently estimated at £7.7million as detailed in the report to Cabinet on 24<sup>th</sup> September 2009 available on the Council's website. A number of local firms will be used in delivering the contract which will ensure that as much of this money as possible supports the local economy and supports jobs of local contractors.
- 2.2 The new Livestock market will be leased to Hereford Market Auctioneers on a Full Repairing and Insuring lease so the council will have no liabilities for the building. Responsibility for the roads and car parks will be shared with the Auctioneers. However no major expenditure is expected for many years.

### Question from Mr B Clay, Hereford.

- 2.3 *What is the Cabinet Member's latest information as to the number of houses to be built on the Edgar Street Grid? Please give figures for the "Urban Village", The "Retail Quarter" and the "New Area". How many of these houses will be Socially Affordable?*

### Answer from Councillor JG Jarvis Cabinet Member Environment and Strategic Housing

- 2.3 The final number of new homes at the Urban Village has not yet been finalised but a minimum of 800 new homes are planned.

There are no indicative figures yet in place for the Retail Quarter or New Area.

The Council would look to implement the current policy on affordable housing and levy the current percentage of 35% affordable units across the ESG development and is pleased that ESG is partnered in the Urban Village development by Sanctuary Housing Association, experienced in this field of provision.

### Question from Mr B Clay, Hereford.

- 2.4 *Would the Cabinet Member welcome a proposal for a new Multiscreen in the Centre of Hereford if it were not part of the development Agreement with Stanhope Plc.*



## PUBLIC QUESTIONS TO COUNCIL – 13 November 2009

### **Answer from Councillor AJM Blackshaw Cabinet Member Economic Development and Community Services**

- 2.4 I am happy to report that there are currently talks ongoing with a number of multi-screen cinema companies who are interested in coming to the City. What is clear from these initial discussions is that any multi-screen company would need to be based around other facilities, restaurants, bars etc and the ESG offers an unfettered site which would enable this integrated provision to be delivered. The companies are not seeking an out of town site and we are keen for them to be part of the night time economy of the City Centre; the critical mass of a number of business operating together is necessary to ensure that a Cinema Company will come to the City.

## PUBLIC QUESTIONS TO COUNCIL – 13 November 2009

### Question from Mrs U Clay, Hereford.

3.1 *What plans are there for a new Hereford City Library?*

### Answer from Councillor AJM Blackshaw Cabinet Member

3.1 The Council remains committed to a new Hereford Library and is currently assessing a number of locations in the City for feasibility.

### Question from Mrs U Clay, Hereford

3.2 *What are the practices / procedures in place to give learning disabled adults who wish to move into supported living / residential accommodation the choice to which the legal framework entitles them to?*

3.3 *What are the advantages / disadvantages for the Council to use bloc contracts for providing services for vulnerable adults?*

3.4 *What advantages / disadvantages for service users (clients) arise from the Council's use of bloc contracts?*

3.5 *How much notice were service users given of the closure of Workmatch and what alternative workplace experiences are now available for the users who lost that service?*

3.6 *How prepared are the Council for the end date for block contracts (next spring) and what procedures will be followed to ensure an open market as well as stability for providers and people funded through a block contract?*

### Answers from Councillor LO Barnett Cabinet Member Older People Social Care Adults

3.2 All adults with Learning Disabilities who wish to move into accommodation that will better meet their needs are supported by Care Managers. The process involves assessment, and care brokerage to assist people to make informed choices. The Council supports Service Users and their Carers to make choices although the national financial procedures require us to limit financial support to the fee level that the Council would normally pay.

3.3 The council use a mix of block and spot contracts to purchase services for vulnerable adults and this is carefully monitored and reviewed and as a result over the past five years there has been a move to more spot purchasing.

The advantages for the council in block purchasing services are that we can ensure that services are available at the appropriate cost and quality and can guarantee the provision of them over the length of the contract. This also provides stability and sustainability to the provider and enables them to develop other services for spot purchasing.

## PUBLIC QUESTIONS TO COUNCIL – 13 November 2009

The main disadvantage to the council is that although they may offer value for money it requires care management to ensure that block purchased services are fully utilised to ensure the maximum level of purchase service is actually used.

- 3.4 The advantages for service users of block contracts is that they ensure that there is appropriate access to good quality services at the time when they need them. e.g they do not have to wait for providers to develop capacity or new services. Also because they provide sustainability to the organisations then individuals have reassurance that services will continue for the length of the contract.

The main disadvantage to the service user of block contracts is that if they are not managed appropriately money can be tied up in services which may not be what the individual want or require.

- 3.5 We were not informed of the closure and therefore not able to advise service users beforehand. We have worked with all individuals concerned to ensure the individuals eligibility needs have continued to be met. We are working with other organisations, including Mencap and Scope as well as in-house learning disability services to develop other work experience opportunities.
- 3.6 It is unclear which block contract(s) the question relates to. However, if it relates back to question 3.2, then there are 2 block funded Learning Disability residential care homes which fall into this category. A project team is actively working with all stakeholders to ensure the needs of service users continue to be met. It is the intention that individuals will be able to purchase from appropriate service providers within agreed financial parameters to increase flexibility and choice.

## PUBLIC QUESTIONS TO COUNCIL – 13 November 2009

### Question from Mr J Miller, Leominster, Herefordshire

In June of this year the Deputy Chief Executive told both myself and the local newspapers that the cancellation of the June 25 Leominster by-election was the Council's fault, that the Council apologised and that the Council only wished to discover what went wrong so that this could never happen again.

4.1 *Why then did the Council, in the High Court and on a very minor technicality, seek to stop my June 25 election petition, the effect of which would have been to prevent the Council's representatives repeating before an open court that what happened was the Council's fault, repeating that the Council apologised and finding out in open court what went wrong so that it can never happen again?*

4.2 *Who authorised a senior lawyer of the Deputy Chief Executive's office to send a letter of 14 September threatening to cripple me with punitive costs unless I withdrew my petition entirely?*

### Answers from the Chairman of the Council

This is a matter relating to the conduct of election matters and not a question for Council. It is also a matter that is the subject of proceedings brought by the questioner in the High Court on an election petition.

The Returning Officer is the Council's Chief Executive. His Returning Officer duties must be fulfilled independently of the Council.

This is a matter of some public interest in the press and as such the Chairman of the Council is responding on behalf of the Returning Officer and on the advice of the Council's Monitoring Officer. The answer is as follows:

4.1 The Returning Officer has consistently stated that the by-election in Leominster scheduled for 25 June 2009 was cancelled because of a combination of errors.

This is a legally complex area where the Returning Officer has little or no personal discretion and must follow the election rules.

The Returning Officer took expert legal opinion and was advised that in the light of the errors the Leominster South by-election could not legally take place on 25 June. The Returning Officer was advised that only one valid nomination had been received and no election was required. Had the Returning Officer proceeded with that by-election, he was advised, it would have been an unlawful election and subject to challenge. Mr Miller disagrees with the expert advice given to the Returning Officer and believes that a by-election could have taken place notwithstanding the errors. The Returning Officer and his advisers believe that only the Court can resolve that difference of view.

That is now the subject of the ongoing court case which should not be the subject of public discussion.

## **PUBLIC QUESTIONS TO COUNCIL – 13 November 2009**

As a preliminary matter, the Court had to decide if the case could go ahead because Mr Miller made a late claim. As such cases are complex and can be costly the Returning Officer believed that it was in the public interest for him to be represented in Court. The Returning Officer's representative explained to the Court that some errors had taken place on the part of his elections team. The Court decided on balance that the case should proceed.

The case is now continuing. The Returning Officer is hopeful that the case will proceed as quickly as possible so that the matter can be resolved without delay and at minimum further cost. The Returning Officer is still advised that he cannot legally reverse his earlier decision or take any other steps to pre-empt the decision of the Court. He will comply with its decision as soon as the case is determined.

In the meantime, and in the light of the Court proceedings, the Returning Officer believes that it is inappropriate for him to comment further in the press or otherwise.

- 4.2 The letter of 14 September was written by a lawyer acting for the Returning Officer and with his knowledge. The letter was authorised by the Council's Monitoring Officer (its chief legal officer) who is responsible for acting for the Returning Officer in this case. The letter was between lawyers representing parties to litigation and should not be the subject of public debate.

## PUBLIC QUESTIONS TO COUNCIL – 13 November 2009

### Question from Mrs B Evans, Hereford

- 5.1 *What is the total financial contribution from the Council to the ESG company so far? Please provide outturn up to the end of the 2008/9 year, latest estimate for the current year and current estimate for the 2009/10 year.*

### Answer from Councillor H Bramer Cabinet Member Resources

5.1

	ESG Total	AWM- funded	HC - funded
	£000	£000	£000
2005/6	205	125	80
2006/7	350	125	225
2007/8	545	165	380
2008/9	600	300	300
<b>cost to date</b>	<b>1,700</b>	<b>715</b>	<b>985</b>
2009/10 estimate	700	350	350

It is important to note that Advantage West Midlands (AWM) also contributes towards the operating costs of ESG.

The end column shows the actual cost to the council for ESG operating costs.

## PUBLIC QUESTIONS TO COUNCIL – 13 November 2009

### Questions from Mr G Thomas, Hereford

- 6.1 *Can Herefordshire Council explain why a JVC Company was selected as the preferred structure to deliver the regeneration of ESG?*
- 6.2 *Can the Council state the total quantum of expenses claimed by the board of ESG in addition to salaries, since the company's inception to current filed Company accounts as of today's date?*
- 6.3 *Can the Council Leader confirm if under his general powers 'To be responsible for the Corporate Strategy and Finance Programme Area of the Councils operations,' he has ever aborted a project for fiduciary reasons?*
- 6.4 *Can the Council confirm if the ESG Herefordshire Ltd is exempt from the Freedom of Information Act?*
- 6.5 *Can the Council state where and provide a map of the Air Quality Management Area in the City of Hereford and highlight where it is getting larger?*
- 6.6 *Can the Council confirm whether the ESG Supplementary Planning Document is fully compliant with Legislation as to monitoring and baseline indicators to show 'reasonable consultation has taken place'?*
- 6.7 *Is Cabinet satisfied with the ESG masterplan and that ESG is delivering it?*

### Answers from Councillor AJM Blackshaw Cabinet Member Economic Development and Community Services.

- 6.1 In July 2004 Cabinet agreed to the formation, with the Regional Development Agency AWM, of a Joint Venture Company to deliver the ESG project. The options for delivery were fully explored in the report to Cabinet on 15 July 2004 (available on the Council's website) with the chosen vehicle additionally giving the development sector confidence in the long term viability of the project.
- 6.2 ESG (Herefordshire) Ltd is a separate legal entity to the council and would file its accounts at companies' house.
- 6.3 Cabinet, collectively and as individuals, must take a wide range of factors into consideration to ensure their decision-making is robust and transparent, including legal, financial implications as well as risks and opportunities; any project not satisfying these would not be supported.
- 6.4 ESG (Herefordshire) Ltd is not covered by the Freedom of Information Act. Despite not being covered by FOI the company works to the spirit of the Act in disclosing information that relates to it's operation and projects, however it must be noted that there are obviously some aspects of the company's work that must remain commercially confidential and cannot be released.
- 6.5 The Map is on the Council's web site at:

<http://www.herefordshire.gov.uk/environment/pollution/27804.asp>

## PUBLIC QUESTIONS TO COUNCIL – 13 November 2009

The footprint of the area has been static for some time, although Defra has been informed that it could be extended further down Whitecross Road and to Holme Lacy Road, although this trend is still being investigated. There is also an argument to reduce its size in the north, possibly truncating the area at the Grandstand Rd/Newtown Rd/A49 roundabout.

6.6 Yes.

6.7 Yes.



## PUBLIC QUESTIONS TO COUNCIL – 13 November 2009

### Questions from Mrs A Crowe, Traders of Ledbury Association

- 7.1 *Can you supply details of usage of St Katherine's Car Park, Ledbury for the last three years based on the amount of parking tickets bought?*
- 7.2 *Can you promise the people of Ledbury that alternative car parking to cover this capacity will be found within the centre of Ledbury during the building work at the Masters House and new library?*

### Answer from Councillor DB Wilcox Cabinet Member Highways and Transportation

- 7.1 Details of the number/amount of tickets bought have only been collected since 1 September 2008 therefore the figures below identify income over the three years and an estimate of the number of tickets bought based on the number of tickets bought between September 08 and April 08.

2006/07 £58k (equating to 89231 based upon 65p per average ticket)

2007/08 £57k (equating to 86364)

2008/09 £54k (equating to 81818)

It is pleasing to note that since the introduction of short term parking charges with a maximum stay of 4 hours in April 2009 both usage and income are now increasing with the total number of tickets bought in the 12 month period to 31 October 2009 being 92,510 equating to income of £61,412.30.

- 7.2 We are currently looking at a range of measures to mitigate any loss of parking that may occur during the construction of the new facility. I am hoping to share details of these measures shortly.

## PUBLIC QUESTIONS TO COUNCIL – 13 November 2009

### Question from Ms C Protherough, Clehonger, Hereford

- 8.1 *Now the Council have been refused funding for an Outer Distributor Road (ODR) by the Department for Transport (DfT) (letter 22 July 2009) and urged to put in transport plans in line with “Delivering a Sustainable Transport System” (DaSTS) policy for beyond 2019, are the Council going to persist with planning for an ODR, using valuable officer time and resources, rather than planning for a reduction in traffic based on walking, cycling and public transport?*

### Answer from Councillor DB Wilcox Cabinet Member Highways and Transportation

- 8.1 Funding for the ODR has not been refused. The Government’s response to the West Midlands Regional Funding Advice indicated that the scheme should be considered as part of the programme for implementation after 2014 rather than one of the ‘potential major schemes for preparation and commencement before 2014’. The Council has welcomed this additional preparation time which will enable further development of the scheme and consultation with the public to help determine a preferred alignment.

This Administration remains committed to the delivery of the outer distributor Road and welcomes the support given within the Inspectors’ report of the Examination in Public of the RSS, published September 2009, included the following Inspectors’ findings ***“Given such issues and the limited scale of the town [Hereford], we are far from convinced that transport packages without a relief road and new river crossing would be likely to be satisfactory.....we consider the appropriate response would be for the RSS to refer to the necessary provision of a relief road as sought by the Council. We recommend accordingly”.***

This Council has already delivered a broad range of integrated transport measures through implementation of its Local Transport Plan policies including new cycle routes, improved pedestrian facilities and significant investment in low floor buses and improved waiting facilities. The Council will, of course, continue to deliver these types of measures.

## **PUBLIC QUESTIONS TO COUNCIL – 13 November 2009**

### Supplementary question from Ms. Roberts

Q. Should not the planning permission application have been submitted prior to any businesses being relocated to make way for the proposed new link road? The public should be informed of the total cost paid to relocate businesses even though it is commercially confidential.

### Answer from Cabinet Member Economic Development and Community Services

The planning permission would be dealt with as part of the overall process and because of the commercially sensitive nature of the information I am unable to make this information public.

### Supplementary question from Mr Clay.

Q. The Council states that procurement cost for the new cattle market will be £7.7m. The Chamber of Commerce advised that the Council had already spent £2.1m prior to this therefore does the Cabinet Member think that the majority of Herefordians would prefer new housing or a new library rather than a new cattle market?

### Answer from Cabinet Member Resources

The figures quoted have been widely quoted in the Hereford Times up to a year ago. £10m is a figure that has been budgeted for and allocated. The Cabinet Member said that he believed this was money well spent to protect the farming heritage of the County and that the Council should be allowed to proceed with the project rather than face continued criticism.

### Supplementary question from Mrs Clay

Does the Council think people would prefer £10m to be spent on a new library or on a new cattle market?

### Answer from Cabinet Member Economic Development and Community Services

The Council is involved in deep consultation on a new library with several potential sites identified, although these cannot be disclosed at this stage. It remains an ambition and part of the Council's long term vision for a new library to be built in Hereford.

### Supplementary question from Mr Miller

Why are there no controls or limits on the amount of money the returning officer can spend at the taxpayer's expense?

### Answer from Chairman of the Council

As the question relates to matters in the jurisdiction of the returning officer, a full answer would be provided following the meeting.

### Supplementary question from Mrs Evans

## **PUBLIC QUESTIONS TO COUNCIL – 13 November 2009**

£1.25m has been spent of the ESG project by the Council to date of which half was spent on Director's expenses. How has so much been spent with so little achieved?

### Answer from Cabinet Member Resources

The acquisition of the Three Elms site, Station Approach buildings and Franklin Barnes has all been achieved and this is money well spent. This will continue until the ESG project is complete.

### Supplementary question from Mr Thomas

Over a four year period, the ESG Company's total operating cost to March 2009 was £1.54m. Of this, directors had claimed 25.9% of the sum for expenses. Given that MPs and Councillors expenses are open to public scrutiny, can the Council provide a breakdown of individual personal expenses as evidence that the money had been spent appropriately?

### Answer from Cabinet Member Economic Development and Community Services

There is no reason to believe that any impropriety has taken place in connection with any director's expenses. The expenses would equate to £3.37 per household which is a good return on the capital invested.

### Supplementary question from Mrs Crowe

Traders are concerned about the loss of parking spaces in Ledbury. Will there be short term measures taken before, during and after the construction of the new library to compensate for the lost spaces?

### Answer from Cabinet Member Highways and Transportation

The current level of charging is being reviewed and will be amended if necessary. The last six months has seen an upsurge in use which has benefited traders.

### Supplementary question from Mrs Protherough

How much will be spent on sustainable transport measures and how will a reduction of CO2 emissions be achieved?

### Answer from Cabinet Member Highways and Transportation

There has been a £150m spend by government on integrated transport. Local Transport Plan 3 will come into existence next year and will further address CO2 emissions and other environmental issues. The plan will be put out for public consultation next year.

# 1

## HEREFORDSHIRE COUNCIL

### NAMED VOTE LIST

13 November 2009

#### Notice of Motion 1 – Councillors RJ Phillips and JP French

Councillor	FOR	AGAINST	ABSTAIN	Councillor	FOR	AGAINST	ABSTAIN
PA Andrews	X			TM James	X		
WU Attfield	X			JG Jarvis	X		
LO Barnett	X			P Jones CBE	X		
CM Bartrum	X			MD Lloyd-Hayes			X
DJ Benjamin	X			G Lucas	X		
AJM Blackshaw	X			P McCaull	X		
WLS Bowen	X			RI Matthews	X		
H Bramer	X			R Mills	X		
ACR Chappell	X			PM Morgan	X		
ME Cooper	X			AT Oliver	X		
PGH Cutter	X			JE Pemberton	X		
SPA Daniels	X			RJ Phillips	X		
H Davies	-----APOLOGIES -----			GA Powell	X		
GFM Dawe		X		PD Price	X		
BA Durkin	X			SJ Robertson	X		
PJ Edwards	X			A Seldon	X		
MJ Fishley	-----APOLOGIES -----			RH Smith	X		
JP French	X			RV Stockton	-----APOLOGIES -----		
JHR Goodwin	X			J Stone	X		
AE Gray	-----APOLOGIES -----			JK Swinburne	X		
DW Greenow	-----			AP Taylor	X		
KG Grumbley	X			DC Taylor	X		
KS Guthrie	X			AM Toon	X		
JW Hope MBE	X			NL Vaughan	X		
MAF Hubbard			X	WJ Walling	-----APOLOGIES -----		
B Hunt	X			PJ Watts	X		
RC Hunt	X			DB Wilcox	X		
TW Hunt	X			JB Williams	-----APOLOGIES -----		
JA Hyde	X			JD Woodward			X

<b>TOTALS</b>	<b>FOR</b>	47	<b>AGAINST</b>	1	<b>ABSTAIN</b>	3
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# 2

## HEREFORDSHIRE COUNCIL

### NAMED VOTE LIST

13 November 2009

#### Notice of Motion 2 – Councillors MAF Hubbard, DJ Benjamin, JD Woodward and MD Lloyd-Hayes

Councillor	FOR	AGAINST	ABSTAIN	Councillor	FOR	AGAINST	ABSTAIN
PA Andrews			X	TM James			X
WU Attfield	X			JG Jarvis		X	
LO Barnett		X		P Jones CBE		X	
CM Bartrum			X	MD Lloyd-Hayes	X		
DJ Benjamin	X			G Lucas		X	
AJM Blackshaw		X		P McCaull			X
WLS Bowen			X	RI Matthews	X		
H Bramer		X		R Mills		X	
ACR Chappell			X	PM Morgan		X	
ME Cooper		X		AT Oliver			X
PGH Cutter		X		JE Pemberton		X	
SPA Daniels	-----			RJ Phillips		X	
H Davies	-----APOLOGIES-----			GA Powell			X
GFM Dawe	X			PD Price		X	
BA Durkin		X		SJ Robertson	X		
PJ Edwards		X		A Seldon			X
MJ Fishley	-----APOLOGIES-----			RH Smith		X	
JP French		X		RV Stockton	-----APOLOGIES-----		
JHR Goodwin		X		J Stone		X	
AE Gray	-----APOLOGIES-----			JK Swinburne		X	
DW Greenow		X		AP Taylor			X
KG Grumbley		X		DC Taylor		X	
KS Guthrie		X		AM Toon			X
JW Hope MBE		X		NL Vaughan		X	
MAF Hubbard	X			WJ Walling	-----APOLOGIES-----		
B Hunt			X	PJ Watts		X	
RC Hunt		X		DB Wilcox		X	
TW Hunt		X		JB Williams	-----APOLOGIES-----		
JA Hyde		X		JD Woodward	X		

<b>TOTALS</b>	<b>FOR</b>	<b>8</b>	<b>AGAINST</b>	<b>31</b>	<b>ABSTAIN</b>	<b>12</b>
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<b>MEETING:</b>	<b>COUNCIL</b>
<b>DATE:</b>	<b>5 FEBRUARY 2010</b>
<b>TITLE OF REPORT:</b>	<b>QUESTIONS FROM MEMBERS OF THE PUBLIC</b>
<b>REPORT BY:</b>	<b>ASSISTANT CHIEF EXECUTIVE LEGAL AND DEMOCRATIC</b>

**CLASSIFICATION:** Open

### **Wards Affected**

County-wide

### **Purpose**

To receive any questions from members of the public deposited more than eight clear working days before the meeting of Council.

### **Introduction and Background**

- 1 Members of the public may ask a question of a Cabinet Member or Committee or other Chairmen. Written answers will be circulated to Members, the press and public prior to the start of the Council meeting. Questions subject to a Freedom of Information request will be dealt with under that separate process.
- 2 Standing Order 4.1.14.4 of the Constitution states that: a question may only be asked if notice has been given by delivering it in writing or by electronic mail to the Monitoring Officer no later than midday eight clear working days before the day of the meeting (ie the Monday of the week preceding the Council meeting where that meeting is on a Friday). Each question must give the name and address of the questioner and must name the person to whom it is to be put.
- 3 A questioner who has submitted a written question may also put **one** brief supplementary question without notice to the person (if s/he is present at the meeting) who has replied to his or her original question. A supplementary question must arise directly out of the original request or reply. The Chairman may reject a supplementary question on any of the grounds for rejecting written questions set out in these Council rules or if the question is too lengthy, is in multiple parts or takes the form of a speech. In any event, any person asking a supplementary question will be permitted only **1 minute** to do so.
- 4 The Monitoring Officer may reject a question or a supplemental question if it:
  - Is not about a matter for which the Council has a responsibility or which affects the County or a part of it;
  - Is illegal, scurrilous, defamatory, frivolous or offensive or otherwise out of order;

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Further information on the subject of this report is available from  
Sally Cole, Committee Manager Executive on (01432) 260249

- Is substantially the same as or similar to a question which has been put at a meeting of the Council in the past six months or relates to the same subject matter or the answer to the question will be substantially the same as the previous answer;
- Requires the disclosure of confidential or exempt information;
- Relates to a planning or licensing application;
- Relates to an employment matter that should more properly be dealt with through the Council's Human Resources processes.

5 There will be a time limit of a maximum of 30 minutes for public questions and of 30 minutes for Members' questions. If either public or Member questions are concluded in less than 30 minutes, then the Chairman may allow more time for either public or Member questions within an overall time limit of one hour for all questions and supplementary questions. There will normally be no extension of time beyond one hour, unless the Chairman decides that there are reasonable grounds to allow such an extension, and questions not dealt with in this time will be dealt with by written response. The Chairman will decide the time allocated to each question.

## **Questions**

6 Two questions have been received by the deadline and are attached at Appendix 1.

## PUBLIC QUESTIONS TO COUNCIL – 5 FEBRUARY 2010

### Question from Mr N Jones, Hereford.

- 1.1 *We are told that the Council's bi-monthly publication Herefordshire Matters is distributed to 80,000 households across the county. What is the gross annual cost of this operation: that is to say, a total which includes staff time, editorial and photography costs, design and production, printing and distribution, but which excludes any advertising revenues earned?*



## PUBLIC QUESTIONS TO COUNCIL – 5 February 2010

### Question from Mr P McKay, Leominster.

1.1 *May I please ask if the anticipated Council budget savings, resulting from the AMEY contract, would be expected to cover the cost of the below being put online?*

- *Combined Definitive Map and County Road Map (Road map may be viewed online at Garrick House).*
- *List of long term obstructions to be resolved.*
- *List of anomalies to be resolved.*
- *History of definitive map (as being presented by Amey to Herefordshire Local Access Forum on 3 February).*
- *History of county road map.*
- *List of the 90 miles (144km) of unsurfaced county roads as mentioned in the Right of Way Improvement Plan).*
- *Definitive map modification order procedure and application forms.*
- *Definitive map modification order research guidance notes.*
- *Definitive map modification order statement of priorities.*
- *Definitive map modification order schedule of applications (this is online but not up to regulation specification).*
- *County road map modification procedure and application forms.*
- *County road map modification research guidance notes.*
- *County road map modification schedule of applications*
- *Landowner dedication procedure, enabling agreed routes to be registered with less confrontation than may otherwise apply.*
- *Structures on paths, BS5709 2006 explained (as referenced by Defra to be found at [www.pittecrofttrust.org.uk](http://www.pittecrofttrust.org.uk))*
- *Parish council procedure guidelines for removal obstructions and recording of routes under Highway Act 1980 section 130(6) procedures.*
- *Rights of way improvement plan 2007-2011.*
- *Unsurfaced county road improvement plan (for including in above ROWIP when updated in 2011).*
- *Herefordshire Local Access Forum table of advice.*



<b>MEETING:</b>	<b>COUNCIL</b>
<b>DATE:</b>	<b>5 FEBRUARY 2010</b>
<b>TITLE OF REPORT:</b>	<b>DRAFT FINANCIAL STRATEGY 2010-2013</b>
<b>REPORT BY:</b>	<b>LEADER OF THE COUNCIL</b>

**CLASSIFICATION:** Open

### **Purpose**

To propose the three year draft financial strategy for 2010/13 that includes the 2010/11 budget.

### **Recommendations**

**THAT Council approve:**

- (a) **The Medium Term Financial Strategy (MTFS) shown in Appendix A, which includes the 2010/11 budget and the 2010/11 to 2012/13 revenue overview summarised in the Finance Resource Model (FRM); (noting that the Treasury Management Strategy including the MRP statement remains in draft form until the next meeting of Council on 5 March 2010);**
- (b) **A proposed council tax increase of 2.9%;**
- (c) **The Treasury Management Strategy included in the MTFS;**
- (d) **Agrees an additional £1.0m capital allocation for roads maintenance;**
- (e) **Agrees an additional £500k for the social care contingency; and**
- (f) **Agrees an additional £500k for the winter maintenance reserve.**

### **Alternative Options**

- 1 Joint Management Team (JMT) have approved a balanced budget for 2010/11 and this is summarised in the FRM in the attached MTFS. It incorporates inflation, service pressures and other spending requirements, the financing of which has been identified from within the Formula Grant, service efficiencies and council tax.
- 2 Any changes to the budget that increase revenue expenditure will either need to be met by equivalent reductions in revenue expenditure elsewhere in the budget or by an increase in the level of council tax set.
- 3 Any reduction in the recommended level of council tax will need to be met by equivalent reductions in revenue expenditure and will have consequent impacts on the future revenue budget of the Council. 1% council tax equates to approximately £840,000 funding for the county.

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Further information on the subject of this report is available from  
David Powell, Director of Resources, on (01432) 383518

## Reasons for Recommendations

- 4 The proposed MTFS, shown in Appendix A provides a financial planning framework for the next three years. It includes the overall budget for 2010/11 that will form the basis of the Council Tax Setting.
- 5 A proposed council tax increase of 2.9% facilitates budget setting for 2010/11.

