

**Economy, Communities and Corporate**

Geoff Hughes - Director

**TO: ALL MEMBERS OF THE COUNCIL**

Our Ref: Council - 3 February 2017

Please ask for: David Penrose

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26 January 2017

Dear Councillor,

**YOU ARE HEREBY SUMMONED** to attend the meeting of the Herefordshire Council to be held on **Friday 3 February 2017** at the Council Chamber, The Shire Hall, St Peter's Square, Hereford, HR1 2HX at **10.00 am** at which the business set out in the attached agenda is proposed to be transacted.

Yours sincerely

*C Ward*

**CLAIRE WARD  
SOLICITOR TO THE COUNCIL**



# AGENDA

## Council

Date: **Friday 3 February 2017**

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Time: **10.00 am**

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Place: **Council Chamber, The Shire Hall, St Peter's Square,  
Hereford, HR1 2HX**

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

For any further information please contact:

**Governance Services**

Tel: 01432 260239

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

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# Agenda for the Meeting of the Council

## Membership

### Chairman

**Councillor DB Wilcox**

Councillor PA Andrews  
Councillor JM Bartlett  
Councillor TL Bowes  
Councillor CR Butler  
Councillor MJK Cooper  
Councillor PGH Cutter  
Councillor PJ Edwards  
Councillor DW Greenow  
Councillor J Hardwick  
Councillor EPJ Harvey  
Councillor JA Hyde  
Councillor AW Johnson  
Councillor JLV Kenyon  
Councillor MD Lloyd-Hayes  
Councillor RI Matthews  
Councillor MT McEvilly  
Councillor PM Morgan  
Councillor FM Norman  
Councillor RJ Phillips  
Councillor AJW Powers  
Councillor P Rone  
Councillor A Seldon  
Councillor WC Skelton  
Councillor D Summers  
Councillor LC Tawn  
Councillor SD Williams

Councillor BA Baker  
Councillor WLS Bowen  
Councillor H Bramer  
Councillor ACR Chappell  
Councillor PE Crockett  
Councillor BA Durkin  
Councillor CA Gandy  
Councillor KS Guthrie  
Councillor DG Harlow  
Councillor EL Holton  
Councillor TM James  
Councillor JF Johnson  
Councillor JG Lester  
Councillor MN Mansell  
Councillor RL Mayo  
Councillor SM Michael  
Councillor PD Newman OBE  
Councillor CA North  
Councillor GJ Powell  
Councillor PD Price  
Councillor AR Round  
Councillor NE Shaw  
Councillor J Stone  
Councillor EJ Swinglehurst  
Councillor A Warmington

## AGENDA

	Pages
<i>(The meeting will be preceded by prayers.)</i>	
1. <b>APOLOGIES FOR ABSENCE</b> To receive apologies for absence.	
2. <b>DECLARATIONS OF INTEREST</b> To receive any declarations of interest by Members in respect of items on the Agenda.	
3. <b>MINUTES</b> To approve and sign the Minutes of the ordinary and extraordinary meetings held on 16 December 2016.	9 - 34
4. <b>CHAIRMAN'S ANNOUNCEMENTS</b> To receive the Chairman's announcements.	35 - 36
5. <b>QUESTIONS FROM MEMBERS OF THE PUBLIC</b> To receive questions from members of the public.  <i>(Questions for this meeting of Council must relate to matters on the agenda.)</i>	37 - 38
6. <b>FORMAL QUESTIONS FROM COUNCILLORS TO THE CABINET MEMBERS AND CHAIRMEN UNDER STANDING ORDERS</b> To receive any written questions from Councillors.  <i>(Questions for this meeting of Council must relate to matters on the agenda.)</i>	
7. <b>2017/18 BUDGET AND MEDIUM TERM FINANCIAL STRATEGY</b> To approve the 2017/18 budget and medium term financial strategy (MTFS) as recommended by cabinet.  Guidance on how the debate on the budget will be conducted has also been published to the council's website as a supplement available via the following link:  <a href="http://budget council meeting procedure">http://budget council meeting procedure</a>	39 - 180
8. <b>PAY POLICY STATEMENT</b> To approve the 2017 pay policy statement for publication.	181 - 192

**9. DATES OF FUTURE MEETINGS**

To approve the ordinary meeting dates of Council for 2017/18

*(note: already agreed 3 March and 19 May 2017.)*

14 July 2017

29 September 2017

15 December 2017

9 February 2018,

9 March 2018

25 May 2018.

*(All meetings will start at 10:00am except for the annual meetings in May which will start at 10:30am)*

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### **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 Cabinet and of all Committees and Sub-Committees.
- Have a reasonable number of copies of agenda and reports (relating to items to be considered in public) made available to the public attending meetings of the Council, Cabinet, Committees and Sub-Committees.
- Have access to a list specifying those powers on which the Council have delegated decision making to their officers identifying the officers concerned by title.
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The Chairman or an attendee at the meeting must take the signing in sheet so it can be checked when everyone is at the assembly point.



HEREFORDSHIRE COUNCIL

**MINUTES of the meeting of Council held at Council Chamber, The Shire Hall, St Peter's Square, Hereford, HR1 2HX on Friday 16 December 2016 at 9.30 am**

**Present:** Councillor DB Wilcox (Chairman)

**Councillors:** PA Andrews, JM Bartlett, WLS Bowen, TL Bowes, H Bramer, CR Butler, ACR Chappell, MJK Cooper, PGH Cutter, BA Durkin, PJ Edwards, CA Gandy, KS Guthrie, J Hardwick, DG Harlow, EPJ Harvey, EL Holton, JA Hyde, TM James, AW Johnson, JLV Kenyon, JG Lester, MN Mansell, RI Matthews, RL Mayo, MT McEvelly, SM Michael, PM Morgan, PD Newman OBE, FM Norman, RJ Phillips, GJ Powell, AJW Powers, PD Price, AR Round, A Seldon, NE Shaw, WC Skelton, J Stone, D Summers, EJ Swinglehurst, LC Tawn, A Warmington and SD Williams

**38. APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillors BA Baker, PE Crockett DW Greenow, JF Johnson, MD Lloyd-Hayes, PJ McCaull, CA North, and P Rone.

