

Deputy Chief Executive's Office

A. Faulder (Interim)

TO: ALL MEMBERS OF THE COUNCIL

Your Ref:

Our Ref: CA/SAHC

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25 February 2010

Dear Councillor,

YOU ARE HEREBY SUMMONED to attend the meeting of the Herefordshire Council to be held on **Friday 5 March 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 March 2010**

Time: **10.30 am**

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

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

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 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

Pages

- | | | |
|----|--|---------|
| 1. | PRAYERS | |
| 2. | APOLOGIES FOR ABSENCE
To receive apologies for absence. | |
| 3. | DECLARATIONS OF INTEREST
To receive any declarations of interest by Members in respect of items on the Agenda. | |
| 4. | MINUTES
To approve and sign the Minutes of the meeting held on 5 February 2010.

For completeness the record of the named votes list for the Council meeting 13 November 2009 is attached for Members approval. | 1 - 22 |
| 5. | CHAIRMAN'S ANNOUNCEMENTS
To receive the Chairman's announcements and petitions from members of the public. | |
| 6. | QUESTIONS FROM MEMBERS OF THE PUBLIC
To receive questions from members of the public. | 23 - 28 |
| 7. | FORMAL QUESTIONS FROM COUNCILLORS TO THE CABINET MEMBERS AND CHAIRMEN UNDER STANDING ORDERS
To receive any written questions from Councillors. | |
| 8. | NOTICES OF MOTION UNDER STANDING ORDERS
Councillor LO Barnett, Cabinet Member Older People and Adult Social Care has submitted the following Notice of Motion.

PERSONAL CARE AT HOME BILL

<i>"This Council welcomes the general principle of the Governments proposal in the Personal Care at Home Bill to offer free care at home to people with the highest needs, but this Council is dismayed that the Government will only fund a limited part of the costs and expect local authorities to fund the rest (in excess of £250 million if Government figures are correct). All local authorities will be under increased pressure with the age profile rising, particularly with the increases in dementia cases. Herefordshire contrasts greatly from the whole of the West Midlands having 4.5% more older people than the West Midlands, and 5% higher than the average for England. The net average cost of dementia care packages is £17,700 p.a. This Council asks the Leader to communicate to the Secretary of State our Council's grave concern of having yet another unfunded mandate imposed on local authorities."</i> | |
| 9. | LEADER'S REPORT
To receive the Leader's report. The report provides an overview of the Executive's activity since the Council meeting of November 2009. | 29 - 34 |

POLICY FRAMEWORK AND BUDGETARY ISSUES

10. BUDGET AND COUNCIL TAX

Â. Financial Strategy 2010-2013 (INCLUDING BUDGET 2010/11)

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B. Setting of the Council Tax

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11. SUSTAINABLE COMMUNITIES STRATEGY - REFRESH

125 - 170

To seek approval of the revised Sustainable Community Strategy for Herefordshire.

12. CONSTITUTIONAL UPDATE

Â. Council Constitution

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B. The Approval of the Annual Statement of Accounts

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13. WEST MERCIA POLICE AUTHORITY

179 - 188

To receive the report of the meeting of the West Mercia Police Authority held on 15 December 2009. Councillor B. Hunt has been nominated for the purpose of answering questions on the discharge of the functions of the Police Authority.

14. HEREFORD & WORCESTER FIRE AND RESCUE AUTHORITY

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To receive the report of the meeting of the Hereford & Worcester Fire and Rescue Authority held 18 December 2009.

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:

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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 5 February 2010 at 10.30 am

Present: Councillor J Stone (Chairman)
Councillor JB Williams (Vice Chairman)

Councillors: PA Andrews, WU Attfield, LO Barnett, CM Bartrum, DJ Benjamin, AJM Blackshaw, WLS Bowen, H Bramer, ACR Chappell, ME Cooper, PGH Cutter, H Davies, GFM Dawe, BA Durkin, PJ Edwards, MJ Fishley, JP French, JHR Goodwin, AE Gray, KG Grumbley, KS Guthrie, JW Hope MBE, 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, RV Stockton, AM Toon, PJ Watts, DB Wilcox and JD Woodward

In attendance: Councillors

63. PRAYERS

Canon Andrew Piper, Precentor of Hereford Cathedral, led the Council in prayer.

64. APOLOGIES FOR ABSENCE

Apologies were received from Councillors SPA Daniels, DW Greenow, MAF Hubbard, JK Swinburne, AP Taylor, DC Taylor, NL Vaughan and WJ Walling.

65. DECLARATIONS OF INTEREST

There were none.

66. MINUTES

RESOLVED: That the minutes of the meeting held on 13 November 2009 be approved as a correct record and signed by the Chairman.

For completeness, the formal records of the named votes taken at the 13 November 2009 meeting to be submitted for approval at the Council meeting on 5 March 2010.

67. CHAIRMAN'S ANNOUNCEMENTS

The Chairman reported on the following:

- Expressed his thanks to all those who had contributed to keeping Herefordshire going during the recent severe weather conditions, in particular Amey, the Emergency Services, Paramedics, postal workers and the many volunteers who helped out in those areas affected by the snow and ice. Many Council staff across directorates worked hard to keep the County moving and up-to-date. Further challenges were anticipated due to the possibility of more snow during February.

- The Customer Service Team was congratulated on successfully achieving the Customer Service Excellence Award. The Assessor was particularly impressed with the new Customer Insight Unit and the Business Improvement Technique NVQ projects that had been taking place throughout the year.
- The tragic death of Lance Corporal Daniel Cooper of the 3rd Battalion The Rifles was reported to Council. Lance Corporal Cooper attended Whitecross High School prior to joining the army and was deployed to Afghanistan in October last year. He died at the age of 21 as he tried to clear a path south of the Sangin district in northern Helmand Province. He was highly thought of by his comrades and commanders. On behalf of the Council, the Chairman expressed his sympathy to his family.
- All Members were invited to the Chairman's Civic Service which would be held on Sunday 14 March at 3.30pm at Hereford Cathedral, followed by afternoon tea at the Town Hall.

68. 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 Mr N Jones and Mr P McKay. A copy of the public questions and written answers together with the supplementary questions and answers are attached to the minutes as Appendix 1.

69. FORMAL QUESTIONS FROM COUNCILLORS TO THE CABINET MEMBERS AND CHAIRMEN UNDER STANDING ORDERS

Question from Councillor WJS Bowen to the Cabinet Member Resources

- 1.1 *What figure does the Cabinet Member for Resources consider to be substantially below 3% and what is the definition of substantially below 3%? Have adequate and effective plans been put in place for alternative budgets for figures that might be more substantially less than 3% than the currently proposed 2.9%? What are the odds of being capped by the Government if we actually use 2.9% as our Council Tax increase?*

Answer from Councillor H Bramer Cabinet Member Resources

- 1.1 The government has not defined what it believes is "substantially below 3%" and is unlikely to provide any such definition; it is generally accepted that any increase above 3% will bring with it a risk of capping. The government has previously indicated it will look at the average level of increase across local government and, to some extent, whether any council stands out in comparison with others. It is for this reason we are seeking an in principle increase in the level of council tax.

A lower level increase would require us to review budgets, as stated in the report before Council today at agenda item 9.

No supplementary question was asked.

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

- 2.1 *The Council have said they will help pay for an east or west bypass (ODR) around Hereford with contributions from developers from the new housing in the next plan period 2011-2026. What percentage of the cost of the road will come from the housing and what percentage from other sources? How much will each new house have to contribute?*

Answer from Councillor DB Wilcox Cabinet Member Highways and Transportation

- 2.1 This Administration remains committed to the delivery of an outer distributor road; the study undertaken jointly for the Council and the Highways Agency made clear there could be no growth within the city without such additional transport infrastructure. Whilst the precise route, and therefore funding requirement, has yet to be determined it is clear that any developers will need to contribute to the costs of the infrastructure required.

Given the significant funding that will be required to build the road, all possible funding streams are being explored. This is likely to include seeking contributions from Central Government, the Council and developers.

Supplementary question:

If developers are required to contribute to the ODR how can the houses be classed as affordable housing?

Answer from Councillor DB Wilcox Cabinet Member Highways and Transportation

The amount is not yet defined. Funding for the ODR would be provided from a range of sources. Affordable housing is a separate issue which is determined in line with appropriate policies.

Question from Councillor GFM Dawe to the Cabinet Member Corporate and Customer Services and Human Resources

- 2.2 *How much has the Council paid on the wrap-around AdMag and Herefordshire Journal advertisements?*

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

- 2.2 The Council is required to undertake wide consultation in the development of its Local Development Framework and Local Transportation Plan. To ensure that as many people as possible are aware of the issues and can engage in the public events, complete a questionnaire, and give their views during the Shaping Our Place consultation as wide a communication as possible of these opportunities has been undertaken. The total cost of publicity (taking into account discounts secured by the Council) in the Admag and Journal papers has been £8,700. The results so far indicate that this is already the most successful consultation undertaken so far by the Council in terms of participation.

Supplementary question

Why was a decision made to advertise over and above the normal rules?

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

There has been wide ranging publicity of this important consultation to ensure that residents and businesses know of the opportunity and are encouraged to submit their views in order to influence the future of the county. Views are sought on wide ranging issues, e.g infrastructure planning, roads etc. The wrap around is an effective way to bring the consultation to the public's attention and to help

achieve the target of 10,000 consultation responses. All Councillors are encouraged to arrange meetings with the planning teams and to encourage community involvement. The funding for the wrap around was met by a special provision in the LDF budget.

Question from Councillor GFM Dawe to the Cabinet Member Resources

2.3 *What is the Council's current level of debt? What was it in 2001 and 2005?*

Answer from Councillor H Bramer Cabinet Member Resources

2.3 The current level of borrowing is £115.2 million. It should be noted that approximately £90 million of this total is supported borrowing (that is where the government funds both the interest and the principle element of the loan) that we get funding for in our annual settlement from Government. We also need to note Herefordshire inherited ex-Hereford & Worcester County Council debt at re-organisation totalling £27.7 million. The level of borrowing in 2001 was £32.4 million and in 2005 £67.7 million.

The reason we borrow is to fund capital projects and our total borrowing has helped many community and school schemes for example:

- Gym equipment for all Halo leisure centres
- Leominster Swimming Pool
- Hereford Crematorium
- CCTV Equipment
- Mortgage Rescue Scheme
- Riverside Primary School

Supplementary question

Should the publication of Herefordshire Matters (described as propaganda) be stopped, thereby saving the authority £45,000?

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

On a point of information, the Councillor was reminded of the Code of Conduct in relation to his accusations of officer produced documents.

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

2.4 *Is Herefordshire Council going to match fund the £80,000 offered by English Heritage to the Council in order to look at the Rotherwas Ribbon?*

2.4.1 *What is the total spend so far by the Council on the archaeology on this site associated with the road so far?*

2.4.2 *What is the total spend on the archaeology associated with the road from all sources so far?*

Answer from Councillor JG Jarvis Cabinet Member Environment and Strategic Housing

- 2.4 No match funding is required.
- 2.4.1 To date the Council has spent a total of £500,000 on the archaeology on the site, which includes some £250,000 to examine the find and design and install appropriate protection measures.
- 2.4.2 The total costs spent on archaeology from all sources so far is £502,500 which is the Council's spending plus £2,500 spent by English Heritage on radiocarbon costs.

Supplementary question:

Is the contract for this work out to competitive tendering; if not, why not?

Answer from Councillor JG Jarvis Cabinet Member Environment and Strategic Housing

The work has been contracted out by the archaeological group and team for two excavations. Additional funding would be required for any further work.

Question from Councillor PJ Edwards to the Cabinet Member ICT, Education and Achievement

- 3.1 *Referring to page 26 of the Council Agenda please could the Cabinet Member confirm the approximate additional number of pupils throughout Herefordshire who will be eligible for free school meals under the National Extended Scheme and additional total approximate cost per annum?*

Answer from Councillor PD Price Cabinet Member ICT, Education and Achievement

- 3.1 The government's proposals, which include a 1% inflationary uplift to the household income eligibility level, are subject to Parliamentary approval of the Budget and re-election of the government in May 2010.

Free school meals are funded by Dedicated Schools Grant (DSG). The draft school budgets for 2010/11 are based on an estimated 2,186 pupils entitled to free school meals, with an estimated cost of £789,000. This is an increase of 287 (15%) pupils and an increased cost of £137,000 from 2009/10. The 2010/11 pupil numbers/costs are estimates as school budgets cannot be finalised until pupil numbers have been confirmed in mid to late February. No additional funding has been added to DSG to cover this.

We are not aware of any plans to extend the pilot of universal free school meals for primary school children to Herefordshire, or of any extension of the eligibility to Free School Meals other than the inflation increase to income thresholds contained in the government's proposals.

No supplementary question was asked.

Question from Councillor PJ Edwards to the Cabinet Member Resources

- 3.2 *Given that 'the Shared Services initiative has subsumed the Connects project into the wider Transformation Project' please inform what % capital and revenue contribution and actual monetary value is being supplied by NHS Herefordshire into the joint budget (Council agenda item 9 page 29 and paragraphs 24 and 25):*

- *Past*

- *Present*
- *Future*

Answer from Councillor H Bramer Cabinet Member Resources

3.2 Funding for the development of a shared service strategy of £175K was provided by the Improvement and Efficiency Partnership West Midlands, together with financial contributions from Herefordshire Council and NHS Herefordshire of £12,500 each. All three partners have contributed officer resources for the shared services to the work to date. Work is currently underway to determine the most appropriate governance arrangement and commercial models, including any invest to save requirements, for the next stages of the programme.

Supplementary question

How will the Cabinet Member track the savings, which would be of benefit to the public, across the various initiatives and budget headings (shared services, integrated commissioning, change management etc)?

Answer from Councillor H Bramer Cabinet Member Resources

The costs would be tracked in accordance with CIPFA regulations.

Question from Councillor RI Matthews to the Cabinet Member Resources

4.1 *The Council's Connect project in which many millions of pounds of taxpayers' money has been invested is still only realising a modest one million of efficiency savings for 2010-11, which is well short of what we were led to believe would be the case a few years ago. With the Authority's formula grant due to be considerably reduced in 2011-12, can the Cabinet Member assure us that the forecast savings will be delivered and where it is anticipated that the savings will be made?*

Answer from Councillor H Bramer Cabinet Member Resources

4.1 Yes; savings are forecast to be made in the following key areas:

- Procurement.
- Business process improvement.
- Decommissioning of legacy systems.
- Reduction in full time equivalent (FTE).

Supplementary question

In excess of £5million has been invested in the Connects project. When is it expected that this money will be recovered and how long will it take to reclaim the monies invested in the project? As the Connects programme is now under the general umbrella of corporate efficiencies, is all now working as expected?

Answer from Councillor H Bramer Cabinet Member Resources

The comments were noted and a written response would be provided

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

5.1 *What is the total amount of section 106 funding lost to the Council since the decision by the Cabinet Member Environment and Strategic Housing to suspend*

section 106 agreements, as from 1 April 2009? What effect does this loss have on the Council's budget for 2010/11 and beyond, and on its ability to deal with the costs to the community arising from permitted development?

Answer from Councillor JG Jarvis Cabinet Member Environment and Strategic Housing

- 5.1 It is important to note the suspension, made at a time of severe economic downturn and with the aim of providing a stimulus to the development market, has resulted in 122 planning applications to commence development within 12 months delivering 195 new homes (excluding affordable housing) and 15 new employment sites in the County, and generating an income fee of £66,555.

There will be no effect to the Council's budget as section 106 contributions are 'windfall' payments to support delivery of specified schemes or projects which would not otherwise be realised.

It is estimated that the total amount of potential S106 agreement contribution in respect of applications processed since 1 April 2009 could have amounted to some £309,000.

Supplementary question

What is the definition of 'commence development within 12 months'?

Answer from Councillor JG Jarvis Cabinet Member Environment and Strategic Housing

That there are signs of the development being started and that footings have been put in place

Question from Councillor AT Oliver to the Cabinet Member Resources

- 5.2 *Is the suggestion that there will be a 5% per annum cut in the formula grant from central government after 2010/11, the result of a direct line to the Tory election manifesto, or an educated guess? If the grant is cut by this amount what services is it proposed are dropped or cut from 2010/11 onwards, and how many redundancies or job losses might be involved?*
- 5.3 *The financial resource model indicates that there may be inflation uplifts to key contracts. Which contracts and what is the cost of the potential uplift in each case? Do the contracts entered into by the Council specify such inflationary uplifts?*
- 5.4 *It is stated that there is a backlog of £17,750,000 of maintenance required across all service areas, with £595,000 stated to be urgent. No provision has been made within the Council's budget for this work. I assume that this £595,000 will have to be spent before 31 March 2011. If so can it be accommodated within additional prudential borrowing, or will it have to be offset against revenue budgets?
Can the rest of the backlog be postponed indefinitely or is this potential substantial cost going to impact on our budgets for the next two years?*
- 5.5 *The net borrowing requirement is projected to rise from £115,000,000 at 31 March 2010 to £142,000,000 at 31 March 2011, an increase of nearly 25%. What new infrastructure will Herefordshire have as at 31 March 2011 to justify this increase?*

Answer from Councillor H Bramer Cabinet Member Resources

- 5.2 The Council's financial strategy covers three years and reflects the general consensus that the public sector will have much tighter funding settlements in the future. We have certainty about government funding for 2010/11 but no information on future levels of grant. As a result we have included a 5% per annum reduction in the level of future funding for 2011/12 and 2012/13, taking into account the general view amongst the local government community and statements made by organisations such as the Audit Commission.

The planning for such a scenario is ongoing and will include efficiencies such as shared services. The Council has been clear that the shared services agenda will lead to a reduction in the number of jobs across the three partner organisations of some 140 posts.

- 5.3 It is not possible in the time available to produce a list of the relevant contracts and cost of potential uplift in each case. I can confirm that a number of existing contracts do contain a specification for uplift and have asked officers to contact you to provide you with a more comprehensive briefing.
- 5.4 The significant issue of maintenance backlog is one of the key reasons why we have agreed to a new joint accommodation strategy. The council's intention is to rationalise its estate and for example, in Hereford alone this will reduce the number of office locations from 11 to one at Plough Lane.

The £595k could be funded from unallocated Prudential borrowing in 2010/11 that is being held back pending completion of the review of the existing capital programme; alternatively the work could be funded from existing property maintenance revenue budget (£1.197 million) depending on whether the works required meet the definition of capital expenditure.

- 5.5 Capital funding will be directed to support priority capital projects identified in the Capital Programme (currently under review) and to deliver Highways, Footways and Bridges works as supported by specific government funding allocations

Supplementary question

Does the urgent backlog of maintenance (£595k) include the refurbishment of the tennis courts at Bishops Meadow?

Answer from Councillor H Bramer Cabinet Member Resources

A written response will be provided.

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

- 5.6 *Have all liabilities from the construction of the Rotherwas relief road now been settled? If not what provision has been made in the 2010/11 budget for any liability which may become due?*

One of the conditions attached to the planning permission for the relief road, was that the Holme Lacy Road be upgraded. Has the scoping document for any proposed improvements to the road yet been produced, and is there any provision in the 2010/11 budget for the cost of any road works necessary?

Answer from Councillor DB Wilcox Cabinet Member Highways and Transportation

- 5.6 All contractor costs associated with the construction of Rotherwas Access Road have been paid from this year and previous years' budgets. There are a range of other payments to affected landowners and to potentially affected households which are still under negotiation. The Rotherwas Futures budget contains an allowance for these costs in 2010/2011 financial year.

It is pleasing to note that, following construction of the relief road, Holme Lacy Road has seen a 90% reduction in HGV usage. Following preliminary consultations with Lower Bullingham Parish Council, a draft Holme Lacy Road improvement scheme has been developed. It is intended to undertake wider consultation on these proposals this spring. Funding will be made available through the Council's Local Transport Plan, with the implementation of the scheme being phased over a number of years.

Supplementary question

What is the actual provision for the outstanding liability of the Rotherwas Futures project?

Answer from Councillor DB Wilcox Cabinet Member Highways and Transportation

The detail of the final amount would not be disclosed, however the total cost of the project has been around £14million.

70. NOTICES OF MOTION UNDER STANDING ORDERS

There were none.

71. DRAFT FINANCIAL STRATEGY 2010/13

The Leader introduced the item and drew Members' attention to the amended recommendation to the Draft Financial Strategy 2010/2013 which had been circulated in advance of the meeting.

The Cabinet Member Resources advised Council that:

- The Medium Term Financial Strategy (MTFS) was based on an 'in principle' council tax increase of 2.9%, which equated to a rise of £0.66p per week for Band D properties and which would be the lowest level of council tax set by the Council. An on going review of the MTFS would take place in advance of the 5 March 2010 Council meeting.
- All public services were experiencing increasingly challenging times balancing lower funding levels with the need to maintain front line service delivery.
- Whilst the Local Government Settlement provided an increase of £2.2million for 2010/11 additional budgetary pressures of £5.5million had been identified.
- Careful review of the budget identified additional costs for Integrated Commissioning, Children's' Services, Adult Social Care (in anticipation of the costs relating to the implementation of the Personal Care at Home Bill), and winter maintenance, as well as the need to reimburse reserves.
- Planning the strategic and operational intentions of the Council over three years during a period of such uncertainty was challenging and Members were advised that flexibility was needed in the process to allow for informed assumptions to be reflected and amended in the MTFS.

The recommendations were moved and seconded.

The Chairman of the Overview and Scrutiny Committee outlined the following key points raised by his Committee in considering the report:

- the expectation that funding in subsequent years would be substantially cut year on year at a rate of -5% or more.
- noted government's expectation that council tax increase should be 'substantially' below 3% and queried the definition of 'substantially' in light of the proposed (in principle) council tax level of 2.9%.
- that vital information was lacking to enable support for or against the Executive's recommendations (e.g report on capital projects, information relating to the superannuation fund).

Members acknowledged the challenges in relation to the development of the MTFS during such uncertain times; however a number of Members expressed concern regarding the lack of detail with which to make an informed decision on the recommendations. The following specific points were raised:

- Clarifications were sought on; (i) the additional cost incurred in relation to shared services and improved procurement processes; (ii) the rationale of recruiting an additional 100 staff in the previous 12 months; (iii) uplift in relation to contracts; (iv) the Connects project anticipated £6million savings; (v) when compatible IT systems would be in place.
- Comments were made regarding budget allocations; specifically in respect of dementia sufferers and archaeology.
- It was important to ensure the organisation and the services it delivered were effective as well as efficient.
- Clarification was sought as to why there remained a debt of £27.7million which originated from the previous Hereford and Worcester County Council.
- The deficit buildings should not be considered for sale until the economic climate was more favourable.
- The Council's budget sheets should be made available on the web.

Responding to comments raised Executive Members stated that:

- Members were reminded that the February Council meeting provided an opportunity to set the context, discuss issues and ask questions of Cabinet in advance of March Council meeting which would set the budget; the Assistant Chief Executive (Legal and Democratic) would write to Members outlining the legal and constitutional requirements of Council in the budget setting process.
- Members were advised that officers from the Resources Directorate were attending public meetings in order to outline the position of the Council and the challenges it faced in delivering services and efficiencies in an effective way.
- The impact of the Government's position on the financing of local government and public sector in general was challenging and whilst additional funding had been received through the settlement grant, a substantial reduction in funding was expected on a rolling annual basis. Work on reviewing the financial strategy would continue over the coming weeks and additional information would be made available to Members.
- The role of the scrutiny function in helping to review the delivery of the right services, and the right time to the public was important to assist the effectiveness of the organisation.

- Question relating to staffing would need to be referred to the Chief Executive.
- Members were advised that typographical corrections would be captured in future documentation.

Members indicating support for the recommendations highlighted that the need for those opposed to the proposed budget needed to consider alternative proposals.

Responding to comments raised, the Leader stated that:

- Para 27 of the report reflected inflationary increases in contract costs.
- £500,000 had been spent on archaeological costs relating to the Rotherwas Ribbon, which required appropriate investigation, and which had been undertaken at an additional cost to the access road. Current archaeological costs were being met through an alternative source.
- It was acknowledged that a three year MTFs had to estimate years two and three. This year these estimations were more difficult due to the current economic climate, the tightening of public sector finance and the certainty of an election no later than 3 June 2010.
- The impact of paying back the severe national debt needed to be considered within Government and by national politicians who needed to be mindful of their approach to funding local government and ensure that no changes to settlements were done mid year in order not to impact services detrimentally.
- It was imperative that the MTFs took account of potential reductions in Government funding, and whilst no formal figure had been received, cuts of at least -5% were expected over the next two years.
- It was expected that the reduction in public sector funding would also affect the Area Based Grant (up to £15million) which supported vital services. However as the ABG stood outside the formal local government budget, it was vulnerable to mid year changes.
- It was deemed appropriate to reimburse monies borrowed from the reserves in respect of winter maintenance and adult social care.
- Capital spending has been considered and revised to ensure timescale and phasing of delivery together with the impact on the revenue budget.
- The financial environment ahead has been described by a leading academic as an 'end of era' with officers and members needing to tackle severe challenges not previously experienced in their professional careers.
- In response to comments made regarding borrowing levels, the differences between prudential and supported borrowing were outlined. Assurance was provided to Members that the current combined debt level (both prudential and supported) of £115million was well below £185million which would be upper limit.
- In considering the budgetary process, the proposed increases reflected needs identified, mostly in support of vulnerable children and adults. Such increases needed to be fully explained to the public and set out within the appropriate context (including the pressures of rurality, demography and infrastructure). Some potential funding impacts were yet to be fully costed, such as the Personal Care at Home Bill, which whilst a laudable principle, has been estimated by the Prime Minister to cost £650million and by the Association of Directors of Social Services as £1billion, of which 37% of the cost would be borne by local government.

- The impact of the recent severe winter weather was ongoing and it was expected that there would be a need to reprofile spend within the highways budget to deal with patching and resurfacing requirements and assess the additional requirements for the 2010/11 budget.
- It was acknowledged that at 2.9% the proposed (in principle) council tax was too high and would have to come down.

A vote was taken and the resolution was carried 26 for (2 against, 19 abstentions)

RESOLVED:

THAT Council approve *in principle*:

- (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) and;**
 - **an additional £1.0m capital allocation for roads maintenance;**
 - **an additional £500k for the social care contingency; and**
 - **an additional £500k for the winter maintenance reserve;**
- (b) **a proposed council tax increase of *no higher than 2.9%***

72. HEREFORDSHIRE COUNCIL AND NHS HEREFORDSHIRE JOINT CORPORATE PLAN

The Leader presented the report and highlighted the following:

- The amended version of the corporate plan which had been circulated in advance of the meeting, the amendments being highlighted in red.
- The joint corporate plan outlined the overall objectives of the deep partnership between the Council and NHS Herefordshire which were increasingly important within the context of tighter budgets. It was considered a positive and effective aid to move forward constructively.
- The plan additionally outlined the close linkages with other partners in the public, private and third sectors.
- That increasingly in the future, Herefordshire would be considered within the Total Place context (quantifying all public monies in the area and identifying how it can be put to best use for the public).
- Appendix 2, which identified actions and performance targets, complemented the Corporate Plan. It would be used by Members and Officers to monitor progress and spend. Such an approach would assist the organisations in developing further a businesslike approach by targeting knowledge and identifying areas where funding would have the greatest impact.

The recommendations were moved and seconded.

Councillor H Davies left the meeting.

The Chairman of the Overview and Scrutiny Committee outlined the following key points raised by his Committee in considering the report:

- Welcomed the new format of the Joint Corporate Plan and its close links with Performance Plus.
- That consideration be given to the following specific points:
 - (i) That the STEAM report be used as a basis for measuring the delivery of long term objective 1.3 '*visitors to the county*';
 - (ii) The targets for the processing of planning applications against long term objective 1.4 should measure the quality of decisions.
 - (iii) The targets for recycling waste should be made more ambitious
 - (iv) That long term objective 6.2 relating to CO2 and climate change targets should be more robust.
 - (v) Affordable housing objectives had a long way to go
 - (vi) Some of the information contained in the corporate plan did not align with the Draft Financial Strategy e.g. capital programmes.

In discussion the following points were raised by Members:

- An agreed approach was required regarding use of appropriate terminology.
- The work undertaken to achieve the plan and its SMART targets was recognised and the Policy and Performance team commended.
- In recognising that the Appendix 2 was work in progress, the finance would need to be monitored
- Concerns were raised regarding the differing cultures and ethos of Herefordshire Council and the NHSH. It was commented that much work was required to embed a single organisational approach and vision.
- The Joint Corporate Plan was a positive and logical approach which emphasised the benefits of a deep partnership, however it was stated that there was a long way to go in ensuring appropriate integration e.g. IT systems, and that the opportunity for further joint working needed to be considered e.g. approach to obesity.
- Concern was expressed that the joint corporate plan was a wish list of desirable outcomes which were unachievable within budget. It was commented that the corporate plan should be realistic, have fewer tick box targets, that projects should be viable and deliverable, and that some targets and objectives should be lowered.
- The Overview and Scrutiny Committees should review the joint corporate plan on a regular basis.
- A specific example was given of current levels of underreporting in relation to crime and antisocial behaviour, the levels for which, if the public were encouraged to report crimes, would rise. However increased reporting would enable better assessment of trends. West Mercia Police Authority Members took on board a comment made in relation to the closing of a police station front desk.
- In working towards the targets relating to CO2 emission targets and climate change, it was stated that staffing was not in place to provide appropriate

support. Concern was expressed that this situation should be addressed prior to the setting of any mandatory Government targets.