## Introduction and Background

- 6 Council is requested to consider the budget proposals set out in the MTFS that reflect the following resolution agreed by Cabinet on 21<sup>st</sup> January 2010:
  - “a) Agree the Medium Term Financial Strategy (MTFS) shown in Appendix A, which includes both the revenue overview summarised in the Finance Resource Model (FRM) and subject to adjustments needed to deal with the recent or unexpected budget pressures;
  - b) In principle agree a proposed council tax increase of 2.9% subject to finalising the MTFS; and
  - c) Agree that the Leader, in consultation with the Director of Resources, finalise budget proposals, MTFS and council tax proposals for recommendation to Council.”
- 7 The final Local Government Settlement was announced on 20<sup>th</sup> January 2010. It confirmed the final year of the three-year Comprehensive Spending Review 2007 (CSR07), the key components are:
  - The Formula Grant, which includes Revenue Support Grant and Redistributed Business Rates, is set at £57.584m, an increase of 4%, equating to £2.232m.
  - Area Based Grant is set at £15.356m. This now includes the Supporting People Grant and from October 2010 will have additional funding to mitigate the income loss from the implementation of the proposals in the Personal Care at Home bill.
  - The baseline budget has not been adjusted for Adult Learning Disability budgets that have been transferred from health to social care; the Primary Care Trust will continue to receive the funding in 2010/11 and transfer it through to the council.
  - Indicative figures have not been provided on government department spending limits after 2010/11. However, at the same time it was announced front-line schools, hospitals and policing would receive real-terms increases, whilst overall public spending growth would shrink to 0.8% by 2013/14. This suggests a much tighter future financial picture for local government. Headline changes that will affect future budgets include:
    - Public sector pay settlement increases will be capped at 1% from 2011.
    - 0.5% increase in National Insurance contributions for employers from April 2011.
    - Free school meal provision will be extended to 500,000 school children not previously eligible.
- 8 Dedicated Schools Grant (DSG) is estimated (as at 21<sup>st</sup> December 2009) at £88.237m, based on pupil numbers of 22,703. This figure will be revised for the January pupil census, although the outcome will not be published until June 2010. Schools are currently budget planning



using September 2009 pupil numbers of 22,517.

## Key Considerations

- 9 The Council operates within the discipline of a MTFS. It is the framework within which cash resources follow corporate priorities, supporting the achievement of the council's overall objectives and delivery of services.
- 10 The financial model (FRM) at the heart of the MTFS has been updated and includes the following:
  - a. Directorate pressures;
  - b. Directorate savings;
  - c. A change management reserve of £500k;
  - d. A spend to save contingency of £150k;
  - e. A revenue contingency of £300k;
  - f. Updated capital financing costs;
  - g. Shared services savings of £1m in 2010/11 rising to £4.8m by 2012/13.
- 11 The MTFS facilitates longer term financial planning to reflect the changes that emerge from central government as well as the impact of any changes to local priorities and emerging service pressures. The changing nature of central government's priorities needs to be incorporated as local government is an important partner for central government, and is often used to deliver new services as well as delivering changes to existing services.
- 12 The overall approach to financial management, especially at a time of financial pressure, must be supported by clarity and transparency around financial policy and resources. The necessary financial discipline includes cash limited directorate budgets, supported by appropriate reserves that need to be managed as part of the overall financial management strategy.
- 13 Over the last three years the level of local government funding by central government has remained stable as a result of CSR07. The overall increase in 2010/11 Formula Grant for Herefordshire, based on a year-on-year increase, has been 4%, however this must fund inflation, service development, and increased demand for services across the council. There is also a requirement to deliver ongoing efficiency targets, with 4% cashable efficiency savings needed in 2010/11. This equates to £6.7m.
- 14 JMT also confirmed that in recommending the MTFS to Cabinet it will enable the delivery of the targets and key projects that JMT members have proposed for the joint corporate plan 2010/13.
- 15 The proposed MTFS builds on last year's significant review of the strategy's content by putting in place an approach to support the move towards a joint financial strategy with NHS Herefordshire. The joint MTFS will be the key financial document for both organisations and the relevant council elements will be clearly identifiable to support council tax setting. The move to a joint approach is timely given the deepening partnership between both

organisations'; the Total Place agenda; the drive to deliver greater efficiencies across the public sector and the impact of World Class Commissioning on the integrated commissioning of services.

### **Capital Expenditure**

- 16 The government has signalled a significant reduction in capital expenditure because of the tightening of public expenditure that will occur in future years. This is likely to see reduced capital grants for major projects and a reduction in other capital funding support. This means it is appropriate to carry out a fundamental review of the existing capital programme to provide assurance that the existing programme supports future priorities and models of service delivery. Therefore indicative funding for the capital programme is included but decision making on expenditure will follow the review to assess whether our existing programme is suitable for the new joint corporate plan and that previous decisions meet new service delivery models.
- 17 However given the impact of recent bad weather on the condition of the county's road it is appropriate to allocate an additional £1.0m of capital expenditure to the roads maintenance programme. This brings expenditure from all sources to £18.2m in 2010/11.

### **Future Public Sector Funding**

- 18 On 20<sup>th</sup> January 2010 Parliamentary Under Secretary, Barbara Follett, presented the final 2010/11 Local Government Finance Report. Ms Follett confirmed the figures for the Final Settlement remain unchanged from those published in the Provisional Settlement on 26<sup>th</sup> November 2009. For Herefordshire this confirms a Formula Grant allocation of £57.58m.
- 19 The allocation is the last one to be made under CSR07. The Minister took the opportunity to repeat previous warnings over council tax levels saying: "we have made clear that we expect the average Band D council tax increase in England to fall to a 16 year low". Whilst the Government has already initiated capping action for three police authorities in advance for 2010/11 to limit their council tax increases to around 3%, no other decisions have been taken on capping for 2010/11.
- 20 Currently local government does not have an indication about levels of funding beyond 2010/11. However, the major political parties have acknowledged that a reduction in the level of public spending is unavoidable. The scale of the response will be known after the general election but given the uncertainty about the speed of economic recovery it is possible any government will need to reduce funding quickly. As a result we are including a 5% per annum year on year reduction in our funding from 2011/12.

### **Economic Downturn**

- 21 Since the last MTFs there has been the continuation of the downturn in the economy and clarity about how the "credit crunch", has impacted across the world. In order to mitigate the effects of the downturn the UK Monetary Policy Committee has been injecting money into the UK economy since March 2009. This policy, known as "quantitative easing", has seen £200 billion injected from purchasing gilts and other assets, but the Bank of England has now signalled this will end.
- 22 To reduce the UK's deficit the Treasury is proposing cuts to public sector spending over the coming years. Public spending may need to reduce by up to 15% and tax rises are also possible. The outcome of the 2010 General Election may see this position change further.
- 23 The economic downturn has affected the assumptions in the Treasury Management Strategy

that covers borrowing and investment activities. Since the collapse of the Icelandic Banks we have implemented a more risk averse strategy resulting in tightening investment practices and only lending balances (over a shorter period of time) to establishments with high credit ratings. This has had a significant impact on investment income and is not set to improve until 2011/12, when interest rates are predicted to rise.

### **Shared Services / Herefordshire Connects**

- 24 The Shared Services initiative has subsumed the Connects project into the wider Transformation Project. The overall approach is to view all corporate efficiency activity as part of the programme, so that maximum efficiencies are realised. In the 2010/11 budget the programme is to realise £1m of savings, with an additional £1.6m in 2011/12. This confirms the key role the programme will make to the council's overall financial position at a time when central government is likely to reduce.
- 25 As was explained in the Cabinet report on 18<sup>th</sup> December 2009, further financial savings are likely to be delivered from Shared Services and improved procurement processes, but additional costs may also be incurred. A further report providing greater detail will be presented in March 2010.

### **Financial Resource Model 2010/13:**

- 26 The FRM is central to the MTFs, as it contains a series of assumptions and assessments that shape the financial plan. These are:
- a) Future Council Tax Increases: The government has been clear that it expects to see council tax increases "substantially" below 3%, but as in previous years has been unwilling to define a precise figure below which councils will not face capping.
- As a result, it is recommended that a 2.9% council tax increase assumption is now included for the 2010/11 budget and the two remaining years of the MTFs up to 2012/13.
- b) Inflation Uplifts: The Government's Pre Budget report on the 9<sup>th</sup> December 2009 specified all public sector pay settlement increases will be capped at 1% (except for members of the armed forces) from 2011. As a result the council has now moved to a general approach to inflation to allow greater flexibility and therefore an overall cash limited sum covering all inflation is now included.
- 27 It is proposed that a number of services receive funding for inflation pressures, resulting from either contracts or market pressures:
- |  |       |
|--|-------|
| • Children and Young Peoples Directorate | £60k  |
| • Integrated Commissioning               | £714k |
| • Environment and Regeneration           | £170k |
- 28 The current FRM assumes inflation on client and customer receipts budgets of 2.0%. A review of the policy for income is underway, identifying where more appropriate charges for services can be considered ensuring, where possible, tariffs are set at levels that fully recover costs and ensuring that subsidies for service provision do not occur. A policy will be presented to Cabinet in Spring 2010.

- a. Base Budget Adjustments: As in previous years, the FRM is continually reviewed to refine the budget using up-to-date information. The approach taken this year was to allow directorates to present pressures that require adjustment. The following are the recommended adjustments for 2010/11:

	<b>£'000</b>
Legislative changes	807
Inflation uplifts to key contracts	1,024
Economic downturn – impact on impact	180
Demographic changes	591
Frontline service pressures	1,572
Service modernisation pump priming	566
Other service changes	489
<b>TOTAL</b>	<b>5,249</b>

- b. To help balance the budget the following efficiencies have been identified:

	<b>£'000</b>
Vacancy Management	762
Impact of full cost recovery for charging	225
Rationalisation of Property Services	180
Business process improvements	227
Implementation of new commissioning plan	450
Implementation of care brokerage	84
Reduction in unit costs for in-house services	159
Directorate reductions	2,528
<b>TOTAL</b>	<b>4,615</b>

- 29 The recent bad weather has required the council to draw upon the Winter Maintenance reserve. It is prudent to replace this amount in 2010/11 and therefore a £500k transfer to reserves is now included in the budget.
- 30 In 2009/10 we have seen considerable pressure on the council's social services in both the Children and Young People Directorate and the Integrated Commissioning Directorate. This will require the use of all or part of the social care contingency. Given the likely use of this source of funding and the (as yet) unknown impact of the implementation of the Personal Care at Home Bill, it is appropriate for £500k to be put into the social care contingency

### **Use of Reserves**

- 31 For the 2009/10 budget the council temporarily used general fund balances to ease financial pressure over more than one year. This helped demonstrate the value of financial planning over more than one year. In line with the decision taken for the 2009/10 budget the FRM reimburses reserves used to set the previous year's budget:
- £1m was used to fund service pressures, which is now backfilled and an additional £1m is used to top up the reserve to its 2008/09 level.
  - LPSA reward grant support of £712k is back filled and covers its use in 2009/10.

- 32 At a forecast level of £4.8m as at 31<sup>st</sup> March 2010, the general reserve is in excess of the council's policy of having a minimum general fund reserve balance of £4.5m (3.5% of net revenue budget) to provide adequate cover for demand pressures that are volatile, difficult to predict or unforeseen at the time the budget is set. Given the likely pressures from 2011/12 when central government funding will reduce it is appropriate to maintain a level of balance in excess of our minimum amount.
- 33 There are expected to be specific reserves of £12.8m, a significant proportion belong to schools and cannot be used to pay for non-schools services.

## **Community Impact**

- 34 The budget proposals continue to support front line service delivery, partnership working and sustaining economic growth.

## **Financial Implications**

- 35 If Cabinet agrees the approach contained in this report, the updated FRM for 2010/13 indicates capacity figures as follows;-
- a) 2010/11 - Balanced position
  - b) 2011/12 - Surplus £0.3m
  - c) 2012/13 - Financial capacity of £1.49m

These figures assume a 5% reduction in central government Formula Grant from 2011/12.

## **Legal Implications**

- 36 Local authorities must decide every year how much they are going to raise from council tax. They base their decision on a budget that sets out estimates of what they plan to spend on services. Because they decide on the council tax before the year begins and can't increase it during the year, they have to consider risks and uncertainties that might force them to spend more on their services than they planned. Allowance is made for these risks by:
- making prudent allowance in the estimates for services; and
  - ensuring that there are adequate reserves to draw on if the service estimates turn out to be insufficient.
- 37 Local government legislation requires an authority's chief finance officer to make a report to the authority when it is considering its budget and council tax. The report must deal with the robustness of the estimates and the adequacy of the reserves allowed for in the budget proposals, so members will have authoritative advice available to them when they make their decisions. This statement is included in the MTFS.

## **Risk Management**

- 38 The report has highlighted that the economic downturn has impacted upon the council's existing MTFS. The report has indicated how risks such as reduced income are to be managed.
- 39 Clearly, there is the potential risk that the economy will be in worse shape than assumed for

the purpose of budget setting. The appropriate management would be via cost reduction and a review of levels of general and specific reserves.

- 40 The additional risk that may occur is that services currently supported through former specific grants are no longer funded because of a change in priorities. This would need to be managed over time.
- 41 It is appropriate to indicate that this year's general election may impact on the assumptions made in the MTFS. As the MTFS is under regular review to allow for emerging pressures and legislative changes any consequences of a change in central government policy will be modelled and reported to Cabinet along with advice on whether any remedial action is required.

## **Consultees**

- 42 The Joint Management Team have Agreed the MTFS for recommendation to Cabinet and Council.
- 43 Strategic Monitoring Committee was consulted on 18<sup>th</sup> January 2010.
- 44 Cabinet approved the MTFS subject to the Leader, in consultation with the Director of Resources finalising budget proposals, MTFS and Council Tax proposals for recommendation to Council.
- 45 An update from the consultation with Business Rate Payers will be provided.

## **Appendices**

- 46 Appendix A – Medium Term Financial Strategy

## **Background Papers**

- Provisional Local Government Financial Settlement 2010/11
- Treasury Management Strategy 2009/10

## **Medium Term Financial Strategy 2010 – 13**

### **Foreword by the Council Leader & Cabinet Member (Resources)**

The Medium Term Financial Strategy (MTFS) is an important document because it reflects our strategic and operational intentions over a three-year time frame for the Council. The strategy continues to have a significant influence on our financial culture, helping to shift thinking and financial behaviour away from short-term budget setting to a more appropriate, longer-term approach that brings stability to our support for service improvement.

The MTFS reflects on the scale of the impact of the economic downturn that has affected the world economy and its influence on Herefordshire. We have adapted our medium term plans to address the implications of the dramatic change in the economy. Income collection from car parking, planning fees etc has dropped and with interest rates at their lowest ever level, we continue to see less interest received from cash holdings. But, at the same time, the reduced cost of borrowing means that we take the opportunity to reschedule debt if appropriate, so that we reduce the cost of existing borrowing for future generations. It is because we have a flexible MTFS that we can make decisions as and when it is appropriate to do so.

In 2009, the Council has maintained performance of its financial delivery and procedures that underpin our activity. This performance has been acknowledged by the Audit Commission with a Use of Resources score of three for “Managing Finances” that assesses the Council to be “performing well” in this important area.

2010 will be challenging as a result of the economic downturn and, it is important that we continue to strengthen the partnership between the Council, PCT and Hereford Hospital trust. This deep partnership is already paying dividends and, over the next 12 months, there will be stronger evidence of its impact, with the implementation of a shared back office service and associated systems.

**Cllr. Roger Phillips**  
**Leader of the Council**

**Cllr. Harry Bramer**  
**Cabinet Member (Resources)**

## **Foreword by the Chief Executive and Director of Resources**

Planning the use of public money and transparent accountability for Herefordshire is a key priority, from which we continue to ensure Herefordshire has financial stability and also deploys resources to support agreed priorities. This cannot be achieved if we limit our planning horizon to a single year. The Medium Term Financial Management Strategy (MTFS) helps the Council plan over a longer time framework and demonstrate how it will use its resources in the future.

The MTFS is now a key part of the way we deliver our services. It is an appropriate way to plan our expenditure and has played a part in helping maintain the Council's Use of Resources score in 2009. However, we have continued to review and, where appropriate, improve the strategy.

The MTFS has helped change Herefordshire's financial management culture. It also includes a requirement that responsibility for managing individual budgets rests with our budget managers who operate within our financial policies and procedures. The MTFS helps explain the overall position, so that we all know that financial management is part of our day-to-day activity and that we must demonstrate we provide value for money at a time when the economic downturn is having a widespread effect.

**Chris Bull**  
**Chief Executive**

**David Powell**  
**Director of Resources (Council)**



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## **1. Introduction**

- 1.1 The Medium-Term Financial Strategy (MTFS) covers the financial years 2010 to 2013 and intends to maintain financial stability, deliver annual efficiencies, and support investment in priority services, whilst demonstrating value for money and maintaining service quality.
- 1.2 The MTFS is a key part of Herefordshire's integrated corporate, service and financial planning cycle. This cycle is designed to ensure that corporate and service plans are developed in the context of available resources and that those resources are allocated in line with corporate priorities.
- 1.3 A major development since the last MTFS has been the continuation of the downturn in the economy and the clarity of how the "credit crunch", has impacted across the world. This has had a direct effect on the income earned from investing Council balances and income collected from the provision of Council services.

## **2. Economic Background**

### **2.1 Introduction**

- 2.1.1 This section outlines the global and national economic climate. 2009 has seen the continuation of the economic downturn, although there are signs that the worst of the recession has passed.

### **2.2 Overall Picture**

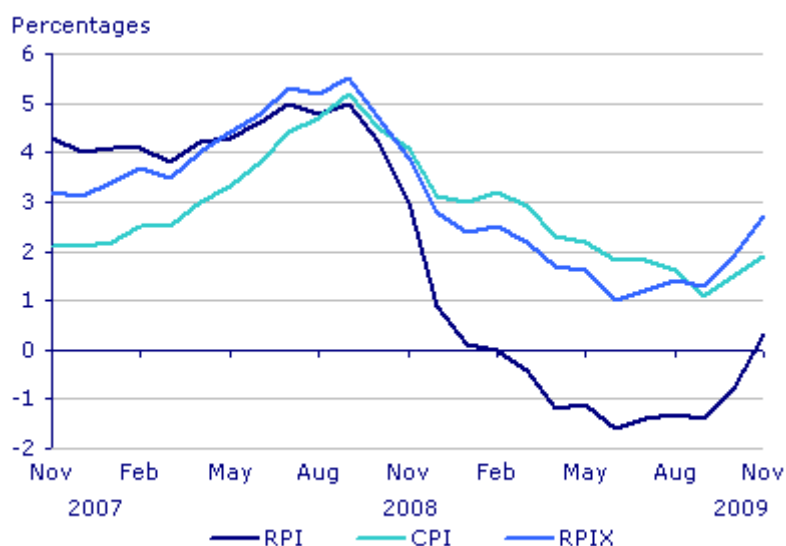
- 2.2.1 The global recession provoked an immediate liquidation of investments and loss in worldwide wealth, resulting in a tightening of lending conditions, and a widespread increase in uncertainty.
- 2.2.2 By May 2009, oil prices were down 60% and non-oil commodity prices, including internationally traded food commodities, were down 35%.
- 2.2.3 Lower food and fuel prices have cushioned the impact and helped to reduce the pressure on the current accounts of oil-importing developing countries. Policy reactions to the crisis have been swift and, although not always well coordinated, have so far succeeded in preventing a broader failure among financial institutions, and thereby avoided a much more severe collapse in production.
- 2.2.4 These policy measures have come at a cost. Fiscal balances in 2009 are expected to deteriorate by about 3 percent of GDP in high-income countries, and by about 4.4 percent of GDP in developing countries. The drop in economic activity, combined with much weaker capital flows to developing countries, is placing a large number of low and middle-income countries under serious financial strain. Many countries are having difficulty generating sufficient foreign currency from exports or borrowing to cover import demand.
- 2.2.5 Despite the rapid decline in GDP in high-income countries during the first quarter of 2009, a number of indicators point to the beginnings of an economic recovery. Stabilising and even recovering stock markets, modest improvements in exports in some countries, a recovery in consumer demand and the still-to-come demand-boosting effects of discretionary fiscal stimulus measures are among the factors pointing to the beginning of recovery.
- 2.2.6 Indicators vary by country at the moment; however, the United States and China are enjoying an economic revival compared with Western Europe and other developing regions. Moreover, several factors point to continued weakness. Unemployment continues

to rise throughout the world, housing prices in many countries are still falling and bank balance sheets are fragile. As a result, the timing and strength of the eventual recovery in the global economy remain highly uncertain. Indeed, many countries are facing growing pressure on their currencies and banking sectors. Already several high-and middle-income developing countries have entered into special borrowing agreements with the International Monetary Fund (IMF) to prevent deteriorating external and fiscal positions from getting out of hand.

## 2.3 UK Outlook

- 2.3.1 Following one of the deepest recessions the country has experienced there may be evidence the worst has passed.
- 2.3.2 The Monetary Policy Committee has been injecting money into the economy since March 2009. Quantitative easing has seen £200billion from purchasing gilts and other assets.
- 2.3.3 To reduce the UK's deficit the Treasury is proposing cuts to public sector spending, although a return to the 40% ceiling of government debt to GDP is likely to take until 2035. Public spending is expected to fall by 15% and tax rises are possible, VAT returned 17.5% in January and further rises are forecast.
- 2.3.4 The ratings agencies responded to the increasing government debt, Standard and Poors changed its UK ratings outlook from stable to negative based on concerns about the governments' abilities to deal with the required fiscal consolidation.
- 2.3.5 Bank base rate is at the lowest level since the Bank of England was founded, and set to continue through into 2011, finally rising as the economy recovers.
- 2.3.6 The Consumer Price Indices fell from 1.6% to 1.1% in September, its lowest level since 2004, it is likely to level out at an annual rate of 1.8%. The Retail Price Index currently stands at -1.4%, although in early 2010 it will move back into positive figures.

### Annual inflation rates - 12 month percentage change



- 2.3.7 In contrast to the continued low interest rate, share prices reached a 14 month high in November 2009. The FTSE 100 index rose by more than 50% since its low point in March 2009.

- 2.3.8 Unemployment increased to 2.47million in the three months to August, with the jobless rate rising from 7.6% to 7.9%, the highest since 1995. Average earnings had the lowest increase on record of just 1.9%.
- 2.3.9 Households are focused on repaying debt and saving rather than spending, this is set to continue. A 0.5% drop in consumer spending is forecast for 2010, and modest increases there after.

## 2.4 Summary of Current Situation in Herefordshire

2.4.1 The latest report “Impact of the Economic Downturn on Herefordshire” produced by Herefordshire Council Research Team uses facts and figures to give an overview of the effects of the down turn in the economy. In summary the findings suggest:

- The **unemployment** claimant count has been fairly stable since March, although medium and long term claimants and younger claimants seeing large increases.
- The **employment rate** for Herefordshire remains significantly higher than for the West Midland and England.
- Ongoing **redundancy** exercises are likely to lead to further unemployment, although the rate of redundancy seems to be decreasing.
- There has been an increase in numbers claiming **out of work benefits**, but this is largely a result of more jobseekers.
- A decrease in the number of claims received for **housing benefits and/or Council tax benefits**, since June 09, although numbers for the over 60s remain high.
- A slight increase in the percentage of **16-18 year olds not engaged in education, employment of training** in 2008.
- No clear evidence of the impact that the recession is having (or might have) on **migrant labour** or the impact that any changes in migration flows will have on local economies.
- Local businesses reported an increase in **trading (UK markets), business confidence and employment prospects** on previous quarters.
- An improvement for **trading in Hereford City**, with fewer empty shops.
- A decrease in the number of **empty business properties** over recent months, although there are still many more than prior to the credit crunch.
- A decrease in both the number of **business rates accounts** written off due to bankruptcy, but an increase in the amount of money involved.
- Mixed picture for **tourism**, an increase in the number of visitors to attractions in Herefordshire compared to 2008.
- Positive signs in the **housing market** with a slight increase in property sales and house prices.
- Levels of **homelessness** are still high (compared with 2006).
- Increase in numbers experiencing problems with **debts** needing advice/support.
- Mixed picture for impact on **community and voluntary organisations** – evidence of increased demand for services for some organisations but still able to cope with existing resources at present.
- Decline in overall levels of **crime**, but increases in burglary, violent and anti-social crimes.

## 2.5 Council’s Response to the Economic Downturn

2.5.1 The Council is intervening in a number of areas to address the negative effects of the down turn in the economy. and using its resources to stimulate the economy by:

- Reducing the payment time of invoices (target of all payments to be made within 20 days on non-disputed invoices with an aspiration for ten days)
- Revising the procurement strategy to enable local firms to be fit for purpose to win tenders
- Awareness and training seminars on tips on tendering for local firms
- Using the Herefordshire Business Portal which will publicise all Council tenders above £5k to enable local firms to bid
- Support for the Citizens Advice Bureau to enable extra advice on employment and housing
- Enabling volunteering for people to develop new skills and networks when looking for new employment
- Support for sustainability of rural shops

2.5.2 The activity to address the effects of the downturn does not just support businesses, but takes a wider view of the effect of the financial climate on communities and individuals. Therefore intervention also includes additional projects and schemes to support businesses and communities:

- Mortgage Rescue Schemes** – national and local scheme operate in the county, with the latter aimed at supporting those with dependent children, pregnant or, the vulnerable and caters those who do not fit the national criteria.
- Grant programmes** – newly introduced Business Booster Grant and Training Voucher compliments other grant schemes including Rural Enterprise Grants that provides access to finance for small scale diversification and business development projects for the benefit of rural businesses.
- Broadband improvements** - instigating an improved broadband service that will aid competitive advantage for local companies and access to service for local people.
- Housing Financial Support Packages** - The Homelessness and Housing Advice Team offer a range of preventative interventions aimed at reducing the risk of homelessness.
- Energy Efficiency grants** – These are promoted to support households to improve energy efficiency in their homes and tackle fuel poverty in support of the Affordable Warmth Strategy.
- Benefit entitlement** – awareness campaign to ensure people are aware of their benefit entitlement. The Benefit Service is increasing training for front line staff at the Info Shops around the County to give improved benefits advice to customers, and using the Council's benefit database to provide access to free school meals to children who are entitled.

2.5.3 NHS Herefordshire and Herefordshire Council are together creating 80 apprenticeships to give local people valuable experience and training and help them to gain work-based qualifications. Apprenticeships and advanced apprenticeships are aimed at people under 24, but adult apprenticeships are available for people with more workplace experience. The scheme covers a range of occupational areas including health and social care, business administration, customer service, IT, finance and dental nursing, and covers qualifications including NVQs at levels 2 & 3, key skills at levels 1 & 2 plus a related technical certificate. School careers and connexions advisors are publicising the scheme alongside attendance at career events by PCT and Council representatives.

2.5.4 For 2009/10 the Council allocated £346k as a reserve to address the economic downturn. Schemes have been initiated and will continue in 2010/11 with a focus on supporting recovery.

- 2.5.5 The potential loss of income to the Council as a result of the economic downturn has been addressed in the FRM. 2010 continues to see reduced income from planning and development control fees, car park and land charges. Services are investigating new approaches to negate the shortfall, implementing new charging regimes for pre planning advice, ensuring fees are set at full cost recovery levels where possible and barrier car parking is extended.

### **3. The National Financial Context**

#### **3.1 Introduction**

- 3.1.1 This section of the MTFS sets out the financial context at national level for local government.

#### **3.2 Pre Budget Report 2009**

- 3.2.1 The Chancellor of the Exchequer's 2009 presented the Pre-Budget statement to the House of Commons on 9<sup>th</sup> December 2009. The Chancellor said the Pre-Budget Report 'takes place at a critical time for our country and the world'. The task he said was 'to ensure recovery and promote growth', he continued, the Government needs 'to maintain support until the recovery is secured'. No announcement was made on government department spending limits after 2010/11, although the report indicated front-line schools, hospitals and policing would receive real-terms increases, whilst overall public spending growth would shrink to 0.8% by 2013/14.

- 3.2.2 Headlines from the Pre-budget report are;

##### **The Economy**

- The UK economy will shrink by 4.75% this year, a worsening of 1.25% since April's Budget, but it is predicted to grow by 1% to 1.5% in 2010.
- Economic growth is expected to increase by 3.5% in 2011 and 2012.

##### **Public Services**

- Total public spending in 2010/11 will rise by £31bn (2.2% in real terms).
- No Departmental Expenditure Limits were set beyond 2010/11. However, current spending growth will fall to an average of 0.8% a year between 2011/12 and 2014/15.
- From 2011 there will be guaranteed minimum real terms increases in spending on 'front-line NHS and schools' for two years.
- Sufficient funding to maintain the number of police and community support officers will also be provided.
- Free school meal provision will be extended to 500,000 school children not previously eligible.

##### **Tax**

- Return of VAT rate to 17.5% on 1 January 2010 confirmed. No other changes in VAT announced.
- Corporation Tax rise of 1% for small businesses postponed for a further year.
- Inheritance Tax threshold will not be raised from £325k to £350k as originally planned; however, couples will be allowed to pool their total to £650k.
- 0.5% increase in National Insurance contributions for employers, employees and self-employed from April 2011, there will be an increase in personal allowances for those earning under £20k to offset this rise.
- Monthly duty of 50p on landlines to extend super-fast broadband provision.

##### **Borrowing**

- Net debt is expected to rise to a peak of 78% of GDP in 2013/14, before decreasing.