**39. DECLARATIONS OF INTEREST**

**Agenda item 6 (minute 43): Motions on Notice**

Councillor PGH Cutter declared a non-pecuniary interest as Chairman of the Wye Valley AONB Joint Advisory Committee.

**Agenda item 10 (minute 47), Youth Justice Plan.**

Councillors BA Durkin and RJ Phillips declared non-pecuniary interests as they were both magistrates.

**Agenda item 12 (minute 49) Changes to arrangements for appointment of external auditors.**

Councillor RJ Phillips declared a pecuniary interest as a member of the Local Government Association board of resources.

**40. MINUTES**

The minutes of the previous meeting were received.

**RESOLVED:** That the minutes of the meeting held on 30 September 2016 be confirmed as a correct record and signed by the Chairman.

#### 41. CHAIRMAN'S ANNOUNCEMENTS

The Chairman referred to the list of events attended by the Chairman/Vice-Chairman of Herefordshire Council since the last Council meeting on 30 September 2016 included in the agenda papers for the meeting.

The Chairman noted a special announcement handed to him by the group leader of the Independent party, from Councillor Peter McCaull, the Vice-Chairman of Herefordshire Council. It was noted that Councillor McCaull had been suffering from serious illness and was currently in Leominster Community Hospital. Councillor McCaull's message had been written to all members of the council.

The Chairman read:

*Dear Fellow Councillors,*

*I wish to convey to you all my sincerest and most heartfelt thanks for all your support you have shown me in the last forty-four years whilst I have served as a town and county councillor. I have endeavoured over the years to do my very best for our beloved communities. The support and professionalism which I have received from my colleagues, together with the friendships I have made during my service have been precious to me and will always remain proudly in my heart.*

*I am so sorry that my illness has now taken its toll on me physically and as a result I am unable to be at the meeting today to be able to thank you all personally. I wish I could be here today to enjoy one last chance to have a drink with you all. However, it is now time for me to bid you all a farewell.*

*Please continue with your hard work and dedication to help keep our wonderful countryside and community in Herefordshire a fantastic place to live for our future generations.*

*With kindest and heartfelt regards,*

*Councillor Peter McCaull.*

Attention was drawn to the passing of former chairman of the council Lance Marshall and it was requested that protocols used to remember past councillors were maintained and consistently applied.

#### 42. QUESTIONS FROM MEMBERS OF THE PUBLIC

A copy of the public questions and written answers, together with supplementary questions asked at the meeting and their answers, is attached to the Minutes at Appendix 1.

#### 43. MOTIONS ON NOTICE

Council considered the following notice of motion.

**Motion one – Fracking and any associated hydrocarbon extraction processes in or under Herefordshire's vitally important Areas of Outstanding Natural Beauty (AONB).**

In moving the motion, Councillor Newman made the following points:

- The argumentation for this motion was set out in the published text. This was not an anti-fracking motion and it was not nimbyism. Fracking was a complex issue. The well-considered recent report from the House of Commons' own Environmental Audit Committee was clear that significant risks existed.
- In Kerne Bridge drilling was being considered in an AONB, a Site of Special Scientific Interest, a Special Area of Conservation, with a protected fresh water aquifer under Ross-on-Wye. This licensed area was clearly a most precious landscape and environment. Given the clear risks, the government should not place some of Herefordshire's most precious assets directly in the front line.
- Herefordshire was significantly more reliant than the average county on tourism. It was noted that nearly 10% of the County's jobs and over £450m of annual income depended on tourism. The Wye Valley AONB area was an outstanding asset to "Brand Herefordshire", packed with tourism businesses and jobs, clustered around nationally important sites such as Goodrich Castle, Symonds Yat, and the river Wye itself. The potential damage fracking may cause to the county's attractiveness to visitors, income and jobs, could detrimentally affect the whole of the county.

Councillor Swinglehurst seconded the motion and reserved her right to speak.

Councillor Norman proposed an amendment to the motion.

Councillor Norman noted support for all points raised, agreeing that the impact on tourism and house prices would be considerable if the fracking licences were issued. Additional risks were felt to apply to the whole county, not just AONBs. The council's commitment to reducing pollution and mitigating climate change was highlighted. Focus on decreasing dependency on carbon emitting fuels and supporting renewable energy schemes was advocated. The amendment proposed would add the following words to the final sentence of the printed motion: "*or in any other part of our county*"

The amendment was seconded by Councillor Bartlett.

The following principal points were made on the proposed amendment:

- It was highlighted that fracking had been positive in the United States of America for their economy and environment. It was noted that fracking offered big advantages for the county which needed to be examined, especially given the context of leaving the European Union. However, it was felt that it was right to support fracking, but in the right and appropriate places.
- Support was offered for the motion, but not for the amendment, on the basis that the council's proactive planning committee, underpinned by good planning policies, was the appropriate forum to determine where or if fracking applications be granted.
- The academic nature of the debate was emphasised. It was proposed by a number of councillors that fracking should not go ahead in Herefordshire until further testing in other more economically viable parts of the country had been undertaken.
- It was noted that other threats in the county existed, notably from renewable energy schemes such as wind-turbines. Support should be offered for the motion on the basis that similar protections should be extended to proposals for wind energy schemes in other parts of the county.
- Other areas of the AONBs in the county were potentially at risk. As had been shown in other parts of the world gas had leaked into aquifers used to provide drinking water

for homes. This led to the conclusion that it was too early to say how fracking technology impacted on the environment and natural assets.