- As community leaders, Councillors should use the joint corporate plan as an opportunity to further engage with their communities and seek appropriate funding for initiatives.

In responding to the comments made the Leader:

- Thanked Members for their positive comments and commended the work of officers.
- Stated that the objective and vision outlined in the joint corporate plan needed to be embedded within the organisation and supported by Members.
- Stated that the deep partnership was delivering tangible benefits in relation to value for money and performance in areas such as Adult Social Care.
- Herefordshire was the only place in Britain with joint ICT provision across both Herefordshire Council and NHS Herefordshire, and that data sharing protocols were in place.
- In comparison with other councils, Herefordshire had travelled far in developing its partnership with health, and was being closely monitored by others in the local government sector. It was acknowledged however that there were differences in culture and employment issues between both organisations.
- In tackling CO2 emissions, the disposal of surplus properties was integral to achieving the target.
- The use of appropriate language was important and comments expressed would be taken on board.
- Members were reminded that whilst the vision and long term objectives outlined in the joint corporate plan (Appendix 1) were concrete, the targets set in Appendix 2 would remain flexible.
- Other organisations would need to link in and contribute to the long term objective and work would be done to ensure this would happen.
- The joint corporate plan was considered to be a positive incremental step forward and formed the basis of a collective approach for the economic well being and social welfare of the public.

A vote was taken and the recommendation carried (with 2 abstentions).

Recommendation

THAT: Council approve the Herefordshire Council and NHS Herefordshire Joint Corporate Plan vision, objectives and long-term outcomes as set out in the revised Appendix 1 to the report and as circulated at the Council meeting.

The meeting ended at 12.20 pm

CHAIRMAN

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?*

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

- 1.1 Herefordshire Council is required to communicate information on services and how to access them to local residents, as well as information on decisions or programmes that may affect them, especially those who may be disadvantaged through poor health or poverty. The council budgets for £12,500 per edition of Herefordshire Matters and if six editions are published and distributed to over 80,000 households and locations in a year, the gross annual cost to the Council is £75,000. Distribution is the highest cost element. Content is contributed by staff in a wide range of service areas but advertising revenue of around £30,000 a year does offset the overall cost.

In successive readership surveys, evaluation shows that 73 per cent of residents receiving Herefordshire Matters read all or most of it, with 24 per cent reading a few articles.

The publication also scored high marks for content, with 95 per cent of respondents finding articles interesting, 93 per cent feeling that it covers important issues for them. The format has also been designed in consultation with disability groups, who are positive about the design, layout and print size.

Supplementary question

Will the Cabinet consider an open access publication policy for the public to read wider views?

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

The comments were noted and it was stated that the written answer provided was sufficient.

PUBLIC QUESTIONS TO COUNCIL – 5 FEBRUARY 2010

Question from Mr P McKay, Leominster.

2.1 *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)*
- *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.*

Answer from Councillor Brian Wilcox Cabinet Member Highways and Transportation

2.1 As has previously been explained to Mr McKay, the efficiency savings that have been achieved as a result of the Service Delivery Review of the Amey contracts are necessary to balance the Council's overall budgets and funds are not available to increase investment in Public Rights of Way services. However, following the transfer of Public Rights of Way services to Amey Herefordshire on 1 September 2009, work is underway to take forward and improve the service within currently available resources. Indeed, Amey's Public Rights of Way team has already begun a comprehensive review of the currently published web pages with a view to expanding and improving the information readily available to the public online. Some of the items listed are already published on the Council's website, such as the Rights of Way Improvement Plan and the Definitive Map Modification Order Statement of Priorities. The other items listed will all be considered as part of this review. Whether all the specific items will be included will be dependent on whether the item is of sufficient interest to the public, the accuracy and integrity of the data source and the technological and other resource implications of the development work needed to publish online. The Council will be monitoring this review to ensure that as much appropriate information as reasonably possible is made accessible in this way.

PUBLIC QUESTIONS TO COUNCIL – 5 FEBRUARY 2010

Supplementary question

Would the information be made available to parish and town councils to enable them to check the highways records in the most cost effective method?

Answer from Councillor Brian Wilcox Cabinet Member Highways and Transportation

Assurance was provided that the information would be provided on-line for all to access. Information would also be available to the Open Access Forums and the Parish Councils.

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

TOTALS	FOR	47	AGAINST	1	ABSTAIN	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		

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

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;

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 MARCH 2010

Question from Mr P McKay, Leominster, Hereford

- 1.1 *At the Council meeting of 5 February I was advised in reply to my question that a comprehensive review of the currently published web pages is underway with a view to expanding and improving the information readily available to the public online, which will consider the informative documents that I listed.*

When may I expect sight of the list of informative documents to be put online and when might they be expected to be online, some already being identified under the Rights of Way Improvement Plan and scheduled as high priority for 2008?

PUBLIC QUESTIONS TO COUNCIL – 5 MARCH 2010

Question from Mr R W Steeds, Bringsty, Hereford

- 2.1 *Houses 7, 8 and 9 Malvern Road - Would Herefordshire Council please ensure the completion of the work started by their agents, Brockhampton Group Parish Council, in March 2008. The work to be completed by Brockhampton Group Parish Council to the satisfaction of the Land Agent and residents, as was agreed by Herefordshire Council on 15/5/08 in a formal answer to an earlier question? The present situation is both unsafe and easily blocked.*

MEETING:	COUNCIL
DATE:	5 MARCH 2010
TITLE OF REPORT:	LEADER'S REPORT

CLASSIFICATION: Open

Wards affected

County wide

Purpose

To provide an overview of the Executive's activity during the past three months.

Recommendation

THAT:

The report be noted.

Report

1. Cabinet has met on four occasions since the November meeting of Council and, in addition to the Budget & Policy items appearing separately on Council's agenda either today or in February, has considered the following issues:
 - a) *Budget and Performance Monitoring Reports* – Cabinet particularly noted that robust action plans had been implemented for all LAA indicators; Cabinet also received a briefing on the provisional local government finance settlement for 2010/11;
 - b) *Joint (Council and NHS Herefordshire) Strategies & Policies* – Cabinet approved a joint corporate property strategy; Cabinet supported the implementation of the joint customer strategy and agreed that regard should be given to it in the development of future plans, commissioning of services and budget decisions; Cabinet noted the key findings from the joint Strategic Needs Assessment, noting that regard be given to them in the development of future plans, commissioning of services and budget decisions; Cabinet approved the revised joint Risk Assurance Policy and accompanying risk management assurance guidance;
 - c) *Responses to Scrutiny Reviews* – Cabinet agreed the executive's response to the scrutiny reviews of Tourism and of the Economic Development Strategy;
 - d) *Herefordshire Schools*– Cabinet considered the recommendations of the Herefordshire Schools Task Group following the formal consultation undertaken by the group and endorsed the cluster working and school leadership proposals; the principle of establishing sustainability criteria and thresholds were endorsed with further detailed analysis requested. This further work will be brought back to Cabinet in due course. Cabinet separately agreed to progress the statutory process necessary to secure the

amalgamation of Leominster Infant & Junior schools.

To try and secure the best possible future for our children's education in the future, working with the F40 group of local authorities (representing those authorities that are the poorest funded), and through a Herefordshire delegation to the Minister of State for Schools and Learners, we have been lobbying strongly for fairer funding for schools in our county.

Herefordshire is rightly proud of its track record for delivering high quality education in the county, but it should be recognised that this is achieved against a backdrop of being a poorly funded authority facing reduced funding due to falling pupil numbers. The rural dimension further adds to costs and there is a strong expectation, both nationally and locally that rural provision should largely be maintained. Compared to both the national average and comparable local authorities, Herefordshire holds comparatively little funding centrally with most funding going directly to schools, but despite that we are seeing increasing numbers of schools facing budget challenges, leading to a rise in redundancies in response to diminishing budgets.

The government has recently undertaken a review of school funding to inform any national change to be implemented in 2011; we will continue to make every effort to press our case for a fairer share of resources to be made available to Herefordshire's schools by, for example, seeking the adoption of a formula based on the number of school-age children per hectare, thereby taking proper account of the impacts of sparsity in a rural area;

- e) *Local Development Framework* – Cabinet approved the Shaping Our Place paper for consultation and later in my report I provide an update on the progress of that consultation;
- f) *Assessments and Inspections* – Cabinet received presentations on the outcome of Herefordshire's Comprehensive Area Assessment (CAA) results and the outcome of the Care Quality Commission assessment of adult social care; Cabinet also noted the Audit Commissions Annual Audit & Inspection Letter 2009;
- g) *Connectivity* – Cabinet approved the approach to addressing the challenges of delivering broadband throughout the county, recognising that a strategic and long-term vision for broadband is needed, with smarter and more collaborative procurement across all public sector bodies. The broadband vision for Herefordshire is to enable a fast and affordable broadband service that contributes to better outcomes for all the people in the county, with greater range of service delivery, competitive advantage for businesses and escalated learning opportunities; Cabinet separately approved the awarding of the contract for the supply of the community network;
- h) *Herefordshire & Worcestershire Waste Disposal Contract* – Cabinet gave support in principle to the proposals made by the council's waste disposal contractor for the development of an Energy from Waste plant and authorised officers to progress further negotiations. Cabinet also agreed to reimburse reasonable costs incurred by the contractor should the proposed development prove abortive;
- i) *Shared Services* – Cabinet has received reports on progress and accepted the business case for shared services. Approval was given to further develop the shared services programme and authorisation given to officers to progress further negotiations prior to seeking formal decisions as necessary.

Shaping our Place 2026/Local Transport Plan Consultations

2. Since January we have been running, in parallel, consultations on the Local Development Framework, which will be the blueprint for planning and developing Herefordshire for the

future and the Local Transport Plan, which will drive the county's transport strategy for the next 15 years.

3. These consultations are vital if we are to provide the right frameworks to provide the growth needed in the county to address the following:
 - Herefordshire has below average wage levels for the region but above average house prices.
 - There are some 5,000 people on the county's housing waiting list and demand is high for homes that are decent and affordable.
 - Herefordshire is recognised as providing a good education; but without a university, or sufficient higher education to build skills and qualifications, or good career prospects, we know young people are more likely to find better prospects elsewhere.
 - The county also needs more enterprises, offering high quality jobs. More space for employment land has to be found. Growth in the county will provide stronger markets for local firms to thrive and prosper - and safeguard local essential public services.
 - Sorting out Hereford's traffic problems is a major priority. Previous consultation shows that most local people feel that a blend of public transport improvements and a new relief road and second river crossing is the preferred solution. However, the route – either to the west or the east of the city – needs careful consideration and the consultation details the implications of either option. Leominster is also identified as requiring a southern relief road.
 - We want to further promote the role of the market towns as service and economic centres for their rural hinterlands and also improve links with Hereford.
 - Several villages could see development designed to increase affordable housing and sustain essential services, including schools, and new shops, along with rural transport improvements.
4. When we planned the consultation events we set out to deliver the most ambitious consultation exercise since the creation of the Council in 1998. And with one week to go we have already engaged with more people than any previous consultation. This is perhaps not surprising given that the two documents will shape the future of the County up to 2026.
5. The consultation exercise has already touched many groups and organisations as well as individuals. Meetings have been held with local businesses, schools and a variety of other local organisations. Many Town and Parish Councils have held specific meetings within the consultation period and the roadshows have been well attended. By way of example 507 people visited the exhibition in High Town on Saturday 13 February and generated 345 comments on the Hereford relief road. The council's website, together with the wrap-arounds in both the Ad Mag and the Hereford Journal have helped ensure that everyone is aware of, and can participate in the consultation.
6. The consultation period closes on 12 March. Thereafter the responses will be assessed and fed into the final Core Strategy to be considered by Cabinet/Council in the Autumn. The Core Strategy will provide the context for the preparation of the Hereford Area Action Plan (2011) and the Market Towns and Rural Areas Action Plan (2012).

Leading the West Midlands Recovery

7. The West Midlands Leaders Board has launched its Statement of Intent, not only setting out how we will work together and why local authorities should be taking the lead but also our four key commitments to set the West Midlands on a road to recovery.

8. 'Leading the West Midlands Recovery - A Statement by the West Midlands Leaders Board' was officially launched at the West Midlands Leaders Board Conference on 28th January, having been agreed and signed by all 33 local authority leaders earlier in the month.
9. It outlines four key areas of priority:
 - Improve the economic position of the West Midlands so that business can grow and prosper again
 - Show local government's leadership role in forging solutions to our problems and holding partners to account for delivering those solutions
 - Improve the image and reputation of the West Midlands and lobby government with one voice so that we secure the resources we need
 - Maximise the effectiveness of local government and speak with authority on the challenges facing us
10. Each of these commitments has a number of priority actions and an annual report will be produced setting out progress made to deliver those commitments across the West Midlands.
11. In order to create a more prosperous region it is recognised that public sector agencies must, with the private sector, work in partnership together. Six broad sub-regional partnerships have been identified:
 - Birmingham
 - Black Country
 - Coventry, Solihull & Warwickshire
 - Staffordshire & Stoke
 - Herefordshire, Shropshire & Telford and Wrekin
 - Worcestershire

However these are not rigid or exclusive partnerships and authorities should and must work in any combination of these partnerships and their neighbours necessary to achieve prosperity for the region.

Resources to better reflect our aging population people

12. Herefordshire recently participated in a review, undertaken by the Communities and Local Government department into how local strategic partnerships are preparing for an ageing population. During our discussions, we raised our concern that the way that Revenue Support Grant is calculated does not take sufficient account of the increasing pressures across all services of increasing numbers of older people within an area, and subsequently have provided evidence supporting that concern and to lobby for changes in the calculation methodology.

Widemarsh Street

13. Work has now begun on the £1.3million refurbishment scheme for Widemarsh Street (including Maylord Street) in the city. Following consultation during 2009, the design aims to create a flagship street that is attractive for local businesses, residents and visitors and will encourage visitors and shoppers to move between the historic core of the city and the attractions proposed for the old livestock market site which is subject to a £650million redevelopment.

14. Having listened to the concerns raised by local businesses about the reliability of the electricity supply, Herefordshire Council has held detailed negotiations with Central Networks, resulting in their agreeing to renew the mains supplies along the street. To minimise disruption, this work will be undertaken in conjunction with the overall refurbishment works which will be carried out in five phases during the year, the main paving works scheduled for completion before Christmas 2010.
15. Inevitably there will be a level of disruption whilst these works are undertaken, and a community liaison specialist has been appointed by the contractor, Alun Griffiths Ltd of Abergavenny, to ensure that traders and shoppers are kept informed during the works and disruption is kept to a minimum.

MEETING:	COUNCIL
DATE:	5 MARCH 2010
TITLE OF REPORT:	FINANCIAL STRATEGY 2010-2013 (INCLUDING BUDGET 2010/11)
REPORT BY:	LEADER OF THE COUNCIL

CLASSIFICATION: Open

Purpose

To propose the three year financial strategy for 2010/13, previously approved at Council on 5 February 2010, 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 at section 7 of the MTFS and the 2010/11 to 2012/13 revenue overview summarised in the Finance Resource Model (FRM);**
- (b) **A council tax increase of 2.54%;**
- (c) **The Treasury Management Strategy in Appendix B be approved, including:**
 - **the Prudential Indicators detailed in Appendix 1 of the Treasury Management Strategy, which includes the draft Capital Programme,**
 - **the council's Minimum Revenue Provision Policy for 2010/11,**
 - **and formal adoption of the revised Treasury Management Policy Statement as per Appendix 4 of the Treasury Management Strategy.**

Alternative Options

- 1 Council approved the MTFS in principle, on 5 February 2010, it incorporated inflation, service pressures and other spending requirements, the financing of which has been identified from within the Formula Grant, service efficiencies and council tax. Any reduction in the levels of council tax increase needs to be met by equivalent reductions in revenue expenditure elsewhere in the budget. This report incorporates the Cabinet recommendation to Council and does not include any other options at this final budget stage of the process.

Further information on the subject of this report is available from
David Powell, Director of Resources on (01432) 383519

Reasons for Recommendations

- 2 The proposed MTFs, shown in Appendix A provides a financial planning framework for the next three years. It includes the Budget for 2010/11 that forms the basis for the Council Tax recommended increase of 2.54%.
- 3 The Council is responsible for setting the council budget.

Introduction

- 4 Council on 5 February 2010 received a budget recommendation from Cabinet (approved on 21 January 2010), that the Council approve in principle the MTFs and a summarised FRM. It also recommended a council tax of no higher than 2.9% subject to finalising the MTFs, and agreed that the Leader of the Council, in consultation with the Director of Resources, finalise budget proposals, MTFs and council tax proposals for recommendation to Council.
- 5 Council approved in principle:
 - 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); and
 - an additional £1.0m capital allocation for roads maintenance;
 - an additional £500k for the social care contingency; and
 - an additional £500k for the winter maintenance reserve;
 - b. a proposed council tax increase of *no higher than 2.9%*
- 6 This report recommends a council tax of 2.54%. This equates to an £1,205.09 for a Band D property, an annual increase of £29.85, or 57.4p per week, compared with the current year. The report also identifies the differential between setting a 2.9% and 2.54% council tax level, and how the FRM will eliminate the funding gap.

Background

- 7 Following consultation the Local Government Settlement was announced on 20 January 2010. It confirmed the final year of the three-year Comprehensive Spending Review 2007 (CSR07). 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.
- 8 Local government does not have an indication about funding levels 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 formula grant funding from 2011/12.
- 9 Dedicated Schools Grant (DSG) is estimated (as at 21 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

- 10 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.
- 11 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
 - h. Winter maintenance reserve £500k
 - i. An addition of £500k to the Social Care contingency.
- 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 from 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 A revised Council Tax level of 2.54% (reduced from 2.9%), requires additional budget reductions of £299k to deliver a balanced budget. The rationale and detail of the adjustments to the FRM are explained below:
 - a. Treasury management activities have been set in the budget based on key assumptions. However, this budget can now be revised as the capital review will highlight current and potential schemes that could be re-profiled, and historically the trend shows that as schemes progress they incur slippage year on year. These two factors will result in a lower borrowing requirement and a knock on effect to the cost of borrowing. This coupled with our use of lower short term borrowing rates indicates we can manage the budget to deliver £183k of savings. It should be noted that indicative funding for the capital programme is included in the budget.
 - b. Service Pressures – over £5.2m has been allocated to Services to fund identified pressures. A number of budgets will be centrally retained until costs are incurred against the agreed additions. Some of the additional budget has been re-profiled with expenditure to start later in the year. This releases part year budgets to help fund the lower level of Council tax increase. It is recommended that this approach is used to fund the balance of £116k.

Financial Resource Model 2010/13:

15 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 2.54% council tax increase assumption is now included for the 2010/11 budget.

- b. Inflation Uplifts: The Government’s Pre Budget report on the 9th 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.

16 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

17 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:

	£’000
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
<i>Less re-profiled expenditure to meet lower level of Council tax increase</i>	<i>-116</i>
TOTAL	5,133

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

	£’000
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
TOTAL	4,615

18 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.

19 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. It is likely this will require the use of all or part of the social care contingency. Given the potential 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

20 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:

- a. £1m was used to fund service pressures, which is now backfilled.
- b. An additional £1m is used to top up the reserve to its 2008/09 level.
- c. LPSA reward grant support of £712k is backfilled and covers its use in 2009/10.

21 At a forecast level of £4.8m as at 31 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 continue to maintain a level of balance in excess of our minimum amount.

22 There are expected to be specific reserves of £12.8m as at 31 March 2010. However, a significant proportion of these reserves belong to schools and cannot be used to pay for non-schools services.

Capital Expenditure

23 The government has signalled a reduction in centrally funded capital expenditure because of the tightening of future public expenditure. 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.

- 24 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, from unallocated prudential borrowing.

Treasury Management

- 25 The Treasury Management Strategy, shown at Appendix B includes:
- a. Treasury Management Strategy for 2010/11
 - b. Prudential Indicators (PIs) – Appendix 1
 - c. MRP Statement – Section 8
 - d. Treasury Management Policy Statement – Appendix 4
- 26 The Council has adopted and works within CIPFA's Code of Practice on Treasury Management in the Public Services. Treasury Management Strategy for 2010/11 conforms to the CIPFA Code of Practice. This strategy includes a number of PIs specifically relating to Treasury Management and is set out in Appendix 2.
- 27 The CIPFA Code of Practice requires the Chief Financial Officer to prepare Treasury Management Practice Statements (TMPS). TMPS outline how the Council's strategic policy objectives for treasury management will be achieved and are supported by schedules that describe the specific procedures to be used by the Council's staff involved in treasury management activities. The Director of Resources has prepared TMPS that conform to the CIPFA Code of Practice.
- 28 Local authorities are required to charge to revenue a minimum revenue provision (MRP) to account for the cost of their debt and to approve a statement on its policy for making MRP before the start of the financial year. The Statement on Minimum Revenue Provision for 2010/11 is attached as Appendix B, section 8.

Community Impact

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

Financial Implications

- 30 The updated FRM for 2010/13 indicates capacity figures as follows;-
- a. 2010/11 - Balanced position
 - b. 2011/12 - Financial capacity £0.29m
 - c. 2012/13 - Financial capacity of £1.49m

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

Legal Implications

- 31 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:

- a. Making prudent allowance in the estimates for services; and
- b. Ensuring that there are adequate reserves to draw on if the service estimates turn out to be insufficient.

32 Local government legislation requires an authority's chief finance officer to make a report (known as a Section 25 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

- 33 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.
- 34 It is possible 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.
- 35 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.
- 36 Treasury Management risk is managed in accordance with the Treasury Management Policy Statement. The setting and monitoring of Performance Indicators is designed to be a fundamental process in the management of risk.

Consultees

- 37 The Joint Management Team agreed the MTFS for recommendation to Cabinet and Council.
- 38 Overview and Scrutiny Committee was consulted on 18 January 2010.
- 39 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.
- 40 The draft MTFS was approved in principle by Council on 5 February 2010.

Appendices

- 41 Appendix A – Medium Term Financial Strategy
- 42 Appendix B - Treasury Management Statement and Investment Strategy 2010/11

Background Papers

- Local Government Financial Settlement 2010/11
- Treasury Management Strategy 2010/11

MEETING:	COUNCIL
DATE:	5 MARCH 2010
TITLE OF REPORT:	COUNCIL TAX RESOLUTION 2010/11
PORTFOLIO AREA:	Resources

CLASSIFICATION: Open

Wards Affected

County-wide

Purpose

To set the Council Tax amounts for each category of dwelling in Herefordshire for 2010/11 and to calculate the Council's budget requirements.

Key Decision

This is not a Key Decision.

Recommendation

- (1) In respect of the Council's 2010/11 Budget a council tax of £1,205.09 be levied (at Band D);

and
- (2) in respect of council tax for 2010/11 that the following amounts be approved by the Council for the year 2010/11 in accordance with Sections 32 to 36 of the Local Government Finance Act 1992:
 - (a) £347,362,467 being the estimated aggregate expenditure of the Council in accordance with Section 32(2)(a) to (e) of the Act;
 - (b) £202,029,904 being the estimated aggregate income of the Council for the items set out in Section 32(3)(a) to (c) of the Act;
 - (c) £145,332,563 being the amount by which the aggregate at (a) above exceeds the aggregate at (b) calculated by the Council in accordance with Section 32(4) of the Act, as its total net budget requirement for the year;

Further information on the subject of this report is available from
David Powell, Director of Resources on (01432) 383519

- (d) **£57,583,866** being the aggregate of the sums which the Council estimated will be payable for the year into its general fund in respect of redistributed non-domestic rates, revenue support grant, additional grant or relevant special grant, increased by the transfer from the Collection Fund;
- (e) **£1,240.26** being the amount at (c) above less the amount at (d) above all divided by the amount of the Council Tax base calculated by the Council, in accordance with Section 33(1) of the Act, as the basic amount of its Council Tax for the year;
- (f) **£ 2,488,463** being the aggregate amount of all special items referred to in Section 34(1) of the Act;
- (g) **£1,205.09** being the amount at (e) above less the result given by dividing the amount at (f) above by the amount of the Council Tax base calculated by the Council, in accordance with Section 34(2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no special item relates;
- (h) that the precepting authority details incorporated in Annex 1 (i-v), relating to Special Items, West Mercia Police and Hereford and Worcester Combined Fire Authority be approved in accordance with Sections 30(2), 34(3), 36(1) and Section 40 of the Local Government Finance Act 1992.
- (3) Pursuant to the requirements of the Local Government (Functions and Responsibility) (England) Regulations 2000, any decisions on the application of reserves and balances as required from time to time during the financial year be taken by Cabinet.

Alternative Options

1. There are no alternative options.

Reasons for Recommendations

2. Local government legislation requires the Council to set a council tax each financial year and therefore a budget.
3. The Council Tax for 2010/11 requires that certain categories of income and expenditure and other financial information are provided in accordance with Local Government Finance Act 1992.

Introduction and Background

4. The Council Tax for each category dwelling in Herefordshire as well as the Council's budget requirements. The report enables the Council to meet its legislative duty by setting the Council Tax.
5. Following consultation with Overview & Scrutiny, cabinet and council, a Council Tax has been set that reflects discussions and previous decisions taken about the in principle level of maximum increase.

Key Considerations

6. Sections 25 to 29 of Part 2 of the Local Government Act 2003 impose duties on local authorities designed to ensure they make prudent allowance for risk and uncertainties in their budgets and that they regularly monitor their finances during the course of the year.
7. Section 25 of the Act deals with budget calculations and requires the statutory chief finance officer to report on the robustness of estimates and reserves. This duty was introduced because the Council decides on the Council Tax before the financial year begins and Council Tax cannot be increased during a financial year. It therefore needs to consider the risks and uncertainties that might force them to spend more than planned. The Council has a statutory duty to take the chief finance officer's Section 25 report (contained on page 32 of the MTFs) into account when it sets the Council Tax.
8. Whilst local authorities have discretion to make their own judgments on a prudent level of budget and reserves, Section 26 of the Act contains reserve powers for the government to set a minimum level of reserves. This means that the government has the right to intervene if it thinks a local authority is acting irresponsibly.
9. Section 27 of the Act requires the statutory chief finance officer to report to Council if reserves have dipped below the minimum agreed level when the next budget is set. That report must include suggestions on how to avoid it happening again. In 2009/10 the Council did not drop below the minimum level of balance set at £4.5m for the general reserve.
10. Sections 28 and 29 of the Act deal with budget monitoring issues and make budget monitoring a statutory duty. If monitoring establishes that the budget position has deteriorated, authorities are required to take appropriate action. This might include reducing spending in the rest of the year, increasing income or funding the shortfall from reserves.
11. Annex 1 (i-v) to this report contains the individual Council Tax amounts for each category of dwelling as required by the Local Government Finance Act 1992 and associated regulations. As a contingency it is also recommended that Cabinet continue to be authorised to draw on reserves and balances from time to time as required during 2010/11.
12. The Parish Precepts for 2010/11 total £2,488,463 amounting to an average Band D Council Tax Charge of £35.17 (an increase of 3.14% over 2009/10). Annex 1 (i) details the Parish Precept requirement and the Band D Council Tax Charge for each Parish. The Parish Precepts are reflected in Section 2 of the recommendations to Council.
13. Details of the West Mercia Police Authority Precept are contained in Annex 1 (iii).
14. Details of the Hereford & Worcester Fire and Rescue Authority Precept are contained in Annex 1 (iv).

Financial Implications

15. The level of Council Tax to be set for 2010/11 represents 2.54% increase compared with the previous year. The amount being raised will support the Council's general fund expenditure.

Legal Implications

16. By setting the Council Tax the Council meets the requirements under local government legislation.

Risk Management

17. Setting a Council Tax that is significantly below 3% minimises the risk that the council could face government action that would "cap" a level of increase and therefore force the Council to re-bill.

Consultees

18. Strategic Monitoring Committee was consulted on 18th January 2010.
19. 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.
20. The draft MTFS was approved by Council on 5th February 2010.

Appendices

21. Annex 1 – Herefordshire Council requirement by parish, including Band D equivalent.
22. Annex 2 - Council Tax for each valuation band, by parish, without the Police & Fire precepts.
23. Annex 3 – Police Authority precept requirement for each valuation band.
24. Annex – Fire Authority precept requirement for each valuation band.
25. Annex 5 – Council Tax for each valuation band, by parish, including the Police & Fire precepts.

Background Papers

- None identified.