- Public sector net borrowing will be decreased year-on-year and more than halved by 2013/14.
- Forecast borrowing will be £178bn in 2009, £3bn higher than predicted in April.
- Borrowing is estimated to be £176bn in 2010 and £140bn in 2011, falling to £96bn in 2013.
- The potential Government losses from interventions in the financial sector have been revised downwards from £50bn to £10bn.

### **Public Sector Pay and Pensions**

- From 2011 all public sector pay settlement increases will be capped at 1%, except for members of the armed forces.
- By 2012 public sector employer contributions for teachers, local government workers, NHS and the civil service employees will be capped.
- Public sector workers earning over £100k will face higher employee pension contributions.

### **Business and Employment**

- Empty commercial properties with a rateable value below £18k will continue to be exempt from business rates.
- 18-24 year olds claiming Jobseekers Allowance for six months will be guaranteed a job, work placement or work-related skills training.
- Enterprise Finance Guarantee Scheme, under which Government offers 75% loan guarantee to small businesses, will be extended to September 2010.

## **3.3 Local Government**

3.3.1 On 9<sup>th</sup> December 2009 the Government published the paper [Putting the Frontline First: smarter government](#) which contained the following measures that could affect local government finance:

- By Budget 2010 the Government will publish specific proposals to reduce ring-fencing of funding for local authorities and publish guidance on aligning and pooling local level budgets.
- The timing and co-ordination of grant payments from departments to local authorities will be aligned from 2011/12.
- Consideration will be given to single area-based capital funding, 'Total Capital', with recommendations by Budget 2010.
- The number of national indicators for local areas will be reduced by April 2010, and further reductions will be made from 2011 and, by Budget 2010, setting out plans to further align sector-specific performance frameworks across key local agencies;
- By 2010/11 the timings of all assessments, inspections and reporting arrangements which focus on similar outcomes will be coordinated; consideration will also be given to a new cross-government data gateway.
- The number of inspectorates and their work will be reviewed by Budget 2010, in order to save at least £100m.

## **3.4 Comprehensive Spending Review 2007 (CSR07)**

3.4.1 CSR07 set Departmental Expenditure Limits (DEL) for all government departments, including local government, taking account of spending plans and priorities to 2010/11. CSR07 was prepared in the context of projected lower economic growth and was tighter than the previous spending review. However it still assumed underlying economic growth and as a result CSR07 provided local government with a real increase in funding of 4% for 2010 –11, the third and final year of the review.

3.4.2 Within CSR 07 the key challenges identified for local government were;



- Adult Social Care – rising demands due to long-term demographic changes
- Education – including capital investment
- Waste – pressure to reduce household landfill
- Communities – increasing place-shaping role for Councils
- Services – rising expectation for modern and personalised services

3.4.3 Local authorities were expected to develop services within this funding regime by a rigorous pursuit of the efficiency agenda. Public services were set a target of achieving at least 3% per annum (and 4% for 2010-11), net cash releasing gains over the CSR07 period. Cashable efficiency savings of £4.9bn were expected from local government, mainly from better procurement and business processes.

3.4.4 As part of the CSR07 framework announcements around the performance framework for local government included;

- A single set of local government priorities in Public Service Agreements
- 198 national performance indicators
- A maximum of 35 national targets negotiated through Local Area Agreement.

### **3.5 Local Area Agreements (LAA) and Area Based Grants**

3.5.1 LAAs are three year agreements between central and local government, designed to meet national targets as well as local priorities. They are intended to devolve more power to local communities combining area based funding streams into an area based grant to give local authorities and their partners more flexibility to make funding decisions in response to local needs and priorities. This funding is used alongside mainstream budgets to support the achievement of specific 'improvement targets' identified in LAAs. Each LAA includes up to 35 of such targets, negotiated through the Government Office and subsequently designated by the Secretary of State

### **3.6 Local Government Settlement 2010/11**

3.6.1 The Provisional 2010/11 Local Government Finance Settlement was presented to the House of Commons on 26th November 2009, and ratified in the Final 2010/11 Local Government Finance Report (England) presented in a written statement to the House of Commons on 20 January 2010. The Final Settlement remains unchanged from those published in the Provisional Settlement.

3.6.2 In summary the headline changes between the two last two year Settlements are:

- No change for **any** authority in Formula Grant allocations, between the 2010/11 settlement announced in January and today;
- No increase in the total amount of Formula Grant allocated;
- No change to the relative block sizes;
- No change to the damping mechanism;
- No further transfers in/out of the 2009/10 baseline; *and*
- No Amending Report issues.

3.6.3 The headline changes between the Final 2010/11 and the 2009/10 Settlement are:

- a) Average 2.65% increase in Formula Grant across England;
- b) Formula grant will total £28.3bn in 2009/10 and £29bn in 2010/11, increases of 2.8% and 2.6% respectively.

- c) Total funding for Councils, including specific grants, would be £73.4bn in 2009/10, and £76.3bn in 2010/11, an increase of 4.0%.
- d) Specific grants including Area Based Grant and PFI increased by 4.7%, from £49.4bn in 2009/10 to £51.6bn in 2010/11.

- 3.6.4 There have been a number of changes in specific and general grants subjects to legislation being passed. Local authorities are likely to receive funding to implement free personal care for elderly people with the highest needs from 1 October 2010, although initial analysis suggests this funding will not be sufficient to cover the cost of the potential increase in demand.
- 3.6.5 The Government noted that the average Band D Council Tax increase was 3.0% in 2009/10 and said the Government 'expects to see it fall further next year while authorities protect and improve front line services. It was stated we expect the average Band D Council Tax increase in England to fall to a 16 year low in 2010/11'.

### **3.7 Efficiency Agenda**

- 3.7.1 The local government settlement has been accompanied by a strong focus on value for money, improving efficiency and cutting down on waste. Over the 2004 Spending Review period, departments over-delivered on the Government's value for money target by 20 per cent, achieving savings of £26.5 billion.
- 3.7.2 Over the 2007 Comprehensive Spending Review (CSR) period the Government has committed to a cash-releasing value for money target worth £35 billion by the end of 2010-11. Departments are making good progress towards their 2007 CSR targets and the 2009 Pre-Budget Report announces that £8.5 billion of efficiencies have been delivered so far. This includes savings reported in 2008-09 departmental annual reports and, where available, departmental savings reported in the first half of 2009-10.
- 3.7.3 Budget 2008 announced the next stage of the Government's programme of value for money reforms, setting up the Operational Efficiency Programme (OEP) and the Public Value Programme (PVP) to capitalise on best practice and leading thinking in the private and public sectors. Budget 2009 accepted the recommendations of the OEP reviewers that the Government could achieve £15 billion of additional efficiency savings a year by 2013-14 compared to 2007-08, in back office and IT, collaborative procurement, asset management, property and local incentives and empowerment. Budget 2009 also set out details of the early savings from the PVP and announced that the programme would be expanded to ensure demanding value for money reviews are conducted across a minimum of 50 per cent of each department's budget.

### **3.8 Economic Outlook**

- 3.8.1 The indication for local government is that there will be increasing pressure on services. Demand for services including housing, social services and economic development will increase. Regeneration will be a key priority.
- 3.8.2 The next pension fund valuation takes place in 2010. Most local authority pension schemes will have suffered a reduction in their book value since the collapse of the stock market. A recent rally in the stock market may negate some of the loss, but most will still have significant shortfalls and it is likely that Pension contributions will rise from April 2011.

## 4. Herefordshire Council's Financial Context

### 4.1 Introduction

- 4.1.1 This section of the MTFS describes Herefordshire's financial position. It is important to set the scene locally before considering the best approach to the high-level management of the Council's financial resources to ensure cash follows priorities.

### 4.2 Formula Grant

- 4.2.1 The final year of the three year settlement under CSR07 was confirmed in January 2010 with the Formula Grant uplift remaining at 4%. It is likely that future years will see a grant reduction, and the FRM assumes a reduction of 5% per annum from 2011.

	2010-11	2011-12	2012-13
Formula Grant	£57.6m	£54.7m	£52.m
Increase on like-for-like basis	+4%	-5% (assumed)	-5% (assumed)

### 4.3 Specific Grants

- 4.3.1 The allocation of specific grants was confirmed in December 2009 including Dedicated Schools Grant. The figures for Herefordshire are shown in Appendix A.

### 4.4 Dedicated Schools Grant

- 4.4.1 The Dedicated Schools Grant (DSG) is paid as a ring-fenced specific grant and must be used in support of the Schools Budget. It is the main source of income for the Schools Budget and can be used for no other purpose. The Schools Budget is made up of the Individual Schools Budget and a number of central services for pupils. DSG is based upon a per pupil formula using the actual pupil numbers from the January School Census data each year. Government sets a fixed amount per pupil for Herefordshire which is multiplied by the total pupil numbers to determine the final grant. There is specific grant certification and audit requirements to ensure appropriate use of the grant and any under or overspends must be carried forward to the next financial year. DSG cannot be used to fund general Council expenditure. Funding is delegated to schools through a funding formula that is agreed with Schools Forum.
- 4.4.2 National funding reflects factors such as deprivation, sparsity and area cost adjustments which affect urban and rural areas in different ways. Herefordshire has one of the lowest funding levels of the nationally distributed DSG at an overall ranking of 147 out of 149 authorities receiving the grant. Herefordshire will receive £4,002 per pupil in 2010/11 compared to the England national average of £4,398 and £4,027 received by our neighbour Worcestershire.
- 4.4.3 The current grant methodology ("Spend Plus") underlying the allocation of DSG to individual authorities is determined by central government and has been used for the three years. A national review of the distribution formula for DSG is currently being undertaken and is expected to be in place from 2011-12. Authorities will be consulted on the proposed changes in DSG during Spring 2010. No information on the amounts per pupil for 2011-12 onwards has been published by government pending the outcome of the DSG review although all the evidence suggest that there could be a reduced settlement for schools.

4.4.4 The Council has always sought to maintain the relative budgets of schools in Herefordshire. The most recent comparative data from the Department for Children, Schools and Families for 2008-09 shows that within our family group of 11 comparable authorities Herefordshire passport the third highest amount per pupil to schools whilst retaining the third lowest amount per pupil for central DSG services.

#### 4.5 Area Based Grant

Area Based Grant (ABG) is a general grant allocated directly to local authorities as additional revenue funding to areas. It is allocated according to specific policy criteria rather than general formulae. Local authorities are free to use all of this non-ringfenced funding as they see fit to support the delivery of local, regional and national priorities in their areas.

4.5.1 Area Based Grant has increased for 2010-11, a large proportion of the increase is due to the implications of the Personal Care at Home bill. A consultation published in December confirms that subject to legislation being passed before the end of Parliament, LAs will receive funding via ABG to implement free personal care for elderly people with the highest needs from 1 October 2010. Other transfers include the anticipated move of the Supporting People grant into ABG from 2010/11. Details are shown in the table below:

<b><u>ABG 2010-2011 as per Nov 2009</u></b>	<b>£</b>
<b><u>DEFRA</u></b>	
Environmental Damage Regulations	319
<b>Total DEFRA</b>	<b>319</b>
<b><u>Home Office</u></b>	
Community Call for Action/Overview Scrutiny Committee	2,000
Stronger Safer Communities	182,283
Young People Substance Misuse Partnership	30,568
<b>Total Home Office</b>	<b>214,851</b>
<b><u>Department for Transport</u></b>	
Detrunking	526,486
Road Safety Grant	325,645
Rural Bus Subsidy	944,776
<b>Total DfT</b>	<b>1,796,907</b>
<b><u>DCSF</u></b>	
School Development Grant	82,000
Extended Schools Start-Up Grants	334,158
Primary National Strategy - Central	115,250
Secondary National Strategy - Central co-ordination	140,930
Secondary National Strategy - Behaviour and Attendance	68,300
School Improvement Partners	108,240
Education Health Partnerships	54,796
School Travel Advisers	32,000
Choice Advisers	20,140
School Intervention Grant	69,900
14 - 19 Flexible Funding Pot	47,577
Sustainable Travel - General Duty	15,516
Extended Rights to Free Transport	330,411
Connexions	1,394,246
Children's Fund	357,170
Child Trust Fund	2,807
Positive Activities for Young People	111,608
Teenage Pregnancy	99,000

Children's Social Care Workforce	39,901
Care Matters White Paper	130,821
Child Death Review Processes	16,897
Young Peoples Substance Misuse	27,293
Designated Teacher Funding	14,891
<b>Total DCSF</b>	<b>3,613,852</b>

#### **Department of Health**

Adult Social Care Workforce	523,344
Carers	895,610
Child & Adolescent Mental Health	225,230
Learning & Disability Development Fund	131,888
Local Involvement Networks	119,134
Mental Capacity Act & Independent Mental Capacity	103,916
Mental Health	464,768
Preserved Rights	1,409,312
<b>Total DH</b>	<b>3,873,202</b>

#### **CLG**

Cohesion	75,000
Economic Assessment Duty	65,000
Supporting People Administration	101,811
Supporting People	5,592,972
<b>Total CLG</b>	<b>5,857,283</b>

**Total ABG** **15,356,414**

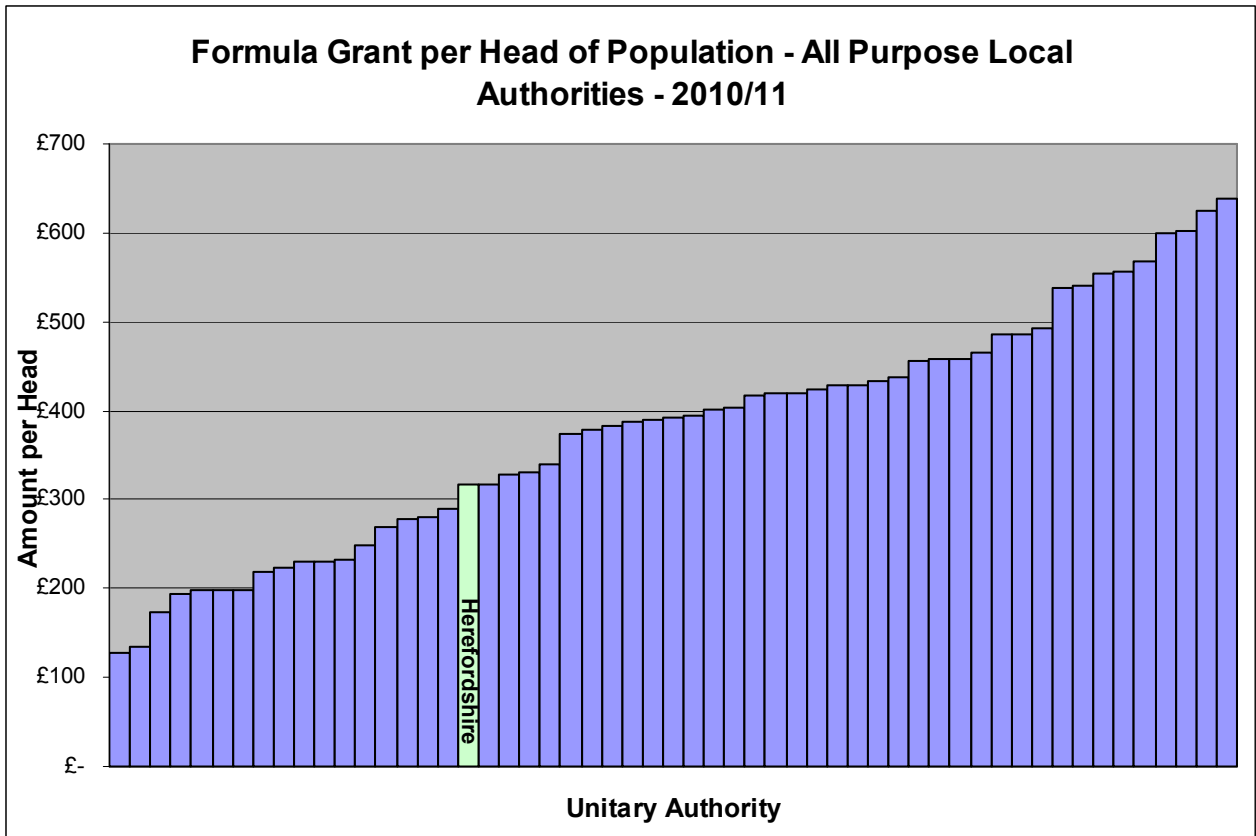
4.5.2 ABG represented a significant shift in the Government's approach to funding when it was introduced in 2008/09. It is important to stress this is not 'new' money. It is a change to the way existing grant schemes are presented and can be used. The challenge faced by all local authorities is one of transition from funding existing services using specific grants that become part of ABG. To help the transition Herefordshire's approach is that all grants automatically stay within existing service areas for the year immediately following their inclusion in ABG. Thereafter the funding decisions are part of the governance arrangements of the Herefordshire Partnership.

## **4.6 Comparative Funding Position**

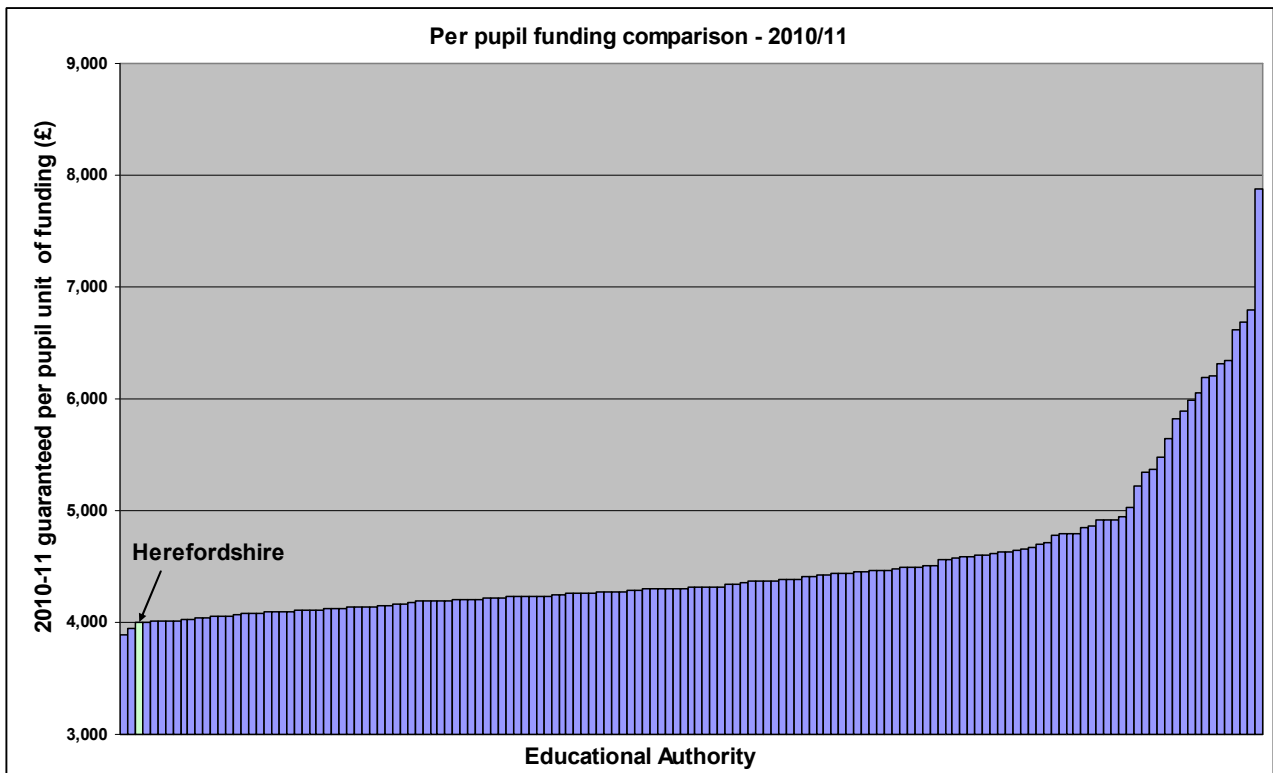
4.6.1 Herefordshire does not get a fair share of central Government funding and this continues to be the case. The 2010/11 settlement figures show that:

- a) Formula Grant per head of population is £317 – 17% below the unitary authority average of £378
- b) Dedicated Schools Grant per head of pupil is £4002 – 9% or £396 below the average of £4,398 for all English
- c) Formula Grant plus indicative DSG per head of population is £802 – 16% below the unitary authority average of £972.

4.6.2 The graph below shows Formula Grant per head of population for all unitary Councils for 2010/11. It shows that Herefordshire is 38th out of 55 unitary authorities.



4.6.3 The graph below shows DSG per pupil. Herefordshire is 147<sup>th</sup> out of 149 authorities, £68 per pupil less than the average of comparable education authorities including our neighbours Shropshire and Gloucestershire.



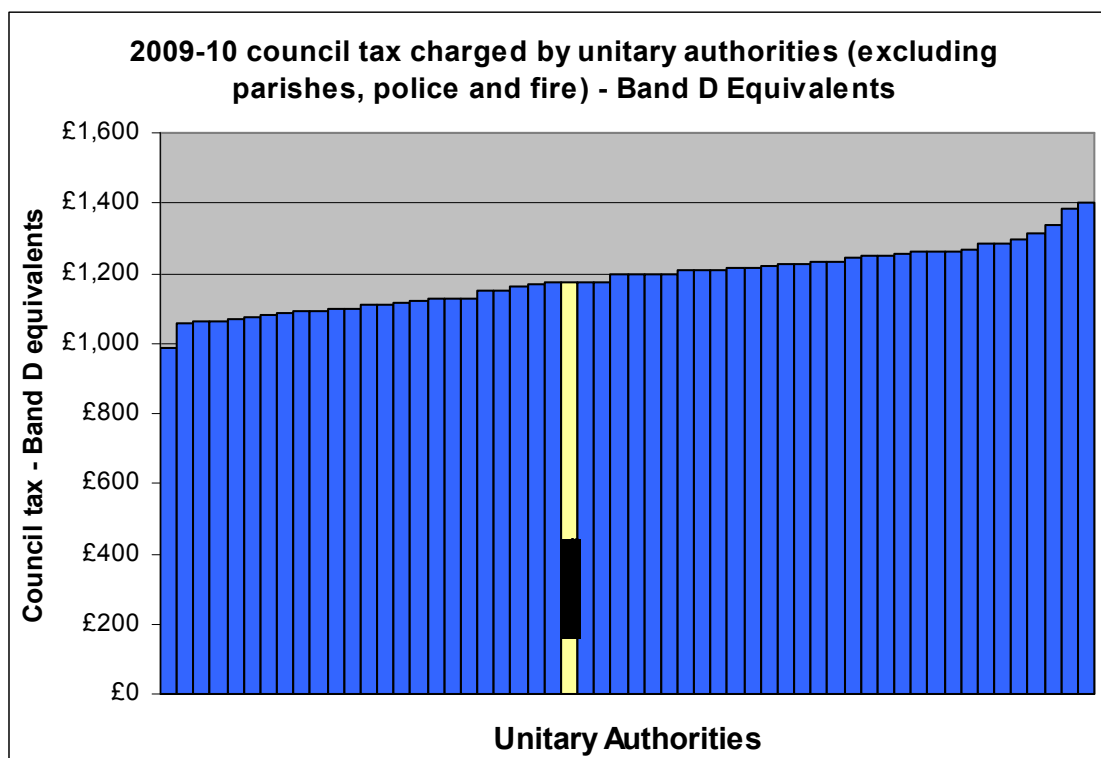
## 4.7 Council Tax

4.7.1 In December the Government stated that Councils are expected to agree Council tax increases of substantially less than 3% in 2010-11.

4.7.2 The previous section clearly demonstrated that Herefordshire does not get a fair share of central government funding. This lack of funding is not at the expense of above average levels of Council tax. In fact Herefordshire Council's Council tax for 2009-10 is below average as shown below;

	Average Council Tax excl. Parish Payments (Band D)	Difference	% Difference	Including parishes, police & fire
Herefordshire	£1,175.24	-	-	£1,454.53
Unitary authorities	£1,191.01	£15.77	1.3%	£1,428.99

4.7.3 The following graph shows Herefordshire's Council tax position in relation to other unitary authorities;



## 4.8 Reserves

### 4.8.1 Revenue Reserves

4.8.2 Herefordshire has 2 main sources of reserve funding to support the day to day spending that is recorded in the revenue account, the General Fund balance and Specific Reserves. As the titles suggest, the latter are held for a specific purpose whilst the former could be considered a general contingency.

4.8.3 The following table shows the year end balance on the General Fund and the level of Specific Reserves for the last 4 financial years plus an indicative forecast of the position at the end of 2009/10.

Balance as at:	General Fund £000	Specific Reserves		Total £000
		Schools	Other	
31st March 2006	14,525	8,739	5,203	28,467
31st March 2007	8,023	8,137	11,637	27,797
31st March 2008	6,728	5,657	10,915	23,300
31st March 2009	6,390	5,476	10,588	22,454
31 <sup>st</sup> March 2010 (forecast)	4,824	5,200	7,579	17,603

4.8.4 A significant proportion of the Specific Reserves belong to our schools and cannot be used to help pay for non-schools services.

4.8.5 The Council's policy is to maintain the General Reserve at a minimum of £4.5m (approximately 3.5% of the net revenue budget). This level of General Reserve balance is in line with recommended best practice and is consistent with the approach other similar authorities take. The Director of Resources is content to make his statutory declaration that this level of General Reserves is prudent as it provides adequate cover for demand pressures that are volatile, difficult to predict or unforeseen at the time the budget is set and that are not covered by an earmarked reserve.

#### 4.8.6 Capital Reserves

4.8.7 There is one capital reserve that represents cash available to support spending on the creation or enhancement of assets that is recorded in the capital account. It is known as the Usable Capital Receipts Reserve.

4.8.8 The following table shows the level of usable capital receipts for the last 4 financial years and an estimate for 2009-10;

Balance as at:	£000
31st March 2006	20,070
31st March 2007	22,426
31st March 2008	17,945
31st March 2009	17,558
31st March 2010	9,058

4.8.9 The Council has an asset management plan which has recently seen the purchase of Plough Lane, to house up to 1,600 Council and NHS employees. A dozen older buildings will be sold, releasing revenue savings and generating any capital receipts to repay the prudential borrowing.

4.8.10 The Council has a policy that ensures capital cash resources are used effectively in support of corporate priorities. As a result all capital receipts are a corporate resource and not 'owned' or earmarked for directorates unless allocated for a specific purpose.



## **5. Herefordshire's Policy Context**

### **5.1 Introduction**

5.1.1 This section of the MTFs describes the local policy context for Herefordshire.

### **5.2 Herefordshire Sustainable Community Strategy**

5.2.1 *The Herefordshire Sustainable Community Strategy 2006 to 2020* sets out what the Council and its partners aim to achieve to make the county an even better place to live and work. Priorities are closely aligned with central government priorities for public services. *The Local Area Agreement (LAA)* between the Council, its partners and the Government is at the heart of delivering the strategy.

### **5.3 Corporate Plan and Annual Operating Statement**

5.3.1 The current Corporate Plan sets out the Council aims over the years 2008 to 2011, including how it will realise the *Herefordshire Sustainable Community Strategy (HSCS)* and how the aims will be delivered through the LAA.

5.3.2 The Corporate Plan contains the current overall targets, milestones and actions, together with the current budgets and other resources to achieve them, over the coming years.

5.3.3 The Council's Corporate Plan themes are:

- a) Children and Young People
- b) Health and Well Being
- c) Older People
- d) Economic development and enterprise
- e) Safer and stronger communities
- f) Sustainable communities
- g) Organisational improvement and greater efficiency

5.3.4 The Council's top priorities are:

- The best possible life for every child, safeguarding vulnerable children and improving educational attainment
- Reshaped adult health and social care, so that more older and other vulnerable people maintain control of their lives
- The essential infrastructure for a successful economy, enabling sustainable prosperity for all
- Affordable housing to meet the needs of local people
- Better services, quality of life and value for money, particularly by working in partnership with the Herefordshire Primary Care Trust and other local organisations

5.3.5 The table in Appendix B illustrates the interrelationship between the Council's themes and top priorities.

5.3.6 Annual plans for individual directorates set out how their services will contribute to the corporate plan and achieve relevant targets. These flow into the plans of individual teams, with objectives and targets set annually for individual managers and their staff.

## 5.4 Public Consultation

- 5.4.1 In September 2008 the “Place Survey” was posted out to 4,200 households in Herefordshire. The “Place Survey”, known locally as the “Herefordshire quality of life survey”.
- 5.4.2 The aim of the survey is to find out what people think of the quality of life in Herefordshire, to monitor the performance of local public services, and to gather data for the new National Indicator (NI) set.
- 5.4.3 Of the 4,150 which were successfully delivered, 1,907 were complete and returned, giving a response rate of 46%. This is an improvement from the 40% seen in 2007.
- 5.4.4 From a list of 20 items, the things most frequently seen as important in **making somewhere a good place to live** were the level of crime, health services and affordable decent housing.
- 5.4.5 The things most often seen as being **in need of improvement** in the local area were road and pavement repairs, activities for teenagers and the level of traffic congestion.
- 5.4.6 The items seen as **priorities for local people** (i.e. those seen as both important and in need of improvement) were affordable decent housing, clean streets and public transport.
- 5.4.7 There has been a significant improvement in satisfaction with the **local area as a place to live** (87% satisfied, up from 69% in 2007), putting Herefordshire in the best quartile nationally (the “best quartile” means the top quarter of all authorities’ scores). There was also an improvement in satisfaction with the local community as a place to live (79% to 86% satisfied), and 92% were satisfied with their home as a place to live. 89% of over 65s were **satisfied with both their home and their neighbourhood**, which puts Herefordshire in the best quartile nationally.
- 5.4.8 66% of respondents felt they **belonged to their immediate neighbourhood** either fairly or very strongly, which puts Herefordshire in the best national quartile.
- 5.4.9 76% agreed that people from **different backgrounds got on well together** in the local area, which has seen no change since 2007, though a slight drop in national scores means Herefordshire has moved from the worst to the 3<sup>rd</sup> quartile.