- The National Planning Policy Framework was highlighted as providing the highest possible protection for AONBs. This led to speculation on how national government policy may be interpreted if the planning committee were to refuse planning permission on AONB sites. Reference was drawn to a case in Lancashire where, despite almost universal local objection, the government had allowed fracking to be licensed.
- Reference was drawn to a recent notice of motion on intensive livestock rearing which had been defeated at Council on the grounds that existing policy provisions were felt to be adequate. The same applied to fracking where a lack of specific policies may weaken the council's ability to take robust decisions.
- It was felt that only protecting certain parts of the county was an anathema. It was suggested that fracking just a few yards away from an AONB would not necessarily protect it from the impacts. Aligning concerns with neighbouring counties who had passed a similar motion should be considered.

The amendment was lost.

Councillor Swinglehurst, as seconder to the original motion, then spoke on the original motion.

Councillor Swinglehurst thanked Councillor Newman and all members for the excellent debate. Misgivings were noted about placing AONBs in the frontline of fracking proposals. It was argued that the negative impacts fracking would have on the tranquillity, water quality and biodiversity in these areas and on tourism would be unacceptable. The economy of the region would suffer as a result.

The county of Herefordshire was highlighted as having above average levels of seismic activity which needed consideration. While acknowledging levels of risk associated with fracking existed it was highlighted that there were also big rewards. Balancing these competing elements was advocated.

The House of Commons Environmental Audit Committee had noted that *'despite the assurances by some that the environmental risks can be safely accommodated by existing regulatory systems, an extensive range of uncertainties remain. With particular hazards to ground water quality and supplies, waste and air omissions, healthy biodiversity, the geological integrity of the areas involved and from noise and disruption. It is imperative that the environment is protected from potentially irreversible damage'*.

Tolkien's inspiration for Middle Earth was referenced as being influenced by the West Midlands, or as it was once known, West Mercia. It was argued strongly that it fell to local members to protect the AONB for future generations. Support for the motion was noted with a request to all members of council to do likewise.

The Chairman invited Councillor Newman to sum up. Councillor Newman thanked all members for their helpful insights and remarks.

The Chairman put the original motion to the vote.

**RESOLVED: That the Executive be asked to consider the risks of hydraulic fracturing, and the high importance of tourism income to this County and to write accordingly to the Secretary of State to ask the Government to consider withholding any licence which would allow fracking and any associated**

**hydrocarbon extraction processes in or under Herefordshire's vitally important Areas of Outstanding Natural Beauty.**

**44. PROPOSED 2017/18 CAPITAL BUDGET**

Council was asked to approve the proposed capital budget for 2017/18 as proposed by Cabinet on 1 December 2016.

The Leader presented the report. He noted that the capital programme was an integral and important part of the council's forward plans.

The following principal points were raised:

- Reference was drawn to page 41 of the agenda papers and support for the monies being prepared for principal roads. It was asserted that the county's roads were in a terrible state so financial resource was warmly welcomed.
- A councillor noted that 12% of Herefordshire net revenue budget was used for the capital repayment costs of debt. It was asserted that this was higher than any other unitary authority. It was suggested that the additional borrowing costs may continue for approximately twenty five years.
- Difficulties with approving the capital programme at the meeting were raised in the context of considering the budget in the New Year. A large part of that budget was the capital programme. A question as to how this fitted with the medium term financial strategy was raised. It was argued that approving decisions in December, separately from the budget, made it difficult to create a shadow budget or an alternative set of arrangements.
- The clarity of the paperwork was welcomed and congratulations were given to the interim director of resources and his staff. Placing the transport package under one heading was described as helpful. Further thanks were offered to the interim director for the cooperation and support he had provided during the scrutiny of the report.

**RESOLVED:**

- That**
- (a) the additional schemes detailed in appendix 2 to the report be approved; and**
  - (b) the schemes be added to the current capital programme set out in appendix 1 to the report to form the capital budget for 2017/18.**

**45. HEREFORDSHIRE ECONOMIC DEVELOPMENT STRATEGY**

Council was asked to adopt the Herefordshire economic vision as the county's economic development strategy.

Councillor Harlow, cabinet member for economy and corporate services presented the report.

Councillor Harlow noted that the idea for an economic vision for the county was not a new one. Thanks were offered to Nick Webster (Economic Development Manager) and his team, for their hard work in bringing the report forward. It was highlighted that economic visions often invited a lot of comment and challenge as had proven to be the case with the proposed strategy. The vision was described as deliberately upbeat and aspirational.

The vision had sought to engage with the people of Herefordshire as well as outside investors. Events had been held in Hereford and each of the market towns, with ward and parish councillors invited to attend as well as the Hereford business forum. The general overview and scrutiny committee had offered their views in September.

The paper was outlined in two sections: the broad strategy and the specific investment picture.

Herefordshire Council would continue to invest in infrastructure, on the principal calculation that where public investment was made, private sector investment would follow. The livestock market, the old market shopping centre, the enterprise zone and *Fastershire* were examples of public money being followed up with private investment. Based on that successful formula, continued investment would be made in areas such as the Hereford bypass and the city link road.

Looking to the future, accessing government funds would be important and reinforced the significance of working with the Local Enterprise Partnership (LEP). The latest growth fund submission included the University, the Model Farm in Ross, and two sites on the enterprise zone. The vision, which was described as having cross-party political support, was designed to give investors confidence that Herefordshire had the ambition and the appetite to deliver.