Annex

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

Herefordshire Council requirement by Parish, including Band D equivalent				
Parish	Parish Precept	Tax Base	Parish Precept Basic Tax Rate (Band D)	Band D Charge (Parish and Herefordshire Council's Basic Rate - £1,205.09)
	£		£	£
Abbeydore & Bacton Group Parish Council	4,750	163.64	29.03	1,234.12
Aconbury Parish Meeting	100	38.18	2.62	1,207.71
Acton Beauchamp Group Parish Council	2,500	174.16	14.35	1,219.44
Allensmore Parish Council	600	251.13	2.39	1,207.48
Almeley Parish Council	6,250	264.76	23.61	1,228.70
Ashperton Parish Council	3,150	120.06	26.24	1,231.33
Aston Ingham Parish Council	1,750	209.66	8.35	1,213.44
Avenbury Parish Council	2,500	109.74	22.78	1,227.87
Aymestrey Parish Council	2,582	161.38	16.00	1,221.09
Bartestree & Lugwardine Group Parish Council	21,000	825.24	25.45	1,230.54
Belmont Rural Parish Council	45,000	1,383.31	32.53	1,237.62
Birley with Upper Hill Parish Council	1,827	130.40	14.01	1,219.10
Bishop's Frome Parish Council	18,000	328.61	54.78	1,259.87
Bishopstone & District Group Parish Council	3,885	205.99	18.86	1,223.95
Bodenham Parish Council	8,150	461.89	17.64	1,222.73
Border Group Parish Council	6,750	306.78	22.00	1,227.09
Bosbury and Coddington Parish Council	3,750	379.01	9.89	1,214.98
Brampton Abbots & Foy Group Parish Council	2,000	220.16	9.08	1,214.17
Bredenbury & District Group Parish Council	1,700	166.32	10.22	1,215.31
Breinton Parish Council	6,250	397.47	15.72	1,220.81
Bridstow Parish Council	4,750	405.51	11.71	1,216.80
Brilley Parish Council	2,750	120.88	22.75	1,227.84
Brimfield and Little Hereford Group Parish Council	8,000	518.77	15.42	1,220.51
Brockhampton Group Parish Council	11,000	335.14	32.82	1,237.91
Brockhampton Parish Council	1,600	88.53	18.07	1,223.16
Bromyard & Winslow Town Council	139,000	1,545.61	89.93	1,295.02
Burghill Parish Council	10,970	703.33	15.60	1,220.69
Callow & Haywood Group Parish Council	4,400	203.17	21.66	1,226.75
Clehonger Parish Council	8,000	530.06	15.09	1,220.18
Clifford Parish Council	4,000	250.14	15.99	1,221.08
Colwall Parish Council	60,106	1,182.76	50.82	1,255.91
Malvern Hills Conservators (Colwall Parish Council)	31,350	"	26.51	26.51
Cradley Parish Council	25,000	787.90	31.73	1,236.82
Credenhill Parish Council	16,000	682.03	23.46	1,228.55
Cusop Parish Council	6,000	177.34	33.83	1,238.92
Dilwyn Parish Council	11,545	313.27	36.85	1,241.94
Dinedor Parish Council	5,600	127.00	44.09	1,249.18
Dinmore Parish Meeting	-	7.96	-	1,205.09
Dormington & Mordiford Group Parish Council	8,700	317.31	27.42	1,232.51
Dorstone Parish Council	1,700	174.09	9.77	1,214.86
Eardisland Parish Council	12,600	228.76	55.08	1,260.17
Eardisley Group Parish Council	7,000	489.61	14.30	1,219.39
Eastnor & Donnington Parish Council	3,500	144.77	24.18	1,229.27
Eaton Bishop Parish Council	5,000	196.07	25.50	1,230.59
Ewyas Harold Group Parish Council	18,190	458.50	39.67	1,244.76
Fownhope Parish Council	16,000	432.20	37.02	1,242.11
Foxley Group Parish Council	1,750	177.38	9.87	1,214.96
Garway Parish Council	3,570	169.88	21.01	1,226.10
Goodrich & Welsh Bicknor Group Parish Council	5,250	258.56	20.30	1,225.39
Hampton Bishop Parish Council	7,000	196.60	35.61	1,240.70
Hampton Charles Parish Meeting	-	19.60	-	1,205.09
Hatfield and District Group Parish Council	2,000	210.88	9.48	1,214.57

Herefordshire Council requirement by Parish, including Band D equivalent				
Parish	Parish Precept	Tax Base	Parish Precept Basic Tax Rate (Band D)	Band D Charge (Parish and Herefordshire Council's Basic Rate - £1,205.09)
	£		£	£
Hentland, Ballingham & Bolstone Group Parish Council	4,000	284.20	14.07	1,219.16
Hereford City Council	704,040	17,497.70	40.24	1,245.33
Holme Lacy Parish Council	10,750	197.07	54.55	1,259.64
Holmer & Shelwick Parish Council	6,000	576.84	10.40	1,215.49
Hope Mansell Parish Council	1,000	136.33	7.34	1,212.43
Hope under Dinmore Group Parish Council	3,000	164.56	18.23	1,223.32
How Caple, Sollershope & Yatton Group Parish Council	4,250	157.08	27.06	1,232.15
Humber, Stoke Prior & Ford Group Parish Council	3,500	285.30	12.27	1,217.36
Huntington Parish Council	610	48.90	12.47	1,217.56
Kentchurch Parish Council	5,400	109.43	49.35	1,254.44
Kilpeck Group Parish Council	7,750	205.06	37.79	1,242.88
Kimbolton Parish Council	5,065	202.30	25.04	1,230.13
Kings Caple Parish Council	4,000	150.73	26.54	1,231.63
Kingsland Parish Council	7,000	466.42	15.01	1,220.10
Kingstone & Thruxton Group Parish Council	8,000	446.00	17.94	1,223.03
Kington Rural and Lower Harpton Group Parish Council	2,200	246.80	8.91	1,214.00
Kington Town Council	56,310	953.49	59.06	1,264.15
Kinnersley and District Group Parish Council	2,600	248.76	10.45	1,215.54
Lea Parish Council	5,600	272.57	20.55	1,225.64
Ledbury Town Council	263,195	3,677.78	71.56	1,276.65
Leintwardine Group Parish Council	13,000	449.59	28.92	1,234.01
Leominster Town Council	183,901	4,099.76	44.86	1,249.95
Linton Parish Council	5,800	461.97	12.55	1,217.64
Little Birch Parish Council	2,300	93.80	24.52	1,229.61
Little Dewchurch Parish Council	5,500	177.32	31.02	1,236.11
Llangarron Parish Council	4,000	471.81	8.48	1,213.57
Llanwarne & District Group Parish Council	1,400	268.64	5.21	1,210.30
Longtown Group Parish Council	5,532	408.07	13.56	1,218.65
Lower Bullingham Parish Council	10,335	649.13	15.92	1,221.01
Luston Group Parish Council	7,900	371.87	21.24	1,226.33
Lyonshall Parish Council	4,000	289.30	13.83	1,218.92
Madley Parish Council	8,000	433.06	18.47	1,223.56
Marden Parish Council	17,500	543.26	32.21	1,237.30
Marstow Parish Council	3,500	167.76	20.86	1,225.95
Mathon Parish Council	5,934	155.18	38.24	1,243.33
Malvern Hills Conservators (Mathon Parish Council)	4,180	"	26.94	26.94
Middleton-on-the-Hill and Leysters Group Parish Council	2,750	175.57	15.66	1,220.75
Monkland and Stretford Parish Council	2,000	86.07	23.24	1,228.33
Moreton on Lugg Parish Council	16,000	304.29	52.58	1,257.67
Much Birch Parish Council	7,000	393.00	17.81	1,222.90
Much Cowarne Group Parish Council	3,500	211.49	16.55	1,221.64
Much Dewchurch Parish Council	2,000	276.51	7.23	1,212.32
Much Marcle Parish Council	4,685	302.87	15.47	1,220.56
North Bromyard Group Parish Council	3,000	324.77	9.24	1,214.33
Ocle Pychard Parish Council	2,850	266.86	10.68	1,215.77
Orcop Parish Council	4,500	174.57	25.78	1,230.87
Orleton Parish Council	14,300	355.08	40.27	1,245.36
Pembridge Parish Council	18,000	472.18	38.12	1,243.21
Pencombe Group Parish Council	5,750	196.30	29.29	1,234.38
Peterchurch Parish Council	11,708	416.81	28.09	1,233.18
Peterstow Parish Council	3,000	183.70	16.33	1,221.42
Pipe and Lyde Parish Council	1,400	147.46	9.49	1,214.58
Pixley & District Parish Council	3,500	227.61	15.38	1,220.47

Herefordshire Council requirement by Parish, including Band D equivalent				
Parish	Parish Precept	Tax Base	Parish Precept Basic Tax Rate (Band D)	Band D Charge (Parish and Herefordshire Council's Basic Rate - £1,205.09)
	£		£	£
Putley Parish Council	4,300	113.91	37.75	1,242.84
Pyons Group Parish Council	5,895	354.21	16.64	1,221.73
Richard's Castle (Herefordshire) Parish Council	3,000	127.12	23.60	1,228.69
Ross-on-Wye Town Council	200,000	3,601.66	55.53	1,260.62
Ross Rural Parish Council	3,000	446.29	6.72	1,211.81
Sellack Parish Council	1,300	115.59	11.25	1,216.34
Shobdon Parish Council	9,200	305.40	30.12	1,235.21
St. Weonards Parish Council	1,650	149.39	11.04	1,216.13
Stapleton Group Parish Council	5,250	149.62	35.09	1,240.18
Staunton-on-Wye and District Group Parish Council	2,500	204.03	12.25	1,217.34
Stoke Edith Parish Meeting	-	45.49	-	1,205.09
Stoke Lacy Parish Council	6,000	162.60	36.90	1,241.99
Stretton Grandison Group Parish Council	1,500	216.52	6.93	1,212.02
Stretton Sugwas Parish Council	3,000	164.64	18.22	1,223.31
Sutton Parish Council	18,500	389.27	47.52	1,252.61
Tarrington Parish Council	10,000	240.94	41.50	1,246.59
Thornbury Group Parish Council	2,700	181.79	14.85	1,219.94
Titley and District Group Parish Council	3,750	222.52	16.85	1,221.94
Upton Bishop Parish Council	8,364	269.36	31.05	1,236.14
Vowchurch & District Group Parish Council	5,000	317.00	15.77	1,220.86
Walford Parish Council	12,500	657.09	19.02	1,224.11
Wellington Heath Parish Council	7,300	229.90	31.75	1,236.84
Wellington Parish Council	13,500	406.80	33.19	1,238.28
Welsh Newton & Llanrothal Group Parish Council	6,530	135.41	48.22	1,253.31
Weobley Parish Council	7,654	503.62	15.20	1,220.29
Weston Beggard Parish Council	600	85.10	7.05	1,212.14
Weston-under-Penyard Parish Council	6,000	486.58	12.33	1,217.42
Whitbourne Parish Council	10,000	333.42	29.99	1,235.08
Whitchurch & Ganarew Group Parish Council	5,000	506.81	9.87	1,214.96
Wigmore Group Parish Council	12,000	361.12	33.23	1,238.32
Withington Group Parish Council	15,000	637.79	23.52	1,228.61
Woolhope Parish Council	5,150	211.78	24.32	1,229.41
Wyeside Group Parish Council	4,200	309.97	13.55	1,218.64
Yarkhill Parish Council	2,000	136.66	14.63	1,219.72
Yarpole Group Parish Council	8,300	336.18	24.69	1,229.78
Being the amounts given by adding to the amount at 2(g) above the amounts of the special item or items relating to dwellings in those parts of the Council's area mentioned above divided in each case by the tax base above, calculated by the Council, in accordance with Section 34(3) of the Act, as the basic amounts of its council tax for the year for dwellings in those parts of its area to which one or more special items relate.				

Council Tax for each valuation band, by Parish, without the Police & Fire precepts								
PARISH	VALUATION BANDS							
	A	B	C	D	E	F	G	H
	£	£	£	£	£	£	£	£
Abbeystead & Bacton Group Parish Council	822.74	959.87	1,096.99	1,234.12	1,508.37	1,782.62	2,056.86	2,468.24
Aconbury Parish Meeting	805.14	939.33	1,073.52	1,207.71	1,476.09	1,744.47	2,012.85	2,415.42
Acton Beauchamp Group Parish Council	812.96	948.45	1,083.95	1,219.44	1,490.43	1,761.42	2,032.40	2,438.88
Allensmore Parish Council	804.98	939.15	1,073.31	1,207.48	1,475.81	1,744.14	2,012.46	2,414.96
Almeley Parish Council	819.13	955.65	1,092.18	1,228.70	1,501.75	1,774.79	2,047.83	2,457.40
Ashperton Parish Council	820.88	957.70	1,094.51	1,231.33	1,504.96	1,778.59	2,052.21	2,462.66
Aston Ingham Parish Council	808.96	943.78	1,078.61	1,213.44	1,483.10	1,752.75	2,022.40	2,426.88
Avenbury Parish Council	818.58	955.01	1,091.44	1,227.87	1,500.73	1,773.59	2,046.45	2,455.74
Aymestrey Parish Council	814.06	949.73	1,085.41	1,221.09	1,492.45	1,763.80	2,035.15	2,442.18
Bartestree & Lugwardine Group Parish Council	820.36	957.08	1,093.81	1,230.54	1,504.00	1,777.45	2,050.90	2,461.08
Belmont Rural Parish Council	825.08	962.59	1,100.11	1,237.62	1,512.65	1,787.68	2,062.70	2,475.24
Birley with Upper Hill Parish Council	812.73	948.19	1,083.64	1,219.10	1,490.01	1,760.93	2,031.83	2,438.20
Bishop's Frome Parish Council	839.91	979.90	1,119.88	1,259.87	1,539.84	1,819.82	2,099.78	2,519.74
Bishopstone & District Group Parish Council	815.96	951.96	1,087.95	1,223.95	1,495.94	1,767.93	2,039.91	2,447.90
Bodenham Parish Council	815.15	951.01	1,086.87	1,222.73	1,494.45	1,766.17	2,037.88	2,445.46
Border Group Parish Council	818.06	954.40	1,090.75	1,227.09	1,499.78	1,772.47	2,045.15	2,454.18
Bosbury and Coddington Parish Council	809.98	944.98	1,079.98	1,214.98	1,484.98	1,754.98	2,024.96	2,429.96
Brampton Abbots & Foy Group Parish Council	809.44	944.35	1,079.26	1,214.17	1,483.99	1,753.81	2,023.61	2,428.34
Bredenbury & District Group Parish Council	810.20	945.24	1,080.27	1,215.31	1,485.38	1,755.45	2,025.51	2,430.62
Breinton Parish Council	813.87	949.52	1,085.16	1,220.81	1,492.10	1,763.40	2,034.68	2,441.62
Bridstow Parish Council	811.20	946.40	1,081.60	1,216.80	1,487.20	1,757.60	2,028.00	2,433.60
Brilley Parish Council	818.56	954.98	1,091.41	1,227.84	1,500.70	1,773.55	2,046.40	2,455.68
Brimfield and Little Hereford Group Parish Council	813.67	949.28	1,084.90	1,220.51	1,491.74	1,762.96	2,034.18	2,441.02
Brockhampton Group Parish Council	825.27	962.82	1,100.36	1,237.91	1,513.00	1,788.10	2,063.18	2,475.82
Brockhampton Parish Council	815.44	951.34	1,087.25	1,223.16	1,494.98	1,766.79	2,038.60	2,446.32
Bromyard & Winslow Town Council	863.34	1,007.24	1,151.13	1,295.02	1,582.80	1,870.59	2,158.36	2,590.04
Burghill Parish Council	813.79	949.42	1,085.06	1,220.69	1,491.96	1,763.22	2,034.48	2,441.38
Callow & Haywood Group Parish Council	817.83	954.14	1,090.44	1,226.75	1,499.36	1,771.98	2,044.58	2,453.50
Cleghonger Parish Council	813.45	949.03	1,084.60	1,220.18	1,491.33	1,762.49	2,033.63	2,440.36
Clifford Parish Council	814.05	949.73	1,085.40	1,221.08	1,492.43	1,763.79	2,035.13	2,442.16
Colwall Parish Council (inc Malvern Hills Conservators)	854.94	997.44	1,139.92	1,282.42	1,567.40	1,852.39	2,137.36	2,564.84
Cradley Parish Council	824.54	961.97	1,099.39	1,236.82	1,511.67	1,786.52	2,061.36	2,473.64
Credenhill Parish Council	819.03	955.54	1,092.04	1,228.55	1,501.56	1,774.58	2,047.58	2,457.10
Cusop Parish Council	825.94	963.60	1,101.26	1,238.92	1,514.24	1,789.56	2,064.86	2,477.84
Dilwyn Parish Council	827.96	965.95	1,103.95	1,241.94	1,517.93	1,793.92	2,069.90	2,483.88
Dinedor Parish Council	832.78	971.58	1,110.38	1,249.18	1,526.78	1,804.38	2,081.96	2,498.36
Dinmore Parish Meeting	803.39	937.29	1,071.19	1,205.09	1,472.89	1,740.69	2,008.48	2,410.18
Dormington & Mordiford Group Parish Council	821.67	958.62	1,095.56	1,232.51	1,506.40	1,780.30	2,054.18	2,465.02
Dorstone Parish Council	809.90	944.89	1,079.87	1,214.86	1,484.83	1,754.80	2,024.76	2,429.72
Eardisland Parish Council	840.11	980.13	1,120.15	1,260.17	1,540.21	1,820.25	2,100.28	2,520.34
Eardisley Group Parish Council	812.92	948.41	1,083.90	1,219.39	1,490.37	1,761.35	2,032.31	2,438.78
Eastnor & Donnington Parish Council	819.51	956.10	1,092.68	1,229.27	1,502.44	1,775.62	2,048.78	2,458.54
Eaton Bishop Parish Council	820.39	957.12	1,093.86	1,230.59	1,504.06	1,777.52	2,050.98	2,461.18
Ewyas Harold Group Parish Council	829.84	968.14	1,106.45	1,244.76	1,521.38	1,797.99	2,074.60	2,489.52
Fownhope Parish Council	828.07	966.08	1,104.10	1,242.11	1,518.14	1,794.16	2,070.18	2,484.22
Foxley Group Parish Council	809.97	944.97	1,079.96	1,214.96	1,484.95	1,754.95	2,024.93	2,429.92
Garway Parish Council	817.40	953.63	1,089.87	1,226.10	1,498.57	1,771.04	2,043.50	2,452.20
Goodrich & Welsh Bicknor Group Parish Council	816.92	953.08	1,089.23	1,225.39	1,497.70	1,770.01	2,042.31	2,450.78
Hampton Bishop Parish Council	827.13	964.99	1,102.84	1,240.70	1,516.41	1,792.13	2,067.83	2,481.40
Hampton Charles Parish Meeting	803.39	937.29	1,071.19	1,205.09	1,472.89	1,740.69	2,008.48	2,410.18
Hatfield and District Group Parish Council	809.71	944.66	1,079.62	1,214.57	1,484.48	1,754.38	2,024.28	2,429.14
Hentland, Ballingham & Bolstone Group Parish Council	812.77	948.23	1,083.70	1,219.16	1,490.09	1,761.01	2,031.93	2,438.32
Hereford City Council	830.22	968.59	1,106.96	1,245.33	1,522.07	1,798.81	2,075.55	2,490.66
Holme Lacy Parish Council	839.76	979.72	1,119.68	1,259.64	1,539.56	1,819.48	2,099.40	2,519.28
Holmer & Shelwick Parish Council	810.32	945.38	1,080.43	1,215.49	1,485.60	1,755.71	2,025.81	2,430.98
Hope Mansell Parish Council	808.28	943.00	1,077.71	1,212.43	1,481.86	1,751.29	2,020.71	2,424.86
Hope under Dinmore Group Parish Council	815.54	951.47	1,087.39	1,223.32	1,495.17	1,767.02	2,038.86	2,446.64
How Caple, Sollershope & Yatton Group Parish Council	821.43	958.34	1,095.24	1,232.15	1,505.96	1,779.78	2,053.58	2,464.30
Humber, Stoke Prior & Ford Group Parish Council	811.57	946.83	1,082.10	1,217.36	1,487.89	1,758.41	2,028.93	2,434.72

Council Tax for each valuation band, by Parish, without the Police & Fire precepts								
PARISH	VALUATION BANDS							
	A	B	C	D	E	F	G	H
	£	£	£	£	£	£	£	£
Huntington Parish Council	811.70	946.99	1,082.27	1,217.56	1,488.13	1,758.70	2,029.26	2,435.12
Kentchurch Parish Council	836.29	975.67	1,115.06	1,254.44	1,533.21	1,811.97	2,090.73	2,508.88
Kilpeck Group Parish Council	828.58	966.68	1,104.78	1,242.88	1,519.08	1,795.28	2,071.46	2,485.76
Kimbolton Parish Council	820.08	956.77	1,093.45	1,230.13	1,503.49	1,776.86	2,050.21	2,460.26
Kings Ciple Parish Council	821.08	957.93	1,094.78	1,231.63	1,505.33	1,779.03	2,052.71	2,463.26
Kingsland Parish Council	813.40	948.96	1,084.53	1,220.10	1,491.24	1,762.37	2,033.50	2,440.20
Kingstone & Thrupton Group Parish Council	815.35	951.24	1,087.14	1,223.03	1,494.82	1,766.60	2,038.38	2,446.06
Kington Rural and Lower Harpton Group Parish Council	809.33	944.22	1,079.11	1,214.00	1,483.78	1,753.56	2,023.33	2,428.00
Kington Town Council	842.76	983.23	1,123.69	1,264.15	1,545.07	1,826.00	2,106.91	2,528.30
Kinnersley and District Group Parish Council	810.36	945.42	1,080.48	1,215.54	1,485.66	1,755.78	2,025.90	2,431.08
Lea Parish Council	817.09	953.27	1,089.46	1,225.64	1,498.01	1,770.37	2,042.73	2,451.28
Ledbury Town Council	851.10	992.95	1,134.80	1,276.65	1,560.35	1,844.05	2,127.75	2,553.30
Leintwardine Group Parish Council	822.67	959.78	1,096.90	1,234.01	1,508.24	1,782.46	2,056.68	2,468.02
Leominster Town Council	833.30	972.18	1,111.07	1,249.95	1,527.72	1,805.49	2,083.25	2,499.90
Linton Parish Council	811.76	947.05	1,082.35	1,217.64	1,488.23	1,758.82	2,029.40	2,435.28
Little Birch Parish Council	819.74	956.36	1,092.99	1,229.61	1,502.86	1,776.11	2,049.35	2,459.22
Little Dewchurch Parish Council	824.07	961.42	1,098.76	1,236.11	1,510.80	1,785.50	2,060.18	2,472.22
Llangarron Parish Council	809.04	943.89	1,078.73	1,213.57	1,483.25	1,752.94	2,022.61	2,427.14
Llanwarne & District Group Parish Council	806.86	941.34	1,075.82	1,210.30	1,479.26	1,748.22	2,017.16	2,420.60
Longtown Group Parish Council	812.43	947.84	1,083.24	1,218.65	1,489.46	1,760.28	2,031.08	2,437.30
Lower Bullingham Parish Council	814.00	949.67	1,085.34	1,221.01	1,492.35	1,763.69	2,035.01	2,442.02
Luston Group Parish Council	817.55	953.81	1,090.07	1,226.33	1,498.85	1,771.37	2,043.88	2,452.66
Lyonshall Parish Council	812.61	948.05	1,083.48	1,218.92	1,489.79	1,760.67	2,031.53	2,437.84
Madley Parish Council	815.70	951.66	1,087.61	1,223.56	1,495.46	1,767.37	2,039.26	2,447.12
Marden Parish Council	824.86	962.34	1,099.82	1,237.30	1,512.26	1,787.22	2,062.16	2,474.60
Marstow Parish Council	817.30	953.51	1,089.73	1,225.95	1,498.39	1,770.82	2,043.25	2,451.90
Mathon Parish Council (inc Malvern Hills Conservators)	846.84	987.98	1,129.13	1,270.27	1,552.56	1,834.84	2,117.11	2,540.54
Middleton-on-the-Hill and Leysters Group Parish Council	813.83	949.47	1,085.11	1,220.75	1,492.03	1,763.31	2,034.58	2,441.50
Monkland and Stretford Parish Council	818.88	955.37	1,091.85	1,228.33	1,501.29	1,774.26	2,047.21	2,456.66
Moreton on Lugg Parish Council	838.44	978.19	1,117.93	1,257.67	1,537.15	1,816.64	2,096.11	2,515.34
Much Birch Parish Council	815.26	951.14	1,087.02	1,222.90	1,494.66	1,766.42	2,038.16	2,445.80
Much Cowarne Group Parish Council	814.42	950.16	1,085.90	1,221.64	1,493.12	1,764.60	2,036.06	2,443.28
Much Dewchurch Parish Council	808.21	942.91	1,077.62	1,212.32	1,481.73	1,751.13	2,020.53	2,424.64
Much Marcle Parish Council	813.70	949.32	1,084.94	1,220.56	1,491.80	1,763.04	2,034.26	2,441.12
North Bromyard Group Parish Council	809.55	944.48	1,079.40	1,214.33	1,484.18	1,754.04	2,023.88	2,428.66
Ocle Pychard Parish Council	810.51	945.60	1,080.68	1,215.77	1,485.94	1,756.12	2,026.28	2,431.54
Orcop Parish Council	820.58	957.34	1,094.11	1,230.87	1,504.40	1,777.93	2,051.45	2,461.74
Orleton Parish Council	830.24	968.61	1,106.99	1,245.36	1,522.11	1,798.86	2,075.60	2,490.72
Pembridge Parish Council	828.80	966.94	1,105.07	1,243.21	1,519.48	1,795.75	2,072.01	2,486.42
Pencombe Group Parish Council	822.92	960.07	1,097.23	1,234.38	1,508.69	1,783.00	2,057.30	2,468.76
Peterchurch Parish Council	822.12	959.14	1,096.16	1,233.18	1,507.22	1,781.26	2,055.30	2,466.36
Peterstow Parish Council	814.28	949.99	1,085.71	1,221.42	1,492.85	1,764.28	2,035.70	2,442.84
Pipe and Lyde Parish Council	809.72	944.67	1,079.63	1,214.58	1,484.49	1,754.40	2,024.30	2,429.16
Pixley & District Parish Council	813.64	949.25	1,084.86	1,220.47	1,491.69	1,762.91	2,034.11	2,440.94
Putley Parish Council	828.56	966.65	1,104.75	1,242.84	1,519.03	1,795.22	2,071.40	2,485.68
Pyons Group Parish Council	814.48	950.23	1,085.98	1,221.73	1,493.23	1,764.73	2,036.21	2,443.46
Richard's Castle (Herefordshire) Parish Council	819.12	955.65	1,092.17	1,228.69	1,501.73	1,774.78	2,047.81	2,457.38
Ross-on-Wye Town Council	840.41	980.48	1,120.55	1,260.62	1,540.76	1,820.90	2,101.03	2,521.24
Ross Rural Parish Council	807.87	942.52	1,077.16	1,211.81	1,481.10	1,750.40	2,019.68	2,423.62
Sellack Parish Council	810.89	946.04	1,081.19	1,216.34	1,486.64	1,756.94	2,027.23	2,432.68
Shobdon Parish Council	823.47	960.72	1,097.96	1,235.21	1,509.70	1,784.20	2,058.68	2,470.42
St. Weonards Parish Council	810.75	945.88	1,081.00	1,216.13	1,486.38	1,756.64	2,026.88	2,432.26
Stapleton Group Parish Council	826.78	964.58	1,102.38	1,240.18	1,515.78	1,791.38	2,066.96	2,480.36
Staunton-on-Wye and District Group Parish Council	811.56	946.82	1,082.08	1,217.34	1,487.86	1,758.38	2,028.90	2,434.68
Stoke Edith Parish Meeting	803.39	937.29	1,071.19	1,205.09	1,472.89	1,740.69	2,008.48	2,410.18
Stoke Lacy Parish Council	827.99	965.99	1,103.99	1,241.99	1,517.99	1,793.99	2,069.98	2,483.98
Stretton Grandison Group Parish Council	808.01	942.68	1,077.35	1,212.02	1,481.36	1,750.70	2,020.03	2,424.04
Stretton Sugwas Parish Council	815.54	951.46	1,087.39	1,223.31	1,495.16	1,767.01	2,038.85	2,446.62
Sutton Parish Council	835.07	974.25	1,113.43	1,252.61	1,530.97	1,809.33	2,087.68	2,505.22

Council Tax for each valuation band, by Parish, without the Police & Fire precepts								
PARISH	VALUATION BANDS							
	A	B	C	D	E	F	G	H
	£	£	£	£	£	£	£	£
Tarrington Parish Council	831.06	969.57	1,108.08	1,246.59	1,523.61	1,800.63	2,077.65	2,493.18
Thornbury Group Parish Council	813.29	948.84	1,084.39	1,219.94	1,491.04	1,762.14	2,033.23	2,439.88
Titley and District Group Parish Council	814.62	950.40	1,086.17	1,221.94	1,493.48	1,765.03	2,036.56	2,443.88
Upton Bishop Parish Council	824.09	961.44	1,098.79	1,236.14	1,510.84	1,785.54	2,060.23	2,472.28
Vowchurch & District Group Parish Council	813.90	949.56	1,085.21	1,220.86	1,492.16	1,763.47	2,034.76	2,441.72
Walford Parish Council	816.07	952.08	1,088.10	1,224.11	1,496.14	1,768.16	2,040.18	2,448.22
Wellington Heath Parish Council	824.56	961.98	1,099.41	1,236.84	1,511.70	1,786.55	2,061.40	2,473.68
Wellington Parish Council	825.52	963.10	1,100.69	1,238.28	1,513.46	1,788.63	2,063.80	2,476.56
Welsh Newton & Llanrothal Group Parish Council	835.54	974.79	1,114.05	1,253.31	1,531.83	1,810.34	2,088.85	2,506.62
Weobley Parish Council	813.52	949.11	1,084.70	1,220.29	1,491.47	1,762.65	2,033.81	2,440.58
Weston Beggard Parish Council	808.09	942.77	1,077.46	1,212.14	1,481.51	1,750.87	2,020.23	2,424.28
Weston-under-Penyard Parish Council	811.61	946.88	1,082.15	1,217.42	1,487.96	1,758.50	2,029.03	2,434.84
Whitbourne Parish Council	823.38	960.62	1,097.85	1,235.08	1,509.54	1,784.01	2,058.46	2,470.16
Whitchurch & Ganarew Group Parish Council	809.97	944.97	1,079.96	1,214.96	1,484.95	1,754.95	2,024.93	2,429.92
Wigmore Group Parish Council	825.54	963.14	1,100.73	1,238.32	1,513.50	1,788.69	2,063.86	2,476.64
Withington Group Parish Council	819.07	955.58	1,092.10	1,228.61	1,501.64	1,774.66	2,047.68	2,457.22
Woolhope Parish Council	819.60	956.21	1,092.81	1,229.41	1,502.61	1,775.82	2,049.01	2,458.82
Wyeside Group Parish Council	812.42	947.83	1,083.23	1,218.64	1,489.45	1,760.26	2,031.06	2,437.28
Yarkhill Parish Council	813.14	948.67	1,084.19	1,219.72	1,490.77	1,761.82	2,032.86	2,439.44
Yarpole Group Parish Council	819.85	956.49	1,093.14	1,229.78	1,503.07	1,776.35	2,049.63	2,459.56
<p>Being the amounts given by multiplying the amounts at 2(g) and Annex 1(i) - (Special Items) by the number which, in the proportion set out in Section 5(1) of the Act, is applicable to dwellings listed in a particular valuation band divided by the number which in that proportion is applicable to dwellings listed in valuation band D, calculated by the Council, in accordance with Section 36(1) of the Act, as the amounts to be taken into account for the year in respect of categories of dwellings listed in different valuation bands.</p>								

Police Authority precept requirement for each valuation band

	VALUATION BANDS							
	A	B	C	D	E	F	G	H
	£	£	£	£	£	£	£	£
West Mercia Police Authority	119.15	139.01	158.86	178.72	218.44	258.15	297.87	357.44

On 16th February 2010 West Mercia Police Authority set a Budget Requirement of £203,643,000, requiring a precept from Herefordshire Council of £12,644,579 for 2010/2011. The Band D Council Tax Charge for West Mercia Police Authority amounts to £178.72 (an increase of 2.94% over 2009/2010).