## 5.5 LAA and the Herefordshire Partnership

- 5.5.1 To achieve the LAA vision, the Herefordshire Local Strategic Partnership was established, membership includes local organisations, groups and service providers, specifically:
- a) Chamber of Commerce Herefordshire and Worcestershire, and Business Link West Mercia.
  - b) Herefordshire Association of Local Councils.
  - c) Herefordshire Council.
  - d) NHS Herefordshire.
  - e) Learning & Skills Council, Herefordshire and Worcestershire.
  - f) Third Sector Organisations.
  - g) West Mercia Constabulary.
  - h) Fire Rescue Service

5.5.2 Five important principles have been embraced by the Herefordshire Partnership they are:

- Ensure an equal and inclusive society
- Integrate sustainability into all our actions
- Realise the potential of Herefordshire, its people and communities
- Build on the achievements of partnership working and ensure continual improvement
- Protect and improve Herefordshire's distinctive environment

## **5.6 The Performance Improvement Cycle (PIC)**

5.6.1 The Council links its financial planning and monitoring with corporate and LAA priorities through the annual Performance Improvement Cycle (PIC) process. The purpose of the PIC is to enable the Council to:

- a) link directly, at all stages of planning and performance management, the allocation of resources with the delivery of the Council's priorities in terms of measurable outputs and outcomes
- b) make informed choices about the trade-offs between investment in different services
- c) achieve the best possible value for money, overall and in respect of individual services
- d) make cash-releasing and non-cash-releasing savings to meet Government requirements and deliver service improvements in priority areas
- e) drive continuous performance improvement for better customer services across the Council
- f) take account of what it needs to contribute to the Herefordshire Community Strategy
- g) maximise the benefit of the developing public service arrangements with the PCT.

5.6.2 To these ends, the processes for corporate, service and financial planning are fully integrated into the cycle.

## **6. Financial Management Strategy**

### **6.1 Introduction**

6.1.1 This section of the MTFs describes Herefordshire's corporate financial objectives given the national and local context. It also covers Herefordshire's financial management proposals to achieve these objectives. This section also describes the financial management strategies for:

- a) Revenue spending.
- b) Capital investment.
- c) Efficiency review and improving Value for Money.
- d) Treasury management.

6.1.2 Active risk management is a key component of the Council's corporate governance arrangements. This section of the MTFS therefore sets out the key corporate and financial risks the Council will be monitoring to ensure it stays on course to deliver its overall objectives.

## **6.2 Corporate Financial Objectives**

6.2.1 Herefordshire's corporate financial management objectives are to:

- a) Ensure budget plans are realistic, balanced and support corporate priorities.
- b) Maintain an affordable council tax – the Financial Resource Model (FRM) in the MTFS assumes a 2.9% increase.
- c) Manage spending within budgets – Directorates have a 'non-negotiable' pact to manage outturn expenditure for each financial year within budget.
- d) Ensure sustainable balances, reserves and provisions, within a reasonable limit, consistent with the corporate financial risks and without tying up public resources unnecessarily.
- e) Create the financial capacity for strategic priorities for service improvement.
- f) Support a prudent level of capital investment to meet the Council's strategic requirements.
- g) Maintain a strong balance sheet position.
- h) Deliver and capture year on year efficiency and Value for Money improvements.
- i) Ensure an integrated approach to corporate, service and financial planning in full consultation with key stakeholders.
- j) Ensure a whole-life costing approach is taken to both revenue and capital spending decisions.

## **6.3 Managing Partnership Resources**

6.3.1 Herefordshire welcomes the opportunity to work with strategic partners to improve outcomes. However, to achieve its corporate financial management objectives, we will always seek to ensure:

- a) The financial viability of partners before committing to an agreement.
- b) Clarity of respective responsibilities and liabilities.
- c) Accounting arrangements are established in advance of operation.
- d) Implications of terms and conditions on any associated funding are considered in advance of operation

6.3.2 Area Based Grant brings together a number of existing grants and is part of a three year financial strategy designed to take the ringfencing off funding from government departments. Decision making is devolved down to the local area; in the case of Herefordshire to the six Policy and Delivery Groups which make up the Herefordshire Partnership Structure.

## **6.4 Managing external funding**

6.4.1 External funding provides another opportunity to increase financial capacity. The MTFS will be to pursue actively such opportunities, providing that:

- a) Match funding requirements are considered in advance.

- b) They support, or do not conflict or distract from, corporate priorities.
- c) They have no ongoing commitment that cannot be met by base budget savings.
- d) They do not put undue pressure on existing resources.
- e) The net cost overall is not excessive

## **6.5 Managing Developer Contributions**

- 6.5.1 This is another source of external funding that can be secured through the planning system. It may be possible to secure funding to support the cost of day-to-day services (e.g. commuted sums for maintenance of public open spaces). Support for capital infrastructure can also be achieved in this way (e.g. developer contributing to cost of new access roads).
- 6.5.2 The MTFs aims to maximise the potential for increasing financial capacity and managing growth in volumes through s106 agreements, where possible.

## **6.6 Managing Fees and Charges**

- 6.6.1 The Council is currently developing a charging strategy with the aim of implementing a corporate charging policy.
- 6.6.2 The policy will recognise the potential for discretionary charges to fund services and ensure full cost recovery where feasible and minimise the subsidy from Council budgets

## **6.7 Managing the General Fund Balance and Specific Reserves**

- 6.7.1 Herefordshire's General Fund opening balance for 2009/10 was £6.39m. This is in excess of the current policy in place to maintain a minimum balance of £4.5m.
- 6.7.2 Herefordshire's financial management strategy is to maintain specific reserves to deal with the key corporate financial risks reducing the need for a higher level of General Fund balances. This strategy ensures there is complete transparency about what is resourced, for corporate financial risks that, if realised, would affect the Council's financial standing. It represents an 'open-book' approach to accounting.
- 6.7.3 All Directorates are expected to manage budget pressures within the overall requirement to deliver an outturn at or below budget. Any in-year budget pressures must be managed by use of a recovery plan, which is approved at Joint Management Team.
- 6.7.4 The need for the range and level of specific reserves and the policy for minimum General Fund balances is continually reviewed as part of the financial planning, monitoring and outturn processes. The strategy described here provides cover for the key corporate financial risks.

## **6.8 Managing Financial Performance**

- 6.8.1 Maintaining strong financial control is a prerequisite to achieving the Council's corporate priorities and the integrity of the MTFs. Good systems and procedures are in place for regularly reporting on financial performance to Cabinet, Strategic Monitoring Committee and Scrutiny Committees as part of the integrated performance framework.

## **6.9 Efficiency Review**

- 6.9.1 Herefordshire's strategy for securing efficiency gains is to seek continual improvement in the productivity of all our resources, including people, land, property, ICT and cash.

6.9.2 Herefordshire has had a good track record delivering to the government's efficiency targets. For 2010/11 this rises to 4%. £6.7m.

6.9.3 Efficiencies identified in the FRM for 2010-11 include:

	<b>£'000</b>
Vacancy Management	762
Impact of full cost recovery for charging	225
Rationalisation of Property Services	180
Business process improvements	227
Implementation of new commissioning plan	450
Implementation of care brokerage	84
Reduction in unit costs for in-house services	159
Directorate reductions	2,528
	<b>4,615</b>

## **6.10 Value for Money (VfM)**

6.10.1 Herefordshire is committed to routinely using VfM information and benchmarking data to review and challenge VfM throughout services and corporately, supporting continuous service improvement and the drive for efficiencies. This is an integral component of the Performance Improvement Cycle.

6.10.2 We support the drive for VfM through the following mechanisms:

- a) Ensuring service managers deliver the outputs and outcomes agreed for their service area within budget, managing within budget is a key responsibility for all budget holders embedded in our staff review and development procedures.
- b) Support from the Procurement through efficient tender and other procurement processes that ensure robust quality and price.
- c) Integrating corporate, service and financial planning processes.
- d) Planning over the medium-term as well as the short-term.
- e) Developing our routine financial performance monitoring reports for Cabinet to include VfM data over the coming year.
- f) Benchmarking our costs and activities, year on year and with other authorities.
- g) Through internal and external audit reviews.
- h) Through scrutiny reviews.

## **6.11 Financial Management Strategy for Capital Investment**

### **National Picture**

6.11.1 The Council has received indicative funding notifications from central government for 2010/11. Supported Capital Expenditure allocations (borrowing supported by Revenue Support Grant) for 2010/11 totals £13.21m, split £0.89m towards children's services and £12.31m towards environment and culture.

6.11.2 Funding announcements for 2011-12 onwards are still awaited. Indications from central government are that, following the much publicised credit crunch, planned capital funding allocations are set to be halved by 2013-14 with the majority of central government available capital funding already being allocated to the Building Schools for the Future capital programme. Councils are therefore under increasing financial pressure to find

financial savings to shore up the funding gap.

6.11.3 Over the longer term authorities are expected to generate income from selling surplus assets and reduce the costs of running their property portfolios by providing efficiencies including reducing carbon emissions from their capital stock. At the same time there is increasing pressure to provide cross-cutting co-located services to provide a one-stop service provision to the public which is steering authorities to share buildings, pool resources and jointly plan strategic capital programmes with local agencies, private companies, voluntary sector and community organisations. For local authorities to deliver their priorities within the financial constraints officers must demonstrate creativity using greater innovation and ideas, to deliver services differently.

### **Herefordshire Capital Funding**

6.11.4 The FRM for the revenue account reflects the new borrowing requirement implied by the Treasury Management Strategy to support the capital programme.

6.11.5 The capital receipts reserve totalled £17.56m as at 1st April, 2009, this is likely to fall to just over £9m by the end of the financial year. Capital receipts reserve funding has been committed to fund the 2010/11 capital programme.

6.11.6 In addition the Council can fund additional borrowing to the extent it considers it is affordable and prudent to do so (Prudential borrowing).

6.11.7 The financial management strategy for increasing capital investment capacity centres on:

- a) Maximising developers' contributions as outlined in the financial management strategy for the revenue account.
- b) Effective project management of capital schemes to ensure they stay within budget.
- c) Creating the capacity to implement the property review arrangements set out in the Asset Management Plan to see what further opportunities there are for rationalising property assets and releasing resources (capital and revenue).
- d) Maintaining our successful track record for innovative capital investment schemes.
- e) Attracting external funding such as the grant allocation under the government's Building Schools for the Future programme.

6.11.8 The financial management strategy for capital investment also focuses on making sure the available resources are allocated in line with corporate priorities. To achieve this we will:

- a) Treat property assets as a corporate resource
- b) Ensure that corporate assets (including property assets and ICT infrastructure) are not neglected.
- c) Develop a corporate approach to maintaining and developing corporate assets.

### **Capital Programme 2010/11**

6.11.9 The 2010/11 capital programme represents funding indications received to date. This is subject to change following allocation of resources including additional capital grant funding announcements.

6.11.10 The following table summaries the existing capital investment programme updated for slippage, utilising in full Supported Borrowing allocated for 2010-11.

	2010/11	2011/12
	£'000	£'000
<b>Investment by directorate:-</b>		
Children's Services	35,344	5,242
Resources	10,265	2,872
Deputy Chief Executive	2,030	39
Adult Social Care	539	-
Regeneration	8,533	1,719
Environment & Culture	18,452	2,003
To be allocated	2,741	0
	<b>77,904</b>	<b>11,875</b>
<b>Which is funded by:</b>		
Supported Capital Expenditure (Revenue)	13,229	1,200
Prudential Borrowing	18,601	2,813
Capital Receipts Reserve	5,820	500
Government Grants & Contributions	40,254	7,362
	<b>77,904</b>	<b>11,875</b>

- 6.11.11 The current revenue budget allows for additional prudential borrowing of £2,741k to be allocated to capital schemes in 2010-11, this is not reflected within the above table. If this funding wasn't allocated it would improve the revenue budget position by approximately £250k per annum.
- 6.11.12 £1m prudential borrowing has been allocated to Highways maintenance. The balance remains unallocated until a fundamental review of capital schemes, both those in progress and planned, is completed. Its findings will be used to identify capital spending priorities for 2010-11 and future years.
- 6.11.13 The prudential borrowing could be utilised to fund capital budget pressures identified below:
- **Current backlog:** Backlog maintenance – a high level indication of funding requirement across all service areas totals £17,750k, of these £95k represent urgent works and £500k is required for urgent works on Halo properties. This list would need to be reviewed further to ensure the expenditure meets the definition of capital expenditure before any capital funding could be allocated.
  - **Legionella works** – last years funding allocation has proved to be insufficient to fund all works required so an additional funding is requested.
  - **Landfill sites** – there are increased liabilities at Stretton Sugwas and Leominster closed landfill sites representing replacing defective gas extraction systems, methane stripping and increased costs relating to a leachate drain at Leominster. £83k is required in 2010-11.
  - **Rotherwas Futures** – an additional £1,680k borrowing requirement has been identified to meet expected costs, this amount should be repaid from expected future capital receipts which should total £4m however £2.4m of this amount would be repaid to AWM under the original funding investment agreement.
  - **Disabled Facilities Grant** – this statutory grant is currently under enormous pressure. A bid was submitted last year for funding of £672k to be required in 2010-11 however this could be reduced to reflect slippage of funds from this financial year due to the late notification of budget and delays due to the approval of applications process. Potential new funding requirements for 2011-12 have been identified, but at this stage no funding is requested:



- **Edgar Street Grid** – there is no capital budget for this scheme, current forecasts suggest that a possible funding (mainly in relation to infrastructure works) may be required over the next 3 years however this is dependant on a number of factors that cannot be confirmed at this time.
- **Model Farm, Ross on Wye** – funding has been allocated to enable feasibility works up to planning permission. Following this the scheme recommended will require capital funding which has not been awarded to date.
- **Hereford Centre** – a new Hereford centre is required to accommodate front office staff for the Council, PCT and police.
- **Butter market** – this site requires refurbishment works, partly due to backlog maintenance issues mentioned earlier, initial indications are that the cost of these will be in excess of £3m and no funding has been identified for this. The Councils VAT partial exemption limit must be reviewed before any capital funding is awarded to this scheme.

## 6.12 Treasury Management Strategy

- 6.12.1 The Council is required to approve an annual treasury management strategy each year as part of the budget setting process. Herefordshire's Treasury Management Strategy for 2010/11, is provided at Appendix E and complies with the detailed regulations that have to be followed.
- 6.12.2 The Treasury Management Strategy is a key element of the overall financial management strategy. It supports achievement of several corporate financial objectives, including creating financial capacity within the revenue account as it aims to optimise investment and borrowing decisions.
- 6.12.3 In summary, the Treasury Management Strategy sets out the Council's strategy for making borrowing and investment decisions during the year in the light of its view on future interest rates. It identifies the types of investment the Council will use and the limits for non-specified investments. On the borrowing side, it deals with the balance of fixed to variable rate loan instruments, debt maturity profiles and rescheduling opportunities. The strategy also included the Minimum Revenue Provision (MRP) policy.
- 6.12.4 Since the 'credit crunch' a more cautious approach to investment has been implemented. This has resulted in reduced interest on investments used to support Council budgets.
- 6.12.5 The Council's treasury adviser assists the Council in formulating views on interest rates. They are predicting that the bank rate will remain at 0.50% until autumn 2010 when it will gradually rise to reach 4% by the end of 2011. These predictions are reflected in the Financial Resource Model (FRM), which includes a continued reduction in the investment income budget for 2010-11, improving by £0.6m in 2011-12.
- 6.12.6 The Treasury Management Strategy also sets the Prudential Code limits for the year and beyond. These limits define the framework within which the Council self-regulates its borrowing based on long-term affordability. These link back to the overall size of the capital investment programme and the FRM.
- 6.12.7 The Treasury Management Strategy assumes that, as far as possible, external borrowing for the capital programme will be delayed and will be funded by borrowing from internal reserves until the economic situation improves. In the current climate long term borrowing would be at considerably higher rates than investment income can generate and the number of counter parties has reduced due to poor credit ratings.

## 6.13 Key Corporate & Financial Risks

- 6.13.1 Herefordshire sees risk management as an essential element of the corporate governance framework. All formal reports include a risk management assessment. The Cabinet receives regular updates on the corporate risk register as part of our Performance Reporting arrangements.
- 6.13.2 Service Plans for each directorate provide a section on both short and long term risk, assessing the feasibility of delivering their objectives against barriers for delivery.
- 6.13.3 The most recent update of the Corporate Risk Register is provided for information at Appendix C.

## 7. Medium-Term Financial Resource Model (FRM)

### 7.1 Background

- 7.1.1 The FRM shown in Appendix D takes into account the corporate financial objectives and MTFS approach set out in this document. The FRM is designed to provide an assessment of the overall resource availability for the revenue account over the medium-term. It sets the financial context for the corporate and service planning so that the two planning processes are fully integrated. It covers the period from 2010 to 2013.

### 7.2 Assumptions

- 7.2.1 The FRM includes the following assumptions;

**a) Council Tax**

The Government's expectation for Council tax increases is substantially below 3%. The actual increase for 2009-10 was 3.9%. Currently 2.9% is assumed for 2010-11, and the following two years.

- b) Formula Grant** – the FRM reflects the final year of the three year local government finance settlement, providing 4% for 2010-11, £57.584m. Currently no indication of levels beyond 2010/11 is available. Given the likely reduction in our funding a reduction of 5% per annum is included and -5% then on.

**c) Inflation**

The current FRM includes no inflationary uplift on non pay expenditure. This challenging policy ensures that managers:

- Negotiate appropriate contracts for the provision of services.
- Manage contracts and contractor performance effectively.
- Continually review service delivery arrangements to ensure improvements in efficiency and value for money.

- d) Employers' superannuation costs** – the FRM includes increases in employers' contributions rates in line with latest actuarial advice. The next three year valuation commences in 2010 and based on current stock market valuations a significant increase in employer contributions may be necessary, but at this time are not included in the FRM.

The last valuation was completed in 2007. At that time the Fund was 72% funded (compared to 64% in 2004). The valuation provides for the Council, as an employer, to make pension contributions at a rate sufficient to eliminate the deficit on the fund over 22 years. It is also possible that a future review of the scheme will impact on the contribution level.

- e) **National Taxation** – the FRM assumes there will be an increase in national insurance contributions in 2011/12 in line with the Pre-budget report.
- f) **Interest Rates** – the FRM reflects interest rate assumptions for investment income and new borrowing costs in line with the Treasury Management Strategy for 2009/10 and forecasts for 2010-11.

### 7.3 Corporate Priorities

7.3.1 The FRM includes the following key growth items and budget pressures identified as corporate priorities

<b>Cost Pressure</b>	<b>£'000</b>
Legislative changes	807
Inflation uplifts to key contracts	1,024
Economic downturn – impact on impact	180
Demographic changes	591
Frontline service pressures	1,572
Service modernisation pump priming	566
Other service changes	489
	<b>5,249</b>

7.3.2 An additional £0.5m has been allocated to replenish the Winter Maintenance reserve that was fully utilised in January 2010, to fund the impact of the bad weather on the county's roads.

7.3.3 The implementation of the Social Care at Home bill is expected in October 2010. There is uncertainty as to the increase in clients that will need to be funded, and whether government funding will be sufficient to cover the outlay. With these uncertainties in mind an additional £0.5m is allocated in readiness for the potential cost increase.

7.3.4 Capital Investment – the FRM reflects the revenue implications of the approved capital programme (see Section 6.11)

### 7.4 Directorate Budgets

7.4.1 2010/11 presents Directorates with a series of financial challenges and also a requirement that they support the Council's overall budget position to deliver a balanced budget.

7.4.2 The Performance Improvement Cycle (PIC) as described in Section 5.8, has seen extensive involvement of the Joint Management Team (JMT). Directors have been involved in a rigorous challenge process around spending and savings proposals.

7.4.3 The final proposals by Directors is summarised in the table below;

<b>Directorate</b>	<b>Spending requirement £000</b>	<b>Estimated savings £000</b>
--------------------	--------------------------------------	-----------------------------------

Integrated Commissioning	2,097	827
Children's and Young People	1,555	540
Deputy Chief Executive	444	983
Environment and Culture	503	1,369
Regeneration	200	502
Resources	450	394
	<b>5,249</b>	<b>4,615</b>

7.4.4 The overall position is a net contribution of £634k, which is included in the FRM.

7.4.5 The table below sets out the overall 2010-11 budget for the Council. A number of growth and service budgets are being centrally held until a clear strategy for delivery is established. The 2009-10 budgets are also included for comparison purposes.

<b>Directorate</b>	<b>2009-10 Budget £000</b>	<b>2010-11 Budget £000</b>
Integrated Commissioning	38,580	38,416
Children's and Young People	23,918	23,919
Deputy Chief Executive	13,816	13,940
Environment and Culture	28,750	27,002
Regeneration	10,373	9,937
Resources	7,802	7,408
Central	14,479	22,521
	<b>137,718</b>	<b>143,143</b>

## 7.5 Shared Services/Herefordshire Connects

7.5.1 The Shared Services initiative has subsumed the Connects project into the wider Transformation Project. The overall approach is to view all corporate efficiency activity as part of the Herefordshire Connects Programme, so that maximum efficiencies are realised. In the 2010-11 the budget programme is set to realise £1m of savings, with an additional £1.6m in 2011-12. This indicates the key role the programme will make to the Council's overall financial position.

## 7.6 Sensitivity Analysis

7.6.1 The projected budgets make assumptions about likely levels of funding. The variable nature of these factors could impact on the budget and the following gives an indication of the extent of the possible changes:

- a) An increase or decrease of 0.5% in the Council tax base impacts the budget by £427k in 2010/11.
- b) 1% variance in Council tax inflation impacts the budget by £830k for 2010/11.
- c) £100k increase in budget increases Council tax by up to 0.12%.
- d) A 0.5% variance on investment interest rates equates to £83k in 2010/11.
- e) If the pay settlement varies by 1% from the FRM's assumption this has an impact of approximately £553k.

## **8. Statutory Statement by the Council's Chief Finance Officer**

The purpose of this statement is to comply with the requirements of the Local Government Act 2003 whereby the Chief Finance Officer, in the Council's case the Director of Resources must report on the:

- a) Robustness of the estimates made for the purposes of the budget calculations.
- b) Adequacy of the proposed financial reserves.

Section 25 of the Local Government Act 2003 requires the Director of Resources to report to the Council when it is setting the budget and precept (Council tax). The Council is required to take this report into account when making its budget and precept decision. The Director of Resources' report must deal with the robustness of the estimates included in the budget and the adequacy of reserves.

The Director of Resources states that to the best of his knowledge and belief these budget calculations are robust and have full regard to:

- The Council's corporate plans and strategies;
- The Council's budget strategy;
- The need to protect the Council's financial standing and manage corporate financial risks;
- This year's financial performance;
- The Government's financial policies;
- The Council's medium-term financial planning framework;
- Capital programme obligations;
- Treasury Management best practice;
- The strengths of the Council's financial control procedures;
- The extent of the Council's balances and reserves; and
- Prevailing economic climate and future prospects.

**David Powell**  
**Director of Resources**

## Specific Grants

	REVISED 20/01/2010
	£
<b>Specific Grants</b>	
<b>Education and Children's Personal Social Services</b>	
Dedicated Schools Grant	88,079,000
Schools Standards Grant (including Personalisation)	5,175,000
Ethnic Minority Achievement	47,000
Music Services	292,000
Extended Schools	723,000
Extended Schools Subsidy Grant	492,000
School Development Grant	7,244,000
School Meals	230,000
1-2-1 Tuition	729,000
Targeted Support for Primary & Secondary Strategy	1,032,000
Free Entitlement for 3-4 Year Olds	1,183,000
Sure Start, Early Years and Childcare	4,422,000
Youth Opportunity Fund	90,000
Short Breaks (Aiming High for Disabled Children)	537,000
Targeted Mental Health in Schools	150,000
Think Family Grant	349,000
Two Year Old Offer - Early Learning and Childcare	167,000
<b>Adult's Personal Social Services</b>	
Social Care Reform	886,000
Stroke Strategy	89,000
Aids Support Grant	16,000
<b>Others</b>	
Concessionary Fares	<i>not available</i>
Homelessness Basic Revenue	60,000
Growth Areas : Capital	<i>not available</i>
Growth Areas : Revenue	<i>not available</i>
<b>Capital Grants</b>	
<b>DCSF</b>	
Devolved Formula Grant	2,143,833
Extended Schools	166,130
Harnessing Technology Grant	1,091,000
Modernisation Grant	608,576
Intervention Centre	<i>not available</i>
Sure Start, Early Years & Childcare Capital Grant	1,010,347
TCF 14-19 diplomas & SEN projects	6,000,000
Youth Capital Fund	75,900
Building Schools for the Future	<i>not available</i>
Academy funding	<i>not available</i>
Aiming High	166,300
Fairplay - Playbuilders	593,177
LA Basic needs	458,156
Locally co-ordinated VA programme	435,233
Schools access initiative	285,904
<b>DEFRA</b>	
Waste Infrastructure	115,000
<b>Dept of Health</b>	
Mental Health Grant	95,000
Social Care	96,000

Improving Management Information	63,545
<b>Dept for Transport</b>	
Local Transport Plan Highways Maintenance (part -PRN bridges & Exceptional Schemes)	125,000
Local Transport Plan Integrated Transport (Part)	714,333
Road Safety	72,000
<b>Home Office Capital Grants</b>	
Safer Stronger Community Fund	22,000
<b>CLG</b>	
Disabled Facilities Grant	<i>not available</i>
Housing Market Renewal	<i>not available</i>
<b>TOTAL</b>	<b>126,329,434</b>

How the Council's themes and priorities relate to the Herefordshire Sustainable Community Strategy and the Local Area Agreement.