The Chairman invited members to speak. The following principal points were raised:

- The involvement of members in the development of the vision was welcomed. Concern was noted that until Highways England and the Department for Transport invested in the motorway network, gaining economic traction in the county would be difficult. It was asserted that the link between growth and better road and rail networks needed to be argued strongly.
- The cabinet member – infrastructure updated the meeting, noting that although full dualling of the A49 was unlikely, Highways England was looking into dualling significant sections between Ross on Wye and Warrington. It was highlighted that this would improve safety and journey times. The A49 was described therefore as an integral part of the strategy and vision
- A perception had emerged that much focus had been placed on Hereford city and not enough on the county's market towns. It was explained that the city projects extended their benefit across the county.
- Several councillors suggested that that logic should also be applied to projects coming forward in market town areas. This was contextualised with examples including:
  - Leominster had just won the Great Britain high street medal and best run social media campaign
  - The good infrastructure and connectivity around the market towns of Ross-on-Wye and Ledbury where road networks provided easy access to major road networks cities such as Cardiff and Birmingham.
  - Ross-on-Wye, had a shortage of industrial units was noted which is felt to be preventing many businesses from being able to rent appropriate business premises.
  - The importance of involving ward members in the relevant market towns

- Communities and private sector partners were more likely to engage and invest if the vision was accompanied by implementation plans for each market town locality.
- A stronger rural context was advocated by including bodies such as the National Farmers Union (NFU), the County Land and Business Association (CLA), the rural hub and the sustainable food and tourism group.
- Some doubt was cast over how well the consultation events had been communicated. Ensuring more was done to communicate engagement opportunities in the future would be important.
- A number of councillors praised the case made for supporting microbusinesses. Small businesses were noted as a main area for growth in the county. The Muddy Boots software company was noted as an example of huge success employing over sixty well paid professionals.
- While tourism, food, drink and farming (including horticulture) were mentioned, concern was noted that they were not given as much prominence as they should be.
- Observations turned to the importance of having such documents to enthuse the private sector. The Rotherwas access road was cited as an example. It was asserted that this had helped sustain Hereford through the 2008 recession and facilitated the Enterprise Zone.
- A number of councillors noted the wider context of transitional public funding. Notably, withdrawal from the European Union (BREXIT) would bring structural investment funds to an end and the local growth fund was in its final phases. Ensuring that the vision and strategy could flex and adapt to new government growth strategies as they emerged would be important. The vision should remain a living document. It was advocated that recommendation b should make clearer mention of this.
- Attention was drawn to the county's low Gross Value Added (GVA). A potentially contradictory message emerged when referring to successful projects such as the new retail quarter and livestock market, while simultaneously seeking to grow away from these economies.
- The new multi-storey car park, the bus station, and plans for the football ground were singled out as praiseworthy projects.
- Recognition of military personnel was lacking in the report, many went on to create new businesses and jobs. More should be done to capitalise on this.

Councillor Harlow was invited to respond to these points, commenting as follows:

- It was very positive to hear the supportive comments. He thanked the various speakers and in particular the general overview and scrutiny committee. As a number of councillors had noted, significant improvement to the strategy had resulted from suggestions put forward by that committee.
- Agriculture and tourism – the invitation was made for specific projects to come forward, they would be given due consideration.
- On engagement with the market towns, it was noted that efforts had been made to ensure people were aware of the events in each town and in the rural area of

Withington. Lessons had been learned and strengthened engagement opportunities would be introduced as matters moved forward.

- Congratulations were offered to Leominster for their recent accolades.
  - It was also reported that active discussions were underway with Ross-on-Wye Town Council.
  - It was acknowledged that in Ledbury greater scope existed to involve local members and the offer from ward members to support that engagement was warmly welcomed. Strengthened arrangements for regular dialogue between ward and town councillors would be put in place.
  - The importance placed on the strategy presenting a Herefordshire vision was acknowledged. All town councils were encouraged to propose projects that appropriately represented the ambitions of their respective areas and the county.
- 
- In regard to the Enterprise Zone – figures indicated that 350 jobs had been directly created with a further 697 job opportunities in the pipeline. It was recognised that although located in Rotherwas, not all businesses were from Hereford city. They were made up of county wide interests.
  - The University it was suggested countered the view that the vision was too Hereford centric. Although based in Hereford, it would provide county wide benefits, with potential to become a regionally and nationally recognised institution.
  - The wording used in recommendation b was addressed. It was noted it had been written to avoid wasting council time when projects were updated or changed. Reassurances were offered that the strategy would remain a living document with a framework designed to flex with changing national and international economic policies and circumstances.

**RESOLVED:**

**That (a) the Herefordshire economic vision attached at appendix 1 to the report be adopted as the county’s economic development strategy; and**

**(b) delegated authority be given to the cabinet member economy and corporate services to make technical amendments to the strategy during the period 2017 to 2021 on factual matters such as: updating of statistics, replacing images, and reflection of projects approved by cabinet within each aim of the strategy.**

**46. STATEMENT OF COMMUNITY INVOLVEMENT, CONSULTATION, COMMUNICATIONS AND PROGRAMME TO ADOPTION**

Council was invited to adopt the statement of community involvement.

Councillor Price, cabinet member - infrastructure, presented the report.

He commented that the statement of community involvement (SCI) was part of the makeup of the local plan, with a local development scheme being devised to set out a timetable for a series of local development documents. The SCI was one of those documents, setting out how the council would engage with communities on planning matters.



The SCI set out who would be consulted and when they would be involved in plan making decisions. It had been designed to be clear and easy for everyone to understand, encouraging early engagement with the community and all interested parties. It was noted that use of information and communication technology (ICT) had increased extensively. The SCI reflected that culture shift.

Localism gave communities the opportunity to take responsibility for shaping developments in their areas – within the parameters of the core strategy. Legislation had brought forward neighbourhood planning; those plans, subject to a majority vote via referendum, would work in tandem with priorities within Herefordshire's local plan.

Consultation on the SCI has been undertaken on line and publicised through local media, social media pages and the council web-site. The SCI had been considered by the general overview and scrutiny committee on 5 September. Further amendments had been made to add clarity and guidance. Cabinet had considered these and recommended the SCI's adoption.

In discussion it was noted that as a result of going through due process the SCI was a stronger document. The lack of public engagement was placed in the context of ensuring that future communication on related issues was presented with less technical language and greater clarity.