That it be noted for the year 2010/2011 West Mercia Police Authority have stated the above amounts in precepts issued to the Council, in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of dwellings shown above.

Fire Authority precept requirement for each valuation band

	VALUATION BANDS							
	A	B	C	D	E	F	G	H
	£	£	£	£	£	£	£	£
Hereford & Worcester Fire and Rescue Authority	49.10	57.28	65.46	73.64	90.01	106.38	122.74	147.28

On 17th February 2010 Hereford & Worcester Fire and Rescue Authority set a Budget Requirement of £31,394,675, requiring a precept from Herefordshire Council of £5,210,365.06 for 2010/2011. The Band D Council Tax Charge for Hereford & Worcester Fire and Rescue Authority amounts to £73.64 (an increase of 2.90% over 2009/2010).

That it be noted for the year 2010/2011 Hereford & Worcester Fire and Rescue Authority have stated the above amounts in precepts issued to the Council, in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of dwellings shown above.

Council Tax for each valuation band, by Parish, including the Police & Fire precepts								
PARISH	VALUATION BANDS							
	A	B	C	D	E	F	G	H
	£	£	£	£	£	£	£	£
Abbeydore & Bacton Group Parish Council	990.99	1,156.16	1,321.31	1,486.48	1,816.82	2,147.15	2,477.47	2,972.96
Aconbury Parish Meeting	973.39	1,135.62	1,297.84	1,460.07	1,784.54	2,109.00	2,433.46	2,920.14
Acton Beauchamp Group Parish Council	981.21	1,144.74	1,308.27	1,471.80	1,798.88	2,125.95	2,453.01	2,943.60
Allensmore Parish Council	973.23	1,135.44	1,297.63	1,459.84	1,784.26	2,108.67	2,433.07	2,919.68
Almeley Parish Council	987.38	1,151.94	1,316.50	1,481.06	1,810.20	2,139.32	2,468.44	2,962.12
Ashperton Parish Council	989.13	1,153.99	1,318.83	1,483.69	1,813.41	2,143.12	2,472.82	2,967.38
Aston Ingham Parish Council	977.21	1,140.07	1,302.93	1,465.80	1,791.55	2,117.28	2,443.01	2,931.60
Avenbury Parish Council	986.83	1,151.30	1,315.76	1,480.23	1,809.18	2,138.12	2,467.06	2,960.46
Aymestrey Parish Council	982.31	1,146.02	1,309.73	1,473.45	1,800.90	2,128.33	2,455.76	2,946.90
Bartestree & Lugwardine Group Parish Council	988.61	1,153.37	1,318.13	1,482.90	1,812.45	2,141.98	2,471.51	2,965.80
Belmont Rural Parish Council	993.33	1,158.88	1,324.43	1,489.98	1,821.10	2,152.21	2,483.31	2,979.96
Birley with Upper Hill Parish Council	980.98	1,144.48	1,307.96	1,471.46	1,798.46	2,125.46	2,452.44	2,942.92
Bishop's Frome Parish Council	1,008.16	1,176.19	1,344.20	1,512.23	1,848.29	2,184.35	2,520.39	3,024.46
Bishopstone & District Group Parish Council	984.21	1,148.25	1,312.27	1,476.31	1,804.39	2,132.46	2,460.52	2,952.62
Bodenham Parish Council	983.40	1,147.30	1,311.19	1,475.09	1,802.90	2,130.70	2,458.49	2,950.18
Border Group Parish Council	986.31	1,150.69	1,315.07	1,479.45	1,808.23	2,137.00	2,465.76	2,958.90
Bosbury and Coddington Parish Council	978.23	1,141.27	1,304.30	1,467.34	1,793.43	2,119.51	2,445.57	2,934.68
Brampton Abbots & Foy Group Parish Council	977.69	1,140.64	1,303.58	1,466.53	1,792.44	2,118.34	2,444.22	2,933.06
Bredenbury & District Group Parish Council	978.45	1,141.53	1,304.59	1,467.67	1,793.83	2,119.98	2,446.12	2,935.34
Breinton Parish Council	982.12	1,145.81	1,309.48	1,473.17	1,800.55	2,127.93	2,455.29	2,946.34
Bridstow Parish Council	979.45	1,142.69	1,305.92	1,469.16	1,795.65	2,122.13	2,448.61	2,938.32
Brilley Parish Council	986.81	1,151.27	1,315.73	1,480.20	1,809.15	2,138.08	2,467.01	2,960.40
Brimfield and Little Hereford Group Parish Council	981.92	1,145.57	1,309.22	1,472.87	1,800.19	2,127.49	2,454.79	2,945.74
Brockhampton Group Parish Council	993.52	1,159.11	1,324.68	1,490.27	1,821.45	2,152.63	2,483.79	2,980.54
Brockhampton Parish Council	983.69	1,147.63	1,311.57	1,475.52	1,803.43	2,131.32	2,459.21	2,951.04
Bromyard & Winslow Town Council	1,031.59	1,203.53	1,375.45	1,547.38	1,891.25	2,235.12	2,578.97	3,094.76
Burghill Parish Council	982.04	1,145.71	1,309.38	1,473.05	1,800.41	2,127.75	2,455.09	2,946.10
Callow & Haywood Group Parish Council	986.08	1,150.43	1,314.76	1,479.11	1,807.81	2,136.51	2,465.19	2,958.22
Clehonger Parish Council	981.70	1,145.32	1,308.92	1,472.54	1,799.78	2,127.02	2,454.24	2,945.08
Clifford Parish Council	982.30	1,146.02	1,309.72	1,473.44	1,800.88	2,128.32	2,455.74	2,946.88
Colwall Parish Council (inc Malvern Hills Conservators)	1,023.19	1,193.73	1,364.24	1,534.78	1,875.85	2,216.92	2,557.97	3,069.56
Cradley Parish Council	992.79	1,158.26	1,323.71	1,489.18	1,820.12	2,151.05	2,481.97	2,978.36
Credenhill Parish Council	987.28	1,151.83	1,316.36	1,480.91	1,810.01	2,139.11	2,468.19	2,961.82
Cusop Parish Council	994.19	1,159.89	1,325.58	1,491.28	1,822.69	2,154.09	2,485.47	2,982.56
Dilwyn Parish Council	996.21	1,162.24	1,328.27	1,494.30	1,826.38	2,158.45	2,490.51	2,988.60
Dinedor Parish Council	1,001.03	1,167.87	1,334.70	1,501.54	1,835.23	2,168.91	2,502.57	3,003.08
Dinmore Parish Meeting	971.64	1,133.58	1,295.51	1,457.45	1,781.34	2,105.22	2,429.09	2,914.90
Dormington & Mordiford Group Parish Council	989.92	1,154.91	1,319.88	1,484.87	1,814.85	2,144.83	2,474.79	2,969.74
Dorstone Parish Council	978.15	1,141.18	1,304.19	1,467.22	1,793.28	2,119.33	2,445.37	2,934.44
Eardisland Parish Council	1,008.36	1,176.42	1,344.47	1,512.53	1,848.66	2,184.78	2,520.89	3,025.06
Eardisley Group Parish Council	981.17	1,144.70	1,308.22	1,471.75	1,798.82	2,125.88	2,452.92	2,943.50
Eastnor & Donnington Parish Council	987.76	1,152.39	1,317.00	1,481.63	1,810.89	2,140.15	2,469.39	2,963.26
Eaton Bishop Parish Council	988.64	1,153.41	1,318.18	1,482.95	1,812.51	2,142.05	2,471.59	2,965.90
Ewyas Harold Group Parish Council	998.09	1,164.43	1,330.77	1,497.12	1,829.83	2,162.52	2,495.21	2,994.24
Fownhope Parish Council	996.32	1,162.37	1,328.42	1,494.47	1,826.59	2,158.69	2,490.79	2,988.94
Foxley Group Parish Council	978.22	1,141.26	1,304.28	1,467.32	1,793.40	2,119.48	2,445.54	2,934.64
Garway Parish Council	985.65	1,149.92	1,314.19	1,478.46	1,807.02	2,135.57	2,464.11	2,956.92
Goodrich & Welsh Bicknor Group Parish Council	985.17	1,149.37	1,313.55	1,477.75	1,806.15	2,134.54	2,462.92	2,955.50
Hampton Bishop Parish Council	995.38	1,161.28	1,327.16	1,493.06	1,824.86	2,156.66	2,488.44	2,986.12
Hampton Charles Parish Meeting	971.64	1,133.58	1,295.51	1,457.45	1,781.34	2,105.22	2,429.09	2,914.90
Hatfield and District Group Parish Council	977.96	1,140.95	1,303.94	1,466.93	1,792.93	2,118.91	2,444.89	2,933.86

Council Tax for each valuation band, by Parish, including the Police & Fire precepts								
PARISH	VALUATION BANDS							
	A	B	C	D	E	F	G	H
	£	£	£	£	£	£	£	£
Hentland, Ballingham & Bolstone Group Parish Council	981.02	1,144.52	1,308.02	1,471.52	1,798.54	2,125.54	2,452.54	2,943.04
Hereford City Council	998.47	1,164.88	1,331.28	1,497.69	1,830.52	2,163.34	2,496.16	2,995.38
Holme Lacy Parish Council	1,008.01	1,176.01	1,344.00	1,512.00	1,848.01	2,184.01	2,520.01	3,024.00
Holmer & Shelwick Parish Council	978.57	1,141.67	1,304.75	1,467.85	1,794.05	2,120.24	2,446.42	2,935.70
Hope Mansell Parish Council	976.53	1,139.29	1,302.03	1,464.79	1,790.31	2,115.82	2,441.32	2,929.58
Hope under Dinmore Group Parish Council	983.79	1,147.76	1,311.71	1,475.68	1,803.62	2,131.55	2,459.47	2,951.36
How Caple, Sollershope & Yatton Group Parish Council	989.68	1,154.63	1,319.56	1,484.51	1,814.41	2,144.31	2,474.19	2,969.02
Humber, Stoke Prior & Ford Group Parish Council	979.82	1,143.12	1,306.42	1,469.72	1,796.34	2,122.94	2,449.54	2,939.44
Huntington Parish Council	979.95	1,143.28	1,306.59	1,469.92	1,796.58	2,123.23	2,449.87	2,939.84
Kentchurch Parish Council	1,004.54	1,171.96	1,339.38	1,506.80	1,841.66	2,176.50	2,511.34	3,013.60
Kilpeck Group Parish Council	996.83	1,162.97	1,329.10	1,495.24	1,827.53	2,159.81	2,492.07	2,990.48
Kimbolton Parish Council	988.33	1,153.06	1,317.77	1,482.49	1,811.94	2,141.39	2,470.82	2,964.98
Kings Caple Parish Council	989.33	1,154.22	1,319.10	1,483.99	1,813.78	2,143.56	2,473.32	2,967.98
Kingsland Parish Council	981.65	1,145.25	1,308.85	1,472.46	1,799.69	2,126.90	2,454.11	2,944.92
Kingstone & Thrupton Group Parish Council	983.60	1,147.53	1,311.46	1,475.39	1,803.27	2,131.13	2,458.99	2,950.78
Kington Rural and Lower Harpton Group Parish Council	977.58	1,140.51	1,303.43	1,466.36	1,792.23	2,118.09	2,443.94	2,932.72
Kington Town Council	1,011.01	1,179.52	1,348.01	1,516.51	1,853.52	2,190.53	2,527.52	3,033.02
Kinnersley and District Group Parish Council	978.61	1,141.71	1,304.80	1,467.90	1,794.11	2,120.31	2,446.51	2,935.80
Lea Parish Council	985.34	1,149.56	1,313.78	1,478.00	1,806.46	2,134.90	2,463.34	2,956.00
Ledbury Town Council	1,019.35	1,189.24	1,359.12	1,529.01	1,868.80	2,208.58	2,548.36	3,058.02
Leintwardine Group Parish Council	990.92	1,156.07	1,321.22	1,486.37	1,816.69	2,146.99	2,477.29	2,972.74
Leominster Town Council	1,001.55	1,168.47	1,335.39	1,502.31	1,836.17	2,170.02	2,503.86	3,004.62
Linton Parish Council	980.01	1,143.34	1,306.67	1,470.00	1,796.68	2,123.35	2,450.01	2,940.00
Little Birch Parish Council	987.99	1,152.65	1,317.31	1,481.97	1,811.31	2,140.64	2,469.96	2,963.94
Little Dewchurch Parish Council	992.32	1,157.71	1,323.08	1,488.47	1,819.25	2,150.03	2,480.79	2,976.94
Llangarron Parish Council	977.29	1,140.18	1,303.05	1,465.93	1,791.70	2,117.47	2,443.22	2,931.86
Llanwarne & District Group Parish Council	975.11	1,137.63	1,300.14	1,462.66	1,787.71	2,112.75	2,437.77	2,925.32
Longtown Group Parish Council	980.68	1,144.13	1,307.56	1,471.01	1,797.91	2,124.81	2,451.69	2,942.02
Lower Bullingham Parish Council	982.25	1,145.96	1,309.66	1,473.37	1,800.80	2,128.22	2,455.62	2,946.74
Luston Group Parish Council	985.80	1,150.10	1,314.39	1,478.69	1,807.30	2,135.90	2,464.49	2,957.38
Lyonshall Parish Council	980.86	1,144.34	1,307.80	1,471.28	1,798.24	2,125.20	2,452.14	2,942.56
Madley Parish Council	983.95	1,147.95	1,311.93	1,475.92	1,803.91	2,131.90	2,459.87	2,951.84
Marden Parish Council	993.11	1,158.63	1,324.14	1,489.66	1,820.71	2,151.75	2,482.77	2,979.32
Marstow Parish Council	985.55	1,149.80	1,314.05	1,478.31	1,806.84	2,135.35	2,463.86	2,956.62
Mathon Parish Council (inc Malvern Hills Conservators)	1,015.09	1,184.27	1,353.45	1,522.63	1,861.01	2,199.37	2,537.72	3,045.26
Middleton-on-the-Hill and Leysters Group Parish Council	982.08	1,145.76	1,309.43	1,473.11	1,800.48	2,127.84	2,455.19	2,946.22
Monkland and Stretford Parish Council	987.13	1,151.66	1,316.17	1,480.69	1,809.74	2,138.79	2,467.82	2,961.38
Moreton on Lugg Parish Council	1,006.69	1,174.48	1,342.25	1,510.03	1,845.60	2,181.17	2,516.72	3,020.06
Much Birch Parish Council	983.51	1,147.43	1,311.34	1,475.26	1,803.11	2,130.95	2,458.77	2,950.52
Much Cowarne Group Parish Council	982.67	1,146.45	1,310.22	1,474.00	1,801.57	2,129.13	2,456.67	2,948.00
Much Dewchurch Parish Council	976.46	1,139.20	1,301.94	1,464.68	1,790.18	2,115.66	2,441.14	2,929.36
Much Marcle Parish Council	981.95	1,145.61	1,309.26	1,472.92	1,800.25	2,127.57	2,454.87	2,945.84
North Bromyard Group Parish Council	977.80	1,140.77	1,303.72	1,466.69	1,792.63	2,118.57	2,444.49	2,933.38
Ocle Pychard Parish Council	978.76	1,141.89	1,305.00	1,468.13	1,794.39	2,120.65	2,446.89	2,936.26
Orcop Parish Council	988.83	1,153.63	1,318.43	1,483.23	1,812.85	2,142.46	2,472.06	2,966.46
Orleton Parish Council	998.49	1,164.90	1,331.31	1,497.72	1,830.56	2,163.39	2,496.21	2,995.44
Pembridge Parish Council	997.05	1,163.23	1,329.39	1,495.57	1,827.93	2,160.28	2,492.62	2,991.14
Pencombe Group Parish Council	991.17	1,156.36	1,321.55	1,486.74	1,817.14	2,147.53	2,477.91	2,973.48
Peterchurch Parish Council	990.37	1,155.43	1,320.48	1,485.54	1,815.67	2,145.79	2,475.91	2,971.08
Peterstow Parish Council	982.53	1,146.28	1,310.03	1,473.78	1,801.30	2,128.81	2,456.31	2,947.56
Pipe and Lyde Parish Council	977.97	1,140.96	1,303.95	1,466.94	1,792.94	2,118.93	2,444.91	2,933.88

ANNEX 1 (v)

Council Tax for each valuation band, by Parish, including the Police & Fire precepts								
PARISH	VALUATION BANDS							
	A	B	C	D	E	F	G	H
	£	£	£	£	£	£	£	£
Pixley & District Parish Council	981.89	1,145.54	1,309.18	1,472.83	1,800.14	2,127.44	2,454.72	2,945.66
Putley Parish Council	996.81	1,162.94	1,329.07	1,495.20	1,827.48	2,159.75	2,492.01	2,990.40
Pyons Group Parish Council	982.73	1,146.52	1,310.30	1,474.09	1,801.68	2,129.26	2,456.82	2,948.18
Richard's Castle (Herefordshire) Parish Council	987.37	1,151.94	1,316.49	1,481.05	1,810.18	2,139.31	2,468.42	2,962.10
Ross-on-Wye Town Council	1,008.66	1,176.77	1,344.87	1,512.98	1,849.21	2,185.43	2,521.64	3,025.96
Ross Rural Parish Council	976.12	1,138.81	1,301.48	1,464.17	1,789.55	2,114.93	2,440.29	2,928.34
Sellack Parish Council	979.14	1,142.33	1,305.51	1,468.70	1,795.09	2,121.47	2,447.84	2,937.40
Shobdon Parish Council	991.72	1,157.01	1,322.28	1,487.57	1,818.15	2,148.73	2,479.29	2,975.14
St. Weonards Parish Council	979.00	1,142.17	1,305.32	1,468.49	1,794.83	2,121.17	2,447.49	2,936.98
Stapleton Group Parish Council	995.03	1,160.87	1,326.70	1,492.54	1,824.23	2,155.91	2,487.57	2,985.08
Staunton-on-Wye and District Group Parish Council	979.81	1,143.11	1,306.40	1,469.70	1,796.31	2,122.91	2,449.51	2,939.40
Stoke Edith Parish Meeting	971.64	1,133.58	1,295.51	1,457.45	1,781.34	2,105.22	2,429.09	2,914.90
Stoke Lacy Parish Council	996.24	1,162.28	1,328.31	1,494.35	1,826.44	2,158.52	2,490.59	2,988.70
Stretton Grandison Group Parish Council	976.26	1,138.97	1,301.67	1,464.38	1,789.81	2,115.23	2,440.64	2,928.76
Stretton Sugwas Parish Council	983.79	1,147.75	1,311.71	1,475.67	1,803.61	2,131.54	2,459.46	2,951.34
Sutton Parish Council	1,003.32	1,170.54	1,337.75	1,504.97	1,839.42	2,173.86	2,508.29	3,009.94
Tarrington Parish Council	999.31	1,165.86	1,332.40	1,498.95	1,832.06	2,165.16	2,498.26	2,997.90
Thornbury Group Parish Council	981.54	1,145.13	1,308.71	1,472.30	1,799.49	2,126.67	2,453.84	2,944.60
Titley and District Group Parish Council	982.87	1,146.69	1,310.49	1,474.30	1,801.93	2,129.56	2,457.17	2,948.60
Upton Bishop Parish Council	992.34	1,157.73	1,323.11	1,488.50	1,819.29	2,150.07	2,480.84	2,977.00
Vowchurch & District Group Parish Council	982.15	1,145.85	1,309.53	1,473.22	1,800.61	2,128.00	2,455.37	2,946.44
Walford Parish Council	984.32	1,148.37	1,312.42	1,476.47	1,804.59	2,132.69	2,460.79	2,952.94
Wellington Heath Parish Council	992.81	1,158.27	1,323.73	1,489.20	1,820.15	2,151.08	2,482.01	2,978.40
Wellington Parish Council	993.77	1,159.39	1,325.01	1,490.64	1,821.91	2,153.16	2,484.41	2,981.28
Welsh Newton & Llanrothal Group Parish Council	1,003.79	1,171.08	1,338.37	1,505.67	1,840.28	2,174.87	2,509.46	3,011.34
Weobley Parish Council	981.77	1,145.40	1,309.02	1,472.65	1,799.92	2,127.18	2,454.42	2,945.30
Weston Beggard Parish Council	976.34	1,139.06	1,301.78	1,464.50	1,789.96	2,115.40	2,440.84	2,929.00
Weston-under-Penyard Parish Council	979.86	1,143.17	1,306.47	1,469.78	1,796.41	2,123.03	2,449.64	2,939.56
Whitbourne Parish Council	991.63	1,156.91	1,322.17	1,487.44	1,817.99	2,148.54	2,479.07	2,974.88
Whitchurch & Ganarew Group Parish Council	978.22	1,141.26	1,304.28	1,467.32	1,793.40	2,119.48	2,445.54	2,934.64
Wigmore Group Parish Council	993.79	1,159.43	1,325.05	1,490.68	1,821.95	2,153.22	2,484.47	2,981.36
Withington Group Parish Council	987.32	1,151.87	1,316.42	1,480.97	1,810.09	2,139.19	2,468.29	2,961.94
Woolhope Parish Council	987.85	1,152.50	1,317.13	1,481.77	1,811.06	2,140.35	2,469.62	2,963.54
Wyeside Group Parish Council	980.67	1,144.12	1,307.55	1,471.00	1,797.90	2,124.79	2,451.67	2,942.00
Yarkhill Parish Council	981.39	1,144.96	1,308.51	1,472.08	1,799.22	2,126.35	2,453.47	2,944.16
Yarpole Group Parish Council	988.10	1,152.78	1,317.46	1,482.14	1,811.52	2,140.88	2,470.24	2,964.28
<p>That having calculated the aggregate in each case of the amounts at Annex 1(ii), Annex 1(iii) and Annex 1(iv), the Council, in accordance with Section 30(2) of the Local Government Finance Act 1992, hereby sets the following amounts of council tax for the year 2009/2010 for each of the categories of dwellings shown above.</p>								

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 Strategy (MTFS) helps the Council plan over a longer time framework and demonstrates 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 2010-2013 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 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

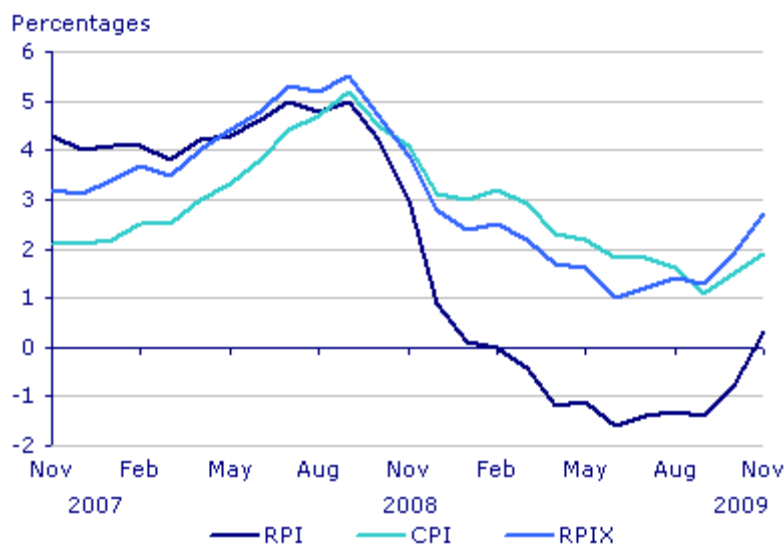
- 2.2.1 The global recession provoked an immediate liquidation of investments and loss in worldwide wealth, resulting in a tightening of lending conditions, and a widespread increase in uncertainty.
- 2.2.2 By May 2009 oil prices were down 60% and non-oil commodity prices, including internationally traded 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 avoiding 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 % of Gross Domestic Product (GDP) in high-income countries, and by about 4.4 % 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 (MPC) has been injecting money into the economy since March 2009. Quantitative easing has seen £200 billion 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 to 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 government's 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 (CPI) 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 (RPI) 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 2.47 million 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 are 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 2009, although numbers for the over 60s remain high.
- A slight increase in the percentage of **16-18 year olds not engaged in education, employment or 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 downturn 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:

- a) **Mortgage Rescue Schemes** – national and local schemes operate in the county, with the latter aimed at supporting those who are pregnant or have dependent children and the vulnerable and caters for those who do not fit the national criteria.
- b) **Grant programmes** – newly introduced Business Booster Grant and Training Voucher complements 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.
- c) **Broadband improvements** - instigating an improved broadband service that will aid competitive advantage for local companies and access to service for local people.
- d) **Housing Financial Support Packages** - The Homelessness and Housing Advice Team offer a range of preventative interventions aimed at reducing the risk of homelessness.
- e) **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.
- f) **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 (NHS) 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 NHS and Council representatives.
- 2.5.3 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 9th 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 £31 billion (2.2% in real terms).
- No Departmental Expenditure Limits (DEL) 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 1st 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 £178 billion in 2009, £3 billion higher than predicted in April.
- Borrowing is estimated to be £176 billion in 2010 and £140 billion in 2011, falling to £96 billion in 2013.
- The potential Government losses from interventions in the financial sector have been revised downwards from £50 billion 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 (EFGS), under which Government offers 75% loan guarantee to small businesses, will be extended to September 2010.

3.3 Local Government

3.3.1 On 9th 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 of 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 £100 million.

3.4 Comprehensive Spending Review 2007 (CSR07)

3.4.1 CSR07 set 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 CSR07 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 £4.9 billion 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 Agreements.

3.5 Local Area Agreements (LAA) and Area Based Grants (ABG)

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 (LGFS) was presented to the House of Commons on 26th November 2009, and ratified in the Final 2010/11 Local Government Finance Report (England) (LGFR) presented in a written statement to the House of Commons on 20th 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.
- No Amending Report issues.

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

- Average 2.65% increase in Formula Grant across England.
- Formula grant will total £28.3 billion in 2009/10 and £29 billion in 2010/11, increases of 2.8% and 2.6% respectively.
- Total funding for Councils, including specific grants, would be £73.4 billion in 2009/10, and £76.3 billion in 2010/11, an increase of 4%.
- Specific grants including ABG and PFI increased by 4.7%, from £49.4 billion in 2009/10 to £51.6 billion in 2010/11.

3.6.4 There have been a number of changes in specific and general grants subject to legislation being passed. Local authorities are likely to receive funding to implement free personal care for elderly people with the highest needs from 1st 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%, achieving savings of £26.5 billion.

3.7.2 Over the CSR07 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 CSR07 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% 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 (DSG). The figures for Herefordshire are shown in Appendix A.