HSCS themes	The Corporate Plan themes	The Council's top priorities	LAA priorities
Children and young People	Children & young people	Maximise the health, safety, education, economic well-being, achievements and contribution of every child	<ul style="list-style-type: none"> <li>• Children and young people are healthy and have healthy life-styles, with less obesity and substance misuse, and better dental and sexual health</li> <li>• Children and young people are safe, secure and have stability</li> <li>• Children and young people achieve educational, personal, social and physical standards</li> <li>• Children and young people engage in further education, employment or training on leaving school</li> <li>• Children and young people engage in positive behaviour inside and out of school</li> <li>• Improved services for children, young people and their families through the work of Herefordshire's Children's Trust</li> </ul>
Healthier communities and older people	Health and well-being  Older People	Improve people's health and well-being, and reduce health inequalities, enabling people to be independent and active and to contribute to their local communities	<ul style="list-style-type: none"> <li>• People have longer, healthier lives, with reduced inequalities between different groups and localities</li> <li>• Older people living fulfilled lives as active members of their communities</li> <li>• Vulnerable people able to live safely and independently in their own homes</li> <li>• Enhanced emotional well-being, with fewer suicides</li> <li>• Personalised health and social care services, which offer people much greater choice and influence over their care</li> <li>• Improved dental health</li> <li>•</li> </ul>
Economic development and enterprise	Economic development and enterprise	Improve infrastructure and learning and employment opportunities, enabling business growth and sustainable prosperity for all	<ul style="list-style-type: none"> <li>• Higher quality, better paid jobs and reduced unemployment</li> <li>• Increased participation in learning and higher levels of skills and achievement</li> <li>• More and higher-spending visitors to the county</li> <li>• Improved quality &amp; availability of business accommodation and employment land</li> <li>• Better roads, reduced traffic congestion, with more people walking, cycling or using public transport</li> <li>• Improved dental health</li> <li>•</li> </ul>
Safer and stronger communities	Safer & Stronger communities	Make Herefordshire an even safer place to live, work and visit	<ul style="list-style-type: none"> <li>• Reduced levels of crime</li> <li>• Reduced levels of anti-social behaviour</li> <li>• Reduced harm from drugs and alcohol</li> <li>• Communities to have enhanced resilience and recovery from emergencies through effective partnership planning and co-ordination</li> <li>• Fewer accidents and injuries</li> <li>• People feel as safe as they would like to be</li> </ul>



	Sustainable communities		
Organisational improvement and greater efficiency		Being recognised as top-performing organisations that deliver value for money and ensure excellent services	<ul style="list-style-type: none"> <li>• The highest standards of leadership, governance and integrity</li> <li>• Demonstrable value for money</li> <li>• Streamlined, efficient operations, including the integrated delivery of services across the boundaries of different organisations</li> <li>• High levels of customer and citizen satisfaction</li> <li>• A highly skilled, highly motivated workforce that works in effective partnership with other organisations</li> <li>• Highly rated under Comprehensive Area Assessment and World Class Commissioning, and recognised as exemplars regionally and nationally</li> <li>•</li> </ul>
Stronger Communities		Stronger, vibrant, more inclusive communities in which people enjoy a good quality of life and feel they have influence over their lives and decisions that affect them	<ul style="list-style-type: none"> <li>• Cohesive communities in which people feel accepted, confident and empowered, regardless of race, disability, gender, sexual orientation, age, religion or belief</li> <li>• Communities and individuals participating in local decisions and influencing them</li> <li>• Affordable housing appropriate to people's needs and less homelessness, with support for vulnerable people to live independently</li> <li>• Fair access to the services residents need, including high quality sporting, cultural and recreational facilities and activities</li> <li>• People are able to participate in, the life of their communities</li> <li>• People feel as safe as they would like to be</li> <li>•</li> </ul>
The Environment		The protection and enhancement of Herefordshire's distinctive environment, and tackling climate change	<ul style="list-style-type: none"> <li>• Reduced waste and increased recycling</li> <li>• Reduced CO<sup>2</sup> emissions and successful adaptation to unavoidable impacts of climate change</li> <li>• Increased biodiversity</li> <li>• Natural resources are conserved and landscape character maintained, with sustainable land management</li> <li>• Investment in high quality streets, public spaces and the built environment</li> <li>•</li> </ul>

**CORPORATE RISK REGISTER**

**APPENDIX C**

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Risk Details						Existing Controls	Current Risk Rating				
Risk Reference Number	Corporate Objectives	Risk Description	Likelihood	Potential Consequences (Severity)	Risk Score	Controls In place	Likelihood	Consequences (Severity)	Residual Risk Score	Risk Owner	Cost of Mitigation
CR49	The best possible life for every child, safeguarding vulnerable children and improving educational attainment	Inadequate procedures in place to ensure safeguarding of children which could lead to closer scrutiny and in extreme cases a 'Baby P' case in Herefordshire. (Related NI 65 % of children becoming subject of a Child Protection Plan for a second or subsequent time)	5	5	25	External review within CYPD undertaken in 2008, reported in January 2009. Clear, robust action plan now in place monitored through the Herefordshire Safeguarding Children Board. Revised governance arrangements for the HSCB and quality assurance framework in place, including regular quality audits of cases. Multi agency procedures in place and regularly reviewed through HSCB. Programme of case audits in place and rolling out for children subject to child protection plans.	2	5	10	SM	2
CR50	The best possible life for every child, safeguarding vulnerable children and improving educational attainment	Reduction in central funding unless we address surplus places, resulting in lack of resources and subsequent decline in quality of lessons delivered	4	5	20	Herefordshire Schools Task Group has been created to explore the options taking into consideration cluster working, school leadership, sustainable schools, finance and national strategies. Paper for Cabinet consideration expected in November 2009.	3	5	15	SM	

Risk Details						Existing Controls	Current Risk Rating				
Risk Reference Number	Corporate Objectives	Risk Description	Likelihood	Potential Consequences (Severity)	Risk Score	Controls In place	Likelihood	Consequences (Severity)	Residual Risk Score	Risk Owner	Cost of Mitigation
CR51	Reshaped adult health and social care, so that more older and other vulnerable people maintain control of their lives	Significant budgetary pressures particularly in Learning Disabilities and Older People. Risk of reduced or poorer services thus inability to reach the Council's top priorities for health & well being. (Related NI's are 136, 142 and 125)	4	5	20	Additional funding from the MTFS, outcome of the PIC process allocated additional funding, efficiency savings of £300k arising from Hereford Connects are expected, increase in the Social Care Reform Grant. Other measures are in place, for full details see the report to Adult Social Care and Strategic Housing Scrutiny Committee dated 22 June 2009.	3	5	15	IW	
CR52	Reshaped adult health and social care, so that more older and other vulnerable people maintain control of their lives	Failure to make improvements in the key areas as identified by the CQC and as reported in the Performance Assessment Notebook, thus leading to the Council not meeting its absolute duty in safeguarding adults. (Related NI's are 125, 130, 132, 133, 136 and 142)	3	5	15	Implementation of the joint health and social care commissioning plans; ensure self-directed care and personalised services are offered to the majority of service users; increase range and availability of support to carers; integrate health and social care across front line services; develop and implement Older People's Strategy.	2	5	10	IW	

Risk Details						Existing Controls	Current Risk Rating				
Risk Reference Number	Corporate Objectives	Risk Description	Likelihood	Potential Consequences (Severity)	Risk Score	Controls In place	Likelihood	Consequences (Severity)	Residual Risk Score	Risk Owner	Cost of Mitigation
CR53	Organisational improvement and greater efficiency	Local Government settlements will become more severe. 2010-11 is the last year of the current three-year settlement but it cannot be guaranteed that it will not be re-opened. It is clear that the position for 2011-12 will be restricted within a range from standstill (at best) to a series of year-on-year reductions. The challenge will be to improve services whilst managing funding reductions.	5	5	25	The shared services project will help release savings and address some of the predicted shortfall. The current Value for Money training project will contribute to greater awareness of VfM issues in the organisation. The Council is working with the PCT on scenario modelling to calculate the scale of financial risk.	3	3	9	DP	
CR54	Economic Development & Enterprise	ESG Project. This is a complex project with a range of risks associated with it which have been exacerbated by the economic downturn. These risks include reputational, funding and delivery.	4	4	16	The ESG board has risk management arrangements in place in order to address each aspect of risk. Advantage West Midlands and Herefordshire Councils senior officer group are also in place to ensure progress.	4	3	12	NS/AA/RG	
CR55	Organisational improvement and greater efficiency	Inadequate procedures in place to ensure data quality which could lead to prolonged scrutiny from regulators / inspectorates (lower UoR and organisational assessments), poorer quality decisions and reduced public accountability.	4	4	16	Data quality action plan, internal audit work plan, Information management training programme, UoR annual (self) assessment and the Performance Improvement Network in place.	3	3	9	AF	

## Medium Term Financial Strategy 2010-13

MTFRM	2010/2011 Budget £'000	2011/2012 Budget £'000	2012/2013 Budget £'000
<b>Base Budget</b>	<b>137,718</b>	<b>143,143</b>	<b>143,183</b>
Total Inflation	1,762	3,293	2,891
	<b>139,480</b>	<b>146,436</b>	<b>146,074</b>
<b>Deliverable Efficiency Gains</b>			
- Inflation efficiency savings	(2,370)	0	0
<b>Transfers to/from RSG</b>			
- Student Finance	(27)	0	0
<b>MTFMS Changes</b>			
- Waste management - PFI Contract	0	500	500
- Whitecross PFI requirement (net of schools contribution)	0	200	0
- Local Development Framework	(100)	(275)	0
<b>Herefordshire Connects/Shared Services</b>			
- Revenue Costs	(1,292)	(204)	56
- Capital Financing	725	290	(48)
- Herefordshire Connects Savings	(1,000)	(1,600)	(2,200)
- Core team costs (rev)	245	9	(479)
- Core team costs (capital financing)	90	(6)	(6)
- System maintenance	166	64	0
- System staffing	124	144	0
<b>Capital Financing Costs</b>			
- Cost of borrowing	1,847	1,905	1,755
- Cashflow management	0	0	1,000
<b>Emerging Pressures</b>			
- Student Finance	(41)	(70)	(15)
- Income shortfall	0	(200)	(300)
- Carbon emissions	0	180	0
- Change management reserve	500	0	0
- Spend to save reserve	150	0	0
- Winter maintenance reserve	500	(500)	0
- Social care contingency	500	0	0
- Contingency	300	0	0
- Statutory changes creating pressures	1,581	1,064	569
- Base budget funding issues	1,771	856	907
- Other service pressures	1,897	1,490	885
<b>Efficiencies &amp; Savings</b>			
- Disinvestment in services	(60)	(200)	0
- Directorate reductions	(4,555)	(7,200)	(6,727)
<b>General reserves</b>	<b>2,000</b>	<b>0</b>	<b>0</b>
<b>LPSA reserve</b>	<b>712</b>	<b>0</b>	<b>0</b>
<b>Capacity to achieve desired Tax increase</b>		<b>300</b>	<b>1,498</b>
<b>TOTAL BUDGET</b>	<b>143,143</b>	<b>143,183</b>	<b>143,469</b>



## Treasury Management Strategy Statement and Investment Strategy 2010 to 2013

### 1. BACKGROUND

- 1.1 The Chartered Institute of Public Finance and Accountancy's Code of Practice for Treasury Management in the Public Services (the "CIPFA TM Code") requires local authorities to determine their Treasury Management Strategy Statement (TMSS). This statement also incorporates the Investment Strategy. Together, these cover the financing and investment strategy for the forthcoming financial year.
- 1.2 In response to the financial crisis in 2008 and the collapse of the Icelandic banks, in November 2009 CIPFA issued a revised Treasury Management Code of Practice and also a revised Prudential Code. Key changes relating to Member scrutiny of the Treasury Management Strategy include nominating a responsible body to oversee the treasury management function and the requirement to issue, as a minimum, a mid-year report reviewing treasury activity.
- 1.3 Herefordshire council's treasury management is subject to scrutiny by Cabinet and since September 2009 the treasury team have issued quarterly reports.
- 1.4 CIPFA defines Treasury Management as:
- "the management of the organisation's investments and 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."
- 1.5 The purpose of this Treasury Management Strategy Statement is to approve:
- Treasury Management Strategy for 2010-11 (Borrowing - Section 4, Debt Rescheduling - Section 5, Investments - Section 6)
  - Prudential Indicators – Appendix 2
  - MRP Statement – Section 8
  - Use of Specified and Non-Specified Investments – Appendix 4

### 2. CURRENT TREASURY POSITION

- 2.1 The council's treasury portfolio position as at 31<sup>st</sup> December 2009 is as follows: -

<b>DEBT POSITION</b>	<b>Principal (£)</b>	<b>Borrowing Rate (%)</b>
Public Works Loan Board	103,595,378	4.47
Market Debt *	12,000,000	4.50
<b>Total Debt</b>	<b>115,595,378</b>	<b>4.48</b>

The estimated Borrowing Requirement 2010/11 – supported borrowing approvals of approximately £13.21 million, plus the potential for an additional £18.50 million unsupported borrowing under the Prudential Code (which includes slippage from previous year). In addition refinancing of maturing debt of £267,698 in the year will be required, plus there is the possibility that the market debt of £12,000,000 will require refinancing.

\* The Market debt refers to two LOBO (Lender Option Borrower Option) loans of £6 million each (see 4.12).

<b>INVESTMENT POSITION</b>	<b>Principal (£)</b>	<b>Rate of Return (%)</b>
<b>Total Investments (Internally Managed)</b>	<b>26,110,000</b>	<b>0.81</b>

### **3. OUTLOOK FOR INTEREST RATES**

3.1 The economic interest rate outlook provided by the council's treasury adviser, is attached at Appendix 3. Financial markets remain reasonably volatile. This volatility provides opportunities for active treasury management. The council will regularly reappraise its strategy and, realign it with changing market conditions and expectations for future interest rates.

### **4. BORROWING REQUIREMENT AND STRATEGY**

4.1 The council's underlying need to borrow for capital purposes is measured by reference to its Capital Financing Requirement (CFR) – see Appendix 1. The CFR represents the cumulative capital expenditure of the local authority that has not been financed. To ensure that this expenditure will ultimately be financed, local authorities are required to make a Minimum Revenue Provision (MRP) for debt redemption from within the revenue budget each year.

4.2 Capital expenditure not financed from internal resources (i.e. capital receipts, capital grants and contributions, revenue or reserves) will produce an increase in the CFR (the underlying need to borrow) and in turn produce an increased requirement to charge MRP in the Revenue Account.

4.3 Actual external borrowing may be greater or less than the CFR, but in accordance with the Prudential Code, the council will ensure that net external borrowing (borrowing net of investments) does not, except in the short term, exceed the CFR in the preceding year plus the estimates of any additional CFR for the current and next two financial years.

4.4 The council's strategy is to maintain maximum control over its borrowing activities as well as flexibility on its loans portfolio. Capital expenditure levels, market conditions and interest rate levels will be monitored during the year in order to minimise borrowing costs over the medium to longer term. A prudent and pragmatic approach to borrowing will be maintained to minimise borrowing costs without compromising the longer-term stability of the portfolio, consistent with the council's Prudential Indicators.

4.5 In conjunction with advice from its treasury advisor, the council will keep under review the options it has in borrowing from the PWLB, the market and other sources identified in the Treasury Management Practices Schedules up to the available capacity within its CFR and Affordable Borrowing Limit (defined by CIPFA as the Authorised Limit).



## **The outlook for borrowing rates:**

- 4.6 The differential between investment earnings and debt costs, despite long term borrowing rates being around historically low levels, is expected to remain a feature during 2010/11. During the current financial year the use of internal resources in lieu of borrowing has been the most cost effective means of financing capital expenditure but, at some stage, internal resources will become depleted and require topping up. This will be closely monitored.
- 4.7 PWLB variable rates have fallen below 1%. They are expected to remain low as the Bank Rate is maintained at historically low levels to support the economy. With interest rates remaining lower for longer, a borrowing strategy that borrows long term funds as they are required may remain appropriate. Equally, variable rate funds (that avoid the cost of carry) or EIP (equal instalments of principal) that mitigate the impact are both active considerations.
- 4.8 The maximum maturity period for variable rate PWLB loans is ten years. Decisions to borrow at low, variable rates of interest will be taken after considering the absolute level of longer term interest rates, and their expected movement, together with the extent of variable rate earnings on the council's investment balances. When longer term rates move below the cost of variable rate borrowing any exposure to variable interest rates will be reviewed and, if appropriate, reduced.
- 4.9 The PWLB remains the preferred source of borrowing given the transparency and control that its facilities continue to provide.
- 4.10 The council has two bank loans of £6 million each which are LOBO loans (Lender's Option Borrower's Option). Each year, on the anniversary of taking out the loan, the lender may exercise their option to change the rate or terms of the loan. If this happens the council will consider the terms being offered and also repayment of the loan without penalty. The council may utilise cash resources for repayment or may consider replacing the loan.
- 4.11 The council will undertake a financial options appraisal process to establish how it has arrived at its 'value for money' judgement in the use of resources.

## **5. DEBT RESCHEDULING**

- 5.1 The council will continue to maintain a flexible policy for debt rescheduling. Current circumstances means opportunities for rescheduling debt will occur from time to time. The rationale for rescheduling would be one or more of the following:
- Savings in interest costs with minimal risk;
  - Balancing the the ratio of fixed to variable rate debt within the debt portfolio; or
  - Amending the profile of maturing debt to reduce any inherent refinancing risks.
- 5.2 In September 2009, the PWLB issued a Consultation document, entitled 'PWLB Fixed Rates'. The result of this consultation process is still awaited but the likely outcome is a reduction in the extent of the margins between early repayment and new borrowing rates. This would make rescheduling less expensive and more attractive.
- 5.3 Any rescheduling activity will be undertaken within the council's treasury management policy and strategy. The council will agree in advance with their treasury advisers, the strategy and framework within which debt will be repaid/rescheduled if opportunities arise. Thereafter the council's debt portfolio will be monitored against equivalent interest rates and available refinancing options on a regular basis.

- 5.4 All rescheduling activity will comply with the accounting requirements of the local authority SORP and regulatory requirements of the Capital Finance and Accounting Regulations (SI 2007 No 573 as amended by SI 2008/414).

## **6. INVESTMENT POLICY AND STRATEGY**

- 6.1 Guidance from CLG on Local Government Investments in England requires that an Annual Investment Strategy (AIS) be set.

- 6.2 To comply with the CLG's guidance, the council's general policy objective is to invest its surplus funds prudently. The council's investment priorities are:

- security of the invested capital;
- liquidity of the invested capital;
- an optimum return which is commensurate with security and liquidity.

The CLG's recent (draft) revised Guidance on investments reiterates security and liquidity as the primary objectives of a prudent investment policy. The speculative procedure of borrowing purely in order to invest is unlawful and the council will not engage in such activity.

- 6.3 Investments are categorised as 'Specified' or 'Non Specified' investments based on the criteria in the CLG Guidance. Potential instruments for the council's use within its investment strategy are contained in Appendix 4.

- 6.4 The credit crisis has refocused attention on the treasury management priority of security of capital monies invested. The draft revisions to the CLG's Investment Guidance state that a specified investment is one made with a body or scheme of "high credit quality". The council will continue to maintain a counterparty list based on these criteria and will monitor and update the credit standing of the institutions on a regular basis. This assessment will include credit ratings and other alternative assessments of credit strength as outlined in paragraph 6.14. The CLG's Draft revisions to its Guidance on local government investments recommend that the Investment Strategy should set out the procedures for determining the maximum periods for which funds may prudently be committed. Such decisions will be based on an assessment of the authority's Balance Sheet position with the limit being set in Prudential Indicator 12 - Upper Limit for total principal sums invested over 364 days.

- 6.5 With regard to the council's Joint Ownership of West Mercia Supplies and the level of balances held by this organisation; the council may, if deemed in the best interest of prudent management of the West Mercia business undertake foreign currencies transactions, such as foreign exchange deals and investments. Such dealings must have relevance to the course of business of West Mercia Supplies. These dealings will be classified as non-specified as they are not sterling denominated.

- 6.6 The council's current level of investments is presented at Appendix 1.

### **Investment Strategy**

- 6.7 The global financial situation in 2008 and 2009 has forced investors of public money to look carefully at the balance between risk and return.

- 6.8 The UK Bank Rate has been maintained at 0.5% since March 2009. Short-term money market rates are likely to remain at very low levels which will have a significant impact on investment income.

6.9 In any period of significant stress in the markets, the default position is for investments to be made with the government's Debt Management Office. This is viewed as the safest haven for council funds although the interest rate received is low (currently 0.25%).

6.10 At present the council has restricted its investment activity to:

- The Debt Management Agency Deposit Facility (The rates of interest from the DMADF are below equivalent money market rates. However, the returns are an acceptable trade-off for the guarantee that the council's capital is secure)
- AAA-rated Money Market Funds with a Constant Net Asset Value (CNAV)
- Deposits with other local authorities
- Business reserve accounts and term deposits. These are currently restricted to UK institutions that are rated at least A+ long term, and have access to the UK Government's 2008 Credit Guarantee Scheme (CGS)

6.11 Conditions in the financial sector have begun to show signs of improvement, albeit with substantial intervention by government authorities. In order to diversify the investment counterparty list, the use of comparable non-UK banks will be discussed with the council's treasury advisers as a possible option in 2010-11. Any decision will be made by the Director of Resources after seeking advice from our appointed advisors. The banks concerned are listed as potential counterparties in Appendix 4.

6.12 Counterparties are selected after analysis and careful monitoring of:

- Credit Ratings (minimum long-term AA-)
- Credit Default Swaps
- GDP; Net Debt as a Percentage of GDP
- Sovereign Support Mechanisms / potential support from a well-resourced parent institution
- Share Price

The council has also taken into account information on corporate developments and the view of the market sentiment. The council and its treasury advisers will continue to analyse and monitor these indicators and credit developments on a regular basis and respond as necessary to ensure security of the capital sums invested.

We remain sensitive to risk issues. Vigilance is key. However, recently the modest expansion of the counterparty list represents an incremental step to a return to a more active management. In order to meet requirements of the revised CIPFA Treasury Management Code, the council is focusing on a range of indicators (as stated above), not just credit ratings.

Limits for Specified Investments are set out in Appendix 4.

6.13 To protect against a prolonged period of low interest rates, one-year deposits and longer-term secure investments may be considered within the limits the council has set for Non-Specified Investments (see Appendix 4). Any non-specified investments would only be used after taking advice from the council's treasury adviser.

## **7. BALANCED BUDGET REQUIREMENT**

7.1 It is a statutory requirement under Section 33 of the Local Government Finance Act 1992, for the council to produce a balanced budget. A local authority is required to calculate its budget requirement for each financial year to include the revenue costs that flow from

capital financing decisions. This means that increases in capital expenditure must be limited to a level whereby increases in charges to revenue from: -

- increases in interest charges caused by increased borrowing to finance additional capital expenditure; and
- any increases in running costs from new capital projects are limited to a level which is affordable within the projected income of the council for the foreseeable future.

## **8. 2010/11 MRP STATEMENT**

### **Background:**

- 8.1 For many years local authorities were required by Statute and associated Statutory Instruments to charge to the Revenue Account an annual provision for the repayment of debt associated with expenditure incurred on capital assets. This charge to the Revenue Account was referred to as the Minimum Revenue Provision (MRP). In practice MRP represents the financing of capital expenditure from the Revenue Account that was initially funded by borrowing.
- 8.2 In February 2008 the Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2008 [Statutory Instrument 2008/414] were approved by Parliament and became effective on 31 March 2008. These regulations replaced the formula based method for calculating MRP which existed under previous regulations under the Local Government Act 2003. The new regulations required a local authority to determine each financial year an amount of MRP which it considers to be prudent. Linked to this new regulation, the Department of Communities and Local Government (CLG) produced Statutory Guidance which local authorities are required to follow, setting out what constitutes a prudent provision.
- 8.3 The CLG Guidance recommends that before the start of the financial year, a statement of MRP policy for the forthcoming financial year is approved by the Full Council.
- 8.4 The broad aim of the Policy is to ensure that MRP is charged over a period that is reasonably commensurate with the period over which the capital expenditure which gave rise to the debt provides benefits. In the case of borrowing supported by Revenue Support Grant, the aim is that MRP is charged over a period reasonably commensurate with the period implicit in the determination of that grant.
- 8.5 The move to International Financial Reporting Standards (IFRS) means that Private Finance Initiative (PFI) schemes and Operating Leases may be brought on Balance Sheet. Where this is the case, such items are classed in accounting terms as a form of borrowing. CLG has therefore proposed amending the Capital Finance Regulations to ensure that the impact on the Revenue account is neutral, with MRP for these items matching the principal repayment embedded within the PFI or lease agreement.

### **Options for making 'Prudent Provision'**

- 8.6 There are four options for Prudent Provision set out in the guidance:

#### **Option 1 - Regulatory**

For debt which is supported by the Government through Revenue Support Grant (RSG), authorities may continue to use the formulae under the 2003 Regulations, as RSG debt support is calculated in that way. This includes applying an adjustment (the Item A adjustment), which reduces the charge back to the former credit ceiling accounting methodology.

### **Option 2 - CFR method**

This is similar to option 1, but just uses the CFR and doesn't apply the full formula, including the Item A adjustment. Under this option the annual repayment would be higher.

### **Option 3 - Asset Life Method**

For new borrowing under the prudential system there are 2 options in the guidance. The first is to make provision over the estimated life of the asset for which the borrowing is undertaken. This can either be on an equal instalment method or an annuity basis.

### **Option 4 - Depreciation method**

An alternative to Option 3 is to make provision in line with depreciation accounting. Although this would follow standard rules for depreciation accounting there would have to be some exceptions, for example, that MRP would continue until the provision is equal to the original debt and then cease.

### **MRP Policy 2010-11**

8.7 In line with the guidance produced by the Secretary of State, the proposed policy for the 2010-11 calculation of MRP is as follows:

- Borrowing supported through the RSG grant system will be repaid in accordance with the 2003 Regulations.
- Prudential borrowing will be repaid over the life of the asset on an equal instalment basis commencing in the year following the year in which the asset first becomes operational.
- For expenditure under Regulation 25(1) (b), loans and grants towards capital expenditure by third parties, prudential borrowing will be repaid over the life of the asset in relation to which the third party expenditure is incurred.
- MRP in respect of PFI and leases brought on Balance Sheet, under the Code of Practice on Local Authority Accounting in the United Kingdom 2009 and IFRS, will match the annual principal repayment for the associated deferred liability.

## **9. REPORTING ON THE TREASURY OUTTURN**

The Director of Resources will report to Cabinet, who oversee the scrutiny of treasury management activity / performance, as follows:

- (a) A quarterly report will be produced monitoring performance against the strategy approved for the year. This will form part of the Council's overall monitoring reports.
- (b) An outturn report for the year will be issued no later than 30<sup>th</sup> September after the financial year end.

## EXISTING PORTFOLIO PROJECTED FORWARD

	Current Portfolio £m	%	31 Mar 10 Estimate £m	31 Mar 11 Estimate £m	31 Mar 12 Estimate £m	31 Mar 13 Estimate £m
<b>External Borrowing:</b>						
Fixed Rate – PWLB	103		113	135	153	157
Fixed Rate – Market	12		12	12	12	12
Variable Rate – PWLB						
Variable Rate – Market						
Existing long-term liabilities	115		125	147	165	169
<b>Investments:</b>						
Managed in-house						
- Deposits and monies on call and Money Market Funds	26		10	5	16	16
<b>(Net Borrowing Position)/ Net Investment position</b>	89		115	142	149	153

Please note that the council is awaiting information relating to the inclusion of PFI-related deferred liabilities to the table above, and so the above figures are incomplete at this draft stage.

This outstanding information also affects many of the prudential indicators in Appendix B.

## PRUDENTIAL INDICATORS 2010/11 TO 2012/13

**1 Background:**

There is a requirement under the Local Government Act 2003 for local authorities to have regard to CIPFA's Prudential Code for Capital Finance in Local Authorities (the "CIPFA Prudential Code") when setting and reviewing their Prudential Indicators. It should be noted that CIPFA undertook a review of the Code in early 2008, and issued a revised Code in November 2009.

**2. Net Borrowing and the Capital Financing Requirement:**

This is a key indicator of prudence. In order to ensure that over the medium term net borrowing will only be for a capital purpose, the local authority should ensure that the net external borrowing does not, except in the short term, exceed the total of capital financing requirement in the preceding year plus the estimates of any additional capital financing requirement for the current and next two financial years.

The Director of Resources reports that the authority had no difficulty meeting this requirement in 2009/10, nor are there any difficulties envisaged for future years. This view takes into account current commitments, existing plans and the proposals in the approved budget.

**3. Estimates of Capital Expenditure:**

3.1 This indicator is set to ensure that the level of proposed capital expenditure remains within sustainable limits and, in particular, to consider the impact on council tax.

No. 1	Capital Expenditure	2009/10 Approved £'000	2009/10 Revised £'000	2010/11 £'000	2011/12 £'000	2012/13 £'000
	<b>Total</b>	<b>66,966</b>	<b>84,595</b>	<b>77,904</b>	<b>23,675</b>	<b>13,000</b>

3.2 Capital expenditure will be financed as follows:

Capital Financing	2009/10 Approved £'000	2009/10 Revised £'000	2010/11 £'000	2011/12 £'000	2012/13 £'000
Capital receipts	2,768	10,327	5,820	500	0
Grants and contributions	34,154	45,601	40,373	7,372	0
Supported borrowing	13,567	13,567	13,210	13,000	13,000
Unsupported borrowing	16,477	15,100	18,501	2,803	0
<b>Total</b>	<b>66,966</b>	<b>84,595</b>	<b>77,904</b>	<b>11,875</b>	<b>0</b>

Note: the element to be financed from borrowing impacts on the movement in the Capital Financing Requirement.

**4. Ratio of Financing Costs to Net Revenue Stream:**

4.1 This is an indicator of affordability and highlights the revenue implications of existing and proposed capital expenditure by identifying the proportion of the revenue budget required to meet borrowing costs. The definition of financing costs is set out in paragraph 68 of the Prudential Code.

4.2 The ratio is based on costs net of investment income.

No. 2	Ratio of Financing Costs to Net Revenue Stream	2009/10 Approved £'000	2009/10 Revised £'000	2010/11 £'000	2011/12 £'000	2012/13 £'000
	Net Revenue Stream	137,718	137,718	143,143	144,000	144,000
	Financing costs	13,176	12,401	14,147	15,226	15,577
	<b>Percentage</b>	<b>9.57%</b>	<b>9.00%</b>	<b>9.88%</b>	<b>10.57%</b>	<b>10.82%</b>

## 5. Capital Financing Requirement:

5.1 Capital expenditure may be financed by various means such as applying capital receipts, by a direct charge to revenue or by applying a capital grant. If it is not to be financed by such means, the capital expenditure will add to the capital financing requirement (CFR) of the council. Basically the CFR reflects the council's underlying need to borrow.

No. 3	Capital Financing Requirement	2009/10 Approved £'000	2009/10 Revised £'000	2010/11 £'000	2011/12 £'000	2012/13 £'000
	<b>Total CFR</b>	<b>180,697</b>	<b>173,170</b>	<b>193,639</b>	<b>199,125</b>	<b>202,228</b>

5.2 The year-on-year change in the CFR is due to the following

Capital Financing Requirement	2009/10 Approved £'000	2009/10 Revised £'000	2010/11 £'000	2011/12 £'000	2012/13 £'000
<b>Balance B/F</b>	158,249	150,375	171,450	193,639	199,125
Capital expenditure financed from borrowing (per 3.2)	30,044	28,430	31,711	15,803	13,559
Revenue provision for debt Redemption.	-7596	-7355	-9178	-10,317	-10,456
<b>Balance C/F</b>	<b>180,697</b>	<b>171,450</b>	<b>193,983</b>	<b>199,125</b>	<b>202,228</b>

Please note that the council is awaiting information relating to the inclusion of PFI-related deferred liabilities to the table above, and so the above figures are incomplete at this stage.