**RESOLVED:**

- That**
- (a) the revised Herefordshire Council statement of community involvement (at appendix 1a & 1b to the report) be adopted; and**
  - (b) authority be delegated to the monitoring officer to make any consequential amendments to the statement necessary following future changes to the council's constitution relevant to public engagement in order to ensure consistency between the documents.**

**47. YOUTH JUSTICE PLAN 2016/17**

Council was asked to approve the Youth Justice Plan.

Councillor Lester, cabinet member – young people and children's wellbeing, presented the report.

He commented that youth offending constituted only a very few children in Herefordshire. In the year 2015/16 there were one hundred and fourteen children out of a total of sixteen thousand two hundred and sixty one (or 0.86 per cent of the youth population). It was emphasised that any child entering the youth offending system could be described as a failing on society's part in some way. However, the general picture was encouraging.

It was reported that over the last seven years the levels of offending had reduced. Taking the offending cohort of the year ending June 2010, there were three hundred and twenty young people offending. In the year ending June 2014, that figure had reduced to one hundred and forty three. This was a decrease of fifty five per cent over a three year period.

The plan sought to improve service delivery and make further progress toward understanding the issues and tracking re-offending in real time. It was noted that the principal aims and objectives of the children's and young people plan were to give children the best possible start in life.

The Chairman invited speakers to respond. The following principal points were made:

- It was noted that just over one third of young people (or 36.3%) receiving an outcome that required youth offending intervention were children in care. In addition, in 2015, just under half (49%) of young people receiving youth offending intervention had mental health or emotional problems. How were these issues being dealt with?
- Reference was drawn to the recent past, where offending in the county had resulted from people being placed here from other authorities. Had this situation changed at all?
- It was noted that junior attendance centres had been established in Worcestershire. Questions sought clarity on whether this meant that Herefordshire youth offenders had to go to Worcestershire to access those services, or would there be a youth attendance centre in Hereford?
- The report was welcomed for highlighting that young people felt they had a real say in their futures. This was reflected in the high percentage of those who had sought and received help. It was evidence that rehabilitation was leading to less re-offending.
- Reference was drawn to the majority of youth offending in Hereford being at the top end of the age profile. Re-offending, where it occurred, may well fall in to the adult age profile. Reassurances were sought that those people were tracked and not aged out of the system.

Councillor Lester was invited to respond.

- On the issue of looked after children, it was noted that in 2015/16, about sixty five individuals made up that cohort of which twelve were from Herefordshire.
- Mental health was noted as a very important issue and a key factor bringing young people into the youth offending system. It was noted that work was underway to help address mental ill health and ensure that it stayed high up on the agenda.
- It was noted that other local authorities were able to place children within Herefordshire and the authority dealt with those situations when they arose.
- Responding to the point on junior attendance centres, it was noted that given that most youth offending took place in Worcester and the direct train links from Hereford it made sense to locate those services there. The level of demand in Hereford meant a junior attendance centre in Hereford would not be an efficient use of resources.
- In regard to rehabilitation it was asserted that reducing re-offending was best served by fully engaging with children. It was important to note that once an offence had been committed dialogue was entered into.
- Addressing the point about tracking youth offending into adulthood it was noted that the problem did not get aged out. Part of the understanding of children and their rehabilitation was embedded in a good education and a wide understanding of the problems these children faced. This in turn provided a clearer strategic view of the problems that arise.

**RESOLVED: That the youth justice plan as appended to the report be approved.**

## 48. COUNCIL CONSTITUTION

Council was asked to adopt a revised constitution including designation of certain posts as statutory officers.

Councillor Newman, chairman of the audit and governance committee, presented the report.

He commented that a cross-party governance improvement working group had been formed in October 2014 to review the Council's constitution. The design principles had been agreed by the audit and governance committee in November 2015. The working group had consulted with political groups, distributed questionnaires, held focus groups and run an all member seminar. He thanked members of the working group for their time and expertise.

At its meeting on 28 November 2016 the audit and governance committee had received a report from the solicitor to the council and considered amendments to the council's constitution proposed by the working group. The audit and governance committee had agreed the recommendations set out to council in the report.

The Chairman invited speakers to comment. The following principal points were raised

- The wellbeing of elected members was noted with the suggestion that anything affecting the working or wellbeing of elected members, in any respect, should be brought to the attention of all members and their views sought.
- Thanks were offered to the working group members for their hard work and dedication. Particular thanks were expressed to Annie Brookes, head of corporate governance, and Claire Ward, solicitor to the council, for their exceptional amount of work. It was noted that this work had evolved considerably as a result of member involvement and consultation. The proposals for three scrutiny committees to reflect the three directorates was a very positive step.
- A concern was noted that the recommendation did not include retaining the working group or a form of sub-committee to keep an eye on the constitution in the future.
- It was suggested that the constitution needed to be a living document. It was advocated that a further recommendation be added to convey '*that the constitution, once published, remains a living document and that the audit and governance committee is delegated to consider any future issues or amendments to the constitution before any changes to the constitution are returned to full council for formal adoption*'.

The monitoring officer was invited to comment on these points.

- The issue of member's wellbeing was noted as a new issue which would be taken away and looked at further by the working group.
- In regard to the proposed additional recommendation she commented that the constitution was a function of the audit and governance committee and an annual review was part of the revised constitution.

### RESOLVED:

**That (a) the revised constitution at appendix 1 to the report be adopted for implementation with effect from annual council in May 2017 other than the following:**

- **democratic services manager be designated statutory scrutiny officer to be implemented with effect from 1 January 2017**
- **chief finance officer be designated section 151 officer to be implemented once recruitment to the new post is complete**
- **delegation to audit and governance committee for approval of the council's finance and contract procedure rules to be implemented with effect from 1 January 2017; and**

- (b) **authority be delegated to the solicitor to the council to make technical amendments (grammatical, formatting, and consistency) necessary to finalise the constitution for publication.**

#### **49. CHANGES TO ARRANGEMENTS FOR APPOINTMENT OF EXTERNAL AUDITORS**

Council was asked to approve arrangements for the appointment of external auditors.