4.4 Dedicated Schools Grant

- 4.4.1 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 (DCSF) 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

- 4.5.1 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.
- 4.5.2 ABG 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 2009 confirms that subject to legislation being passed before the end of Parliament, local authorities will receive funding via ABG to implement free personal care for elderly people with the highest needs from 1st 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:

ABG 2010-2011 as per November 2009

£

DEFRA

Environmental Damage Regulations	319
Total DEFRA	319

Home Office

Community Call for Action/Overview Scrutiny Committee	2,000
Stronger Safer Communities	182,283
Young People Substance Misuse Partnership	30,568
Total Home Office	214,851

Department for Transport

Detrunking	526,486
Road Safety Grant	325,645
Rural Bus Subsidy	944,776
Total DfT	1,796,907

DCSF

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
Total DCSF	3,613,852

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
Total DH	3,873,202

CLG

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

Total ABG **15,356,414**

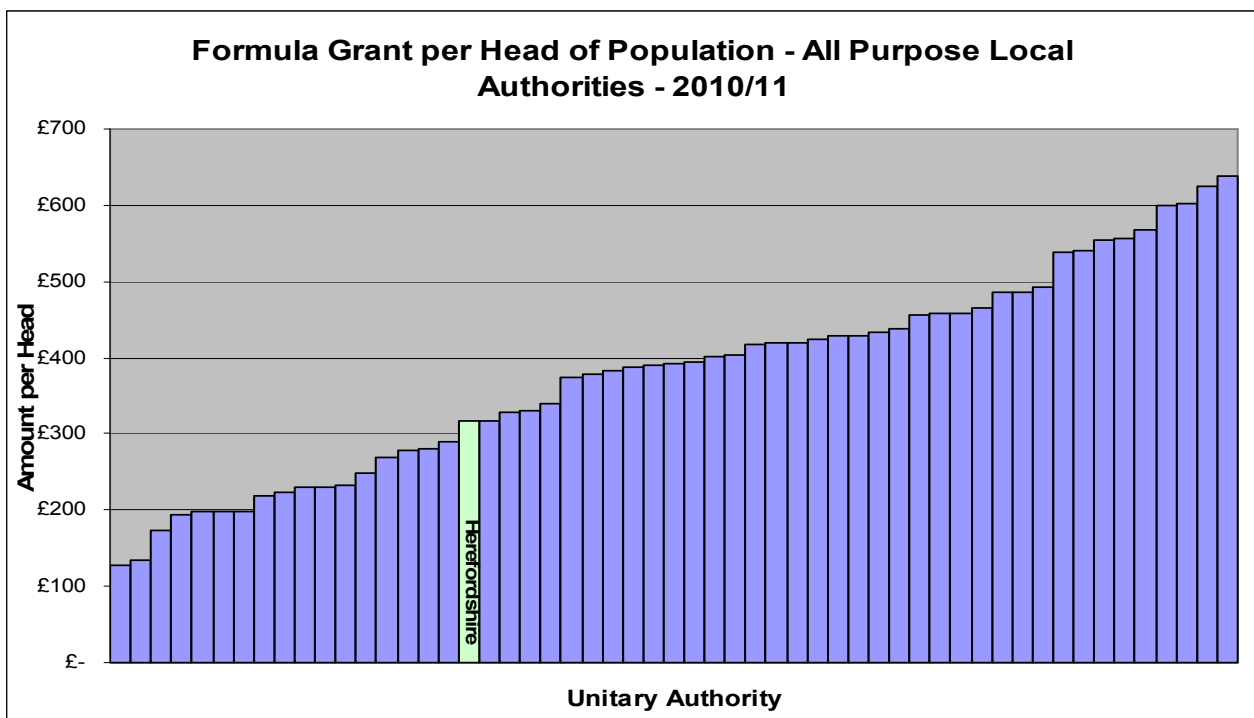
4.5.2 ABG represented a significant shift in the Government’s approach to funding when it was introduced in 2008/09. It is important to stress this is not ‘new’ money. It is a change to the way existing grant schemes are presented and can be used. The challenge faced by all local authorities is one of 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

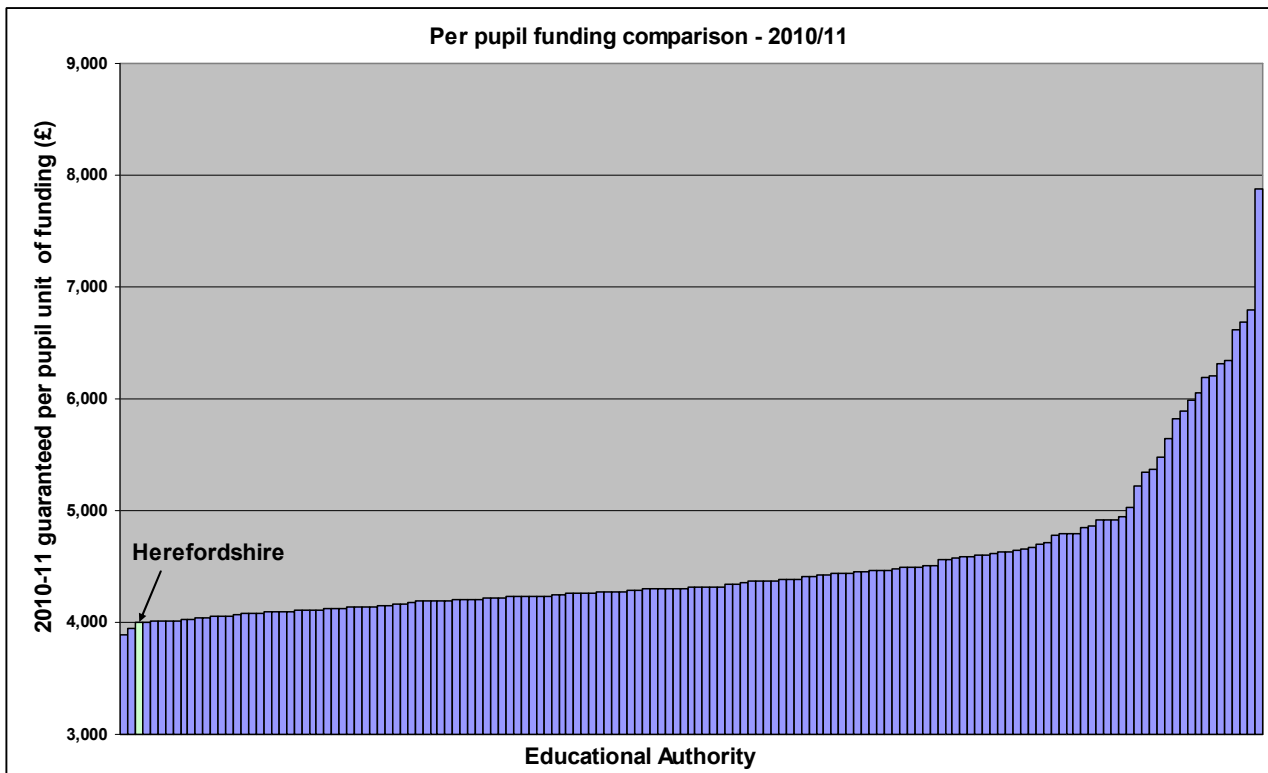
4.6.1 Herefordshire does not get a fair share of central Government funding and this continues to be the case. The 2010/11 settlement figures show that:

- Formula Grant per head of population is £317 – 17% below the unitary authority average of £378.
- DSG per head of pupil is £4,002 – 9% or £396 below the average of £4,398 for all English local authorities with responsibility for education.
- 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 147th out of 149 authorities, £68 per pupil less than the average of comparable education authorities including our neighbours Shropshire and Gloucestershire.



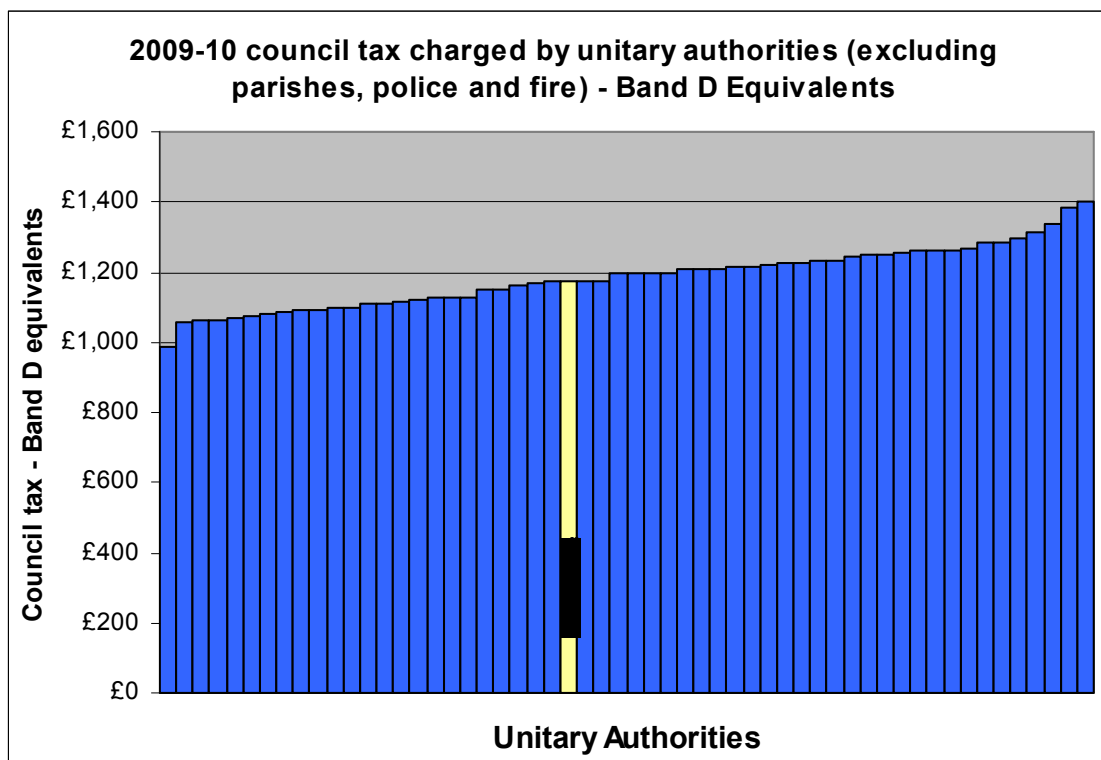
4.7 Council Tax

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 two 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 four 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	
31 st March 2006	14,525	8,739	5,203	28,467
31 st March 2007	8,023	8,137	11,637	27,797
31 st March 2008	6,728	5,657	10,915	23,300
31 st March 2009	6,390	5,476	10,588	22,454
31 st 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 £4.5 million (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 four financial years and an estimate for 2009/10;

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

4.8.9 The Council has an Asset Management Plan (AMP) which has recently seen the purchase of Plough Lane, to house up to 1,600 Council and NHSH 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 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:

- Children and Young People.
- Health and Well Being.
- Older People.
- Economic development and enterprise.
- Safer and stronger communities.
- Sustainable communities.
- 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 inter-relationship 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 3rd 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:
- Chamber of Commerce Herefordshire and Worcestershire, and Business Link West Mercia.
 - Herefordshire Association of Local Councils.
 - Herefordshire Council.
 - NHS Herefordshire.
 - Learning & Skills Council, Herefordshire and Worcestershire.
 - Third Sector Organisations.
 - West Mercia Constabulary.
 - 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:

- 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
- make informed choices about the trade-offs between investment in different services
- achieve the best possible value for money, overall and in respect of individual services
- make cash-releasing and non-cash-releasing savings to meet Government requirements and deliver service improvements in priority areas
- drive continuous performance improvement for better customer services across the Council
- take account of what it needs to contribute to the Herefordshire Community Strategy
- 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:

- Revenue spending.
- Capital investment.
- Efficiency review and improving Value for Money.
- 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:

- Ensure budget plans are realistic, balanced and support corporate priorities.
- Maintain an affordable council tax – the Financial Resource Model (FRM) in the MTFs assumes a 2.54% increase for 2010/11.
- Manage spending within budgets – Directorates have a 'non-negotiable' pact to manage outturn expenditure for each financial year within budget.
- Ensure sustainable balances, reserves and provisions, within a reasonable limit, consistent with the corporate financial risks and without tying up public resources unnecessarily.
- Create the financial capacity for strategic priorities for service improvement.
- Support a prudent level of capital investment to meet the Council's strategic requirements.

- Maintain a strong balance sheet position.
- Deliver and capture year on year efficiency and Value for Money improvements.
- Ensure an integrated approach to corporate, service and financial planning in full consultation with key stakeholders.
- 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:

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

6.3.2 ABG 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 actively pursue such opportunities, providing that:

- Match funding requirements are considered in advance.
- They support, or do not conflict or distract from, corporate priorities.
- They have no ongoing commitment that cannot be met by base budget savings.
- They do not put undue pressure on existing resources.
- 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 £6.39 million. This is in excess of the current policy in place to maintain a minimum balance of £4.5 million.

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 (JMT).

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, Overview & Scrutiny 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%. £6.7 million.

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

	£'000
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
TOTAL	4,615

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:

- 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.
- Support from Procurement through efficient tender and other procurement processes that ensure robust quality and price.
- Integrating corporate, service and financial planning processes.
- Planning over the medium-term as well as the short-term.
- Developing our routine financial performance monitoring reports for Cabinet to include VfM data over the coming year.
- Benchmarking our costs and activities, year on year and with other authorities.
- Through internal and external audit reviews.
- 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 £13.21 million, split £0.89 million towards children's services and £12.31 million 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 (BSF) 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 (TMS) to support the capital programme.

6.11.5 The capital receipts reserve totalled £17.56 million as at 1st April, 2009, this is likely to fall to just over £9 million 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:

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

- Treat property assets as a corporate resource.
- Ensure that corporate assets (including property assets and ICT infrastructure) are not neglected.
- 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 summarises the existing capital investment programme updated for slippage, utilising in full Supported Borrowing allocated for 2010/11.

	2010/11	2011/12
	£'000	£'000
Investment by directorate:-		
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
	77,904	11,875
Which is funded by:		
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
	77,904	11,875

- 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 was not allocated it would improve the revenue budget position by approximately £250k per annum.
- 6.11.12 £1 million 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 £1.775 million, of which £95k represents 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 year’s funding allocation has proved to be insufficient to fund all works required so 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 £1.68 million borrowing requirement has been identified to meet expected costs, this amount should be repaid from expected future capital receipts which should total £4 million however £2.4 million 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 three 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, NHSH 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 £3 million and no funding has been identified for this. The Council’s VAT partial exemption limit must be reviewed before any capital funding is awarded to this scheme.

6.12 Treasury Management Strategy (TMS)

- 6.12.1 The Council is required to approve an annual treasury management strategy each year as part of the budget setting process.
- 6.12.2 The TMS 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 TMS 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 £0.6 million in 2011/12.
- 6.12.6 The TMS 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 TMS 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 2010-2013.

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 2.54% is assumed for 2010/11.

b) Formula Grant

The FRM reflects the final year of the three year local government finance settlement, providing 4% for 2010/11, £57.584 million. 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 TMS 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

	£'000
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
<i>Less Funding of Council Tax Differential</i>	<i>-116</i>
TOTAL	5,133

7.3.2 An additional £0.5 million 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 £0.5 million 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 PIC as described in Section 5.6 has seen extensive involvement of the JMT. Directors have been involved in a rigorous challenge process around spending and savings proposals.

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

Directorate	Spending requirement £'000	Estimated savings £'000
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
<i>Less Funding of Council Tax Differential</i>	<i>-116</i>	
TOTAL	5,133	4,615

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.

Directorate	2009/10 Budget £'000	2010/11 Budget £'000
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	22,222
TOTAL	137,718	142,844

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 £1 million of savings, with an additional £1.6 million 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:

- An increase or decrease of 0.5% in the Council Tax base impacts the budget by £427k in 2010/11.
- 1% variance in Council Tax inflation impacts the budget by £830k for 2010/11.
- £100k increase in budget increases Council Tax by up to 0.12%.
- A 0.5% variance on investment interest rates equates to £83k in 2010/11.
- 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

- 8.1 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:
- Robustness of the estimates made for the purposes of the budget calculations.
 - Adequacy of the proposed financial reserves.
- 8.2 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.
- 8.3 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
	£
Specific Grants	
Education and Children's Personal Social Services	
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
Adult's Personal Social Services	
Social Care Reform	886,000
Stroke Strategy	89,000
Aids Support Grant	16,000
Others	
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>
Capital Grants	
DCSF	
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
DEFRA	
Waste Infrastructure	115,000
Dept of Health	
Mental Health Grant	95,000
Social Care	96,000

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

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"> • Children and young people are healthy and have healthy life-styles, with less obesity and substance mis-use, and better dental and sexual health • Children and young people are safe, secure and have stability • Children and young people achieve educational, personal, social and physical standards • Children and young people engage in further education, employment or training on leaving school • Children and young people engage in positive behaviour inside and out of school • Improved services for children, young people and their families through the work of Herefordshire's Children's Trust
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"> • People have longer, healthier lives, with reduced inequalities between different groups and localities • Older people living fulfilled lives as active members of their communities • Vulnerable people able to live safely and independently in their own homes • Enhanced emotional well-being, with fewer suicides • Personalised health and social care services, which offer people much greater choice and influence over their care • Improved dental health •
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"> • Higher quality, better paid jobs and reduced unemployment • Increased participation in learning and higher levels of skills and achievement • More and higher-spending visitors to the county • Improved quality & availability of business accommodation and employment land • Better roads, reduced traffic congestion, with more people walking, cycling or using public transport • Improved dental health •

Safer and stronger communities	Safer & Stronger communities Sustainable communities	Make Herefordshire an even safer place to live, work and visit	<ul style="list-style-type: none"> • Reduced levels of crime • Reduced levels of anti-social behaviour • Reduced harm from drugs and alcohol • Communities to have enhanced resilience and recovery from emergencies through effective partnership planning and co-ordination • Fewer accidents and injuries • People feel as safe as they would like to be
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"> • The highest standards of leadership, governance and integrity • Demonstrable value for money • Streamlined, efficient operations, including the integrated delivery of services across the boundaries of different organisations • High levels of customer and citizen satisfaction • A highly skilled, highly motivated workforce that works in effective partnership with other organisations • Highly rated under Comprehensive Area Assessment and World Class Commissioning, and recognised as exemplars regionally and nationally •
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"> • Cohesive communities in which people feel accepted, confident and empowered, regardless of race, disability, gender, sexual orientation, age, religion or belief • Communities and individuals participating in local decisions and influencing them • Affordable housing appropriate to people's needs and less homelessness, with support for vulnerable people to live independently • Fair access to the services residents need, including high quality sporting, cultural and recreational facilities and activities • People are able to participate in, the life of their communities • People feel as safe as they would like to be •
The Environment		The protection and enhancement of Herefordshire's distinctive environment, and tackling climate change	<ul style="list-style-type: none"> • Reduced waste and increased recycling • Reduced CO² emissions and successful adaptation to unavoidable impacts of climate change • Increased biodiversity • Natural resources are conserved and landscape character maintained, with sustainable land management • Investment in high quality streets, public spaces and the built environment •

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
Base Budget	137,718	142,844	142,876
Total Inflation	1,762	3,293	2,891
	139,480	146,137	145,767
Deliverable Efficiency Gains			
- Inflation efficiency savings	(2,370)	0	0
Transfers to/from RSG			
- Student Finance	(27)	0	0
MTFMS Changes			
- Waste management - PFI Contract	0	500	500
- Whitecross PFI requirement (net of schools contribution)	0	200	0
- Local Development Framework	(100)	(275)	0
Herefordshire Connects/Shared Services			
- 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
Capital Financing Costs			
- Cost of borrowing	1,664	1,905	1,755
- Cashflow management	0	0	1,000
Emerging Pressures			
- Student Finance	(41)	(70)	(15)
- Income shortfall	0	(200)	(300)
- Carbon emissions	0	180	0
- Management change reserve	500	0	0
- Spend to save reserve	150	0	0
- Winter maintenance	500	(500)	0
- Social care	500	0	0
- Contingency	300	0	0
- Statutory changes creating pressures	1,516	1,064	569
- Base budget funding issues	1,771	856	907
- Other service pressures	1,846	1,490	885
Efficiencies & Savings			
- Disinvestment in services	(60)	(200)	0
- Directorate reductions	(4,555)	(7,200)	(6,727)
General reserves	2,000	0	0
LPSA reserve	712	0	0
Capacity to achieve desired Tax increase	0	292	1,488
TOTAL BUDGET	142,844	142,876	143,152

Herefordshire Council

Treasury Management Strategy 2010/11

Contents

- 1. Background**
- 2. Current Treasury Position**
- 3. Economic Outlook**
- 4. Borrowing Requirement and Strategy**
- 5. Debt Rescheduling**
- 6. Investment Policy and Strategy**
- 7. Balanced Budget Requirement**
- 8. 2010/11 MRP Statement**

Appendices

1. Prudential Indicators
2. Specified Investments for use by the Council
3. Non- Specified Investments for use by the Council
4. Treasury Management Policy Statement

Treasury Management Strategy 2010/11

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) on an annual basis. This statement covers the borrowing 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. CIPFA recommends that organisations formally adopt four clauses contained in the Code. These are set out in the Treasury Management Policy Statement at Appendix 4. The main change in the revised Code is to ensure that elected members take a more active role in treasury management. In order to comply with this Full Council will receive:
- An annual strategy presented by 31st March
 - A mid-year review; and
 - An annual report after the end of the financial year.

In addition Cabinet and Overview and Scrutiny Committee (OSC) will receive regular monitoring reports on treasury activities.

- 1.3 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."

- 1.4 This Treasury Management Strategy report includes:
- Treasury Management Strategy for 2010-11
 - Prudential Indicators – Appendix 1
 - MRP Statement – Section 8
 - Treasury Management Policy Statement – Appendix 4

2. Current Treasury Position

- 2.1 The council's treasury portfolio as at 31st January 2009 is set at below: -

DEBT POSITION	Principal (£)	Borrowing Rate (%)
Public Works Loan Board	103,220,932	4.47
Market Debt *	12,000,000	4.50
Total Debt	115,220,932	4.48

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

INVESTMENT POSITION	Principal (£)	Rate of Return (%)
Total Investments (Internally Managed)	24,260,000	0.99

Treasury Management Strategy 2010/11

3. Economic Outlook

3.1 The interest rate forecast and economic outlook is provided by the council's treasury advisers.

3.2 Their forecast of future interest rates is shown below.

	Mar-10	Jun-10	Sep-10	Dec-10	Mar-11	Jun-11	Sep-11	Dec-11	Mar-12	Jun-12	Sep-12	Dec-12	Mar-13
Bank rate	0.50%	0.50%	0.50%	1.00%	1.50%	2.00%	2.50%	2.75%	3.00%	3.00%	3.00%	3.00%	3.00%
5 yr PWLB rate	2.90%	3.00%	3.10%	3.20%	3.45%	3.70%	3.95%	4.20%	4.45%	4.45%	4.45%	4.45%	4.45%
10 yr PWLB rate	3.95%	3.95%	4.20%	4.20%	4.45%	4.45%	4.70%	4.70%	4.95%	5.20%	5.20%	5.20%	5.20%
20 yr PWLB rate	4.45%	4.70%	4.95%	4.95%	5.20%	5.20%	5.20%	5.20%	5.20%	5.20%	5.20%	5.20%	5.20%
50 yr PWLB rate	4.45%	4.70%	4.70%	4.70%	4.95%	4.95%	4.95%	4.95%	4.95%	5.20%	5.20%	4.95%	4.95%

3.3 The forecast bank base rate reflects the fragile state of the recovering economy and the severe fiscal correction that is likely after the General Election, leading to reduced demand for goods and services and a cut in household cashflow.

3.4 Gilt yields will remain volatile. It is estimated that gilt yields (and hence PWLB interest rates) were compressed by Quantitative Easing by around 0.70% but yields will rise as the markets grapple with an unprecedented increase in the supply of gilts during 2010 and 2011.

3.5 There are significant threats from potential downgrades to sovereign ratings and/or political instability, that could limit our investment strategy.

3.6 Inflation is not an immediate worry for the government. CPI is forecast to rise due to higher commodity prices and VAT having reverted back to 17.5%, but is forecast to fall back over the course of the year.

3.7 The UK fiscal deficit remains acute. Cuts in public spending and tax increases are now inevitable and more likely to be pushed through in 2010 by a new government.

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, 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 The 2010/11 capital programme includes a borrowing requirement of supported borrowing approvals of approximately £13.23 million, plus the potential for an

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additional £18.60 million unsupported borrowing under the Prudential Code (which includes slippage from previous year). In addition refinancing of maturing debt of £268k in the year will be required, plus there is the possibility that the market debt of £12m will require refinancing.

- 4.4 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.
- 4.5 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.
- 4.6 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).
- 4.7 During 2010/11 PWLB interest rates for short-term loans are forecast to be lower than medium and long-term loans. Despite additional gilt issuance to fund the UK government's support to the banking industry, short-dated gilts are expected to reflect lower interest rates as the economic recovery remains fragile.
- 4.8 The differential between investment earnings and debt costs, despite long term borrowing rates being around historically low levels, remains acute and this is expected to remain a feature during 2010/11. The so-called "cost of carry" associated with long term borrowing compared to temporary investment returns means that any new long term borrowing brings with it additional short-term costs. 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.
- 4.9 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 struggling economy. With interest rates remaining lower for longer and the associated cost of carry, a passive borrowing strategy i.e. borrowing long term funds as they are required may remain appropriate. Equally, variable rate funds (that avoid the cost of carry) or equal instalments of principal (EIP) that mitigate the impact are both active considerations.
- 4.10 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 strategic exposure to variable interest rates will be reviewed and, if appropriate, reduced.
- 4.11 The PWLB remains the preferred source of borrowing given the transparency and control that its facilities continue to provide.

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- 4.12 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.
- 4.13 The council's current projection of borrowing levels are:

	Borrowing £m
31 March 2010	125
31 March 2011	147
31 March 2012	165
31 March 2013	169

5. Debt Rescheduling

- 5.1 The council will continue to maintain a flexible policy for debt rescheduling. Market volatility and low short-term rates may provide opportunities for rescheduling debt. The rationale for rescheduling would be one or more of the following:
- Savings in interest costs with minimal risk;
 - Balancing the volatility profile (i.e. the ratio of fixed to variable rate debt) of 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 PWLB is reviewing the frequency of rate setting (currently daily) and could move to a live pricing basis. The result of this consultation process is still awaited but the likely outcome is a reduction in the extent of the margins between premature repayment and new borrowing rates, particularly for longer maturities. 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 Statement of Recognised Principles (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 Communities and Local Government (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

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its surplus funds prudently. The council's investment priorities are:

- security of the invested capital;
- liquidity of the invested capital;
- an optimum yield 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 2 and 3.
- 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.
- 6.5 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 (see Appendix 1).
- 6.6 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 transactions pertaining to foreign currencies, 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.
- 6.7 The council's current and forecast level of investments are

	Investments
31 March 2010	10
31 March 2011	5
31 March 2012	16
31 March 2013	16

Investment Strategy

- 6.8 The global financial turbulence in 2008 and 2009 has forced investors of public money to reappraise the question of risk versus yield.

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- 6.9 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.
- 6.10 The Director of Resources manages the council's investment portfolio. All investments are managed by the in-house team and are generally temporary in nature and short-term. All decisions are made in the light of the council's forecast cash flow requirements.
- 6.11 In any period of significant stress in the markets, the default position is for investments to be made with the Debt Management Office. This is viewed as the safest haven for council funds although the interest rate received is low (currently 0.25%).
- 6.12 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
 - 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)*
- 6.13 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.
- 6.14 Counterparties are selected after analysis and careful monitoring of:
- Credit Ratings (minimum long-term A+)
 - 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 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. 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.

- 6.15 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 3). 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

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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:

1. increases in interest charges caused by increased borrowing to finance additional capital expenditure; and
2. 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 require a local authority to determine each financial year an amount of MRP which it considers to be prudent. Linked to this new regulation, 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

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(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.

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APPENDIX 1

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.

Capital Expenditure	2009/10 Original £'000	2009/10 Revised £'000	2010/11 £'000	2011/12 £'000	2012/13 £'000
Total	66,966	84,677	77,904	23,675	13,559

- 3.2 The increase in the anticipated capital spend for 2009/10 is mainly due to slippage from the previous year.

- 3.3 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	45,920	40,255	7,362	0
Supported borrowing	13,567	13,567	13,229	13,000	13,000
Unsupported borrowing	16,477	14,863	18,600	2,813	559
Total	66,966	84,677	77,904	23,675	13,559

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

- 3.4 The 2011/12 and 2012/13 budgets include an estimate for supported borrowing, although the amounts are uncertain at this stage.

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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.

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

Ratio of Financing Costs to Net Revenue Stream	2009/10 Original £'000	2009/10 Revised £'000	2010/11 £'000	2011/12 £'000	2012/13 £'000
Net Revenue Stream	137,718	137,718	142,844	142,876	143,152
Financing costs	13,176	12,401	14,147	15,226	15,577
Percentage	9.57%	9.00%	9.90%	10.66%	10.88%

5. Capital Financing Requirement:

5.1 Capital expenditure may be financed by various means, capital receipts, revenue or 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.

Capital Financing Requirement	2009/10 Original £'000	2009/10 Revised £'000	2010/11 £'000	2011/12 £'000	2012/13 £'000
Total CFR	180,697	200,450	222,100	226,595	228,697

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
Balance B/F	158,249	150,375	200,450	222,100	226,595
Capital expenditure financed from borrowing (per 3.2)	30,044	28,430	31,829	15,813	13,559
Revenue provision for debt Redemption.	-7,596	-7,355	-9,179	-10,318	-10,457
Deferred Liability					
Add : PFI brought on B/S		30,000			
Less : PFI Principal Repayment		-1,000	-1,000	-1,000	-1,000
Balance C/F	180,697	200,450	222,100	226,595	228,697

Note: The deferred liability for PFI and service contracts is the best estimate based on current information.

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.

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Actual External Debt as at 31/03/2009	£'000
Borrowing	118,400
Other Long-term Liabilities	167
Total	118,567

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. However, whilst there has been capital slippage of the existing approved programme, no new funding has been proposed. The approved capital programme for 2009/2010 included unallocated prudential borrowing of £3.8 million and, because of slippage, £1.7 million remains to be allocated in 2010/11.

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).