## 6. Actual External Debt:

6.1 This indicator is obtained directly from the council's balance sheet. It is the closing balance for actual gross borrowing plus other long-term liabilities. This Indicator is measured in a manner consistent for comparison with the Operational Boundary and Authorised Limit.

No. 4	Actual External Debt as at 31/03/2009	£'000
	Borrowing	120,870
	Other Long-term Liabilities	0
	<b>Total</b>	<b>120,870</b>

## 7. Incremental Impact of Capital Investment Decisions:

7.1 This is an indicator of affordability that shows the impact of capital investment decisions on council tax levels. The incremental impact is calculated by comparing the total revenue



budget requirement of the current approved capital programme with an equivalent calculation of the revenue budget requirement arising from the proposed capital programme.

No. 5	Incremental Impact of Capital Investment Decisions	2009/10 Approved £	2010/11 £	2011/12 £	2012/13 £
	Increase in Band D Council Tax	23.68	18.85	11.71	2.16

## 8. Authorised Limit and Operational Boundary for External Debt:

- 8.1 The council has an integrated treasury management strategy and manages its treasury position in accordance with its approved strategy and practice. Overall borrowing will therefore arise as a consequence of all the financial transactions of the Council and not just those arising from capital spending reflected in the CFR.
- 8.2 The **Authorised Limit** sets the maximum level of external borrowing on a gross basis (i.e. not net of investments) for the council. It is measured on a daily basis against all external borrowing items on the Balance Sheet (i.e. long and short term borrowing, overdrawn bank balances and long term liabilities). This Prudential Indicator separately identifies borrowing from other long term liabilities such as finance leases. It is consistent with the council's existing commitments, its proposals for capital expenditure and financing and its approved treasury management policy statement and practices.
- 8.3 The Authorised Limit has been set on the estimate of the most likely, prudent but not worst case scenario with sufficient headroom over and above this to allow for unusual cash movements.
- 8.4 The Authorised Limit is the statutory limit determined under Section 3(1) of the Local Government Act 2003 (referred to in the legislation as the Affordable Limit).

No. 6	Authorised Limit for External Debt	2009/10 Approved £'000	2009/10 Revised £'000	2010/11 £'000	2011/12 £'000	2012/13 £'000
	Borrowing	190,000	150,000	180,000	205,000	225,000
	Other Long-term Liabilities	10,000	10,000	10,000	10,000	10,000
	<b>Total</b>	<b>200,000</b>	<b>160,000</b>	<b>190,000</b>	<b>215,000</b>	<b>235,000</b>

- 8.5 The **Operational Boundary** links directly to the council's estimates of the CFR and estimates of other cashflow requirements. This indicator is based on the same estimates as the Authorised Limit reflecting the most likely, prudent but not worst case scenario but without the additional headroom included within the Authorised Limit.

- 8.6 The Director of Resources has delegated authority, within the total limit for any individual year, to effect movement between the separately agreed limits for borrowing and other long-term liabilities. Decisions will be based on the outcome of financial option appraisals and best value considerations.

No. 7	Operational Boundary for External Debt	2009/10 Approved £'000	2009/10 Revised £'000	2010/11 £'000	2011/12 £'000	2012/13 £'000
	Borrowing	174,000	140,000	<b>165,000</b>	190,000	210,000
	Other Long-term Liabilities	6,000	6,000	<b>6,000</b>	6,000	6,000
	<b>Total</b>	<b>180,000</b>	<b>146,000</b>	<b>171,000</b>	<b>196,000</b>	<b>216,000</b>

**9. Upper Limits for Fixed Interest Rate Exposure and Variable Interest Rate Exposure:**

- 9.1 These indicators allow the council to manage the extent to which it is exposed to changes in interest rates. This council calculates these limits on net principal outstanding sums, (i.e. fixed rate debt net of fixed rate investments).
- 9.2 The upper limit for variable rate exposure has been set to ensure that the council is not exposed to interest rate rises which could adversely impact on the revenue budget. The limit allows for the use of variable rate debt to offset exposure to changes in short-term rates on investments

		2009/10 Approved %	2009/10 Revised %	2010/11 %	2011/12 %	2012/13 %
<b>No. 9</b>	<b>Upper Limit for Fixed Interest Rate Exposure</b>	100%	100%	100%	100%	100%
<b>No. 10</b>	<b>Upper Limit for Variable Interest Rate Exposure</b>	50%	50%	50%	50%	50%

- 9.3 The limits above provide the necessary flexibility within which decisions will be made for drawing down new loans on a fixed or variable rate basis; the decisions will ultimately be determined by expectations of anticipated interest rate movements as set out in the council's treasury management strategy.

**10. Maturity Structure of Fixed Rate borrowing:**

- 10.1 This indicator highlights the existence of any large concentrations of fixed rate debt needing to be replaced at times of uncertainty over interest rates and is designed to protect against excessive exposures to interest rate changes in any one period, in particular in the course of the next ten years.
- 10.2 It is calculated as the amount of projected borrowing that is fixed rate maturing in each period as a percentage of total projected borrowing that is fixed rate. The maturity of borrowing is determined by reference to the earliest date on which the lender can require payment.

<b>No. 10</b>	<b>Maturity structure of fixed rate borrowing</b>	<b>Lower Limit %</b>	<b>Upper Limit %</b>
	under 12 months	0%	20%
	12 months and within 24 months	0%	20%
	24 months and within 5 years	0%	30%
	5 years and within 10 years	0%	40%
	10 years and within 20 years	0%	40%
	20 years and within 30 years	50%	50%
	30 years and within 40 years		100%
	40 years and within 50 years		100%
	50 years and above		100%

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**11. Upper Limit for total principal sums invested over 364 days:**

11.1 The purpose of this limit is to contain exposure to the possibility of loss that may arise as a result of the council having to seek early repayment of the sums invested.

<b>No. 11</b>	<b>Upper Limit for total principal sums invested over 364 days</b>	<b>2009/10 Approved £'000</b>	<b>2009/10 Revised £'000</b>	<b>2010/11 £'000</b>	<b>2011/12 £'000</b>	<b>2012/13 £'000</b>
		10,000	10,000	10,000	10,000	10,000

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### Arlingclose's Economic and Interest Rate Forecast

The following is our advisors' report on economic and interest rate forecasts.

	Dec-09	Mar-10	Jun-10	Sep-10	Dec-10	Mar-11	Jun-11	Sep-11	Dec-11	Mar-12
<b>Official Bank Rate</b>										
<b>Upside risk</b>				+0.25	+0.25	+0.50	+0.50	+0.50	+0.50	+0.50
<b>Central case</b>	0.50	0.50	0.50	0.50	1.00	1.50	2.25	3.00	4.00	4.00
<b>Downside risk</b>					-0.50	-0.50	-0.50	-0.25	-0.25	-0.25
<b>1-yr LIBID</b>										
<b>Upside risk</b>				+0.25	+0.50	+0.50	+0.50	+0.50	+0.50	+0.50
<b>Central case</b>	1.25	1.25	1.25	1.50	2.00	2.75	3.50	4.00	4.25	4.25
<b>Downside risk</b>					-0.25	-0.25	-0.25	-0.25	-0.25	-0.25
<b>5-yr gilt</b>										
<b>Upside risk</b>		+0.25	+0.25	+0.25	+0.50	+0.50	+0.50	+0.50	+0.50	+0.50
<b>Central case</b>	2.60	2.70	2.80	2.90	3.00	3.25	3.50	3.75	4.00	4.25
<b>Downside risk</b>		-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25
<b>10-yr gilt</b>										
<b>Upside risk</b>			+0.25	+0.25	+0.25	+0.25	+0.25	+0.25	+0.25	+0.25
<b>Central case</b>	3.60	3.75	3.75	4.00	4.00	4.25	4.25	4.50	4.50	4.75
<b>Downside risk</b>			-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25
<b>20-yr gilt</b>										
<b>Upside risk</b>		+0.25	+0.25	+0.25	+0.25	+0.25	+0.25	+0.25	+0.25	+0.25
<b>Central case</b>	4.10	4.25	4.50	4.75	4.75	5.00	5.00	5.00	5.00	5.00
<b>Downside risk</b>		-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25
<b>50-yr gilt</b>										
<b>Upside risk</b>	+0.25	+0.25	+0.25	+0.50	+0.50	+0.50	+0.50	+0.50	+0.50	+0.50
<b>Central case</b>	4.00	4.25	4.50	4.50	4.50	4.75	4.75	4.75	4.75	4.75
<b>Downside risk</b>			-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25

- The recovery in growth is likely to be slow and uneven, more “W” than “V” shaped. The Bank of England will stick to its lower-for-longer stance on policy rates.
- Gilt yields will remain volatile; yields have been compressed by Quantitative Easing and will rise once QE tapers off and if government debt remains at record high levels.
- Central banks will eventually wind down and exit their emergency liquidity provisions and shrink their balance sheets, but official interest rates in the UK, Eurozone and US will stay low for some while.
- There are significant threats to the forecast from potential downgrades to sovereign ratings and/or political instability.

## SPECIFIED AND NON SPECIFIED INVESTMENTS

### Specified Investments identified for use by the council

Specified Investments will be those that meet the criteria in the CLG Guidance, i.e. the investment

- is sterling denominated
- has a maximum maturity of 1 year
- meets the “high” credit criteria as determined by the council or is made with the UK government or is made with a local authority in England, Wales and Scotland.
- the making of which is not defined as capital expenditure under section 25(1)(d) in SI 2003 No 3146 (i.e. the investment is not loan capital or share capital in a body corporate).

“Specified” Investments identified for the council’s use are:

- Deposits in the DMO’s Debt Management Account Deposit Facility
- Deposits with UK local authorities
- Deposits with banks and building societies
- \*Certificates of deposit with banks and building societies
- \*Gilts : (bonds issued by the UK government)
- \*Bonds issued by multilateral development banks
- AAA-rated Money Market Funds with a Constant Net Asset Value (Constant NAV)
- Other Money Market Funds and Collective Investment Schemes– i.e. credit rated funds which meet the definition of a collective investment scheme as defined in SI 2004 No 534 and SI 2007 No 573.

\* Investments in these instruments will be on advice from the council’s treasury advisor.

For credit rated counterparties, the minimum criteria will be the short-term / long-term ratings assigned by Moody’s Investors Services, Standard & Poor’s or Fitch Ratings, as follows:

Long-term minimum: A1 (Moody’s) or A+ (S&P) or A+(Fitch)

Short-term minimum: P-1 (Moody’s) or A-1 (S&P) or F1 (Fitch).

The council will also take into account information on corporate developments of and market sentiment towards investment counterparties.

New specified investments will be made within the following limits:

<b>Instrument</b>	<b>Country</b>	<b>Counterparty</b>	<b>Maximum Limit of Investments £m</b>
Term Deposits	UK	DMADF, DMO	No limit
Term Deposits/ Call Accounts	UK	Other UK Local Authorities	No limit
Term Deposits/ Call Accounts	UK	Abbey	£5 million
Term Deposits/ Call Accounts	UK	Bank of Scotland/Lloyds	£5 million

Term Deposits/ Call Accounts	UK	Barclays	£5 million
Term Deposits/ Call Accounts	UK	Clydesdale	£5 million
Term Deposits/ Call Accounts	UK	HSBC	£5 million
Term Deposits/ Call Accounts	UK	Nationwide	£5 million
Term Deposits/ Call Accounts	UK	Royal Bank of Scotland	£5 million
Term Deposits/ Call Accounts	Australia	Australia and NZ Banking Group	£5 million
Term Deposits/ Call Accounts	Australia	Commonwealth Bank of Australia	£5 million
Term Deposits/ Call Accounts	Australia	National Australia Bank Ltd	£5 million
Term Deposits/ Call Accounts	Australia	Westpac Banking Corp	£5 million
Term Deposits/ Call Accounts	Canada	Bank of Montreal	£5 million
Term Deposits/ Call Accounts	Canada	Bank of Nova Scotia	£5 million
Term Deposits/ Call Accounts	Canada	Canadian Imperial Bank of Commerce	£5 million
Term Deposits/ Call Accounts	Canada	Royal Bank of Canada	£5 million
Term Deposits/ Call Accounts	Canada	Toronto-Dominion Bank	£5 million
Term Deposits/ Call Accounts	Finland	Nordea Bank Finland	£5 million
Term Deposits/ Call Accounts	France	BNP Paribas	£5 million
Term Deposits/ Call Accounts	France	Calyon (Credit Agricole Group)	£5 million
Term Deposits/ Call Accounts	France	Credit Agricole SA	£5 million
Term Deposits/ Call Accounts	Germany	Deutsche Bank AG	£5 million
Term Deposits/ Call Accounts	Netherlands	Rabobank	£5 million
Term Deposits/ Call Accounts	Spain	Banco Bilbao Vizcaya Argentaria	£5 million
Term Deposits/ Call Accounts	Spain	Banco Santander SA	£5 million
Term Deposits/ Call Accounts	Switzerland	Credit Suisse	£5 million
Term Deposits/ Call Accounts	US	JP Morgan	£5 million
Gilts	UK	DMO	No limit
Bonds	EU	European Investment Bank/Council of Europe	£5 million

AAA rated Money Market Funds	UK/Ireland/Luxembourg	CNAV MMFs	£5 million per fund
Other MMFs and CIS	UK	Collective Investment Schemes	£5 million

## NB

**Non-UK Banks** - these will be restricted to a maximum exposure of 25% per country to limit the risk of over-exposure to any one country.

(Non-UK banks are not currently being used but, on the advice of the council's treasury advisor, Arlingclose Ltd, they may be considered in 2010-11)

**MMFs** – Arlingclose Ltd emphasise diversification for all investments including MMFs and advise that, as far as is practicable, the council should spread their investments in Money Market Funds between two funds or more.

**Group Limits** - For institutions within a banking group, Arlingclose advise a group 20% limit.

## **Non-Specified Investments determined for use by the council**

Having considered the rationale and risk associated with Non-Specified Investments, the following have been determined for the council's use:

	In-house use	Maximum maturity	Max % of portfolio	Capital expenditure?
<ul style="list-style-type: none"> <li>▪ Deposits with banks and building societies</li> <li>▪ Certificates of deposit with banks and building societies</li> </ul>	<p style="text-align: center;">✓</p> <p style="text-align: center;">✓</p>	5 yrs	25% in aggregate	No
Gilts and bonds <ul style="list-style-type: none"> <li>▪ Gilts</li> <li>▪ Bonds issued by multilateral development banks</li> <li>▪ Bonds issued by financial institutions guaranteed by the UK government, e.g. GEFCO</li> <li>▪ Sterling denominated bonds by non-UK sovereign governments</li> </ul>	✓ (on advice from treasury advisor)	10 years	20% in aggregate	No
Money Market Funds and Collective Investment Schemes (pooled funds which meet the definition of a collective investment scheme as defined in SI 2004 No 534 and SI 2007 No 573) but which are not credit rated	✓ (on advice from treasury advisor)	These funds do not have a defined maturity date	20%	No
Government guaranteed bonds and debt instruments (e.g. floating rate notes) issued by corporate bodies (e.g. gov't bonds issued by HBOS / RBS / Nationwide, etc)	✓	10 years	20%	Yes



Non-guaranteed bonds and debt instruments (e.g. floating rate notes) issued by corporate bodies	✓	10 years	20%	Yes
Collective Investment Schemes (Pooled funds) which do not meet the definition of collective investment schemes in SI 2004 No 534 or SI 2007 No 573	✓ (on advice from treasury advisor)	These funds do not have a defined maturity date	£20%	Yes

In determining the period to maturity of an investment, the investment should be regarded as commencing on the date of the commitment of the investment rather than the date on which funds are paid over to the counterparty.

For investing in banks for periods in excess of one year, the banks must have the following minimum credit ratings:

	<u>Long-term</u>	<u>Short-term</u>
Fitch	AA- (AA minus)	F1+
Moody's	Aa3	P-1
S&P	AA- (AA minus)	A-1+

DRAFT



<b>MEETING:</b>	<b>COUNCIL</b>
<b>DATE:</b>	<b>5 FEBRUARY 2010</b>
<b>TITLE OF REPORT:</b>	<b>HEREFORDSHIRE COUNCIL AND NHS HEREFORDSHIRE JOINT CORPORATE PLAN</b>
<b>REPORT BY:</b>	<b>LEADER OF THE COUNCIL</b>

**CLASSIFICATION:** Open

### **Wards Affected**

County-wide

### **Purpose**

To invite Council to approve the Council and NHS Herefordshire Joint Corporate Plan vision, objectives and long-term outcomes.

### **Recommendation**

**THAT: Council approve the Herefordshire Council and NHS Herefordshire Joint Corporate Plan vision, objectives and long-term outcomes at Appendix 1 to the report.**

### **Key Points Summary**

- The Council's current corporate plan is out-of-date and a new one is required for 2010-13.
- A joint corporate plan between the Council and NHS Herefordshire is needed to specify what their close partnership is intended to achieve over this period.
- The Plan has been prepared to be affordable within the medium term financial strategies of the two organisations.

### **Alternative Options**

- 1 The Council's constitution requires there to be an up-to-date Corporate Plan. This could, as in the past, be for the Council alone. However, the uniquely close partnership established with NHS Herefordshire requires a sound basis for the specification and performance management of their joint vision, objectives and desired long-term outcomes. The Joint Corporate Plan will provide this, and forms part of the Council's Budget and Policy Framework

### **Reasons for Recommendations**

- 2 As for Alternative Options.

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Further information on the subject of this report is available from  
Steve Martin, Corporate Policy and Research Manager, on (01432) 261877

## **Introduction and Background**

- 3 The Council's existing corporate plan is due for its periodic refresh. To provide a sound basis for the close partnership with NHS Herefordshire a joint plan is needed.
- 4 The draft Joint Corporate Plan 2010-13, comprising the vision, objectives and long-term outcomes, is at Appendix 1.
- 5 Under the Constitution, it is for the Executive to ensure that the Plan is implemented. Appendix 2 provides, for information, the present draft of the performance indicators and associated targets, key projects and milestones that would be used to achieve this and provide the basis for strategic performance management.
- 6 The PCT Board is being invited to approve the Plan at its meeting on 28th January 2010.

## **Key Considerations**

- 7 The draft has been considered and commended in the context of the proposed Medium Term Financial Strategy by the Herefordshire Public Services Steering Group as well as the Joint Management Team. It was considered by the Overview and Scrutiny Committee at its meeting on 18<sup>th</sup> January, which welcomed the format of the draft Joint Corporate Plan and (referring to Appendix 2) made a number of recommendations to the Executive in relation to its implementation.
- 8 Cabinet agreed to consider Overview and Scrutiny Committee's suggestions in finalising Appendix 2, and further agreed to commend The Joint Corporate Plan (Appendix 1) for Council's approval.

## **Community Impact**

- 9 The Joint Corporate Plan sets out what Herefordshire Council and NHS Herefordshire intend to achieve over the coming three years to improve services and the quality of life for the people of Herefordshire.

## **Financial Implications**

- 10 None. The plan is designed to be deliverable within the medium term financial strategies.

## **Legal Implications**

- 11 None.

## **Risk Management**

- 12 The major risk is that future levels of Government funding and controls of local authority and NHS expenditure could make the Plan unaffordable. The Joint Corporate Plan has been prepared so as to be affordable within the cautious assumptions about future funding in the medium term financial strategies of the Council and NHS Herefordshire. The Chief Executive will keep under review the potential organisational impact of changes in the financial and operational context, including as regards national and local requirements for efficiency savings. If the assumptions made in the medium term financial strategies were to prove unfounded, the Joint Corporate Plan may need to be reviewed.

## **Consultees**

- 13 The Herefordshire Public Services Steering Group, the Joint Management Team and the Overview and Scrutiny Committee.

## **Appendices**

- 14 Appendix 1: Proposed Joint Corporate Plan vision, objectives and long-term outcomes  
Appendix 2: Present draft of the performance indicators and associated targets, key projects and milestones

## **Background Papers**

None.



PROPOSED JOINT CORPORATE PLAN 2010-13 FOR HEREFORDSHIRE COUNCIL AND NHS HEREFORDSHIRE

OUR VISION

*Herefordshire will be a place where people, organisations and businesses, working together within an outstanding natural environment, will bring about sustainable prosperity and well-being for all*

**The Council and NHS Herefordshire, working together to deliver efficient, excellent services and improved outcomes for the people of Herefordshire, will take action to tackle the following major challenges for the county:**

- Low pay, low skills and the need for better infrastructure
- Avoidable ill-health and accidents
- Safeguarding vulnerable children and adults, including the increasing number of people aged over 85
- Improving access to affordable housing and key services, especially for those living in rural areas
- Doing all we can to combat climate change locally and deal with its impact
- Reducing inequalities by improving people’s life-chances
- At a time of severe constraints on public spending and people’s incomes, and growing demand for public services, ensuring excellence and value for money

OUR PRIORITY THEMES

Economic development and enterprise	Healthier communities and older people	Children and young people	Safer communities	Stronger communities	The environment	Organisational improvement and greater efficiency
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OUR STRATEGIC OBJECTIVES

1. Improve infrastructure and learning and employment opportunities, enabling business growth and sustainable prosperity for all	2. Improve people’s health and well-being, and reduce health inequalities, enabling people to be independent and active and to contribute to their local communities	3. Maximise the health, safety, education, economic well-being, achievements and contribution of every child	4. Make Herefordshire an even safer place to live, work and visit	5. Stronger, vibrant, more inclusive communities in which people enjoy a good quality of life and feel they have influence over their lives and decisions that affect them	6. The protection and enhancement of Herefordshire’s distinctive environment, and tackling climate change	7. Being recognised as top-performing organisations that deliver value for money and ensure excellent services
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LONG TERM OUTCOMES

1.1. Higher quality, better paid jobs and reduced unemployment	2.1. People have longer, healthier lives, with reduced inequalities between different groups and localities	3.1. Children and young people are healthy and have healthy life-styles, with less obesity and substance mis-use, and better dental and sexual health	4.1. Reduced levels of crime	5.1. Cohesive communities in which people feel accepted, confident and empowered, regardless of race, disability, gender, sexual orientation, age, religion or belief	6.1. Reduced waste and increased recycling	7.1. The highest standards of leadership, governance and integrity
1.2. Increased participation in learning and higher levels of skills and achievement	2.2. Older people living fulfilled lives as active members of their communities	3.2. Children and young people are safe, secure and have stability	4.2. Reduced levels of anti-social behaviour	5.2. Communities and individuals participating in local decisions and influencing them	6.2. Reduced CO <sup>2</sup> emissions and successful adaptation to unavoidable impacts of climate change	7.2. Demonstrable value for money
1.3. More and higher-spending visitors to the county	2.3. Vulnerable people able to live safely and independently in their own homes	3.3. Children and young people achieve educational, personal, social and physical standards	4.3. Reduced harm from drugs and alcohol	5.3. Affordable housing appropriate to people’s needs and less homelessness, with support for vulnerable people to live independently	6.3. Increased biodiversity	7.3. Streamlined, efficient operations, including the integrated delivery of services across the boundaries of different organisations
1.4. Improved quality & availability of business accommodation and employment land	2.4. Enhanced emotional well-being, with fewer suicides	3.4. Children and young people engage in further education, employment or training on leaving school	4.4. Communities to have enhanced resilience and recovery from emergencies through effective partnership planning and co-ordination	5.4. Fair access to the services residents need, including high quality sporting, cultural and recreational facilities and activities	6.4. Natural resources are conserved and landscape character maintained, with sustainable land management	7.4. High levels of customer and citizen satisfaction
1.5. Better roads, reduced traffic congestion, with more people walking, cycling or using public transport	2.5. Personalised health and social care services, which offer people much greater choice and influence over their care	3.5. Children and young people engage in positive behaviour inside and out of school	4.5. Fewer accidents and injuries	5.5. People are able to participate in, the life of their communities	6.5. Investment in high quality streets, public spaces and the built environment	7.5. A highly skilled, highly motivated workforce that works in effective partnership with other organisations
	2.6. Improved dental health	3.6. Improved services for children, young people and their families through the work of Herefordshire’s Children’s Trust	4.6. People feel as safe as they would like to be			7.6. Highly rated under Comprehensive Area Assessment and World Class Commissioning, and recognised as exemplars regionally and nationally





## OUR VISION

*Herefordshire will be a place where people, organisations and businesses, working together within an outstanding natural environment, will bring about sustainable prosperity and well-being for all*

**The Council and NHS Herefordshire, working together to deliver efficient, excellent services and improved outcomes for the people of Herefordshire, will take action to tackle the following major challenges for the county:**

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- Improving access to affordable housing and key services, especially for those living in rural areas
- Doing all we can to combat climate change locally and deal with its impact
- Reducing inequalities by improving people's life-chances
- At a time of severe constraints on public spending and people's incomes, and growing demand for public services, ensuring excellence and value for money

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## OUR OBJECTIVES

Priority theme	Economic development and enterprise	Healthier communities and older people	Children and young people	Safer communities	Stronger communities	The environment	Organisational improvement and greater efficiency
<a href="#">Strategic objectives</a>	1. Improve infrastructure and learning and employment opportunities, enabling business growth and sustainable prosperity for all	2. Improve people's health and well-being, and reduce health inequalities, enabling people to be independent and active and to contribute to their local communities	3. Maximise the health, safety, education, economic well-being, achievements and contribution of every child	4. Make Herefordshire an even safer place to live, work and visit	5. Stronger, vibrant, more inclusive communities in which people enjoy a good quality of life and feel they have influence over their lives and decisions that affect them	6. The protection and enhancement of Herefordshire's distinctive environment, and tackling climate change	7. Being recognised as top-performing organisations that deliver value for money and ensure excellent services