Councillor Newman, chairman of the audit and governance committee, presented the report.

It was noted that the audit and governance committee had received a report from the head of corporate finance on 22 September 2016 regarding the necessary changes to the appointment of external auditors. Following closure of the audit commission, the council would need to put in new arrangements in time to make a new appointment by 31 December 2017.

The audit and governance committee had considered this matter and agreed a recommendation from the head of corporate finance that the council opt in to a national sector led arrangement.

**RESOLVED: That Herefordshire Council advises the Local Government Association of its intention to 'opt-in' to a national sector led body for the procurement of external auditors.**

#### **50. LEADER'S REPORT**

The Leader introduced his report on the activities of cabinet since the meeting of Council on 30 September 2016. In particular, the Leader drew attention to the very good things the council did. He said that given Herefordshire was such a small county with such limited resources the council had done remarkably well in the circumstances. The list of achievements in his report was by no means comprehensive, but it did give a flavour of the work that the council did. Irrespective of politics, members and officers alike should be congratulated on their hard work and achievements.

The following principal points were made:

- A councillor sought a point of clarity on the position adopted by the council on possible increases in council tax following national policy announcements. The situation was described as rather vague as to what the scale of the rise could be. A concern was also noted that the council should not be blamed for a council tax rise, the origins of which stemmed from a national policy announcement.

Leader: Current understanding suggested introducing no more than 3% in one year. The option to keep council tax at current levels remained an option. It was

considered inappropriate, to confirm the council's position until final clarification from national government had been gained.

- Referring to paragraph 7 of the leader's report, a councillor noted the plans to work with partners in the wider local government family. With specific reference to parishes and decisions around their precepts, clarity was sought on how thinking was developing and how partnership working might be achieved. There was a view that work should start now, given their planning for delivering of services for 2018/19.

Leader: It was noted that wider local government working included parish and town councils as principal partners. This extended to other local partners such as the LEP and the combined authority. Emphasis was placed on providing information as to parish councils as soon as was possible. One material barrier was noted as needing the final settlement to be confirmed.

- Reference was drawn to paragraph 4, noting the importance of recognising the success of the enterprise zone. It was highlighted that without the council's backing, none of the work would have been undertaken. The council should be proud of its investment and take credit for the success that enterprise zone now enjoyed.

Leader: Reference was also made to the university, noting that even with the difficult economic climate the determination of the council was delivering great successes.

- A councillor noted the smallholding disposal plan and sought to explore how consultation process with the tenants was progressing.

Leader: Agents have been appointed, to deal specifically with the farm business tenants early on and to deal with matters of compensation. It was inappropriate to discuss individual cases on matters of sales, but the consultation was progressing as expected. No significant stumbling blocks or unforeseen difficulties were apparent.

**RESOLVED: That the report be noted.**

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

A copy of the Member questions and written answers, together with supplementary questions asked at the meeting and their answers, is attached to the Minutes at Appendix 2.

The meeting ended at 11.57 am

**CHAIRMAN**



## Public questions to Council 16 December 2016

### Question from Mrs C Protherough, Birch Hill

#### Question 1

#### Hereford bypass

As, in the council's submission for funding for the Hereford transport package, it is generously proposed that the "bypass will make the A49 an alternative for M4/M5 traffic to ease congestion on the motorway network", could the council provide statistics for the likely resulting increase in through traffic, both car and HGV, on the A49 between north of Leominster and Ross, and could they confirm that these figures will be widely available in public consultation on the bypass in the future?

#### Answer from Councillor Philip Price, cabinet member infrastructure

The A49 forms part of the strategic road network managed by Highways England, which is responsible for maintaining journey times for longer distance traffic. Modelling of the strategic road network to 2040 identifies increasing congestion on the M5/M6 corridor with only limited deterioration on the A49 corridor, most notably in the vicinity of Hereford city. This modelling information can be viewed at:

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/387222/npsnn-print.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/387222/npsnn-print.pdf)

The large local majors bid submitted by the council referenced this information and noted that with a bypass for Hereford the A49 could have an enhanced role and provide an alternative for some traffic on the parallel M5/M6 (not M4/M5 as stated in the question) which is forecast to become increasingly congested. As modelling work is progressed the scale of this will be established and will be made available when it is completed and agreed with Highways England.

#### Supplementary question

As Cllr. Price is unable to an estimate about the potential volume of induced traffic, on a road on which otherwise only a limited deterioration in respect of congestion is expected, can he comment on the likely results of this increase in through traffic for the county, in terms of increased air pollution, road safety, highway maintenance and general impact on communities along the whole length of the A49 through the county.

#### Answer from Councillor Philip Price, cabinet member infrastructure

Extra traffic is a point to review in the context of A49 for future years. The link sent in the written answer notes that in the strategic network there will be a problem towards the M5/M6. There will be increased traffic to Herefordshire via north and south wales if the economic vision for Hereford is to be successful. This will bring business to the county, not just through traffic. The matter will be considered as part of the planning process for the western bypass.

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### Question from Mr P McKay, Leominster

#### Question 2

#### Green highway infrastructure and planning obligations.

Following my September question I am getting positive feedback from two parishes regarding play areas and parks, they now being aware of and conditions regarding planning obligation funds available for that purpose, but the November Local Access Forum minutes report that our paths are in poor condition with lack of funding leading to idle volunteers. This seems to boil down to our green highway infrastructure not having been specifically mentioned in the local transport plan delivery strategy nor monitored in the annual progress reports, even though the local transport plan recognises our green highway infrastructure as being the single most important means of accessing the

## Public questions to Council – 15 July 2016

countryside, providing for quiet recreation and improving health, leisure, tourism, with the management subject of ever increasing partnership working whether that is with health providers to encourage greater walking and recognition of health benefits, with tourism partners to encourage access or with local councils and volunteers to ensure as far as possible that routes are available and free from obstruction.