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	190,000	200,000	200,000	200,000
Other Long-term Liabilities	10,000	30,000	30,000	30,000	30,000
Total	200,000	220,000	230,000	230,000	230,000

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

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borrowing and other long-term liabilities. Decisions will be based on the outcome of financial option appraisals and best value considerations.

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	174,000	190,000	195,000	195,000
Other Long-term Liabilities	6,000	30,000	30,000	30,000	30,000
Total	180,000	204,000	220,000	225,000	225,000

9. Adoption of the CIPFA Treasury Management Code:

- 9.1 This indicator demonstrates that the council has adopted the principles of best practice. These are set out in Appendix 4.

Adoption of the CIPFA Code of Practice in Treasury Management
The council approved the adoption of the CIPFA Treasury Management Code at its Full Council meeting on 5 th March 2010.

10. Upper Limits for Fixed Interest Rate Exposure and Variable Interest Rate Exposure:

- 10.1 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).
- 10.2 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 %
Upper Limit for Fixed Interest Rate Exposure	100%	100%	100%	100%	100%
Upper Limit for Variable Interest Rate Exposure	50%	25%	25%	25%	25%

- 10.3 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.

11. Maturity Structure of Fixed Rate borrowing:

- 11.1 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.
- 11.2 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

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maturity of borrowing is determined by reference to the earliest date on which the lender can require payment.

Maturity structure of fixed rate borrowing	Lower Limit %	Upper Limit %
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 over	40%	100%

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

12.1 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.

	2009/10 Approved £'000	2009/10 Revised £'000	2010/11 £'000	2011/12 £'000	2012/13 £'000
Upper Limit for total principal sums invested over 364 days	10,000	10,000	10,000	10,000	10,000

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
- 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.

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, they may be considered in 2010-11)

Money Market Funds (MMFs) – Arlingclose emphasise diversification for all investments including MMFs. The council will spread their investments in MMFs between two or more Funds.

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APPENDIX 3

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"> ▪ Deposits with banks and building societies over 1 year ▪ Certificates of deposit with banks and building societies 	✓	5 yrs	25% in aggregate	No
Gilts and bonds <ul style="list-style-type: none"> ▪ Gilts ▪ Bonds issued by multilateral development banks ▪ Bonds issued by financial institutions guaranteed by the UK government, e.g. GEFCO ▪ Sterling denominated bonds by non-UK sovereign governments 	✓ (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. govt bonds issued by HBOS / RBS / Nationwide, etc)	✓	10 years	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+

Treasury Management Policy Statement

1. Statement of Purpose

- 1.1 Herefordshire Council adopts the recommendations made in CIPFA's *Treasury Management in the Public Services: Code of Practice*, which was revised in 2009. In particular, the council adopts the following key principles and clauses.

2. Key Principles

- 2.1 Herefordshire Council adopts the following three key principles (identified in Section 4 of the Code):
- The council will put in place formal and comprehensive objectives, policies and practices, strategies and reporting arrangements for the effective management and control of its treasury management activities.
 - The council will ensure that its policies and practices make clear that the effective management and control of risk are prime objectives of its treasury management activities and that responsibility for these lies clearly with the council. In addition, the council's appetite for risk will form part of its annual strategy and will ensure that priority is given to security and liquidity when investing funds.
 - The council acknowledges that the pursuit of best value in treasury management, and the use of suitable performance measures, are valid and important tools to employ in support of business and service objectives, whilst recognising that in balancing risk against return, the council is more concerned to avoid risks than to maximise returns.

3. Adopted Clauses

- 3.1 Herefordshire Council adopts the following four clauses (identified in Section 5 of the code):
- The council will create and maintain, as the cornerstones for effective treasury management:
 - A treasury management policy statement, stating the policies, objectives and approach to risk management of its treasury management activities;
 - Suitable treasury management practices (TMPs), setting out the manner in which the organisation will seek to achieve those policies and objectives, and prescribing how it will manage and control those activities.

The content of the policy statement and TMPs will follow the recommendations contained in Sections 6 and 7 of the Code, subject only to amendment where necessary to reflect the particular circumstances of the council. Such amendments will not result in the organisation materially deviating from the Code's key principles.

- Full Council will receive reports on its treasury management policies, practices and activities, including, as a minimum, an annual strategy and plan in advance of the year, a mid-year review and an annual report after its close, in the form

Treasury Management Strategy 2010/11

prescribed in the TMPs.

- The responsibility for the implementation and regular monitoring of treasury management policies and practices is delegated to Cabinet and for the execution and administration of treasury management decisions to the Director of Resources, who will act in accordance with the organisation's policy statement and TMPs and, if he or she is a CIPFA member, CIPFA's *Standard of Professional Practice on Treasury Management*.
- Overview and Scrutiny Committee to be responsible for ensuring effective scrutiny of the treasury management strategy and policies.

4. Definition of Treasury Management

4.1 Herefordshire Council defines its treasury management activities 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.'

5. Policy Objectives

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

MEETING:	COUNCIL
DATE:	5 MARCH 2010
TITLE OF REPORT:	SUSTAINABLE COMMUNITY STRATEGY (REFRESH)
REPORT BY:	THE LEADER OF THE COUNCIL

CLASSIFICATION: Open

Wards affected

County wide

Purpose

To seek approval of the revised Sustainable Community Strategy for Herefordshire.

Recommendation

THAT: the revised Sustainable Community Strategy be agreed.

Key Points Summary

- The Herefordshire Sustainable Community Strategy is a key long-term planning document for improving the quality of life and services in Herefordshire and forms part of the Council's Budget & Policy Framework.
- Every Local Authority is required to have a Sustainable Community Strategy which has been developed and agreed with its Local Strategic Partnership. Herefordshire Partnership is the Local Strategic Partnership for Herefordshire, representing local public services, businesses, and voluntary and community sector organisations.
- The current strategy covers the period up to March 2010 and is now due to be refreshed in light of achievements to date and new challenges that Herefordshire is currently facing.
- The Herefordshire Partnership Board agreed at its meeting on 8 February 2010 to undertake a substantial review of the Strategy during the coming year so that the priorities for the County are framed around place rather than the current strategic themes. As such, it is proposed that the refreshed document will have a life of one year from April 2010.

Alternative Options

- 1 There are no alternative options; every Local Authority is required to produce a Sustainable Community Strategy agreed by its Local Strategic Partnership.

Further information on the subject of this report is available from
Julie Gethin, Head of Partnership Support on (01432) 260610

Reasons for Recommendations

- 2 To ensure the Sustainable Community Strategy is refreshed and the priorities identified for future years are approved.

Introduction and Background

- 3 The original Community Strategy for Herefordshire was formulated and adopted four years ago. The priorities of the refreshed Herefordshire Sustainable Community Strategy need to be incorporated into organisational plans and activities in order to achieve Herefordshire's 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".
- 4 The Herefordshire Sustainable Community Strategy sets the overall strategic direction and long-term vision for the economic, social and environmental wellbeing of Herefordshire in a way that contributes to sustainable development. It sets Herefordshire in context and offers the distinctive vision and ambition of the area, backed by clear evidence and analysis (for example the State of Herefordshire Report).
- 5 The 2000 Local Government Act charged local authorities with preparing a local Community Strategy with their partners through a Local Strategic Partnership, and Herefordshire's first version was known as the Herefordshire Plan. The Community Strategy for Herefordshire was subsequently published in 2006 and in recognition of the importance of sustainability, has been renamed the Herefordshire Sustainable Community Strategy.
- 6 The Strategy published in 2006 highlighted a number of key local issues which led to the formulation of desired outcomes for the County. These were identified as a result of a comprehensive consultation process undertaken during 2005. The Herefordshire Sustainable Community Strategy has been developed from the last Community Strategy and refreshed by looking at the wealth of information gathered since 2005, detailed in background papers, and through consultation with partners and the community.

Key Considerations

- 7 Taking into account the county's key characteristics and all other sources of information a draft list of priorities for Herefordshire has emerged. These are grouped under the following six priority themes:
 - Children and Young People
 - Economic Development and Enterprise
 - Environment
 - Healthier Communities and Older People
 - Safer Communities
 - Stronger Communities
- 8 During the process of refreshing the Herefordshire Sustainable Community Strategy three guiding principles for partnership working emerged. These will be embedded into the way Herefordshire Partnership works to ensure a co-ordinated long term approach is taken to delivering the priorities of the six themes. The guiding principles are:
 - Everyone is Someone
 - Safeguard our Future
 - Work across Boundaries

- 9 The strategy highlights the key issues and challenges facing the place of Herefordshire and its communities and articulates the county's ambition to achieve better outcomes for people who live and work in the area. The strategy also talks about people and place, setting out the intention to improve the approach to locality working and the way this will inform and shape partnership priorities and ways of working in the future. Herefordshire Partnership, in recognition of the need to move towards a focus of place rather than thematic strategic priorities, agreed at its meeting in February 2010 that a fundamental review of the Strategy should be undertaken during 2010 with the intention of preparing a revised document for consultation later this year.
- 10 An important principle in delivering services across Herefordshire is that they should meet the needs of the local community, with people being able to access services in a flexible way, not determined by where they live. The strategy captures the context of the Government's Total Place agenda and recognises there are opportunities to improve access to services and service delivery by agreeing a common approach to localities in Herefordshire. This approach will be further developed over the coming months; ensuring that those living and working in Herefordshire have equality of access to services, brought about by increasingly delivering services on a locality basis in a way that fully benefits the local community.
- 11 Delivery of the Sustainable Community Strategy over the short to medium term is articulated through the county's Local Area Agreement. The current agreement covers the period 2008-2011 and is refreshed on an annual basis. As part of this year's refresh every area has been offered the opportunity to request amendments to those targets affected by the current economic downturn. As such, Herefordshire Partnership has requested that two of its 30 targets be revised – NI 155 (number of affordable homes delivered) and NI152 (number of working age people on out of work benefits). The process of refresh will be concluded over the next month with Government Office West Midlands at which point the Leader will formally sign off the updated document.
- 12 The Herefordshire Sustainable Community Strategy will be delivered through many organisations, networks, sectors and groups working together as part of Herefordshire Partnership's three tier structure:
- Herefordshire Partnership Board - sets the vision for Herefordshire based on a sound understanding of the county, local issues and a responsibility to ensure delivery of efficient, high quality services.
 - Herefordshire Partnership Management Group – responsible for delivering the Herefordshire Sustainable Community Strategy by ensuring resources are utilised to address the identified priorities.
 - Herefordshire Partnership Policy and Delivery Groups – six groups (one for each of the six themes) who formulate and commission work to address the priorities in the Herefordshire Sustainable Community Strategy, based on comprehensive information of local need. They report progress on their work to the Management Group.

Community Impact

- 13 The vision and priorities of the Herefordshire Sustainable Community Strategy aim to improve the quality of life and service delivery in all areas of the county. Community engagement is at the heart of the work of Herefordshire Partnership in informing these priorities and driving service improvement in the locality.

Financial Implications

- 14 The priorities identified can be delivered from within existing sources of funding and allocation of Area Based Grant funding. There are also opportunities for Parish Councils to consider delivering some local activities by utilising funding available through their precept.

Legal Implications

- 15 None.

Risk Management

- 16 Delivery of the priorities within the Herefordshire Sustainable Community Strategy through the Herefordshire Partnership will be a key area of assessment for the Comprehensive Area Assessment and as such forms part of the corporate performance management system. The risks associated with delivery of the priorities detailed in the strategy will be managed through the individual policy and delivery groups of the Herefordshire Partnership.

Consultees

- 17 The six Policy and Delivery Groups have been consulted and wider input through their networks has been encouraged.
- 18 The draft strategy was considered at Overview and Scrutiny Committee on 8 February, and their views were included in Cabinet's considerations. The Committee resolved, noting that the document needed further editing and that they had made a number of detailed comments in this regard, that Cabinet be recommended to consider the following principal observations:
- The need for the Strategy to emphasise the importance of service delivery and of partners being responsive to issues of local concern and accountable for their actions.
 - The need for the Strategy to address the problem faced by parts of the community where the population was ageing, there was no affordable housing, and no house building, meaning it was difficult for young people to live in those communities.
 - The need for the Strategy to reflect more strongly the critical importance of affordable housing for local people recognising the vital role housing played in health, education, safety and family life.
 - The need for the Strategy to emphasise the importance of continuing to strive to maintain and improve educational standards.
 - That a simplified document should be prepared to reduce production costs, confining use of colour, for example, to the front cover.

Appendices

- A Final Draft Sustainable Community Strategy.

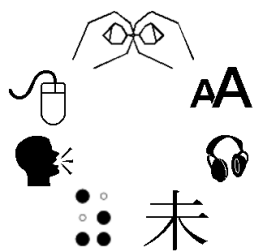
Background Papers

- The State of Herefordshire Report
- Unitary Development Plan

- The Herefordshire Quality of Life Survey

The Herefordshire Sustainable Community Strategy 2010 - 2011

Text only, images to be added when text is finalised



If you would like help to understand this document, or would like it in another format or language, please telephone Herefordshire Partnership Support Team 01432 261792 or e-mail hfdpartnership@herefordshire.gov.uk.

Final Draft

The Herefordshire Sustainable Community Strategy

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Foreword

It is five years since the original Community Strategy for Herefordshire was formulated and adopted. To achieve Herefordshire's Vision for 2020 our refreshed strategy reflects and encompasses the changing conditions and circumstances facing Herefordshire.

Our recent Comprehensive Area Assessment concludes that Herefordshire people enjoy relatively low unemployment, good health and education standards. It also reports how well local public services are tackling the major issues in the County and indicated that 87% of people are satisfied with their immediate local area as a place to live.

We realise that the full impact of the current economic downturn and climate change are still to be felt and will undoubtedly challenge us all. This refresh of the Strategy emphasises the importance of sustainability, hence the inclusion in the title, our continuing challenges around availability of affordable housing and our drive to carry on improving educational standards.

The three basic elements of people, place and action remain at the heart of the Strategy. Our move towards a focus on locality and recent initiatives such as the Hearts of Herefordshire are helping us to weave the social, environmental and economic strands through the Strategy in a way that binds it all together and will make a difference to our communities.

This Strategy reflects and brings together the organisational priorities of all of our partners – the partnership priorities are incorporated into individual organisation's plans – reflecting Herefordshire's ambitions as a place and recognising the importance of locality and what it means for our communities.

Our emerging engagement strategy reflects that at the heart of our ambition and in order to realise our vision, is the involvement of the people of Herefordshire. They are our key drivers for change for delivering improved services that better meet their needs and taking Herefordshire forward into the next decade.

Recognising the importance of place, the strategy will be fundamentally revised over this year to become a strategic story of place and reflecting the different issues and priorities of our unique towns and parishes.

**Councillor Roger Phillips
Chair
Herefordshire Partnership Board**

Our vision, priorities and guiding principles

By 2020:

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

Our priority themes for action:

- Children and young people
- Economic development and enterprise
- Environment
- Healthier communities and older people
- Safer communities
- Stronger communities

Our guiding principles for partnership working:

During the process of refreshing the Herefordshire Sustainable Community Strategy three guiding principles emerged which will underpin everything we do. We will strive to incorporate these into the way we work. This will ensure we take a co-ordinated, long term approach to plans and services which impact on local people, the environment and the economy.

1. Everyone is Someone

- Value everyone's contribution
- Challenge prejudice and discrimination
- Support people and promote an equitable county

2. Safeguard our Future

- Value our environment and the future of our young people enough to act now
- Think creatively about the bigger picture, and assess how issues will affect us, the resources and the assets at our disposal
- Develop solutions that build sustainability into our economy, our communities, our cultural life and in the infrastructure and natural environment on which we all depend

3. Work across Boundaries

- Think, plan, act and share responsibility
- Seek solutions which have mutually positive benefits
- Make new alliances and look beyond the obvious

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About Herefordshire

Introduction

This strategy is designed to highlight the key issues and challenges facing the place of Herefordshire and its communities and our ambition to achieve better outcomes over the next 3 years. The key local issues are drawn out from the State of Herefordshire Report and the thematic strategies underpinning delivery against our priorities. It also sets out our intention to improve our approach to locality working and the way this will inform and shape partnership priorities and ways of working in the future.

Key Characteristics of the County of Herefordshire

Herefordshire has a great deal to offer those who live here, work or visit, including a rich heritage, a beautiful natural environment and a wide range of cultural and leisure opportunities. Herefordshire is ambitious for its employment sector, and the education of young people is of a high standard. It is a safe place to live and work, with low levels of crime. There are, however, challenges for the county that are identified within this strategy.

Herefordshire and its Distinctive Environment

Herefordshire is a predominantly rural country of 842 square miles situated in the south west corner of the West Midlands region bordering Wales. The city of Hereford is the major location in the County for employment, health services, education facilities and shopping. The five market towns of Leominster, Ross-on-Wye, Ledbury, Bromyard and Kington are the other principal centres. The rural nature of the area often creates a barrier to providing equal services to all, and businesses find the infrastructure in the county a challenge. Its widely dispersed and often sparsely populated communities need support if they are to have a sustainable and successful future.

Herefordshire has beautiful unspoilt countryside, distinctive heritage, remote valleys and rivers, including the River Wye which flows east through Hereford City, the Malvern Hills on the border with Worcestershire and the Black Mountains in the south west. Parts of two Areas of Outstanding Natural Beauty (AONBs) fall into Herefordshire, covering the Malvern Hills and the lower section of the Wye Valley. Parts of the rivers Wye and Lugg are Sites of Special Scientific Interest (SSSIs) and Special Areas of Conservation (SAC).

Herefordshire has limited access to the motorway network via the M50, which starts near Ross-on Wye and joins the M5 north of Tewkesbury in Gloucestershire. The other main road links, include the A49 running north to south, the A465 north-east to south-west, and the A4103 east to west, all of which pass through Hereford City.

Within Herefordshire, Hereford, Ledbury, Leominster and Colwall have railway stations, connected by two lines: the Cardiff – Manchester line passes through Hereford and Leominster, while the line from Hereford to Birmingham, passing through Ledbury and Colwall, is single track for much of the journey. This line has a direct link to London.

The nearest major international airport is at Birmingham, about 60 miles (99 km) from Hereford. Herefordshire has no ports; deep water facilities are available at Newport docks, or the Bristol Channel, about 35 miles (56 km) from Hereford.

The Country has the 4th lowest population density in England (0.9 persons per hectare). A particular challenge for service delivery is how scattered the population is. A quarter of the population live in areas which are defined as 'very sparse' and over half (54%) of the County's residents live in areas defined as 'rural'. About one-third of the population lives in Hereford City, a little more than a fifth in the market towns and almost half elsewhere.

Provision of services to all members of the community is a particular challenge in sparsely populated rural areas and a robust multi-agency approach is needed if these difficulties are to be overcome. The developing public services arrangements, which bring together key areas of planning, commissioning and delivery under one Chief Executive for Herefordshire Council and the Primary Care Trust present a unique opportunity for partnership working that will bring immense benefit to the local community.

Herefordshire's resident population grew by 2% between 2001 and 2007 to 179,300. This was due entirely to net in-migration. Nearly a quarter (24%) of Herefordshire's population is of state retirement age. Numbers of older people have grown more rapidly than nationally and the growth is expected to continue. In particular the number of people aged 85+ is expected to more than double from 5,000 in 2007 to 10,200 in 2026. One of the main challenges faced in supporting those growing older in Herefordshire is how to help people to live safely and independently in their own homes. Many older and disabled people are supported by informal carers (normally family) who often require support in their own right if they are to continue to undertake this very valuable work.

Our community is not as ethnically diverse as other parts of the region or England and Wales as a whole. The Black, Asian and Minority Ethnic population makes up only about 4%. However, this increased by 64% between 2001 and 2006 compared to a 2% growth in its total population. This increase is due to the higher number of migrant workers coming to Herefordshire since the expansion of the European Union in 2004.

Within Herefordshire there are two areas that have particularly high levels of income deprivation; in the Leominster Ridgemoor areas 41% of individuals live in income deprived households and Golden Post – Newton Farm in Hereford City 37%. These two areas are both within the 10% most deprived areas in England (as determined by central government definitions) and pose a particular challenge in terms of reducing inequalities and improving the quality of life for those living there.

Our key characteristics of place:

- Herefordshire is a sparsely populated county
- The population is increasing
- Herefordshire's population has a relatively old age structure, with the proportion of older residents expected to increase
- Numbers of children in Herefordshire are decreasing
- The County has a relatively small, but growing, black and minority ethnic population
- There has been a dramatic increase in the numbers of migrant workers coming to the area
- The rateable value of commercial property is low
- Residents use different modes of travel for work
- Access to broadband is low in the more rural areas
- Emissions of CO² are decreasing, but slower than in other areas
- There is an increasing and currently unmet need for affordable housing

Places and People

Introduction

There is currently no single approach to delivering services on a locality basis although it is well recognised that this needs to be addressed over the coming years if services are to continue to benefit the community as a whole.

An important principle in delivering services across Herefordshire is that they should meet the needs of the local community, with people being able to access services in a flexible way, not determined by where they live.

Within the context of the Government's Total Place agenda and requirements to deliver improved outcomes for the local population within ever-increasing financial constraints, there are clearly opportunities to improve access to services and service delivery by agreeing a common approach to localities in Herefordshire.

Having reviewed a range of possible approaches, Civil Parish Boundaries have been identified as the building block having the clearest linkage to local communities and are already being widely used across public services in Herefordshire.

In relation to physical assets, it is proposed that public sector services in the county should wherever possible be accessed in a joined up way. This involves ensuring that buildings are shared and that there are joined up service delivery arrangements in agreed key locations, supported by a range of community and service delivery arrangements as appropriate.

Services are already being brought together to benefit the local community in some market towns. The Bromyard Centre is an example, housing the Info Shop, library and HALO integrated front desk. In addition, there are also public access computers, tourist information, Job Centre Plus information, client rooms and a group room all within one building. This joined-up approach is also reflected in community led schemes and other public sector schemes in the second tier settlements based on multi-use centres, for example at Peterchurch.

This approach will be further developed over the coming years; ensuring that those living and working in Herefordshire have equality of access to services, brought about by increasingly delivering services on a locality basis in a way that fully benefits the local community.

What we've achieved so far

Children and Young People

(image)

Educational standards are high, with good A level results and GCSE rates improving. Results in primary schools could be better. Children are generally healthier in this county than other parts of the country, although over a quarter of Year 6 children are either obese or overweight. They eat more fruit and vegetables and do more sports than elsewhere. Young people generally do well in getting employment, further education or training once they leave school but most of those who need higher education or university provision have to leave the county for this

Image

Economic Development and Enterprise

The need for good employment opportunities and the attraction of investment and new business into the county is well recognised. There are many people with a high level of skill who move to settle in the county and set up small businesses but young people often leave the county to go onto higher education and don't return; the need for a University Centre is well recognised and funding is currently being sought for this. Feasibility work has been commissioned to develop the Blackfriars site (on ESG) as a university gateway.

Image

Environment

The county is clean and well kept. The amount of waste going to landfill is reducing but at a much slower rate than other authorities, placing Herefordshire within the bottom quartile of all English authorities. Recycling has improved with the introduction of the new wheelie bin system in November 2009. CO2 emissions are high mainly due to the reliance on cars and the limited public transport available. There has been a slight reduction in the total amount of carbon emissions between 2005 and 2007. There are many special geological and sites of special scientific interest. The number of these being properly managed is increasing.

Image

Healthier Communities and Older People

People are healthy in the county. Many people live longer than elsewhere. There are more people over the age of 65 and most consider themselves to be in good health. Deaths from cancer and circulatory disease for people under 75 are lower than nationally and decreasing. There are particular concerns though about the number of people who die or are seriously injured in road traffic accidents.

The new Herefordshire Health Improvement Plan brings a focused and co-ordinated response to preventing obesity.

Investment from the Playbuilders Fund of £0.5M is making school facilities more accessible and offer opportunities for local communities to become more active.

Safer Communities

Herefordshire is a safe place to live with already low levels of crime which are reducing further. A main concern for residents in Herefordshire is the number of people dying on Herefordshire's rural roads; Herefordshire Road Safety Group is making good progress in this area.

The police force in Herefordshire is particularly good at talking to and working with small communities to help them with local problems. Safer Herefordshire plays a major role in reminding local people that crime in the county is low. It does this through community events, publicity and through the use of national campaigns. As a result fewer people fear being a victim of crime than in most parts of the country.

Image

Image

Stronger Communities

The Area Assessment reported that the majority of people were satisfied with where they lived. More people volunteer to help in their communities than in many parts of the country. Housing in Herefordshire is generally expensive and many people find it hard to afford to rent or buy a home.

Herefordshire Housing Ltd - the main provider of social housing - has recently made enormous improvements in the way it runs its business. Tenants are happier and their living environment has improved. Working with the police, council and community services means anti social behaviour is dealt with quickly.

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OUR PRIORITIES

Children and Young People

We aim to improve the lives of children and their families, and enable all children and young people to develop the knowledge, skills and judgement they need to lead a fulfilling life

We will ensure that every child grows up to reach his or her full potential within a happy, healthy and secure environment, both at home and during their learning. There should be opportunities for children and young people to explore their environment through stimulating play, outdoor adventure and social and cultural experiences. Children and young people need to develop their own skills so they are better prepared for adulthood, able to manage their own affairs and inter-relate with others effectively.

Successful delivery will need co-operative working of all the partnership agencies concerned with commissioning and delivering services for children and young people in the County. This will be based on the delivery of integrated services, around the needs of the child, young person and their family. This will be taken forward through the implementation of the “No Wrong Door” approach to locality working.

Local Context

Of the total population, 27% are aged between 0 and 24 years (48,600 children and young people). The number of under 16s has decreased by 7% since 2001 and now account for 17.7% of the population. The numbers of under 16s in the county is expected to continue to fall over the next few years, stabilising at around 29,000 in 2016 (15% of the population). This change in the demographic make up of the county brings with it specific challenges in terms of maintaining high quality educational provision, particularly in the more rural areas. It also poses challenges in terms of ensuring equality of opportunity for all our young people.

Educational standards in Herefordshire remain high, compared with national results, with 52% of pupils achieving 5 or more GCSEs at grades A* - C (including English and Maths). Although this compares well with other areas of the country there are still 13 areas in Herefordshire that fall within the 25% most deprived in terms of engagement with and achievement in education and skills. The drive to maintain and improve the standard of education in the County is challenging because of the impact of falling pupil numbers, the resulting financial pressures across Herefordshire and the ability to recruit to and develop our workforce.

The proportion of children living in income deprived households in the most deprived areas of Herefordshire has increased relative to the county as a whole, (62% in Leominster-Ridgemoor and 49% in Golden Post–Newton Farm). This impacts in

many ways on the lives of our children and young people and brings significant challenges in terms of making sure they lead safe, healthy and fulfilling lives.

Our issues and challenges:

- Tackling obesity, by encouraging breastfeeding, promoting more physical activity and encouraging healthy eating
- Reducing smoking and alcohol consumption, especially amongst year 10 girls
- Continuing to improve preventative approaches that will reduce teenage pregnancies and rates of sexual transmitted infection, particularly Chlamydia in females aged 15-19
- Intensifying programmes to reduce bullying, particularly among primary age pupils
- Continuing to strengthen child protection arrangements in the light of national requirements and workforce developments
- Targeted actions to reduce the educational attainment gap between the best performing wards in Herefordshire and the lowest, as well as between vulnerable groups and the rest
- Raising skill levels and securing job opportunities for young people

We are working towards the following outcomes:

- ❖ Children and young people are healthy and have healthy lifestyles, with less obesity and substance misuse, and better dental and sexual health
- ❖ Children and young people are safe, secure and have stability
- ❖ Children and young people achieve educational, personal, social and physical standards
- ❖ Children and young people engage in positive behaviour inside and out of school
- ❖ Children and young people engage in further education, employment and training on leaving school

Strategies and other documents linked to these priorities:

The Children and Young People's Plan 2008-2011

(images)

◆ **Everyone is someone** ◆ **Work across boundaries** ◆ **Safeguard our future**

OUR PRIORITIES

Economic Development and Enterprise

We aim to create an environment for enterprise to thrive and enable business growth and prosperity for all

A flourishing and diverse local economy is vital to the development of the County and local residents. A healthy economy can also make a vital contribution towards improving quality of life in the community and reducing health inequalities.

Partners will work together to enable enterprise through infrastructure improvements, support for business growth, inward investment and creating employment opportunities. This will encompass the need to create a sustainable economy building on diverse business base while caring for the environment and recognising the distinctiveness of the County.

Successful delivery of this theme will require co-operation between key partners, often across boundaries, to ensure that the supply of skills, training and business support is planned, managed and delivered in a coherent, collaborative way within the framework of priorities expressed in the Regional Economic Strategy. This includes working in partnership to recover from the effects of the economic downturn.

Local Context

Herefordshire has a relatively high employment rate, compared to national or regional figures, with the number of self employed, small businesses and home working being significantly higher. Herefordshire's earnings are low with the gap between the county's earnings and those of the rest of the country (£389.40 in Hereford compared to £448.90 in the West Midlands and £483.10 in England) continuing to widen.

The manufacturing sector is important to the county accounting for 14% of employees, with successful companies using innovations to enter new markets. Agriculture continues to be a significant part of the county's economy, with the number employed in this sector having increased to 7% (compared to 1% in England and the West Midlands), highlighting the relative importance of the industry to Herefordshire.

Herefordshire has a thriving tourism sector with approximately 4.8 million visits to Herefordshire in 2008 bringing £411 million into the county. This tourism product reflects the distinctiveness of the county, including capitalising on food and drink production and the creative industries sector.