## OUR ACTIONS AND TARGETS

1	Economic development and enterprise	Healthier communities and older people	Children and young people	Safer communities	Stronger communities	The environment	Organisational improvement and greater efficiency																								
<p><u>Long-term outcome</u></p>	<p>1.1. Higher quality, better paid jobs and reduced unemployment</p>	<p>2.1. People have longer, healthier lives, with reduced inequalities between different groups and localities</p>	<p>3.1. Children and young people are healthy and have healthy life-styles, with less obesity and substance mis-use, and better dental and sexual health</p>	<p>4.1. Reduced levels of crime</p>	<p>5.1. Cohesive communities in which people feel accepted, confident and empowered, regardless of race, disability, gender, sexual orientation, age, religion or belief</p>	<p>6.1. Reduced waste and increased recycling</p>	<p>7.1. The highest standards of leadership, governance and integrity</p>																								
<p><u>Measures and targets</u></p>	<ul style="list-style-type: none"> <li>• Working age people on out-of-work benefits (NI 152 / LAA). <u>Targets:</u> ○ 2010-11: 8.4% ○ 2011-12: 8.2% ○ 2012-13: 8.0%</li> <li>• Average earnings of employees in the area (NI 166) <u>Targets:</u> ○ 2010-11: £390 ○ 2011-12: £390 ○ 2012-13: £400</li> <li>• Overall employment rate (NI 151) <u>Targets:</u> ○ 2010-11: 70% ○ 2011-12: 70% ○ 2012-13: 70%</li> </ul>	<ul style="list-style-type: none"> <li>• Reducing health inequalities (WCC) ○ Reduce the gap in life expectancy between the most and least 10% deprived of the population.</li> <li>• Alcohol harm-related hospital admission rates (NI 39 / LAA / WCC) <u>Targets:</u> ○ 2010-11: ○ 2011-12: ○ 2012-13: Rate of alcohol-related admissions per 100,000 population</li> <li>• Mortality rate from all circulatory diseases at ages &lt; 75 (NI 121 / LAA / WCC) <u>Targets:</u></li> </ul> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th>CHD*</th> <th>Stroke**</th> </tr> </thead> <tbody> <tr> <td>10-11</td> <td></td> <td></td> </tr> <tr> <td>11-12</td> <td></td> <td></td> </tr> <tr> <td>12-13</td> <td></td> <td></td> </tr> </tbody> </table> <p>* Coronary Heart Disease / per 100,000 population **Deaths within 30days</p> <ul style="list-style-type: none"> <li>• Stopping smoking (NI 123 / LAA / WCC) <u>Targets:</u> ○ 2010-11: ○ 2011-12: ○ 2012-13: Rate per 100,000 population aged 16 and over</li> <li>• Waits for elective care (PCT VSA04) <u>Targets</u> <i>To be set March 2010</i></li> <li>• Under 75s premature mortality from cancer [WCC] <u>Targets:</u> ○ 2010-11: ○ 2011-12: ○ 2012-13: Per 100,000 population (figures from WCC strategic outcomes 2010-14)</li> <li>• Life expectancy at time of birth, years – males / females [WCC] <u>Targets: (years)</u></li> </ul> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th>Male</th> <th>Female</th> </tr> </thead> <tbody> <tr> <td>2010-11</td> <td></td> <td></td> </tr> <tr> <td>2011-12</td> <td></td> <td></td> </tr> <tr> <td>2012-13</td> <td></td> <td></td> </tr> </tbody> </table> <p>(figures from WCC strategic outcomes 2010-14)</p>		CHD*	Stroke**	10-11			11-12			12-13				Male	Female	2010-11			2011-12			2012-13			<ul style="list-style-type: none"> <li>• Effectiveness of child and adolescent mental health services (NI 51 / LAA / PCT VSB 12) <u>Targets:</u> ○ 2010-11: 16 points ○ 2011-12: 16 points ○ 2012-13: 16 points</li> <li>• Obesity among primary school age children in year 6 (NI 56 / LAA / local PCT PI / WCC) <u>Targets:</u> ○ 2010-11: ○ 2011-12: ○ 2012-13; (figures from WCC strategic outcomes 2010-14)</li> <li>• Children and Young People (C&amp;YP) participation in sporting opportunities (NI 57 / LAA) <u>Targets:</u> ○ 2010-11: 96% ○ 2011-12: 96% ○ 2012-13: 96%</li> <li>• Chlamydia prevalence (NI 113 / PCT VSB13) <u>Targets: screening numbers</u> ○ 2010-11: 6,930 ○ 2011-12: 8,930 ○ 2012-13: 10,000 (target being checked)</li> <li>• Substance misuse (NI 115) <u>Targets:</u> ○ 2010-11: 11% ○ 2011-12: 10.8% ○ 2012-13: 10.5%</li> <li>• Access to primary dental services (PCT VSB18) <u>Targets: Rate per 1,000</u> ○ 2010-11: 335 ○ 2011-12: 355 ○ 2012-13:</li> <li>• Aged five MMR immunisation rate (PCT VSB10-6 / WCC) <u>Targets:</u> ○ 2010-11: ○ 2011-12: ○ 2012-13: (figures from WCC strategic outcomes 2010-14)</li> </ul>	<ul style="list-style-type: none"> <li>• Rate of proven reoffending by young people (NI19 / LAA) <u>Targets*:</u> ○ 2010-11: 1.13 ○ 2011-12: ○ 2012-13:</li> <li>• Priority and prolific offenders (NI 30 / LAA) <u>Targets*:</u> ○ 2010-11: ○ 2011-12: ○ 2012-13:</li> <li>• Local indicator: All recorded crime <u>Targets*:</u> ○ 2010-11: ○ 2011-12: ○ 2012-13:</li> </ul> <p><i>*Note: Targets for the above indicators to be agreed with partners.</i></p>	<ul style="list-style-type: none"> <li>• Percentage of people who believe that people from different backgrounds get on well together (NI 1 / LAA) <u>Targets:</u> ○ 2010-11: 79.4% ○ 2011-12: * ○ 2012-13: 82%</li> <li>• People's satisfaction with their local area as a place to live (NI 5) <u>Target:</u> ○ 2010-11: 89% ○ 2011-12: * ○ 2012-13: 90% <i>*Note: Targets are measured via Place Survey. No target set for 2011-12 as Place Survey is undertaken bi-annually</i></li> <li>• Measure of what disadvantaged/minority groups feel about the above – based on Herefordshire 100 findings [Local] Baseline – 2009: 76% <u>Target:</u> ○ 2012-13: 79% <i>Note – Herefordshire 100 survey is not carried out on an annual basis</i></li> </ul>	<ul style="list-style-type: none"> <li>• Residual household waste per household (NI 191 / LAA) <u>Targets:</u> ○ 2010-11: 691kgs ○ 2011-12: 690kgs ○ 2012-13: 690kgs</li> <li>• Percentage of household waste sent for reuse, recycling and composting (NI 192) <u>Targets:</u> ○ 2010-11: 41% ○ 2011-12: 41% ○ 2012-13: 41%</li> <li>• Percentage of municipal waste landfilled. (NI 193) <u>Targets:</u> ○ 2010-11: 60% ○ 2011-12: 55% ○ 2012-13: 50%</li> </ul>	<ul style="list-style-type: none"> <li>• Standards of leadership, governance and integrity as judged by the Audit Commission, the Care Quality Commission, Ofsted and the Local Government Standards Board [Local] ○ 2010-11: ○ 2011-12: ○ 2012-13:</li> <li>• Ombudsman complaints dealt with within 28 days <u>Targets:</u> ○ 2010-11: 100% ○ 2011-12: 100% ○ 2012-13: 100%</li> <li>• Accounts which contain an unqualified audit opinion (Council and PCT) <u>Target: (each year)</u> ○ No qualification by the Audit Commission</li> <li>• Achievement of Key statutory financial targets (PCT) <u>Target: (each year)</u> ○ To remain within resources limits ○ To remain within capital resources limit ○ To remain within cash drawing limit</li> </ul>
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<p><u>Key projects</u></p>	<ul style="list-style-type: none"> <li>○ Park and ride scheme ▪ June 2012</li> <li>○ Connect 2 Cycle route ▪ March 2013</li> <li>○ Progress Edgar Street Grid (ESG) scheme ▪ December 2011</li> <li>○ Inward investment strategy ▪ June 2010</li> <li>○ Manage Rural Grants Programme ▪ December 2013</li> <li>○ Support home working businesses and small, business growth ▪ March 2011</li> <li>○ Revised economic development strategy ▪ October 2011</li> <li>○ Develop and deliver externally funded worklessness programme ▪ March 2011</li> </ul>	<ul style="list-style-type: none"> <li>○ World Class Commissioning Strategy and integration into Health and Social Care commissioning plans ▪ Jan 2011</li> <li>○ Herefordshire Population Health Improvement Business Plan 2010-11 ▪ Commences April 2010 – to be reviewed January 2011</li> <li>○ Early Intervention – Improving management of long term condition to reduce admissions and improve health and well-being ▪ March 2011</li> <li>○ Reduce Emergency admissions ▪ March 2011</li> <li>○ Improve services and quality of life for Older People in Herefordshire NOT CLEAR <b>WHAT THIS PROJECT IS</b> ▪ March 2011</li> </ul>	<ul style="list-style-type: none"> <li>○ World Class Commissioning Strategy and integration into Health and Social Care commissioning plans ▪ Jan 2011</li> <li>○ Herefordshire Population Health Improvement Business Plan 2010-11 ▪ Commences April 2010 – to be reviewed January 2011</li> </ul>	<ul style="list-style-type: none"> <li>○ Integrated Offender Management System ▪ September 2011</li> </ul>	<ul style="list-style-type: none"> <li>○ Equality and community cohesion programmes ▪ April 2010 to March 2013</li> <li>○ Hereford multi-use centre ▪ December 2010</li> <li>○ Recovery Plan ▪ March 2011</li> </ul>	<ul style="list-style-type: none"> <li>○ Introduce recycling for schedule 2 household waste ▪ December 2010</li> <li>○ Evaluate the benefits of introducing recycling for trade waste ▪ December 2011</li> <li>○ Local development scheme ▪ September 2011</li> <li>○ Minimise waste - deliver variation to waste disposal PFI ▪ May 2012</li> </ul>	<ul style="list-style-type: none"> <li>○ Joint Medium Term Financial Management Strategy ▪ December 2010</li> <li>○ Overarching Section 75 Framework ▪ March 2011</li> <li>○ 2011 Census ▪ March 2011</li> </ul>																								

2	Economic development and enterprise	Healthier communities and older people	Children and young people	Safer communities	Stronger communities	The environment	Organisational improvement and greater efficiency
<a href="#">Long-term outcome</a>	1.2. Increased participation in learning and higher levels of skills and achievement	2.2. Older people living fulfilled lives as active members of their communities	3.2. Children and young people are safe, secure and have stability	4.2. Reduced levels of anti-social behaviour	5.2. Communities and individuals participating in local decisions and influencing them	6.2. Reduced CO <sup>2</sup> emissions and successful adaptation to unavoidable impacts of climate change	7.2. Demonstrable value for money
<a href="#">Measures and targets</a>	<ul style="list-style-type: none"> <li>Working age people qualified to Level 2 or higher (NI 163 / LAA) <b>Targets:</b> <ul style="list-style-type: none"> <li>2010-11: 78.9%</li> <li>2011-12: 82.0%</li> <li>2012-13: 85.0%</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Achieving independence for older people through rehabilitation and intermediate care (NI 125) <b>Targets:</b> <ul style="list-style-type: none"> <li>2010-11: 78</li> <li>2011-12: 80</li> <li>2012-13: 81</li> </ul> </li> <li>Satisfaction of people over 65 with both home and neighbourhood (NI 138) <b>Targets:</b> <ul style="list-style-type: none"> <li>2010-11: 91</li> <li>2011-12: 91</li> <li>2012-13: 91</li> </ul> </li> <li>Local bus passenger journeys originating in the authority area (NI 177) <b>Targets:</b> <ul style="list-style-type: none"> <li>2010-11: 3,200,000</li> <li>2011-12: 3,350,000</li> <li>2012-13: 3,500,000</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Initial assessments for social care done within seven days (NI 59) <b>Targets:</b> <ul style="list-style-type: none"> <li>2010-11: 80%</li> <li>2010-12: 90%</li> <li>2010-13: 100%</li> </ul> </li> <li>Participation of looked-after children in their reviews (PAF CF/ 63) <b>Targets:</b> <ul style="list-style-type: none"> <li>2010-11: 100%</li> <li>2011-12: 100%</li> <li>2012-13: 100%</li> </ul> </li> <li>Percentage of children becoming the subject of a child protection plan for a second or subsequent time (NI 65) <b>Targets:</b> <ul style="list-style-type: none"> <li>2010-11: 12%</li> <li>2011-12: 10%</li> <li>2012-13: 10%</li> </ul> </li> <li>Number of Common Assessment Framework (CAF) assessments completed across agencies [Local] <b>Targets:</b> <ul style="list-style-type: none"> <li>2010-11: 500</li> <li>2011-12: 700</li> <li>2012-13: 800</li> </ul> </li> <li>Percentage of completed actions following quality audits [Local] <b>Targets:</b> <ul style="list-style-type: none"> <li>2010-11: 85%</li> <li>2011-12: 88%</li> <li>2012-13: 90%</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Dealing with concern about anti-social behaviour (NI 21 / LAA) <b>Targets:</b> <ul style="list-style-type: none"> <li>2010-11: 30.4</li> <li>2011-12:</li> <li>2012-13:</li> </ul> </li> <li>Rate of proven re-offending by young people (NI 19 LAA) <b>Targets:</b> <ul style="list-style-type: none"> <li>2010-11: 1.13</li> <li>2011-12:</li> <li>2012-13:</li> </ul> </li> <li>Local indicator - Number of anti-social behaviour incidents <b>Targets:</b> <ul style="list-style-type: none"> <li>2010-11: 11,048</li> <li>2011-12:</li> <li>2012-13:</li> </ul> </li> <li>Local indicator - Number of criminal damage incidents <b>Targets:</b> <ul style="list-style-type: none"> <li>2010-11: 2,386</li> <li>2011-12:</li> <li>2012-13:</li> </ul> </li> </ul> <p><i>*Note: Targets for the above indicators to be agreed with partners.</i></p>	<ul style="list-style-type: none"> <li>Civic participation (NI 3) <b>Targets:</b> <ul style="list-style-type: none"> <li>2010-11: 17.5%</li> <li>2011-12:*</li> <li>2012-13: to be set</li> </ul> </li> <li>Influencing decisions in the locality (NI 4 / LAA) <b>Targets:</b> <ul style="list-style-type: none"> <li>2010-11: 32.3%</li> <li>2011-12: *</li> <li>2012-13: 35%</li> </ul> </li> </ul> <p><i>*Note: Targets are measured via Place Survey. No target set for 2011-12 as Place Survey is undertaken bi-annually</i></p> <ul style="list-style-type: none"> <li>Measure of what disadvantaged/ minority groups feel in relation to the above – based on <i>Herefordshire 100 findings</i> [Local] <b>Targets:</b> <ul style="list-style-type: none"> <li>2010-11:</li> <li>2011-12:</li> <li>2012-13:</li> </ul> </li> </ul> <p><b>May move to SAFER</b></p>	<ul style="list-style-type: none"> <li>Council CO<sup>2</sup> emissions (NI 185) <b>Targets:</b> <ul style="list-style-type: none"> <li>2010-11: 1.25% reduction</li> <li>2011-12: 1.25% reduction</li> <li>2012-13: 1.25% reduction</li> </ul> </li> <li>CO<sup>2</sup> reduction in Local Authority area (NI 186 / LAA) <b>Targets:</b> <ul style="list-style-type: none"> <li>2010-11: 13.10%</li> <li>2011-12: 16.10%</li> <li>2012-13: 19.10%</li> </ul> </li> <li>CO<sup>2</sup> reduction PCT [local] <b>Targets:</b> <ul style="list-style-type: none"> <li>2010-11:</li> <li>2011-12:</li> <li>2012-13:</li> </ul> </li> <li>Adapting to climate change (NI 188) <b>Targets:</b> <ul style="list-style-type: none"> <li>2010-11: level 1</li> <li>2011-12: level 1</li> <li>2012-13: level 2</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>NI 179: Value for money (vfm) expressed as the total net value of ongoing cash-releasing vfm gains that have impacted since the start of the financial year. <b>Targets:</b> <ul style="list-style-type: none"> <li>2010-11: 4% efficiency savings</li> <li>2011-12: 5% efficiency savings</li> <li>2012-13:</li> </ul> </li> <li>Value for money (NI 179) <b>Target:</b> <ul style="list-style-type: none"> <li>2011-12: To be in upper quartile for NI 179 when compared with statistical neighbours</li> </ul> </li> <li>Delivery of target savings identified in budget process <b>Targets:</b> <ul style="list-style-type: none"> <li>2010-11: 4%/£6.678m</li> <li>2011-12: 4%/£6.678m</li> <li>2012-13: 4%/£6.678m</li> </ul> </li> <li>Shared Services Strategy <b>Target:</b> <ul style="list-style-type: none"> <li>2011-2012: £3.3m savings</li> </ul> </li> </ul>
<a href="#">Key projects</a>	<ul style="list-style-type: none"> <li>Support home working businesses and small, business growth ▪ March 2011</li> <li>Develop and deliver Adult Learning Plan for academic year 2010/11 ▪ August 2011</li> <li>Pursue creation of University gateway facility in Hereford City ▪ September 2010</li> <li>1<sup>st</sup> Steps to Learning and Wider Family Learning ▪ July 2010</li> </ul>	<ul style="list-style-type: none"> <li>Improve services and quality of life for Older people in Herefordshire ▪ March 2011</li> <li>World Class Commissioning Strategy and integration into Health and Social Care commissioning plans ▪ Jan 2011</li> <li>Herefordshire Population Health Improvement Business Plan 2010-11 ▪ Commences April 2010 – to be reviewed January 2011</li> <li>Review and improve dementia services ▪ March 2011</li> </ul>	<ul style="list-style-type: none"> <li>Common Assessment Framework – Team Around the Child (CAFTAC) programme ▪ Monitoring system for capturing data around need/unmet need to assess impact of CAF and inform future commissioning established by April 2010</li> <li>Targeted CAF training strategy delivered from January 2010</li> <li>E-learning packages for CAF, Lead Professional and integrated working implemented from January 2010</li> <li>Partner engagement in CAF monitored through number of CAFs completed by each setting and balance of Lead Professionals from January 2010</li> <li>Corporate Parenting Strategy implementation ▪ Children in Care Council set up by January 2010</li> <li>Corporate Parenting Panel established by February 2010</li> <li>Integrated looked after children and young people's service established by September 2010</li> <li>Corporate Parenting action plan achieved by March 2011</li> <li>Safeguarding and Vulnerable Children Service Review ▪ Review implemented from April 2010</li> <li>Children in Need teams aligned with localities by December 2010</li> <li>Integrated looked after children and young people's service established by September 2010</li> <li>Safeguarding Unit recruited to and reconfigured by September 2010</li> <li>Multi-agency referral and assessment contact point established by September 2010</li> <li>Review of progress undertaken by July 2011</li> </ul>	<ul style="list-style-type: none"> <li>Develop 20/20 vision scheme ▪ March 2011.</li> </ul>	<ul style="list-style-type: none"> <li>Community engagement (inc participatory budgets &amp; Democracy First) ▪ October 2010</li> <li>Implementation of the LEADER ▪ April 2011</li> <li>Develop working relationship with the voluntary and community sector ▪ April 2011</li> <li>Equality and community cohesion programmes ▪ April 2010 to March 2013</li> <li>Local development scheme ▪ September 2011</li> </ul>	<ul style="list-style-type: none"> <li>Produce planning policy documentation outside of Local Development Scheme ▪ March 2011</li> </ul>	<ul style="list-style-type: none"> <li>Develop overarching Section 75 Framework ▪ March 2011</li> </ul>

3	Economic development and enterprise	Healthier communities and older people	Children and young people	Safer communities	Stronger communities	The environment	Organisational improvement and greater efficiency																								
<u>Long-term outcome</u>	1.3. More and higher-spending visitors to the county	2.3. Vulnerable people able to live safely and independently in their own homes	3.3. Children and young people achieve educational, personal, social and physical standards	4.3. Reduced harm from drugs and alcohol	5.3. Affordable housing appropriate to people's needs and less homelessness, with support for vulnerable people to live independently	6.3. Increased biodiversity	7.3. Streamlined, efficient operations, including the integrated delivery of services across the boundaries of different organisations																								
<u>Measures and targets</u>	<ul style="list-style-type: none"> <li>The number of people attending:</li> <li><u>Targets:</u> <ul style="list-style-type: none"> <li>University of the great outdoors: <ul style="list-style-type: none"> <li>2010-11: &gt;4,500</li> <li>2011-12: &gt;4,500</li> <li>2012-13: &gt;4,500</li> </ul> </li> <li>Food Festival: <ul style="list-style-type: none"> <li>2010-11: &gt; 8,000</li> <li>2011-12: &gt; 8,000</li> <li>2012-13: &gt; 8,000</li> </ul> </li> <li>Summer walking festival <ul style="list-style-type: none"> <li>2010-11: &gt; 1,000</li> <li>2011-12: &gt; 1,000</li> <li>2012-13: &gt; 1,000</li> </ul> </li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Delayed transfers of care from hospitals (NI 131 / PCT VSC10) <ul style="list-style-type: none"> <li><u>Targets:</u> <ul style="list-style-type: none"> <li>2010-11: 27 (APW)</li> <li>2011-12: To be set</li> <li>2012-13: To be set (APW = Average per week) <i>Remaining targets to be set March 2010</i></li> </ul> </li> </ul> </li> <li>Aggregation of timeliness of social care assessments (NI 132) <ul style="list-style-type: none"> <li><u>Targets:</u> <ul style="list-style-type: none"> <li>2010-11: 92</li> <li>2011-12: 93</li> <li>2012-13: 95</li> </ul> </li> </ul> </li> <li>Aggregation of timeliness social care packages (NI 133) <ul style="list-style-type: none"> <li><u>Targets:</u> <ul style="list-style-type: none"> <li>2010-11: 92</li> <li>2011-12: 93</li> <li>2012-13: 95</li> </ul> </li> </ul> </li> <li>Carers receiving needs assessment or review and a specific carer's service, or advice and information (NI 135 / LAA) <ul style="list-style-type: none"> <li><u>Targets:</u> <ul style="list-style-type: none"> <li>2010-11: 22.9%</li> <li>2011-12: 25%</li> <li>2012-13: 30%</li> </ul> </li> </ul> </li> <li>Number of vulnerable people who are supported to maintain independent living (NI142) <ul style="list-style-type: none"> <li><u>Targets:</u> <ul style="list-style-type: none"> <li>2010-11: 98.5</li> <li>2011-12: 99</li> <li>2012-13: 99</li> </ul> </li> </ul> </li> <li>Providing community transport services for disadvantaged people – local service level agreements with each Community Transport Provider <ul style="list-style-type: none"> <li><u>Targets:</u> <ul style="list-style-type: none"> <li>2010-11: 44,000</li> <li>2011-12: 44,000</li> <li>2012-13: 44,000</li> </ul> </li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Achievement of 78+ points across the Early Years Foundation Stage (NI 72 / LAA) <ul style="list-style-type: none"> <li><u>Targets:</u> <ul style="list-style-type: none"> <li>2010-11: 53.5%</li> <li>2011-12: 55%</li> <li>2012-13: 58%</li> </ul> </li> </ul> </li> <li>Achievement at Key Stage 2, Level 4 in English and Maths (NI 73 / LAA) <ul style="list-style-type: none"> <li><u>Targets:</u> <ul style="list-style-type: none"> <li>2010-11: 79%</li> <li>2011-12: 80%</li> <li>2012-13: 82%</li> </ul> </li> </ul> </li> <li>Five or more GCSEs at A* - C, inc English &amp; Maths (NI 75 / LAA) <ul style="list-style-type: none"> <li><u>Targets:</u> <ul style="list-style-type: none"> <li>2010-11: 60%</li> <li>2011-12: 62%</li> <li>2012-13: 62%</li> </ul> </li> </ul> </li> <li>Secondary school persistent absence rate (NI 87 / LAA) <ul style="list-style-type: none"> <li><u>Targets:</u> <ul style="list-style-type: none"> <li>2010-11: 5.9%</li> <li>2011-12: 5.7%</li> <li>2012-13: 5.5%</li> </ul> </li> </ul> </li> <li>Narrowing the gap between the lowest 20% in the Early Years Foundation Stage Profile and the rest (NI 92 / LAA) <ul style="list-style-type: none"> <li><u>Targets:</u> <ul style="list-style-type: none"> <li>2010-11: 32%</li> <li>2011-12: 30%</li> <li>2012-13: 29%</li> </ul> </li> </ul> </li> <li>Progression by 2 levels in English and Maths at Key Stage 2 (NI 93 &amp; NI 94 / LAA) <table border="1" data-bbox="688 1350 1056 1457"> <thead> <tr> <th>Targets:</th> <th>NI 93</th> <th>NI 94</th> </tr> </thead> <tbody> <tr> <td>2010-11:</td> <td>89%</td> <td>87%</td> </tr> <tr> <td>2011-12:</td> <td>90%</td> <td>88%</td> </tr> <tr> <td>2012-13:</td> <td>92%</td> <td>90%</td> </tr> </tbody> </table> </li> <li>Achievement of looked-after children (aggregation of NI 99, NI 100 and NI 101 - all LAA PIs) <table border="1" data-bbox="688 1552 1056 1670"> <thead> <tr> <th>Targets:</th> <th>NI 99 &amp; NI 100</th> <th>NI 101</th> </tr> </thead> <tbody> <tr> <td>2010-11:</td> <td>50%</td> <td>22%</td> </tr> <tr> <td>2011-12:</td> <td>50%</td> <td>22%</td> </tr> <tr> <td>2012-13:</td> <td>50%</td> <td>22%</td> </tr> </tbody> </table> </li> <li>Achievement at KS1 (local) <ul style="list-style-type: none"> <li><u>Targets:</u> (2010-13) <ul style="list-style-type: none"> <li>Literacy; level 2B+ 59%</li> <li>Maths; level 2B+ 79%</li> <li>Reading; level 2B+ 70%</li> <li>Writing; level 3 15%</li> <li>Maths; level 3 24%</li> </ul> </li> </ul> </li> </ul>	Targets:	NI 93	NI 94	2010-11:	89%	87%	2011-12:	90%	88%	2012-13:	92%	90%	Targets:	NI 99 & NI 100	NI 101	2010-11:	50%	22%	2011-12:	50%	22%	2012-13:	50%	22%	<ul style="list-style-type: none"> <li>Alcohol harm-related hospital admission rates (NI 39 / LAA / WCC) <ul style="list-style-type: none"> <li><u>Targets:</u> <ul style="list-style-type: none"> <li>2010-11:</li> <li>2011-12:</li> <li>2012-13:</li> </ul> </li> <li>Rate of alcohol-related admissions per 100,000 population (figures from WCC strategic outcomes 2010-14)</li> </ul> </li> <li>Drug users in effective treatment (NI 40/ LAA/ PCT VSB 14) <ul style="list-style-type: none"> <li><u>Targets:</u> <ul style="list-style-type: none"> <li>2010-11: 552</li> <li>2011-12:</li> <li>2012-13:</li> </ul> </li> <li><i>*Note: Targets for the above indicators to be agreed with partners.</i></li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Number of affordable homes delivered (NI 155 / LAA) <ul style="list-style-type: none"> <li><u>Targets:</u> <ul style="list-style-type: none"> <li>2010-11: 275</li> <li>2011-12: 318</li> <li>2012-13: 318</li> </ul> </li> </ul> </li> <li>Households in temporary accommodation (NI 156 / LAA) <ul style="list-style-type: none"> <li><u>Targets:</u> <ul style="list-style-type: none"> <li>2010-11: 82</li> <li>2011-12: 82</li> <li>2012-13: 82</li> </ul> </li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Improved biodiversity (NI 197 / LAA) <ul style="list-style-type: none"> <li><u>Targets:</u> <ul style="list-style-type: none"> <li>2010-11: 44.10%</li> <li>2011-12: 49.90%</li> <li>2012-13: 55.70%</li> </ul> </li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Delivery of target levels of savings from the Shared Services Review, the Accommodation Strategy and other partnership initiatives, including those with organisations beyond the Council and PCT/NHS Herefordshire (see 7.2 above)</li> <li>The number of changes of circumstances which affect customer's Housing Benefit/Council Tax Benefit claims and change events (NI 180) <ul style="list-style-type: none"> <li><u>Targets:</u> <ul style="list-style-type: none"> <li>2010-11: 20,000</li> <li>2011-12: 20,000</li> <li>2012-13: 20,000</li> </ul> </li> </ul> </li> <li>Time taken to process housing benefit and council tax claims and change events (NI 181) <ul style="list-style-type: none"> <li><u>Targets:</u> <ul style="list-style-type: none"> <li>2010-11: 13.50 days</li> <li>2011-12: 13 days</li> <li>2012-13: 13 days</li> </ul> </li> </ul> </li> <li>Percentage of Council Tax collected (local) <ul style="list-style-type: none"> <li><u>Targets:</u> <ul style="list-style-type: none"> <li>2010-11: 98.9%</li> <li>2011-12: 98.9%</li> <li>2012-13: 98.9%</li> </ul> </li> </ul> </li> <li>Percentage of non-domestic rates collected (local) <ul style="list-style-type: none"> <li><u>Targets:</u> <ul style="list-style-type: none"> <li>2010-11: 98.7%</li> <li>2011-12: 98.7%</li> <li>2012-13: 98.7%</li> </ul> </li> </ul> </li> <li>Payment of invoices by Council <ul style="list-style-type: none"> <li><u>Target:</u> <ul style="list-style-type: none"> <li>2010-11: 20 days</li> <li>2011-12: to be set</li> <li>2012-13: to be set</li> </ul> </li> </ul> </li> <li>Payment of invoices by PCT <ul style="list-style-type: none"> <li><u>Target:</u> <ul style="list-style-type: none"> <li>2010-11: 95% of value and number within 30 days</li> <li>2011-12: to be set</li> <li>2012-13: to be set</li> </ul> </li> <li>Aspiring to pay local suppliers within 10 days.</li> </ul> </li></ul>
Targets:	NI 93	NI 94																													
2010-11:	89%	87%																													
2011-12:	90%	88%																													
2012-13:	92%	90%																													
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2010-11:	50%	22%																													
2011-12:	50%	22%																													
2012-13:	50%	22%																													
<u>Key projects</u>	<ul style="list-style-type: none"> <li>Progress Edgar Street Grid (ESG) scheme <ul style="list-style-type: none"> <li>December 2011</li> </ul> </li> <li>New Livestock Market <ul style="list-style-type: none"> <li>March 2010</li> </ul> </li> <li>Regeneration of the Buttermarket as a centre for local produce <ul style="list-style-type: none"> <li>March 2011</li> </ul> </li> <li>Food Festival and Flavours of Herefordshire Awards <ul style="list-style-type: none"> <li>October 2010</li> </ul> </li> <li>University of the Great Outdoors <ul style="list-style-type: none"> <li>May 2010</li> </ul> </li> <li>Complete Hereford relief road study <ul style="list-style-type: none"> <li>October 2010</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Review of Safeguarding arrangements <ul style="list-style-type: none"> <li>March 2011</li> </ul> </li> <li>World Class Commissioning Strategy and integration into Health and Social Care commissioning plans <ul style="list-style-type: none"> <li>Jan 2011</li> </ul> </li> <li>Transition/re-design of Supporting people <ul style="list-style-type: none"> <li>Sept 2010</li> </ul> </li> <li>Improve dementia services <ul style="list-style-type: none"> <li>March 2011</li> </ul> </li> <li>Assistive technologies <ul style="list-style-type: none"> <li>March 2011</li> </ul> </li> <li>Improve services and quality of life for Older people in Herefordshire <ul style="list-style-type: none"> <li>March 2011</li> </ul> </li> <li>Successful implementation of carers support programme <ul style="list-style-type: none"> <li>March 2011</li> </ul> </li> <li>Produce Local Transport Plan 3 <ul style="list-style-type: none"> <li>February 2011</li> </ul> </li> <li>Provide Community Transport services for disadvantaged people <ul style="list-style-type: none"> <li>March 2011</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Focus on KS1&amp;2 improvements with schools. <ul style="list-style-type: none"> <li>Implementation of annual Primary Improvement Plan from September 2009</li> <li>Support for schools causing concern – ongoing</li> <li>Monitoring against targets and pupil performance from January 2010 – termly.</li> </ul> </li> <li>Capital programme, including Primary Capital Strategy, co-location programme and major capital buildings <ul style="list-style-type: none"> <li>Capital Strategy for resource allocation established by May 2010</li> <li>Seven sites for co-located services established by March 2011</li> <li>New Hereford Academy building completed by May 2011</li> <li>New Minster College building completed by July 2010</li> <li>New Leominster Primary School building completed by June 2012</li> </ul> </li> <li>Implementation of Herefordshire Schools Task Group <ul style="list-style-type: none"> <li>Support schools to develop cluster plans for September 2010</li> <li>Establish Organisation Plan by April 2011</li> <li>Implement Plan from June 2011</li> </ul> </li> <li>Implementation of Additional Needs Strategy <ul style="list-style-type: none"> <li>Current provision reviewed by June 2010</li> <li>Commissioning framework, including traded services and funding models, implemented from September 2010</li> <li>Placement protocols developed and implemented from January 2011</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Implement Hidden Harm Strategy <ul style="list-style-type: none"> <li>March 2011</li> </ul> </li> <li>Implement recommendations from drug treatment review <ul style="list-style-type: none"> <li>March 2011</li> </ul> </li> <li>Herefordshire Population Health Improvement Business Plan 2010-11 <ul style="list-style-type: none"> <li>Commences April 2010 – to be reviewed January 2011</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Deliver affordable housing throughout Herefordshire <ul style="list-style-type: none"> <li>March 2011</li> </ul> </li> <li>Homelessness prevention <ul style="list-style-type: none"> <li>March 2011</li> </ul> </li> <li>Temporary Accommodation Reduction Plan <ul style="list-style-type: none"> <li>March 2011</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Management of Local Biodiversity sites <ul style="list-style-type: none"> <li>March 2011</li> </ul> </li> <li>Contribute to Local Development Framework <ul style="list-style-type: none"> <li>March 2011</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Full Joint Property Strategy <ul style="list-style-type: none"> <li>2009-2012</li> </ul> </li> <li>Business intelligence to support commissioning <ul style="list-style-type: none"> <li>April 2010</li> </ul> </li> <li>Define a clearer commissioning cycle for PBC <ul style="list-style-type: none"> <li>April 2010</li> </ul> </li> <li>Redesign of HR Service <ul style="list-style-type: none"> <li>Agree framework in January/February 2010</li> <li>Implement first phase during 2<sup>nd</sup> quarter 2010</li> <li>Following phases to be identified within framework</li> </ul> </li> </ul>																								