So may I ask if reference to this green highway infrastructure could be mentioned when transport planning obligations are sought, so that parishes and volunteers may also be aware of and conditions regarding available transport planning obligation funds, with our green highway infrastructure included in the annual transport plan progress reports?

### **Answer from Councillor Philip Price, cabinet member infrastructure**

I am pleased to confirm that improvements to the rights of way network are already a matter that is discussed in relation to potential developments.

The spend of any contributions towards the rights of way network will be reported in the core strategy authority monitoring report and published on the council's website in the new year.

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### **Question from Ms K Sharp, Hereford**

#### **Question 3**

#### **Southern link road**

I have seen correspondence from the Department for Transport, including letters from Andrew Jones Minister for Roads, stating that the Southern Link Road is a 'retained scheme' and that the Local Growth funding of £27m allocated for the Southern Link Road will only be released when DfT approve the Final Business case. As the Final Business Case for the SLR is yet to be approved, do you not agree that it is very misleading for Council to repeatedly tell residents that "the funding is secured"?

### **Answer from Councillor Philip Price, cabinet member infrastructure**

No I do not agree. Funding for the south Wye transport package (which includes the southern link road) has been secured and indeed that funding has already begun to be drawn down against development costs as applied for. As is inevitably the case with funding of this nature and projects of this scale there are conditions to be met in order to draw down the full amount of secured funding. A formal grant funding agreement is in place between the council and the Marches local enterprise partnership (through which the funding from the Department for Transport is delivered) which confirms that the funding will be available to be drawn down as the council continues to deliver the south Wye transport package as applied for.

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### **Question from Mr J Perkins, Hereford**

#### **Question 4**

#### **Air pollution**

On 29th April, the Supreme Court ordered the British government to boost its fight against air pollution, which could lead to drivers of diesel cars facing higher road taxes and daily charges to enter city centres or even being banned from them.

Many areas are discussing banning such vehicles from their city centres including London.

In Britain, about 29,000 premature deaths a year are thought to be caused by air pollution. When will Herefordshire Council make an announcement banning these sources of illegal pollution?



## Public questions to Council – 15 July 2016

### **Answer from Councillor Philip Price, cabinet member infrastructure**

Herefordshire Council currently has no plans to make such an announcement. The council has an obligation to review and assess its air quality and as a consequence has declared two air quality management areas, the first along the A49 corridor in Hereford and the second at the Bargates junction in Leominster. These designated areas are subject to air quality action plans which look to reduce the impact of traffic related air pollution upon the community by implementing a variety of different measures. Progress on this is reviewed annually and reported back to Defra.

The proposal to ban such vehicles from city centres using clean air zones (like in London) has been considered. It would only be viable to ban such vehicles in the centre of Hereford if an alternative route existed, as proposed by the Hereford bypass. The need for such a road is already identified in the current suite of actions for both Herefordshire's air quality management areas are considered sufficient to reduce pollution levels to an acceptable level.

Defra is currently consulting upon the implementation of clean air zones in five UK cities, namely Birmingham, Derby, Leeds, Nottingham and Southampton. This consultation does not currently extend to smaller cities such as Hereford. It is, however, understood that Defra's proposals are to be reviewed following the recent court judgement. Herefordshire Council will consider any further guidance that may be issued by Defra.

### **Supplementary question**

Five cities globally, are planning to ban diesel cars. Should the council wait until everyone in Hereford has died from pollution and be unable to pay any council tax before they take such a decision?

### **Answer from Councillor Philip Price, cabinet member infrastructure**

I do not intend to answer facetious questions.

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## Members' questions at Council – 16 December 2016

### Question from Councillor A Seldon

#### Marches local enterprise partnership (LEP).

##### Question 1

With reference to the Marches Local Enterprise Partnership, who is responsible to scrutinising the activities of the board?

#### Answer from Councillor A Johnson, cabinet member corporate strategy and finance

Nationally there is an expectation that the involvement and engagement of the relevant councils will ensure there remains democratic accountability around decision-making regarding use of public funds. A joint executive committee has been formed to deliver this in the most efficient and effective way; however scrutiny of the activities of the committee currently remain a matter for the individual partner councils' own scrutiny committees to determine.

In Herefordshire that function falls to the general overview and scrutiny committee. In fulfilment of that role, in addition to calling in one decision of the joint committee the general overview and scrutiny committee considered a report on the activities of the LEP at its meeting on 8 March 2016.

#### Supplementary question

Given the lack of transparency in the county as acknowledged by the auditors, and the press interest in the board of the LEP in recent weeks, would greater scrutiny lead to better public confidence in the LEP?

#### Answer from Councillor A Johnson, cabinet member corporate strategy and finance

It was recommended by this council that there should be a joint scrutiny committee specifically for Marches LEP matters. Other member authorities didn't agree, so scrutiny remains a matter for each individual council. Media reports have been misleading. I consider the LEP is working as we would expect and with probity. It is recognised that public confidence in the LEP would be strengthened with greater reporting transparency. The Chairman of the LEP Board Graham Wynn, has been asked to look into this issue and I will keep council informed of progress.

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### Question from Councillor B Matthews

#### Accommodation strategy

##### Question 2

Several months ago members were informed that adult social services would be relocating to Elgar House, Holmer Road, Hereford. When is the move going to take place and what will the total bill be for the taxpayer in respect of removing the asbestos and any other renovating or decorating that will be required?

#### Answer from Councillor H Bramer, cabinet member contracts and assets

Staff are scheduled to move into Elgar House at the end of January following completion of agreed works to the building. The moves are an integral element of the council's overall

**Members' questions at Council – 16 December 2016**

accommodation strategy enabling us to relinquish costly and unsuitable premises and deliver longer term revenue savings.