Transportation and communication infrastructure is a key issue for the county, as it impacts on employment, health, access to services, quality of life and the county's

economic development. Herefordshire is particularly dependent on road transport because of limited public transport links within and outside the county.

Community Transport and other travel initiatives address some of the challenges of access to public transport, particularly in the north and western parts of the county.

Poor communication links across the county are a barrier to business growth with 46% of rural areas having access to no, or only low speed broadband. This compares to only 1% in urban areas and brings with it huge challenges for businesses as well as the provision of wider access to information and services.

The Third Sector plays an important part in the Herefordshire economy, with around 1600 organisations delivering an essential range of services across the county. The paid workforce makes up around 3.9% of the total employed population and, according to survey results, around 18% of people volunteer on a regular basis.

There are a number of long term strategic projects that aim to stimulate and regenerate economic growth in Herefordshire. Rotherwas Futures will transform the existing Rotherwas Industrial Estate, creating new jobs and helping the Herefordshire economy to compete in the longer term. The Edgar Street Grid development will regenerate 100 acres within Hereford city centre, creating hundreds of opportunities for local people through development of leisure facilities, retail outlets and other business developments in addition to exploring the potential for a university gateway for the County.. Model Farm in Ross on Wye will create an innovative approach to providing new employment land married with Live / Work provision to cater for changing needs of businesses wanting to locate to the county. All developments are ambitious and will take time to delivery but when fully implemented will provide a huge economic boost for the whole of Herefordshire.

Consultation is underway on Herefordshire's Local Development Framework "Shaping our Place 2026" which is running alongside consultation on the Local Transport Plan. These two key documents will identify locations for future housing, employment and other developments in Hereford City and the market towns, as well as possible rural growth settlements, options for future sustainable transport measures, and a relief road for Hereford.

Our issues and challenges:

- Gross Added Value is increasing but at a lower rate than regionally and nationally
- Slightly lower proportion of high and medium-technology manufacturing jobs
- Though earnings have increased, there is a growing gap between the regional wage levels
- Forecast 6% fewer people aged 16 to 64 living in Herefordshire by 2026
- Low unemployment rate though increased due to the economic downturn

- Increase in problems associated with personal debt and other effects of the economic downturn
- High levels of income deprivation in Leominster Ridgemoor and Golden Post-Newton Farm
- 5% of working age population travel to work outside the County
- Rural areas are much less likely to receive decent level of broadband service at present

We are working towards the following outcomes:

- ❖ Sustaining existing businesses with advice and guidance to minimise job losses and work with partners to support employment
- ❖ Developing a more adaptable and higher skilled workforce
- ❖ Supporting businesses and home working through better Broadband services
- ❖ Improving business accommodation and employment land quality and availability
- ❖ Attracting high quality and better paid employment into the County and encouraging entrepreneurship and innovation
- ❖ Promoting Herefordshire as a place with a diverse business base, building on its distinctiveness and heritage
- ❖ Reducing traffic congestion and improving health through integrated transport provision, including opportunity for maximising cycling, walking and public transport
- ❖ Encouraging businesses to consider the environment and make savings through sustainable working practices

Strategies and other documents linked to these priorities:

- Herefordshire Economic Development Strategy 2005-2025
- Herefordshire Local Transport Plan
- Learning and Skills Council Herefordshire Local Area Statement of Need 2009/10
- Access to Services in Herefordshire Report 2009
- West Midlands Economic Strategy
- West Midlands Regional Spatial Strategy
- Herefordshire Tourism Strategy

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OUR PRIORITIES

Environment

We aim to protect and enhance Herefordshire's distinctive environment and address climate change

Herefordshire's environment is one of its greatest assets, underpinning the County's continuing prosperity. The interactions between natural, cultural and human influences on this asset are complex. Consequently a wide range of priorities have been defined that should be addressed in order to maintain and improve the quality of the County's environment.

Pressures from development, changes in land use and pollution are increasing. One of the biggest potential threats however, is climate change, and although this needs to be tackled globally, local action to cut emissions and adapt to change is essential.

Efforts aimed at addressing environmental priorities within the County must be addressed through partnerships. Local communities will be engaged, in particular, through increasing awareness of issues, including the case for change. The influence that quality of the environment has upon other themes within the Sustainable Community Strategy also needs to be recognised, in particular its impact on health and wellbeing.

Local Context

Herefordshire provides a unique and beautiful environment for those who live, work and visit and local biodiversity and conservation are important in making the county the place that it is.

The county has a diverse set of habitats, which support an equally diverse population of plants and animals. Although Herefordshire only occupies 17% of the West Midlands region it has 31% of the region's ancient semi-natural woodland, with the ash/lime woods of the Wye Valley of international importance.

Herefordshire has a much higher carbon dioxide level per head of population than anywhere else in the country; with emissions from transport, industry and the commercial sector increasing. This highlights a challenge for Herefordshire in terms of managing the balance between growth in the economy and the environment, be it the amount of green space or CO2 levels.

In recent years significant weather events have had a major impact on Herefordshire's emergency and public services, local businesses and the wider community.

Our issues and challenges:

- Emissions of CO2 from industry and commercial sector increased
- Amount of waste to landfill is reducing slower than in other areas
- Higher carbon dioxide levels per head of population
- Significant weather events have a major impact on the area

We are working towards the following outcomes:

- ❖ Reducing waste and increasing recycling
- ❖ Acting to mitigate Climate Change and its consequences including promoting adaptation
- ❖ Protecting and enhancing biodiversity within the County
- ❖ Increase awareness of environmental matters including in particular efforts to promote sustainable living and the development of relevant skills and the environmental economy
- ❖ Protect, enhance and manage landscape character
- ❖ Encouraging investment in high quality streets, public spaces and the built and historic environment
- ❖ Assisting local communities to identify, retain and develop local distinctiveness
- ❖ Protecting and improving water resources and the quality of rivers, streams and lakes, and encouraging responsible water use and management
- ❖ Promoting sustainable land management

Strategies and other documents linked to these priorities:

- Herefordshire Biodiversity Action Plan
- River Basin Management Plan, Severn River Basin District
- Green Infrastructure Strategy
- Herefordshire Climate Change Strategy
- Herefordshire Environmental Strategy 2001-2011
- The Joint Municipal Waste Management Strategy for Herefordshire and Worcestershire
- Herefordshire Unitary Development Plan
- Local Development Framework
- West Midlands Regional Forestry Framework
- Herefordshire Council Biodiversity Strategy

- Herefordshire Affordable Warmth Strategy
- “Putting the Historic Environment to work” – A strategy for the West Midlands 2010 - 2015

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OUR PRIORITIES

Healthier Communities and Older People

We aim to work with people and their communities to enable them to lead healthy and fulfilled lives

This priority is concerned with promoting how public health and social care objectives and actions are being developed to improve the health and well being of the people of Herefordshire. However, it should be understood that the wider actions being taken to make things happen under each of the individual themes within this document support each other and all contribute to people's health and wellbeing.

The essential foundations for a healthy and fulfilled life are good physical and mental health, public safety, good education, employment and housing. This priority therefore contributes to the identification of key issues well beyond public health and social care measures. It works towards improvement in health and wellbeing and reducing health and social inequalities in Herefordshire by ensuring that relevant organisations provide the best possible services and build and maintain long term partnerships that promote the health and wellbeing of individual Herefordshire residents, whilst also recognising the role of carers.

The Public Health Annual Report highlights a number of key strategic objectives to reduce health inequalities and improve health and wellbeing by providing a better understanding of local health needs. However, the Annual Report is not an end in itself. Momentum must be maintained so that the enthusiasm generated to achieve significant public health improvements is harnessed and built upon. The positive support of our local acute hospital, community and mental health sector, social care, local GP practices, schools and colleges, the voluntary sector and local business is crucial to the success of this theme.

Local Context

In general, health in the county is relatively good. People in Herefordshire live longer than the average regionally and nationally: life expectancy is 78.1 years for males and 83 for females. There are 9 areas in Herefordshire that fall within the 25% most deprived nationally when looking at the health and disability domain. Five areas are within the 20% most deprived. All of these deprived areas are in either Hereford City or Leominster. In relation to health and disability there are no areas in Herefordshire that are within the 10% most deprived nationally.

Mortality rates for cancer, circulatory diseases and chronic conditions remain lower than in other areas but are significantly affected by different patterns of risk-taking behaviour, in particular smoking, drinking too much, and being overweight or obese.

Childhood obesity is of particular concern, with 23% of reception class children and 31% of year 6 children either overweight or obese. There are links between obesity and social deprivation, and these can be shown locally as well as at national level. In Herefordshire, 19% of children from the most deprived 18 Super Output Areas were obese, compared with 12% in the areas outside this group.

The number of 18 – 64 year olds with disabilities in Herefordshire is likely to increase by 2026 which will put pressure on public services. Over the past year, there has been a sharp decline in the numbers of people with physical disabilities helped to live at home and this is a concern.

The health, well-being and independence of older people is a key priority for Herefordshire, which will only be achieved through robust multi agency-working, including an enhanced role for the third sector. The vision promoted through the Growing Older in Herefordshire Strategy is that older people will remain independent and active, continuing to live in, and contribute to, strong local communities and be included in decisions regarding the future services and activities that they want and need.

A substantial increase in the numbers of older people that will have some dependency on social care in Herefordshire is expected by 2020. With this there is also expected to be a disproportionate increase in the number of older people with dementia who will need enhanced care.

It is estimated that there are about 19,400 adult carers and 300 young carers in Herefordshire. Not all of these carers are providing regular and substantial care but the care they provide may be crucial to the person who needs it. It is essential that these carers are properly supported. Carers are more likely to be in 'not good' health than non-carers, and the disparity increases with the amount of time spent caring per week.

Our issues and challenges:

- Number of 18-64 year olds with disabilities is likely to increase by 2026
- Higher levels of income deprivation for older people in Bromyard Central, Hereford City and Leominster
- Number of people with physical disabilities helped to live at home decreased over last 10 years
- Substantial increase in numbers of older people with some dependency on social care expected by 2020, with disproportionate increase in numbers with dementia
- Dental health amongst children is poor

We are working towards the following outcomes:

- ❖ Supporting smokers to quit, particularly young, pregnant and long-term smokers
- ❖ Supporting people to maintain a healthy weight
- ❖ Reducing the level of harmful alcohol use, particularly among young people
- ❖ Working with local people to enhance emotional wellbeing and intervene to reduce suicide, accidents and injuries
- ❖ Supporting people with assessed social care needs to live independently in their own homes wherever possible, with accessible services and information they need
- ❖ Ensuring vulnerable adults are kept safe by a fast and reliable service response

Strategies and other documents linked to these priorities:

- Public Health Annual Report (April 2009)
- Joint Strategic Needs Assessment (JSNA) - October 2008 and October 2009
- Older People's Strategy (revised 2010)

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OUR PRIORITIES

Safer Communities

We will work together to make Herefordshire an even safer place to live, work and visit

Herefordshire is a safe county in which to live, work and visit. Crime levels are low and reducing year on year and this is the underlying focus for the Safer Communities theme. Key partner agencies work together to ensure priorities surrounding crime and the perception of crime, reducing anti-social behaviour, drug and alcohol-related harm and road safety are successfully addressed to reduce crime and disorder within Herefordshire.

Safer Herefordshire conduct an annual strategic assessment, including use of partner data, and public consultations. This is then used to identify strategic priorities for Herefordshire.

Local Context

Although crime is reducing in the county, (examples include house burglary and criminal damage), the proportion of residents in Herefordshire that are fearful of certain types of crime remains fairly high despite the numbers of some of these crimes having decreased considerably over the last few years, an example being house burglary. It is therefore considered to be a priority not only to decrease the already low level of crime overall but also to address the disproportionate fear of crime felt amongst some members of the community.

The number of alcohol-related hospital admissions is of concern with 1249 per 100,000 residents during 2008/09, and predictions are that the number of alcohol related admissions will continue to rise. Please note that this definition does not include attendance at A&E.

In 2008, results from the Herefordshire Quality of Life Survey showed 21% of respondents reporting people being drunk or rowdy in public places as a problem in their local area.

The proportion of residents in Herefordshire who feel that there are high levels of antisocial behaviour in their local area is small (12%) but many consider road safety and speeding traffic to be a problem (50%) (Source: 2008 Quality of life survey).

A recent report by Herefordshire Council's Accident Investigation and Prevention Team focused on road casualties in Herefordshire, including those killed and seriously injured, throughout 2008. This will be used to further identify and enhance

future community engagement, engineering, education, enforcement and evaluation activities for the Herefordshire Road Safety Group (one of Safer Herefordshire's Priority groups).

Examples of Safer Herefordshire activities:

- hosting a road show throughout the county with partner agencies, to promote community safety, fire safety and policing.
- the development of a bi-annual magazine for Herefordshire's drug users and carers. This primarily contains contributions from drug users and carers, along with harm reduction information and contact details for local and national service providers.
- the promotion of road safety through events such as motorcycle rider skills assessment days and classroom based advanced driving courses.

Safer Herefordshire is working towards the following priority outcomes:

- ❖ Reducing crime through offender management and other interventions
- ❖ Reduce incidence of domestic abuse
- ❖ Reducing drug and alcohol related harm
- ❖ Increased road safety
- ❖ The council and police reducing incidence of anti-social behaviour, including dealing with local concerns about ASB and crime issues

In order to meet these strategic priorities, performance is measured through a range of agreed national and local targets.

Strategies and other documents linked to Safer Herefordshire priorities:

- Safer Herefordshire Strategic Plan 2008 – 2011
- Safer Herefordshire Strategic Priorities 2009 – 2010
- Children and Young People's Plan 2008 – 2011
- Harm Reduction Strategy 2008 – 2010
- Young People's Specialist Substance Misuse Treatment Plan 2009 – 2010 (Part 1)
- Adult Drug Treatment Plan 2009 – 2010 (Part 1)
- Herefordshire Local Transport Plan

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OUR PRIORITIES

Stronger Communities

We will develop stronger, vibrant, more inclusive communities in which people enjoy a good quality of life and feel they have influence over the decisions that affect them

A strong community is one that feels empowered, confident and accepted. In order to achieve this there should be respect for each other and groups, and individuals from all backgrounds need to be informed and have the opportunity to get involved in making decisions which affect their communities.

Local communities will be more sustainable if they have access to vital services and facilities which meet their needs, such as suitable housing, health facilities, leisure facilities, libraries and other cultural venues, shops and local meeting places. For Herefordshire, access to services is particularly key in rural areas, and this could be improved through innovative solutions, for instance, better use and combining of community, public and private sector buildings and facilities and mobile services.

Currently, there are challenges around tackling homelessness and being able to increase the amount of affordable housing to meet local needs and ensure the viability of neighbourhoods and communities.

Enhancing leisure opportunities for active leisure in the County is one way of contributing to thriving communities and creating opportunities for social interaction between people of different ages and backgrounds, as well as promoting understanding of cultural issues, health and wellbeing, community cohesion, activities and access to a wide range of experiences.

Volunteers give their time, skills and knowledge to enhance the contribution of the voluntary and community sector in shaping and delivering local services and building stronger, vibrant and more inclusive communities.

An already strong record of promoting equality and tackling discrimination must be built upon as the County's population becomes more diverse. Active engagement with communities needs to continue in order to understand the needs of all residents, particularly those disadvantaged or experiencing social exclusion.

Local Context

Herefordshire is seen as a good place to live and work. A significant number of adult residents (87%) are satisfied with their local area as a place to live but only

29% feel they are able to influence decisions in their locality, lower than in previous years.

There are a number of areas in Herefordshire within the 25% most deprived nationally in terms of overall deprivation. This has increased slightly since 2004. These areas are within Hereford City and the market town of Leominster. The most deprived locality is within the South Wye area of Hereford City which is also within the 10% most deprived nationally.

Many areas are disadvantaged because of their rural nature. Accessibility of services is a key issue in the sparsely populated rural areas, with 76 out of the 116 government defined smaller deprived areas (lower super output areas) in Herefordshire falling within the 25% most deprived in terms of geographical access to services.

Access to services is being addressed in a combination of ways, including bringing people to services through developing and sustaining rural transport networks, and bringing services to people through the enhanced use of shared facilities. For example, increased use of public sector buildings would help to make provision of services sustainable, as would the ability to access the increasing number of services being delivered electronically. Although the percentage of the population using broadband facilities has risen, there are still a significant number of people who are disadvantaged by not having access to high-speed communications.

Herefordshire has a particularly diverse and independent Third Sector, with a wide range of voluntary organisations, charitable organisations, community groups, social enterprises and housing associations contributing significantly to all aspects of life in Herefordshire, including helping deliver council services and objectives in libraries, museums and the arts. The sector has grown strongly in the past decade, benefiting from a coordinated approach to recent infrastructure investment. Although the sector is now in a strong position in terms of being able to support the needs of those who are often at the margins of society, the inevitable turnover of volunteers requires continued effort and investment so that the level of provision can be maintained.

The economic downturn has had a huge impact on the sector with a reduction in income and an increased demand for services. As many funding streams come to an end, the sector is facing a particularly challenging future to maintain its capacity. Small groups, particularly those located in sparsely populated rural areas often struggle to keep going and lack the capacity to engage with wider agendas such as the delivery of services.

The county has a distinct cultural heritage and countryside, access which can be accessed via a huge network of public rights of way. The network of cultural centres contributes to access of services, with 66% of residents satisfied with libraries. This has declined from 70% in 2006 and is lower than the England average of 69% although this is not based on a survey of users. The Place Survey (known as Herefordshire Quality of Life Survey) reports that 62% of residents are satisfied with parks and open space, this is less than in previous years. Levels of satisfaction are

lower for museums, galleries, theatres and concert halls and sport/leisure facilities and this needs to be addressed, although satisfaction with museums, according to the national Active People Survey is higher. Access to cultural facilities can play a large role in people feeling part of a community and in particular the library buildings the facilities are located in offer an opportunity through stronger cross service commissioning arrangements a range of additional services can also be delivered locally.

Low average levels of earnings, coupled with the relatively high house prices, mean that housing affordability is a major issue in the county with Herefordshire having the worst housing affordability ratio for all local authorities in the West Midlands. In 2008 for those on lower quartile earnings, a house at the bottom end of the market would cost them 9.2 times their annual earnings. The mix of properties affects affordability, with Herefordshire having a much higher proportion of detached properties than regionally or nationally (22.8%).

A key priority for the county is to increase the availability of appropriate, decent and affordable housing for the community, particularly for disadvantaged groups and first-time buyers. However, the economic downturn has adversely affected the delivery targets for affordable housing.

There is a high demand for affordable 1, 2 and 3 bedroom properties in Herefordshire and for all types of housing in Hereford City. The demand in rural villages is for family sized properties to promote sustainable communities, and sustain local services. The quality of housing is also an issue with a high level of dwellings that are currently categorised as being in a 'non-decent' condition.

The county has a commitment to reduce the number of people living in residential homes, which presents a particular challenge in terms of supporting people to live safely and independently in their own homes. To fulfil this commitment requires a robust multi-agency approach, with carers and the voluntary and community sector having a key role to play alongside statutory agencies.

Our issues and challenges:

- Only a minority of residents feel they can influence decisions affecting their area
- Access to key services is notably worse in rural parts compared to England and the West Midlands region
- Levels of satisfaction are lower for museums and galleries, theatres and concert halls and sport/leisure facilities
- Addressing declining use of libraries
- Numbers of homeless households increased following previous decline

- The potential of volunteering to have an impact across the priorities of the Partnership
- High proportion of pensioner households and ageing population may result in increasing demand for certain types of suitable accommodation
- Worst housing affordability ratio for all local authorities in the region
- High demand for affordable social properties across area and all types in City
- A third of dwellings are in a non-decent condition

We are working towards the following outcomes:

- ❖ Providing affordable housing and addressing homelessness
- ❖ Ensuring vulnerable people have access to a range of housing options, including support and the ability to live independently
- ❖ Providing accessible, high quality sporting, cultural and recreational facilities and activities
- ❖ Raising awareness and use of library services
- ❖ Ensuring fair access to the services which Herefordshire residents need
- ❖ Raising awareness and understanding of volunteering, promoting mutual benefits to the individual and the wider community
- ❖ Encouraging communities and individuals to participate and influence local decisions which affect them
- ❖ Promoting a County where people feel accepted, confident and empowered
- ❖ Ensuring communities are more resilient and recover from emergencies through effective partnership planning and co-ordination

Strategies and other documents linked to these priorities:

- The Herefordshire Compact and Codes of Practice
- Herefordshire Community Development Strategy
- Herefordshire Comprehensive Equality Policy
- Herefordshire Cultural Strategy
- Housing Strategy for Herefordshire
- Herefordshire Recovery Plan
- The Herefordshire Arts Strategy
- Herefordshire Local Transport Plan
- Disability Equality Scheme 2009-2012

- Race Equality Scheme 2008-2011
- Gender Equality Scheme 2010-2013

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APPENDIX 1

The Herefordshire Sustainable Community Strategy – What it is and why we need it

Overview of the Herefordshire Sustainable Community Strategy

The Herefordshire Sustainable Community Strategy is a key long-term planning document for improving the quality of life and services in Herefordshire. Every Local Authority is required to have a Sustainable Community Strategy which has been developed and agreed with its Local Strategic Partnership. Herefordshire Partnership is the Local Strategic Partnership for Herefordshire, representing local public services, businesses, and voluntary and community sector organisations.

Purpose of the Herefordshire Sustainable Community Strategy

The Herefordshire Sustainable Community Strategy sets the overall strategic direction and long-term vision for the economic, social and environmental wellbeing of Herefordshire to achieve our Vision for 2020, in a way that contributes to sustainable development. It sets Herefordshire in context, outlines our distinctive Vision and ambition for the area, and is backed by clear evidence and analysis, for example through The State of Herefordshire Report.

Why we have the Herefordshire Sustainable Community Strategy

The Local Government Act 2000 charged local authorities with preparing a Community Strategy with their partners through a Local Strategic Partnership, and Herefordshire's first version was known as the Herefordshire Plan. The Community Strategy for Herefordshire was subsequently published in 2006 and in recognition of emphasising the importance of sustainability, this refreshed version has been renamed the Herefordshire Sustainable Community Strategy.

Noting the key issues previously established in the 2006 Community Strategy and testing these against current information and evidence has been vital in identifying local priorities. As processes for these have improved, so has the role of this document in understanding the changing needs of our communities. Herefordshire's Sustainable Community Strategy, to which partners are fully committed, is essential to ensure the development and delivery of our Local Area Agreement. The Local Area Agreement is explained on page 7.

How the Herefordshire Sustainable Community Strategy can be used

The Herefordshire Sustainable Community Strategy can be used in a range of different ways:

- Firstly, and most importantly, local organisations will use the Community Strategy to inform the planning of their own services both now and in the future.
- Regional and national organisations will use the document to identify key issues facing the County, and direct resources accordingly.
- Local groups with innovative ideas for projects can link their funding applications to the Strategy in support of their applications.

APPENDIX 2

How the Herefordshire Sustainable Community Strategy will be delivered

The Herefordshire Sustainable Community Strategy will be delivered through many organisations, networks, sectors and groups working together to co-ordinate activity, reduce duplication and provide high quality services. Herefordshire Partnership’s structure is designed to ensure the successful delivery of the Herefordshire Sustainable Community Strategy through three tiers of management:

Herefordshire Partnership Board

Sets a Vision for Herefordshire based on a sound understanding of the County, local issues and a responsibility to ensure delivery of efficient, high quality services.

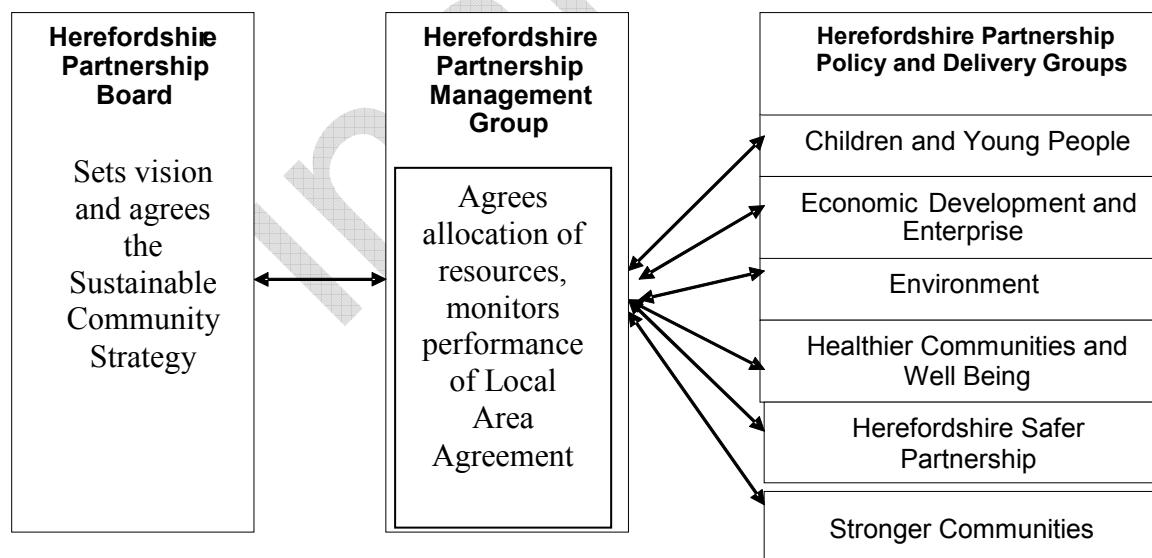
Lobbies, campaigns and champions the issues of importance to the County at regional and national levels and acts as an ambassador for the Partnership.

Herefordshire Partnership Management Group

Takes responsibility for delivering the Herefordshire Sustainable Community Strategy by ensuring resources are utilised to address identified priorities. Accountable for the work of the six Policy and Delivery Groups through reporting their progress to the Board.

Six Herefordshire Partnership Policy and Delivery Groups

Formulate and commission and deliver work to address the priorities in the Herefordshire Sustainable Community Strategy, based on comprehensive information of local need. They report progress on their work to the Management Group.



Membership of the Policy and Delivery Groups includes representatives from organisations who are committed to delivering high quality services which address the priorities for their group. Details of each group can be found on pages xx to xx. Contact details for people involved with each group have not been included as they change from time to time. However, should you wish to know more about the work of any of the groups please contact Herefordshire Partnership (details given on page xx). In addition, our website provides up-to-date information www.herefordshirepartnership.com

APPENDIX 3

Key work which links with the Herefordshire Sustainable Community Strategy

The Local Area Agreement

The Local Area Agreement contains targets for improvement agreed by all the local partners, and delivery plans that fit within the longer term Vision and priorities agreed in the Herefordshire Sustainable Community Strategy. Our Local Area Agreement is an agreement between Herefordshire Council, Herefordshire Partnership and Central Government, with the aim of improving the quality of life for local people, organisations and businesses.

The Local Development Framework

Every local planning authority must prepare a Local Development Framework to be consistent with national planning policy and the Regional Spatial Strategy. The Local Development Framework is the spatial expression of the Herefordshire Sustainable Community Strategy and will aim to contribute to the achievement of sustainable development. The Local Development Framework is a folder of policies and plans which reinforce the Herefordshire Sustainable Community Strategy by setting out the key spatial strategies for the area, such as house building and related infrastructure provision.

The Power of Well Being

The Power of Well Being was given to Parish and Town Councils in April 2009. This power enables them to fund anything to promote or improve the social, economic or environmental well being of their area. An eligible Council must have regard to the Sustainable Community Strategy proposed by their Local Authority i.e. Herefordshire Council.

The Sustainable Communities Act

The Sustainable Communities Act 2007 aims to promote the sustainability of local communities and begins from the principle that local people know best what needs to be done to promote sustainability of their area. The scope of the Act is very broad, covering economic, social and environmental issues. It does not limit the type of action that could be put forward, provided the action is within that broad scope. It is for local people to decide what they think needs to be done to promote the sustainability of their area. The Act is designed to strengthen the role of communities.

APPENDIX 4

Sources of information

The State of Herefordshire Report provides a wealth of statistics relating to the County - its people, environment and economy. It is a digest of information that describes the County, linked to the themes of the Herefordshire Sustainable Community Strategy. The aim of the report is to provide a resource for those working for organisations involved with the Herefordshire Partnership, both reflecting and informing local strategic thinking. It is used for a variety of purposes including developing and monitoring strategies, programmes and projects, funding bids and research activities.

More information about the State of Herefordshire Report, including the latest facts and figures about Herefordshire, can be viewed by visiting the Facts & Figures about Herefordshire at www.herefordshire.gov.uk/factsandfigures or contacting the Herefordshire Partnership Researchers on 01432 260893.

Parish Plans harness everything different and unique about a local community and its vision for the future. They provide an opportunity for the community to express its views and provide information about how people feel about where they live. The end result is a plan that reflects these views and an idea of when these things might happen

Partners and Communities Together (PACT) meetings offer communities the chance to tell the police, local authority and other organisations about issues causing concern and how they might be addressed. It also offers the opportunity for agencies to explain how their services operate and inform people about developments.

Local Development Framework consultation and engagement continues throughout the preparation of key local development documents. Major consultations on the Core Strategy were undertaken in 2007 and 2008, with further consultation planned for 2010. The results of these consultations will inform the final Core Strategy Vision and Objectives and strategic “place shaping” setting out how the County as a whole is expected to develop up to 2026. More information on the Local Development Framework is on the previous page.