4	Economic development and enterprise	Healthier communities and older people	Children and young people	Safer communities	Stronger communities	The environment	Organisational improvement and greater efficiency
<u>Long-term outcome</u>	1.4. Improved quality & availability of business accommodation and employment land	2.4. Enhanced emotional well-being, with fewer suicides	3.4. Children and young people engage in further education, employment or training on leaving school	4.4. Communities to have enhanced resilience and recovery from emergencies through effective partnership planning and co-ordination	5.4. Fair access to the services residents need, including high quality sporting, cultural and recreational facilities and activities	6.4. Natural resources are conserved and landscape character maintained, with sustainable land management	7.4. High levels of customer and citizen satisfaction
<u>Measures and targets</u>	<ul style="list-style-type: none"> <li>• New business VAT registration rate (NI 171 / LAA) <u>Targets:</u> <ul style="list-style-type: none"> <li>○ 2010-11: 39.9</li> <li>○ 2011-12: 39.9</li> <li>○ 2012-13: 40.0</li> </ul> </li> <li>• NI 172 VAT registered businesses in the area showing growth <u>Targets:</u> <ul style="list-style-type: none"> <li>○ 2010-11: 14.2%</li> <li>○ 2011-12: 14.2%</li> <li>○ 2012-13: 15.0%</li> </ul> </li> <li>• NI182i - Satisfaction of businesses with recorded non-compliance with LA regulation services <u>Targets:</u> <ul style="list-style-type: none"> <li>○ 2010-11: 72%</li> <li>○ 2011-12: 75%</li> <li>○ 2012-13: 78%</li> </ul> </li> <li>• NI182i - Satisfaction of businesses with no recorded non-compliance with LA regulation services <u>Targets:</u> <ul style="list-style-type: none"> <li>○ 2010-11: 72%</li> <li>○ 2011-12: 75%</li> <li>○ 2012-13: 78%</li> </ul> </li> <li>• NI157a Processing of major applications within 13 weeks <u>Targets:</u> <ul style="list-style-type: none"> <li>○ 2010-11: 60%</li> <li>○ 2011-12: 60%</li> <li>○ 2012-13: 60%</li> </ul> </li> <li>• NI157b Processing of minor applications within 8 weeks <u>Targets:</u> <ul style="list-style-type: none"> <li>○ 2010-11: 65%</li> <li>○ 2011-12: 65%</li> <li>○ 2012-13: 65%</li> </ul> </li> <li>• NI157c Processing of other applications within 8 weeks <u>Targets:</u> <ul style="list-style-type: none"> <li>○ 2010-11: 80%</li> <li>○ 2011-12: 80%</li> <li>○ 2012-13: 80%</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Early intervention in psychosis (Local HC 6) Current target = 20 new cases per year <u>Targets:</u> <ul style="list-style-type: none"> <li>○ 2010-11:</li> <li>○ 2011-12:</li> <li>○ 2012-13:</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• 16-18 year-olds not in education, employment or training (NI 117 / LAA) <u>Targets:</u> <ul style="list-style-type: none"> <li>○ 2010-11: 4.7%</li> <li>○ 2011-12: 4.7%</li> <li>○ 2012-13: 4.7%</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Local indicator – critical services with a business continuity plan <u>Targets:</u> <ul style="list-style-type: none"> <li>○ 2010-11:</li> <li>○ 2011-12:</li> <li>○ 2012-13:</li> </ul> </li> <li>Baseline and targets to be established by April 2010</li> <li>• Local indicator - business continuity plans validated and exercised <u>Targets:</u> <ul style="list-style-type: none"> <li>○ 2010-11:</li> <li>○ 2011-12:</li> <li>○ 2012-13:</li> </ul> </li> <li>Baseline and targets to be established by April 2010</li> <li>• Awareness of civil protection arrangements in the local area [NI037] <u>Targets:</u> <ul style="list-style-type: none"> <li>○ 2010-11: 25%</li> <li>○ 2011-12:</li> <li>○ 2012-13: 30%</li> </ul> </li> <li>• Strengthening Resilience and Recovery (Local Indicator) <u>Targets:</u> <ul style="list-style-type: none"> <li>2010-11: Complete Review of Recovery Plan</li> <li>2011-12: Complete Review of Recovery Plan</li> <li>2012-13: Complete Review of Recovery Plan</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Use of libraries (NI 9 / LAA) <u>Targets:</u> <ul style="list-style-type: none"> <li>○ 2010-11: 51%</li> <li>○ 2011-12: *</li> <li>○ 2012-13: 54%</li> </ul> </li> <li>• Engagement in the arts (NI11 / LAA) <u>Targets:</u> <ul style="list-style-type: none"> <li>○ 2010-11: 49.5%</li> <li>○ 2011-12: *</li> <li>○ 2012-13: 49.5%</li> </ul> </li> <li>• Percentage of people who find it difficult to access key services and facilities [Local] <ul style="list-style-type: none"> <li>▪ Local shop <u>Targets:</u> <ul style="list-style-type: none"> <li>○ 2010-11: 11%</li> <li>○ 2011-12: *</li> <li>○ 2012-13: 10%</li> </ul> </li> <li>▪ Advice provision <u>Targets:</u> <ul style="list-style-type: none"> <li>○ 2010-11: 16%</li> <li>○ 2011-12: *</li> <li>○ 2012-13: 14%</li> </ul> </li> <li>▪ Public transport facility <u>Targets:</u> <ul style="list-style-type: none"> <li>○ 2010-11: 21%</li> <li>○ 2011-12: *</li> <li>○ 2012-13: 21%</li> </ul> </li> <li>▪ Cultural / recreational facility <u>Targets:</u> <ul style="list-style-type: none"> <li>○ 2010-11: 19%</li> <li>○ 2011-12: *</li> <li>○ 2012-13: 17%</li> </ul> </li> </ul> </li> </ul> <p>*Note: Targets are measured via Place Survey. No target set for 2011-12 as Place Survey is undertaken bi-annually</p>	<ul style="list-style-type: none"> <li>• Conservation of; Energy, Clean air, Water resources, Land &amp; soil &amp; reduction in use of resources. [Local] <u>Targets:</u> <ul style="list-style-type: none"> <li>○ 2010-11:</li> <li>○ 2011-12:</li> <li>○ 2012-13:</li> </ul> </li> </ul> <p>[Future target to be added; CAA use of natural resources rating - to maintain or improve assessment ]</p>	<ul style="list-style-type: none"> <li>• Reducing avoidable contact: the average number of customer contacts per received customer request [NI 14] <u>Targets:</u> <ul style="list-style-type: none"> <li>○ 2010-11: 24%</li> <li>○ 2011-12: 22%</li> <li>○ 2012-13: 20%</li> </ul> </li> <li>• Customer satisfaction – the proportion of people making a request for service through Info who are 'satisfied' or 'very satisfied' with the service they receive <u>Targets:</u> <ul style="list-style-type: none"> <li>2009-10: 83%.</li> <li>○ 2010-11:</li> <li>○ 2011-12:</li> <li>○ 2012-13:</li> </ul> </li> <li>Targets to be set by March 2010</li> <li>• Overall public satisfaction with each of the Council and the PCT/NHS Herefordshire – [Local] <u>Targets:</u> <ul style="list-style-type: none"> <li>○ 2010-11: 83%</li> <li>○ 2011-12: 85%</li> <li>○ 2012-13: 87%</li> </ul> </li> <li>• Increased customer satisfaction <ul style="list-style-type: none"> <li>○ People agreeing that the council is 'doing a good job' – 50% by end of 2010</li> <li>○ People finding it easier to access public services - to 50% by end of 2010</li> <li>○ People who feel they are well informed about how public services are performing - 50% by end of 2010</li> </ul> </li> </ul>
<u>Key projects</u>	<ul style="list-style-type: none"> <li>○ New Livestock Market ▪ March 2011</li> <li>○ Address broadband issues affecting communities in the county ▪ March 2011</li> <li>○ Regeneration of the Buttermarket as a centre for local produce ▪ March 2011</li> <li>○ Progress Edgar Street Grid (ESG) scheme ▪ December 2011</li> <li>○ Promote Rotherwas as a key location of business ▪ November 2010</li> <li>○ Deliver Model Farm as employment site ▪ January 2011</li> </ul>	<ul style="list-style-type: none"> <li>○ World Class Commissioning Strategy and integration into Health and Social Care commissioning plans ▪ Jan 2011</li> <li>○ Herefordshire Population Health Improvement Business Plan 2010-11 ▪ Commences April 2010 – to be reviewed January 2011</li> <li>○ Improved mental health services ▪ March 2011</li> </ul>	<ul style="list-style-type: none"> <li>○ 14-19 Strategy and roll out ▪ Roll out of diploma strategy from September 2009 and ongoing</li> <li>▪ Monitoring of 14-19 Strategy through termly 14-19 Consortium meetings from April 2010</li> <li>▪ Implementation of post 16 education commissioning from September 2010</li> <li>▪ Monitoring of services delivered through Connexions from April 2010</li> </ul>	<ul style="list-style-type: none"> <li>○ Develop community resilience plans ▪ Project currently being developed – to be agreed by April 12010</li> <li>○ Develop business continuity plans ▪ Project currently being developed – to be agreed by April 1 2010</li> <li>○ Recovery Plan ▪ March 2011</li> </ul>	<ul style="list-style-type: none"> <li>○ Support rural access initiatives and address rural access issues ▪ March 2011</li> <li>○ Run grants projects that support community development ▪ April 2011</li> <li>○ Local development scheme ▪ September 2011</li> <li>○ Ross library extension ▪ March 2011</li> <li>○ New Ledbury library ▪ September 2011</li> <li>○ Address broadband issues affecting businesses in the county ▪ March 2011</li> <li>○ Herefordshire Population Health Improvement Business Plan 2010-11 ▪ Commences April 2010 – to be reviewed January 2011</li> </ul>	<ul style="list-style-type: none"> <li>○ Contribute to Local Development Framework ▪ March 2011</li> </ul>	<ul style="list-style-type: none"> <li>○ Customer Strategy ▪ March 2011</li> </ul>

5	Economic development and enterprise	Healthier communities and older people	Children and young people	Safer communities	Stronger communities	The environment	Organisational improvement and greater efficiency
<u>Long-term outcome</u>	1.5. Better roads, reduced traffic congestion, with more people walking, cycling or using public transport	2.5. Personalised health and social care services, which offer people much greater choice and influence over their care	3.5. Children and young people engage in positive behaviour inside and out of school	4.5. Fewer accidents and injuries	5.5 People are able to participate in, the life of their communities	6.5. Investment in high quality streets, public spaces and the built environment	7.5. A highly skilled, highly motivated workforce that works in effective partnership with other organisations
<u>Measures and targets</u>	<ul style="list-style-type: none"> <li>Average morning journey time per mile travelled during the morning peak (NI 167) <ul style="list-style-type: none"> <li>2010-11: 19 minutes</li> <li>2011-12: 19 minutes</li> <li>2012-13: 19 minutes</li> </ul> </li> <li>Condition of principal roads (NI 168 / LAA) <ul style="list-style-type: none"> <li>2010-11: 5%</li> <li>2011-12: 5%</li> <li>2012-13: 4%</li> </ul> </li> <li>Condition of non-principal roads (NI 169 / LAAI) <ul style="list-style-type: none"> <li>2010-11: 8%</li> <li>2011-12: 8%</li> <li>2012-13: 6%</li> </ul> </li> <li>Bus services running on time (NI 178 / LAA) <ul style="list-style-type: none"> <li>2010-11: 73%</li> <li>2011-12: 73%</li> <li>2012-13: 73%</li> </ul> </li> <li>Children travelling to school – mode of travel usually used (NI 198) <ul style="list-style-type: none"> <li>Car single occupancy <ul style="list-style-type: none"> <li>2010-11: 32%</li> <li>2011-12: 32%</li> <li>2012-13: 32%</li> </ul> </li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Social care clients receiving self-directed support (direct payments and individual budgets) (NI 130 / LAA/PCT VSC 17) <ul style="list-style-type: none"> <li>2010-11: 1,005</li> <li>2011-12: To be set</li> <li>2012-13: To be set</li> </ul> </li> <li>People supported to live independently through social services (NI 136 / LAA) <ul style="list-style-type: none"> <li>2010-11: 3,879</li> <li>2011-12: To be set</li> <li>2012-13: To be set</li> </ul> </li> <li>Number of vulnerable people who are supported to maintain independent living: Supporting People (NI 142 / LAA) <ul style="list-style-type: none"> <li>2010-11: 97.75%</li> <li>2011-12: To be set</li> <li>2012-13: To be set</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Young people's participation in positive activities (NI 110 / LAA) (Supported by a local proxy PI) <ul style="list-style-type: none"> <li>2010-11: 94%</li> <li>2011-12: 94%</li> <li>2012-13: 94%</li> </ul> </li> <li>Permanent school exclusions, including looked-after children (local indicator) <ul style="list-style-type: none"> <li>2010-11: 16</li> <li>2011-12: 14</li> <li>2012-13: to be set</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Number killed or seriously injured in road accidents (NI 47/ LAA) <ul style="list-style-type: none"> <li>2010-11: 120</li> <li>2011-12: 113</li> <li>2012-13: 110</li> </ul> </li> <li>Mortality rate from land transport accidents (WCC) <ul style="list-style-type: none"> <li>2010-11:</li> <li>2011-12:</li> <li>2012-13:</li> </ul> </li> <li>Standardised rate per 100,000 population (figures from WCC strategic outcomes 2010-14)</li> <li>Children killed or seriously injured in road traffic accidents (NI48) <ul style="list-style-type: none"> <li>2010-11: 11</li> <li>2011-12: 10</li> <li>2012-13: 9</li> </ul> </li> <li>Condition of principal roads (NI 168 / LAA) <ul style="list-style-type: none"> <li>2010-11: 5%</li> <li>2011-12: 5%</li> <li>2012-13: 4%</li> </ul> </li> <li>Condition of non-principal roads (NI 169 / LAAI) <ul style="list-style-type: none"> <li>2010-11: 8%</li> <li>2011-12: 8%</li> <li>2012-13: 6%</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Participation in regular volunteering (NI 6 / LAA) <ul style="list-style-type: none"> <li>2010-11: 32.5%</li> <li>2011-12: *</li> <li>2012-13: 35%</li> </ul> </li> <li>*Note: Targets are measured via Place Survey. No target set for 2011-12 as Place Survey is undertaken bi-annually</li> </ul>	<ul style="list-style-type: none"> <li>Improved street and environmental cleanliness (levels of litter, detritus, graffiti and fly posting) (NI 195) <ul style="list-style-type: none"> <li>NI 195a Litter <ul style="list-style-type: none"> <li>2010-11: 5</li> <li>2011-12: 5</li> <li>2012-13: 4</li> </ul> </li> <li>NI 195b Detritus <ul style="list-style-type: none"> <li>2010-11: 8</li> <li>2011-12: 8</li> <li>2012-13: 6</li> </ul> </li> <li>NI 195c Graffiti <ul style="list-style-type: none"> <li>2010-11: 1</li> <li>2011-12: 1</li> <li>2012-13: 1</li> </ul> </li> <li>NI 195d Fly Posting <ul style="list-style-type: none"> <li>2010-11: 1</li> <li>2011-12: 1</li> <li>2012-13: 1</li> </ul> </li> </ul> </li> <li>Improved street and environmental cleanliness e.g; fly-tipping (NI 196) <ul style="list-style-type: none"> <li>2010-11: 1</li> <li>2011-12: 1</li> <li>2012-13: 1</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Average sickness absence [Local] <ul style="list-style-type: none"> <li>2010-11: 4.3% (Council)</li> <li>2011-12: 4.1% (PCT)</li> <li>2012-13: to be set</li> </ul> </li> <li>Staff turnover [Local] <ul style="list-style-type: none"> <li>2010-11: 13% (Council)</li> <li>2011-12: 12% (PCT)</li> <li>2012-13: to be set</li> </ul> </li> <li>Measures of the diversity of the workforce and of equal opportunities within it (Ethnicity) [Local] <ul style="list-style-type: none"> <li>2010-11: 4.5% (Council)</li> <li>2011-12: 4.5% (PCT)</li> <li>2012-13: to be set</li> </ul> </li> <li>Measures of the diversity of the workforce and of equal opportunities within it (Disabled) [Local] <ul style="list-style-type: none"> <li>2010-11: 3.5% (Council)</li> <li>2011-12: 3.5% (PCT)</li> <li>2012-13: to be set</li> </ul> </li> <li>Level of vacancies Local] <ul style="list-style-type: none"> <li>2010-11: No more than 4.5% of Establishment (Council and PCT)</li> <li>2011-12: No more than 4.5% of Establishment (Council and PCT)</li> <li>2012-13: to be set</li> </ul> </li> </ul>
<u>Key projects</u>	<ul style="list-style-type: none"> <li>Connect 2 Cycle route <ul style="list-style-type: none"> <li>March 2013</li> </ul> </li> <li>Progress Edgar Street Grid (ESG) scheme <ul style="list-style-type: none"> <li>December 2011</li> </ul> </li> <li>Produce Local Transport Plan 3 <ul style="list-style-type: none"> <li>February 2011</li> </ul> </li> <li>Complete Hereford relief road study <ul style="list-style-type: none"> <li>October 2010</li> </ul> </li> <li>Review, renew and monitor bus service contracts <ul style="list-style-type: none"> <li>March 2011</li> </ul> </li> <li>Herefordshire Population Health Improvement Business Plan 2010-11 <ul style="list-style-type: none"> <li>Commences April 2010 – to be reviewed January 2011</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Personalisation – e-catalogue system <ul style="list-style-type: none"> <li>March 2011</li> </ul> </li> <li>World Class Commissioning Strategy and integration into Health and Social Care commissioning plans <ul style="list-style-type: none"> <li>Jan 2011</li> </ul> </li> <li>Personalisation – transition/redesign of Supporting People <ul style="list-style-type: none"> <li>March 2011</li> </ul> </li> <li>Assistive technologies <ul style="list-style-type: none"> <li>March 2011</li> </ul> </li> <li>Define a clearer commissioning cycle for PBC <ul style="list-style-type: none"> <li>April 2010</li> </ul> </li> <li>RAS Workstream <ul style="list-style-type: none"> <li>March 2011</li> </ul> </li> <li>Personalisation – External brokergae <ul style="list-style-type: none"> <li>March 2011</li> </ul> </li> <li>Successful implementation of carers support programme <ul style="list-style-type: none"> <li>March 2011</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Development of a Participation Strategy <ul style="list-style-type: none"> <li>Strategy developed by March 2010</li> <li>Implementation of strategy from March 2010 and ongoing</li> <li>Feedback from stakeholders on effectiveness of strategy Sept 2010</li> </ul> </li> <li>Herefordshire Population Health Improvement Business Plan 2010-11 <ul style="list-style-type: none"> <li>Commences April 2010 – to be reviewed January 2011</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>High priority accident site investigation and engineering <ul style="list-style-type: none"> <li>March 2011</li> </ul> </li> <li>Herefordshire Population Health Improvement Business Plan 2010-11 <ul style="list-style-type: none"> <li>Commences April 2010 – to be reviewed January 2011</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Strengthen and support volunteering <ul style="list-style-type: none"> <li>April 2011</li> </ul> </li> <li>Produce Local Transport Plan 3 <ul style="list-style-type: none"> <li>February 2011</li> </ul> </li> <li>Herefordshire Population Health Improvement Business Plan 2010-11 <ul style="list-style-type: none"> <li>Commences April 2010 – to be reviewed January 2011</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Deliver the Widemarsh Street refurbishment <ul style="list-style-type: none"> <li>December 2010</li> </ul> </li> <li>Progress the Edgar Street Grid Scheme <ul style="list-style-type: none"> <li>December 2011</li> </ul> </li> <li>Regeneration of the Buttermarket as a centre for local produce <ul style="list-style-type: none"> <li>March 2011</li> </ul> </li> <li>Herefordshire Population Health Improvement Business Plan 2010-11 <ul style="list-style-type: none"> <li>Commences April 2010 – to be reviewed January 2011</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Herefordshire Population Health Improvement Business Plan 2010-11 <ul style="list-style-type: none"> <li>Commences April 2010 – to be reviewed January 2011</li> </ul> </li> </ul>

6	Healthier communities and older people	Children and young people	Safer communities	Organisational improvement and greater efficiency
<u>Long-term outcome</u>	2.6. Improved dental health	3.6 Improved services for children, young people and their families through the work of Herefordshire's Children's Trust	4.6. People feel as safe as they would like to be	7.6. Highly rated under Comprehensive Area Assessment and World Class Commissioning, and recognised as exemplars regionally and nationally
<u>Measures and targets</u>	<ul style="list-style-type: none"> <li>Access to primary dental services - year-on-year improvements in number of patients accessing NHS dental services (PCT VSB18) <u>Targets:</u> Rate per 1,000 2010-11: 335 2011-12: 355 2012-13:</li> <li>Vital Signs - Number of Patients accessing dental services in 24 months <u>Targets:</u> 2010-11: 116,338 2011-12: To be set 2012-13: To be set</li> <li>Prevention programme <u>Target:</u> At least 20% of children and young people between the ages of 3-16 years seen by a dentist to receive at least one fluoride varnish application during 2010/11</li> </ul>	<ul style="list-style-type: none"> <li>Annual rating for children's services <u>Targets:</u> o 2010-11: 4 o 2011-12: 4 o 2012-13: 4</li> </ul> <p><u>Key projects</u></p> <ul style="list-style-type: none"> <li>Children's Trust Commissioning framework agreed and in place, via DCSF/DoH Commissioning Support Programme <ul style="list-style-type: none"> <li>Commissioning priorities established with Integrated Commissioning Directorate by June 2010</li> <li>Implementation of framework from June 2010</li> <li>Review of effectiveness in December 2010</li> </ul> </li> <li>Development of Locality Services <ul style="list-style-type: none"> <li>Common Assessment Framework developed as the single assessment process by April 2010</li> <li>Integrated Working Guidance toolkit for locality teams developed by September 2010</li> <li>Locality teams in first phase of implementation and delivering integrated services by September 2010</li> <li>Second phase of locality team working implemented by April 2012</li> </ul> </li> <li>Development of an Adolescent Strategy <ul style="list-style-type: none"> <li>Strategy developed by December 2009</li> <li>Strategy implemented from January 2010 and ongoing</li> </ul> </li> <li>Delivery of a Children's Trust Workforce Strategy and learning induction tool <ul style="list-style-type: none"> <li>Revised workforce strategy agreed by January 2010</li> <li>Action plan implemented from February 2010</li> <li>Effectiveness of strategy reviewed in September 2010</li> <li>Artemis induction tool rolled out from September 2009 and ongoing</li> </ul> </li> <li>Herefordshire Safeguarding Children Board <ul style="list-style-type: none"> <li>Respective roles of Children's Trust and Herefordshire Safeguarding Children Board in the light of the new national guidance clarified by September 2010</li> <li>Stay Safe action plan implemented by March 2011</li> <li>Herefordshire Safeguarding Children Board business plan implemented by March 2013</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Perception of anti-social behaviour (NI 17) <u>Targets*:</u> o 2010-11: 12 o 2011-12: o 2012-13:</li> <li>Rate of reoffending by young people (NI19 / LAA) <u>Targets*:</u> o 2010-11: 113 o 2011-12: o 2012-13:</li> <li>Priority and prolific offenders (NI 30 / LAA) <u>Targets*:</u> o 2010-11: o 2011-12: o 2012-13: <i>*Note: Targets for the above indicators to be agreed with partners.</i></li> <li>Drug users in effective treatment (NI 40/ LAA/ PCT VSB 14) <u>Targets*:</u> o 2010-11: 552 o 2011-12: o 2012-13: <i>*Note: Targets for the above indicators to be agreed with partners.</i></li> <li>Alcohol harm-related hospital admission rates (NI 39 / LAA / WCC) <u>Targets:</u> o 2010-11: o 2011-12: o 2012-13: Rate of alcohol-related admissions per 100,000 population (figures from WCC strategic outcomes 2010-14)</li> </ul>	<ul style="list-style-type: none"> <li>Council's organisational score under CAA [Local] <u>Target:</u> o 2010-11: 3 o 2011-12: 3 o 2012-13: 4</li> <li>PCT's World Class Commissioning assessment score [Local] o 2010-11: 4 o 2011-12: to be set o 2012-13: to be set</li> <li>Use of resources score (Council) <u>Targets:</u> o 2010-11: 3 o 2011-12: 3 o 2012-13: 4</li> <li>Use of resources score (PCT) <u>Targets:</u> o 2010-11: 3 o 2011-12: to be set o 2012-13: to be set</li> <li>Direction of travel (% of improved indicators) <u>Targets:</u> o 2010-11: o 2011-12: o 2012-13:</li> <li>Data Quality <u>Target:</u> o 2010-11: No adverse audit reports o 2011-12: No adverse audit reports o 2012-13: No adverse audit reports</li> </ul>
<u>Key projects</u>	<ul style="list-style-type: none"> <li>World Class Commissioning Strategy and integration into Health and Social Care commissioning plans o Jan 2011</li> <li>Herefordshire Population Health Improvement Business Plan 2010-11 o Commences April 2010 – to be reviewed January 2011</li> </ul>	<ul style="list-style-type: none"> <li>Information sharing <ul style="list-style-type: none"> <li>Clear and understood information sharing protocol embedded in practice across Children's Services by March 2010</li> <li>Series of launch events, guidance and ongoing workshops delivered from April 2010</li> <li>Annual audit of impact undertaken by March 2011</li> <li>Action plan arising from audit implemented from April 2011</li> </ul> </li> <li>Preventing youth homelessness - Consistent advice and information is available to young people and their families o March 2011</li> </ul>	<ul style="list-style-type: none"> <li>Develop 20/20 vision scheme o March 2011.</li> </ul>	<ul style="list-style-type: none"> <li>Data quality action plan o Update plan May 2010 o Implemented March 2011</li> <li>World Class Commissioning Strategy and integration into Health and Social Care commissioning plans o Jan 2011</li> </ul>

Key documents linked to this plan	Web link
World Class Commissioning Local Area Agreement Herefordshire Population Health Improvement Business Plan 2010-11 (others to be added)	(To be added) <a href="http://www.herefordshirepartnership.com/8293BF3159AE47A696AC76B83E119E80.aspx">http://www.herefordshirepartnership.com/8293BF3159AE47A696AC76B83E119E80.aspx</a> (To be added)