E-consult draws together details of all the consultations Herefordshire Council and its partners are engaged in. It allows residents to take part in many of the consultations online. In addition partner organisations also employ a number of other means of consulting with local people and businesses, for example face-to face contacts and postal questionnaires.

The Herefordshire Quality of Life Survey is part of the new national **Place Survey**, which every Council in England is required to carry out every two years. The survey gathers residents’ views on a range of issues which influence what Herefordshire is like as a place to live, as well as satisfaction with local public services. The results of the survey provide a valuable record of local opinions and priorities.

Local, regional and national partners

The Local Area Agreement was developed in 2007/08 through discussion and agreement with local and regional partners. A list of priorities were identified which aided the choice of Performance Indicators from the National Indicator set.

Local, regional and national strategic documents developed by organisations around specific areas of work were analysed for the priorities for Herefordshire that they highlighted. Key local and regional documents have been listed under the relevant Priorities on pages 11 to 32.

APPENDIX 5

Glossary of terms used in this document

(to be completed when final wording has been agreed)

Final Draft

Inside back page

Final Draft

Back page

Final Draft

**For further information please contact the Herefordshire Partnership Support Team
or visit the Herefordshire Partnership website at www.herefordshirepartnership.com**

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01432 261792**

MEETING:	COUNCIL
DATE:	5 MARCH 2010
TITLE OF REPORT:	COUNCIL CONSTITUTION
REPORT BY:	ASSISTANT CHIEF EXECUTIVE LEGAL AND DEMOCRATIC

CLASSIFICATION: Open

Wards Affected

County-wide

Purpose

To report on the completion of the Constitution as required by Council at its meeting on 13 November 2009.

Recommendation(s)

THAT Council

- (a) **Notes that Herefordshire Council's Constitution is complete and is publically available on the authority's web site, in libraries and Infoshops.**

Key Points Summary

- On 24 July 2009 the Council agreed to review its Constitution.
- The Council at its meeting on 13 November 2009 agreed to adopt a new Constitution to take effect on 1 January 2010. The Council asked that the Monitoring Officer report completion of the new constitution at its next meeting
- All Members of the Council received a full paper copy of the new Constitution in advance of 1 January 2010.
- The Constitution is publically accessible on the Council's website and hard copies are available for inspection in libraries and Infoshops within the county.

Alternative Options

1. None; this report brings back the Constitution as envisaged in minute 53 of the Council meeting held on 13 November 2010.

Reasons of Recommendation

2. There is no recommendation other than to note the completion of the new constitution and its

public availability.

Introduction and Background

3. The Council considered a report from the Monitoring Officer on 13 November 2009 which sought approval to a new Constitution. Subject to further work the Council agreed to adoption of a new Constitution which was implemented on 1 January 2010. This completed Phase 1 of the constitutional review.
4. The support and time provided by the Chairman and other members in finalising the new constitution was very welcome and the Assistant Chief Executive Legal and Democratic would like the Council to note her thanks for their support.
5. The Constitution was completed by 1 January 2010 and is publically accessible on the Council's website and hard copies are available for inspection in libraries and Infoshops within the county. All members have received a copy.
6. Phase 2 of the Constitutional Review is now underway and will address issues identified during Phase 1 and referred to in the New Constitution report to Council on 13 November 2010, together with any other issues identified by CRWG.

Key Considerations

7. As outlined above.

Community Impact

8. The new Constitution more clearly explains the Council's vision, aims and objectives for the County and its partnership arrangements. This should enable the public to understand more clearly what the Council and its partners are trying to achieve and how they work together to do that.

Financial Implications.

9. None.

Legal Implications

10. The new Constitution reflects the statutory requirements and guidance and is in accordance with the modular format established as part of the guidance following the introduction of the changes in the Local Government Act 2000.

Risk Management

11. There are no risk management implications.

Consultees

12. None

Appendices

- None

Background Papers

- None.

MEETING:	COUNCIL
DATE:	5 MARCH 2010
TITLE OF REPORT:	THE APPROVAL OF THE ANNUAL STATEMENT OF ACCOUNTS
REPORT BY:	ASSISTANT CHIEF EXECUTIVE LEGAL AND DEMOCRATIC

CLASSIFICATION: Open

Wards Affected

County-wide

Purpose

For Council to consider and agree the approach for approving the annual statement of accounts, as recommended by the Constitutional Review Working Group (CRWG).

Recommendations:

THAT:

- (a) the function of approving the statement of accounts is delegated to the Audit and Governance Committee to receive, review and approve them before the 30 June statutory deadline;**
- (b) following approval from the Audit and Governance Committee the statement of accounts is then referred to the Council for formal receipt and noting; and**
- (c) the Assistant Chief Executive Legal and Democratic (Monitoring Officer) be instructed to make appropriate changes to the Constitution to give effect to recommendations (a) and (b) above and publish the amendments.**

Key Points Summary

- The Accounts and Audit Regulations 2003 place a legal obligation on councils to approve their annual statement of accounts by 30 June each year.
- The previous Council Constitution provided delegated authority for the Audit and Corporate Governance Committee to approve the authority's annual statement of accounts. The new constitution is slightly ambiguous and clarification is required.
- By law, the approval of the statements of accounts cannot be carried out by the Executive or any of the Council's Overview and Scrutiny Committees.
- To avoid any ambiguity the CRWG were recently asked to clarify the process for the approval of

Further information on the subject of this report is available from
Charlie Adan, Assistant Chief Executive Legal and Democratic (01432) 260200

accounts and now make its recommendation to Council.

- Three options were considered by the Constitutional Review Working Group and a recommendation is proposed for Council's consideration and approval.

Alternative Options

- 1 The recommended option is that the function of formal approval of the statement of accounts is delegated to the Audit and Governance Committee who receive, review and approve them before the 30 June statutory deadline; and that following approval from the Audit and Governance Committee the accounts are then referred to the Council for formal receipt and noting after the 30 June deadline.
- 2 The following two alternatives were considered:
 - (i) That approval of the annual statement of accounts is delegated to the Audit and Governance Committee, without being presented to Council for noting; or
 - (ii) That the approval of the annual statement of accounts remains a Council function requiring approval from full Council. This being the case, in order to meet the legal obligation to approve the annual statement of accounts by 30 June, the date of the July Council meeting (16 July this year) be brought forward to an appropriate date in June. In that event, the Audit and Governance Committee would receive the statement of accounts for review and approval, make any comments and recommendations and submit them to the Council for formal approval as required. This would not require any formal amendment to the Constitution.

Reasons for Recommendations

- 3 To ensure that the Council meets its legal obligations within the statutory deadline.

Introduction and Background

- 4 Clarification is sought on the legal and procedural requirement in respect of the approval of the Council's Annual Statement of Accounts and the need to clarify arrangements within the provisions of the new Constitution.
- 5 The previous Council Constitution provided delegated authority for the Audit and Corporate Governance Committee to approve the authority's annual statement of accounts. The new constitution provides a role for both Audit and Governance Committee and the Council.
- 6 At a meeting on 18 February the CRWG considered this issue and now present their recommendation to Council for consideration and approval.

Key Considerations

- 7 The new constitution (at 3.2.1.1) sets out one of the Council Functions as the 'Duty to approve the Council's statement of accounts, income and expenditure and balance sheet of record of payments'. Further, in the constitution at 5.12.5.11, the Audit and Governance Code (which follow CIPFA best practice guidance for Audit Committees) states that the Audit and Governance Committee will review and approve the annual statement of accounts,

commenting where appropriate on any issues that need to be brought to the attention of the Council.

- 8 As currently drafted, the constitution is interpreted as requiring both:-
- (a) the Audit and Governance Committee to review and approve the accounts, making recommendations to Council
 - (b) the Council to formally approve (on recommendation of the Audit and Governance Committee) the statement of accounts.
- 9 The function of approving the Council's annual statement of accounts must either be undertaken by the full Council itself or, by a Committee set up for this purpose which is given appropriate delegated powers. This capacity to delegate consideration and approval of the Statement of accounts is specifically provided or under Regulation 10(3) of the Accounts and Audit Regulations 2003.

Community Impact

- 10 Failure to comply with The Accounts and Audit Regulations 2003 could have a potential reputational risk which may impact on effective engagement with partner organisations.

Financial Implications

- 11 There are no financial implications.

Legal Implications

- 12 The Accounts and Audit Regulations 2003 place a legal obligation on councils to approve their annual statement of accounts by 30 June.

Risk Management

- 13 Failure to approve the annual statement of accounts by 30 June would place the Council in breach of their legal obligations and has the potential for significant reputational risk, both locally and nationally.

Consultees

- 14 Constitutional Review Working Group

Appendices

None

Background Papers

- **The Council's constitution (implemented 01.01.10)**
- **The Council's previous constitution**

REPORT OF THE MEETING OF WEST MERCIA POLICE AUTHORITY HELD ON 15 DECEMBER 2009

Planning for the Future

1. A detailed examination of the force's activities has been undertaken and outline proposals presented to the Police Authority. The proposals map out a series of important changes which would reshape the internal organisation of West Mercia Police.
2. The proposals include the establishment of six new service areas which will focus on the needs of citizens and the delivery of outcomes by a single end to end process. The six suggested key areas of service are:
 1. Territorial Policing
 2. Customer Services
 3. Protective Services
 4. People Management
 5. Resources Management
 6. Information Management
3. The changes are anticipated to facilitate the freeing up of more time to focus on frontline policing, the integration of complementary policing activities, provide efficiency savings and establish a more streamlined organisation that retains sufficient resilience and flexibility to address changes in future funding arrangements. Nothing has been finalised and the Authority will be discussing the outline proposals before Chief Officers present their final recommendations.

Setting Priorities for the Policing Plan 2010/11

4. As part of the consultation process on the policing priorities for 2010/11 a consultation document has been produced and 3000 copies circulated to local authorities, parish and town councils, partnerships and community organisations. The document can also be viewed on the Police Authority's website. Attached at Appendix 1 is a summary of the draft strategic priorities.
5. Consultation evenings for partners, business and community representatives on the Policing Plan and Budget have been arranged as follows:

12 January 2010	Hindlip Hall, Worcester
13 January 2010	Shirehall, Shrewsbury
14 January 2010	Council Offices, Brockington, Hereford
18 January 2010	Civic Offices, Telford

Partnership Consultation Day

6. A Partnership Consultation Day was held in November 2009 and this helped to develop the work on producing the draft policing priorities for 2010/2011. Partners expressed an interest in developing more joint working and the Police Authority has also agreed to publish a Quarterly Partnership Bulletin, the first edition of which was circulated in December 2009.

Local Employment Targets for Under Represented Groups

7. The Police Authority is consulting on employment targets for under-represented groups and details will be provided on the Authority's website and at the Policing Priorities consultation meetings in January 2010.

Force Performance Data

8. The Authority has received reports on the performance of the force for the first six months of the year against the measures set within the 2009/2012 Joint Policing Plan, details of which are shown at Appendix 2.

9. Overall the force continued to perform strongly against the targets and in relation to the total sanction rate for the detection rate for Robbery the actual performance was 44.9% against a target on 27%. In view of this strong performance the Authority has revised the end of year target to 35%.

10. West Mercia has been judged as one of only eight police forces in the country assessed as having good performance in relation to the Policing Pledge. Areas for improvement are User Satisfaction (in particular Road Traffic Collision follow up) and Feelings of Safety (including the percentage of people who feel their neighbourhood has been completely or very safe over the last 3 months and people who have been fearful of house burglary, being mugged/robbed, assaulted in a public place or of Anti Social Behaviour in the past 3 months).

11. During this period a total of 6,207 Stop Searches were recorded and the report considered by the Authority demonstrated a proportionate use of the power. Overall numbers of stop searches had declined in all divisions except in Telford and Wrekin where there had been an increase. This would be examined in order to clarify the reasons and to ensure there was no detrimental impact on community relations. As part of the role Police Authority's monitoring role members also undertake dip sampling of Stop and Search forms and also where complaints are made.

Communications Campaigns

12. Recent West Mercia Police Communications Campaigns have included the following, details of which are available on the West Mercia Police website (www.westmercia.police.uk).

- Safe and Secure - Lighten Up Campaign (Oct. 2009)
- - Stay Safe Student Campaign (Nov. 2009)
- Halloween - No Trick or Treat (Oct. 2009)
- Not in my Neighbourhood Week (Nov. 2009)
- Justice Seen Justice Done (Nov. – Dec. 2009)
- National Rape Awareness Week (Nov. 2009)
- 0300 Promotion (Nov – Dec 2009)
- Operation Christmas Presence (Dec. 2009)

13. The 0300 333 3000 non-emergency contact number for the police replaced the 08457 number which will be discontinued in early January 2010. Further publicity material promoting the use of the 0300 has been produced including on local buses

and over 3000 posters were distributed to partners, organisations and councils during December 2009.

Neighbourhood Watch Pledge

14. West Mercia Police agreed at the Neighbourhood Watch Annual General Meeting in March 2009 to develop a Pledge to provide Neighbourhood Watch (NHW) and police officers and staff with a clear minimum standard of service, to ensure that West Mercia puts the citizen at the heart of everything it does. Nationally, Service Level Agreements are being developed between police forces and NWH and the development of this pledge provides a localised level specific to the needs of West Mercia Police and its Neighbourhood Watch needs.

15. The Pledge will assist West Mercia Police and NHW in endeavouring to engage with each other to help communities protect themselves and their property and encourage development of NHW. It will be launched to all West Mercia NHW coordinators via the Ringmaster systems and the national NHW website.

Commendations and Honours

16. Chief Constable Commendations have recently been awarded to officers involved in a variety of cases including rape, murder, fraud, better safeguarding vulnerable people, drugs trafficking and the Help for Heroes charity where events, which helped to promote West Mercia Police within the community, raised over £50,000 in 2008 and 2009.

Significant Cases and Court Results

17. The Police Authority has been updated on significant cases and court results in each of the five Policing Divisions, where successful convictions were secured for a variety of offences including murder, attempted robbery, people trafficking and drugs.

Government White Paper on Policing

18. The White Paper, 'Protecting the public: supporting the police to succeed', has been published and sets out a programme that includes:

- Supporting the public and meeting their expectations
- Protecting the public
- Strengthening accountability
- Continuing to cut bureaucracy
- Boosting police productivity through working smarter

19. The White Paper proposes the responsibilities of police authorities in community safety and criminal justice and in addition to reducing bureaucracy it also advises police authorities on improvements in the way for people to make complaints and get feedback.

Her Majesty's Inspectorate of Constabulary

20. Her Majesty's Inspectorate of Constabulary (HMIC) has published the Value for Money Profile 2008/09 for West Mercia. The profiles were welcomed but direct

comparisons with similar forces remained hard to draw due to the questionable data quality provided by some other forces. It was agreed to respond to both the HMIC and Association of Police Authorities that the profiles were a useful tool but that data quality issues would need to be addressed to maximize use and the clarity of statistics.

21. In conjunction with Her Majesty's Inspectorate of Prisons an inspection of all custody units in West Mercia was undertaken in December 2010 and a report is due to be published in the Spring of 2010. These inspections form a key part of the joint work programme of the criminal justice inspectorates, agreed by Government Ministers. They also contribute to the United Kingdom's response to its international obligation to ensure regular and independent inspection of all places of detention. The inspections look at force-wide strategies, treatment and conditions, individual rights and healthcare. As part of the process the Police Authority and Independent Custody Visitors were interviewed.

22. HMIC together with the Audit Commission are also inspecting all police authorities in England and Wales. West Mercia Police Authority's inspection will take place in June 2010 with a pre-inspection visit anticipated in March 2010.

Signed on behalf of the
West Mercia Police Authority

Sheila Blagg
Chairman

Further Information

Any person wishing to seek further information on the subject matter of this report should contact David Brierley or Ian Payne on Shrewsbury (01743) 264690.

Further information on the West Mercia Police Authority can also be found on the Internet at www.westmerciapoliceauthority.gov.uk.

Questions on the functions of the Police Authority

The Authority has nominated the following members to answer questions on the discharge of the functions of the Police Authority at meetings of the relevant councils:

<i>Herefordshire Council</i>	<i>Mr B Hunt</i>
<i>Shropshire Council</i>	<i>Mr M Kenny</i>
<i>Telford and Wrekin Council</i>	<i>Mr K Sahota</i>
<i>Worcestershire County Council</i>	<i>Mrs S Blagg</i>

List of Background Papers

In the opinion of the proper officer (in this case the Chief Executive of the Police Authority) the following are the background papers relating to the subject matter of this report: Agenda papers for the meeting of the West Mercia Police Authority held on 15 December 2009.

Appendix 1 – see separate attachment

Performance Overview November 2009

Strategic Aims 2009 – 2012	Status/ Direction
Strengthen the Confidence of all our communities and improve public satisfaction levels The % of respondents who agree / tend to agree that the police & local councils are dealing with the anti social behaviour and crime issues that matter in their area (PP) <i>Oct 09 data v target</i>	↑ (G)
Delivery of the Policing Pledge (PP) BASED ONLY ON DATA CURRENTLY AVAILABLE AND REPRESENTS THE BALANCE OF 'GREEN' V 'AMBER' ASSESSMENTS	(G)
Improve the Service Offered to Victims and Witnesses Overall victim satisfaction with service provided by the police (WM User satisfaction survey) (PP) <i>Oct 09 data v target</i>	↑ (A)
PSA24, Priority Action 3: Victim & Witness Satisfaction with the Criminal Justice System – <i>results are period Apr to Dec 08 compared to the Baseline (Oct 07 to Mar 08)</i>	↑ (G)
Tackle Crime & Anti Social Behaviour Total number of crimes recorded (PP) <i>Oct 09 data v target</i>	↓ (G)
Number of serious violent crimes (Serious violence against the person) (PP) <i>Oct 09 data v previous year performance</i>	↓ (G)
Number of serious violent crimes (Serious sexual offences) (PP) <i>Oct 09 data v previous year performance¹</i>	↑
Total sanction detection rate for serious violent crime (Serious violence against the person)(PP) <i>Oct 09 data v target</i>	↑ (G)
Total sanction detection rate for serious violent crime (Serious sexual offences)(PP) <i>Oct 09 data v target</i>	↓ (R)
Number of robberies (PP) <i>Oct 09 data v previous year</i>	↓ (G)
Number of burglaries (PP) <i>Oct 09 data v previous year</i>	↓ (G)
Total SDR robbery (PP) <i>Oct 09 data v target</i>	↑ (G)
Total SDR burglary (PP) <i>Oct 09 data v target</i>	↑ (G)
National Indicator 17 - % of local people who perceive a high level of anti-social behaviour in their local area (<i>BCS results based on 2008/09 v 2007/08 year</i>)	↑ (R)
Public perceptions of feelings of safety and fear of crime (PP) : (<i>results from crime and safety survey for the following 3 question sets</i>) <i>Baseline using 1st quarter data</i>	
• Feeling fearful in last 3 months about different types of crime	29%
• How safe or unsafe neighbourhood has been over last 3 months	93%
• Impact crime and anti social behaviour has on quality of life in neighbourhood	45%
Protect Vulnerable People <i>To be developed as part of Strategic Policing Panel work programme</i>	
Address Major / Serious / Organised Crime /CT/ Civil Contingencies PSA 23 (NI 15,16,28,29) - <i>To be developed as part of Strategic Policing Panel work programme</i>	
Asset recovery - <i>To be developed as part of Strategic Policing Panel work programme</i>	
CT – <i>To be developed as part of Strategic Policing Panel work programme</i>	
Protective Services – <i>To be developed as part of Strategic Policing Panel work programme</i>	
Collaboration Diagnostic on: Regional Task Force; Central Motorway Group; Helicopter; Regional Protective Services Group; High Tech crime; Forensics and Procurement - <i>To be developed as part of Strategic Policing Panel work programme</i>	
Reduce Road Casualties Reduction in Road traffic casualties (PP)	↓ (G)
Bring Offenders to Justice PSA23 NI30 – Prolific & other priority offending re-offending rate – direction of travel June 08 to March 09	(G)

1 There has been an increase in reported serious sexual offences, however this is in part be a reflection of increased confidence in victims resulting in an increase in reporting.

PSA24 – Increase the efficiency and effectiveness of the CJS in bringing offenders to justice – <i>BASED ON A BALANCED ASSESSMENT OF THE AVAILABLE DATA</i>	(G)
Public confidence in the CJS (crime and safety partnership survey Q E2 – respondents answering ‘very’ or ‘fairly’ confident) <i>Baseline using 1st quarter data</i>	29%

Reduce the harm caused by drugs & alcohol misuse	
Assault with less serious injury rate (PP) <i>Oct 09 data v previous year</i>	↓ (G)
Perceptions of drunken behaviour (crime & safety partnership survey Question C4 K – respondents answering ‘strongly’ or ‘tend’ to agree it’s a problem) <i>Baseline using 1st quarter data</i>	53%
Perceptions of people using drugs (crime and safety survey results Question C4 F - respondents answering ‘strongly’ or ‘tend’ to agree it’s a problem) <i>Baseline using 1st quarter data</i>	48%
Perceptions of people dealing drugs (crime and safety survey results Question C4 G - respondents answering ‘strongly’ or ‘tend’ to agree it’s a problem) <i>Baseline using 1st quarter data</i>	40%
Use our resources efficiently and effectively	
PURE assessment	(G)
Local Area Agreements	
Summary of overall performance <i>Based on indicators where police are lead partner</i>	(G)
Equality Diversity & Human Rights	
Under development as part of the Equality & Human Rights work programme	
People	
Employment target for Women officers	↔ (A)
Employment target for BME officers	↔ (A)
Strategic Leverage Target 2009/10 (£2 million) – achieved	(G)

OUR PRIORITIES

Outcomes	Strategic Aims 2010-13	Priorities for 2010/11	
The public have confidence in us and express satisfaction with our policing service	Strengthen the confidence of all our communities and improve public satisfaction levels	<ul style="list-style-type: none"> Identify and respond to issues of local concern Increase our accessibility to the public through improved communications and consultation Deliver our services to the standards and principles contained within the West Mercia Policing Pledge Integrate the national "Equality, diversity and human rights strategy for the police service" into our service delivery 	
	Protect vulnerable people	<ul style="list-style-type: none"> Focus on the management of sex offenders and other offenders who pose a risk to the public and take a positive approach towards dealing with domestic abuse, child abuse, hate crime and missing persons Use Multi-Agency Public Protection Arrangements (MAPPA) and Multi-Agency Risk Assessment Conferences (MARAC) in partnership with others to increase our effectiveness in protecting vulnerable people Work with partners to provide specialist support and care to victims of serious sexual offences, enhancing standards of investigation and providing reassurance 	
	Improve the service offered to victims and witnesses	<ul style="list-style-type: none"> Fully comply with the requirements of the national Victims' Code and keep people informed on the progress of their case Ensure our key processes continue to meet the needs of service users 	
	Levels of crime and anti-social behaviour remain low	Tackle crime and anti-social behaviour	<ul style="list-style-type: none"> Work with partners to tackle anti-social behaviour in order to improve community confidence and satisfaction Continue our emphasis on: <ul style="list-style-type: none"> a) house burglary b) robbery c) serious violence d) serious sexual offences
		Ensure sufficient capability and capacity around major, serious and organised crime, and civil contingences.	<ul style="list-style-type: none"> Maintain appropriate levels of operational resilience Identify new opportunities for collaboration, joint working and service harmonisation with neighbouring forces and other partners Develop our counter-terrorism (CONTEST) strategy, working closely with other key partners in relation to preventing extremism Provide an effective response to civil emergencies (for example, flooding) Tackle serious and organised criminals causing most harm to our communities
Bring offenders to justice		<ul style="list-style-type: none"> Develop the concept and implementation of community resolution Work with local Criminal Justice agencies to deliver justice, protect the public and reduce re-offending Continue to improve our investigative processes 	
Our communities feel safe	Reduce the harm caused by drugs and alcohol misuse	<ul style="list-style-type: none"> Tackle alcohol related violence In partnership with other agencies address issues of underage drinking Disrupt the availability and supply of illegal drugs in our communities and seek to reduce the harm they cause In partnership, make our high streets safer 	
	Reduce road casualties	<ul style="list-style-type: none"> Together with the Safer Roads Partnership and other partner agencies use a range of policing activities, engineering and education campaigns to make roads safer and to reduce instances of speeding and anti-social and dangerous driving 	
	Use our resources efficiently and effectively in order to increase productivity and value for money	<ul style="list-style-type: none"> Implement the approved options arising from the 2009 force review to ensure that the force is appropriately resourced and configured Ensure that appropriately skilled and trained staff are deployed in key roles Maximise the potential for IT and other technological solutions to support front line services Implement opportunities for reducing our environmental impact 	

**REPORT OF THE HEREFORD & WORCESTER FIRE AND RESCUE AUTHORITY
TO THE CONSTITUENT AUTHORITIES ON THE FRA MEETING HELD ON
18 DECEMBER 2009**

	<p>1. ANNUAL INTEGRATED RISK MANAGEMENT PLAN ACTION PLAN 2010/11</p> <p>The Authority adopted the IRMP Annual Action Plan 2010/11, which comprised the following recommendations:</p> <ol style="list-style-type: none"> 1. A review of the revised management arrangements at day crewed stations 2. To further develop local risk profiles to include an assessment of high level salvage risks associated with Heritage Sites 3. To further develop local risk profiles to include an assessment of potential risk to the environment 4. To further develop interoperability arrangements with Gloucestershire, South Wales and Mid and West Wales 5. To provide an optimum level of flood/water first responder cover, requiring back office efficiencies of £36k p.a. The 7 stations to be upgraded for flood work are: <ul style="list-style-type: none"> • Kidderminster • Tenbury; • Upton-on-Severn; • Ross-on-Wye; • Pershore; • Bromyard and • Leintwardine 6. To establish a centre based around the Urban Search and Rescue team to co-ordinate and manage the specialist Technical Rescue functions within the Service.
	<p>2. PERFORMANCE ASSESSMENT 2008-09</p> <p>The Deputy Chief Fire Officer reported the outcome of the Authority's Organisational Assessment to the Authority where the Audit Commission had judged the Authority as performing well in 2008 – 09.</p>

**REPORT OF THE HEREFORD & WORCESTER FIRE AND RESCUE AUTHORITY
TO THE CONSTITUENT AUTHORITIES ON THE FRA MEETING HELD ON
18 DECEMBER 2009**

3. WARWICKSHIRE FRS IMPROVEMENT PLAN

The Authority noted that the draft Warwickshire IRMP consultation document included proposals which were of concern to the Authority as follows:

- The reduction in the number of Stations from 19 Stations to 12 Stations and the number of fire appliances from 26 down to 19 with the addition of 2 small rapid response RTC units.
- The Stations at Bidford and Studley, based in south west Warwickshire along the border of Hereford & Worcester, were two of the Stations planned for closure with the loss of 2 appliances.
- Alcester Station, between Bidford and Studley, was planned to be upgraded from Retained to Wholetime/Retained cover.

The CFO outlined the potential impact of these reductions on communities in Hereford and Worcester, and he told the Meeting that the Authority had formally responded to the Warwickshire Improvement Plan consultation, and raised significant concerns about the proposals to reduce operational resources.

The response pointed out that a reduction in the number of Fire Stations and front-line resources across Warwickshire could have a significant effect on our service and communities unless we took action to limit the impact.

Members expressed concern at the failure by Warwickshire to consult with neighbouring Authorities before publishing their draft Plan, and the meeting agreed with the CFO's assessment of the potential impact of the Warwickshire plan on the HWFRA.

The Meeting directed the Chief Fire Officer/Chief Executive to continue to engage with colleagues in Warwickshire to monitor progress in relation to their proposals and to draw up contingency plans to ensure that communities in Herefordshire and Worcestershire are not adversely affected by Warwickshire's plans.

It was agreed that the Authority should review its position once finalised proposals are made by Warwickshire.

4. REVIEW OF THE WATER RESCUE STRATEGY

The Authority noted the review of the Water Rescue Strategy prepared by the Best Value, Policy and Performance Committee.

The Committee held a number of special meetings, including a briefing from Officers, a visit to a current water rescue station to speak to front-line staff (Evesham) and an invitation to all representative bodies to meet with the Committee so that they could seek their views and input.

**REPORT OF THE HEREFORD & WORCESTER FIRE AND RESCUE AUTHORITY
TO THE CONSTITUENT AUTHORITIES ON THE FRA MEETING HELD ON
18 DECEMBER 2009**

	<p>The Committee grouped the issues into three areas of interest, roles and responsibilities:</p> <ul style="list-style-type: none">(i) current guidance,(ii) training and equipment for flood response, and(iii) the financial impact of a specialist flood response capability on Council tax. <p>The Authority noted the Review and resolved that a further review be conducted once the outcomes of the current National Flood Rescue Enhancement Programme are known. It was also resolved that a letter be sent on behalf of the Authority to the Ministers for Communities and Local Government and for Environment, Food and Rural Affairs, outlining the issues identified and the Authority's ongoing support for Sir Michael Pitt's original recommendations from his review of the 2007 floods.</p>
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**PAUL HAYDEN
CHIEF FIRE OFFICER/CHIEF EXECUTIVE
HEREFORD & WORCESTER FIRE AND RESCUE SERVICE
4 JANUARY 2010**

FURTHER INFORMATION

Any person wishing to seek further information on this report should contact: Corporate Support on 01905 368331. Further information on the Fire and Rescue Authority and the Fire and Rescue Service can also be found on the Internet at (www.hwfire.org.uk).

BACKGROUND PAPERS

Agenda papers of the meeting of the Fire and Rescue Authority held on 18 December 2009