The costs of the pre-contract asbestos removal and building refurbishment are estimated at £59k and £546K respectively making a total of £605k. The final account is yet to be received, but it is expected to come in within the total budget approved.

**Supplementary question**

The figures of repairs and rents are not yet known, what action is being taken to claim this expenditure back from the landlord?

**Answer from Councillor H Bramer, cabinet member contracts and assets**

The pre-contract agreement figures for removals and refurbishment are well known. The figure of £605k is not new and the final account is expected to come in well-under budget.

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**Question from Councillor L Harvey**

**Asset disposal**

**Question**

In March 2015 Cllr Johnson took the decision to approve the sale of a property belonging to Herefordshire Council which formed part of the setting for the Master's House in Ledbury. This followed a sealed bid process which the community was assured would deliver a high quality restoration of the building and a new purpose for the property which would complement the Master's House and St Katherine's Hospital complex. The building was transferred with the addition of new vehicular access permissions not previously part of the deeds to the property.

18 months later the barn in question is for sale on the open market without any restoration work having been undertaken and with no prospect of a development coming forward to deliver on the assurances originally given.

What responsibility does the council accept for ensuring that the best outcome is achieved when public assets are transferred into private hands, and how has this been discharged in this particular case?

**Answer from Councillor H Bramer, cabinet member contracts and assets**

The objectives of the council's asset disposal strategy, within the overarching corporate property state that the council will see to:

- Only hold assets that meet the authority's operational property, socio-economic and investment objectives
- Release actual and latent capital from surplus assets
- Reduce or remove liabilities;
- Unlock the benefits of regeneration;
- Enable local development framework policies to be realised and:
- Optimise the proceeds or land use benefits of particular disposals for the benefit of the authority and its communities

**Members' questions at Council – 16 December 2016**

Councils are obliged to obtain best value when disposing of assets; in this case the property was tendered for sale on the open market, with the benefit of vehicular access. Tenders received were assessed against the following criteria and weightings

- Price – 50%
- Sustainability – 10%
- Impact on the Market House – 10%
- Funding for delivery – 10%
- Quality/'buildability' – 10%
- Employment – 10%

and the highest scoring bidder secured the sale.

**Supplementary question**

It is correct that the highest scoring bidder secured the sale of Masters House barn. Fifty per cent of the bid weighting was placed on the subject of price with the remaining criteria benefiting the local community; sustainability, impact on the masters' house funding, build quality and employment. Will the cabinet member and the leader give assurance protective measures will be included in future disposals of publicly owned assets?

**Answer from Councillor A Johnson, leader of the Council and Councillor H Bramer, cabinet member contracts and assets**

The fifty per cent obligation placed on the tenant with regard to price are completely within those terms. Future assurances could not be given. The council is the custodian of property with a duty to maximise profits from such assets. Clauses that could have been put into the terms of sale would only have resulted in a reduced saleability and price.



**MINUTES of the meeting of Council held at Council Chamber,  
The Shire Hall, St Peter's Square, Hereford, HR1 2HX on Friday  
16 December 2016 at 12.30 pm**

**Present:** Councillor DB Wilcox (Chairman)

**Councillors:** PA Andrews, JM Bartlett, WLS Bowen, TL Bowes, H Bramer, CR Butler, ACR Chappell, MJK Cooper, PGH Cutter, BA Durkin, PJ Edwards, KS Guthrie, J Hardwick, DG Harlow, EPJ Harvey, EL Holton, JA Hyde, TM James, AW Johnson, JLV Kenyon, JG Lester, MN Mansell, RI Matthews, MT McEvilly, SM Michael, PM Morgan, PD Newman OBE, FM Norman, RJ Phillips, GJ Powell, AJW Powers, PD Price, AR Round, A Seldon, NE Shaw, WC Skelton, J Stone, D Summers, EJ Swinglehurst, LC Tawn, A Warmington and SD Williams

**52. APOLOGIES FOR ABSENCE**

Apologies were received from Councillors PE Crockett, CA Gandy, MD Lloyd-Hayes, RL Mayo, CA North PJ McCaull and P Rone.

**53. DECLARATIONS OF INTEREST**

There were no declarations of interest.

**54. HONORARY FREEMAN OF THE COUNTY**

Council considered the following notice of motion:

**Motion – That in accordance with the provisions of Section 249 of the Local Government Act 1972, in recognition of his outstanding achievements in the sport of swimming and honour that he has brought to the County of Herefordshire, Sascha Kindred be admitted as an Honorary Freeman of the County of Herefordshire**

In presenting the motion the Chairman noted the agreement of Council in September to support this motion to confer the honour of honorary freeman to Sascha Kindred OBE, for which this meeting had been specially convened under the provisions of the Local Government Act 1972.

Council observed footage of Mr Kindred winning the 200 metre men's individual medley (SM6 class) at the Paralympics in Rio de Janeiro this year breaking the world record in doing so.

The Chairman acknowledged the great privilege of proposing this motion to Council as a celebration of success, bringing a sense of pride and distinction to Herefordshire and acknowledging the many successes of a brilliant Paralympian.

The Chairman described the achievements of Sascha Kindred OBE during his swimming career, drawing attention to his winning a gold medal at the 2016 Paralympics in Rio de Janeiro in the 200 metre men's individual swimming medley, whilst simultaneously

achieving a new world record for the event. The Chairman made the following additional points:

- Mr Kindred moved to Credenhill ten years ago in 2006 and subsequently to Belmont in 2010. Married to Nyree, who is a Paralympian swimming medal winner in her own right, since coming to Herefordshire, Mr Kindred carried out his main training at Leominster Leisure Centre whilst being a member of Hereford Swimming Club, making it a truly cross-county issue
- In 2009, he was awarded the Most Excellent Order of the British Empire in the Queen's New Year's honours list in recognition of his substantial achievements
- He had attracted national and international acclaim, bringing honour and credit on him, his family and connections including his county of residence, and to which he had rendered eminent service
- It was a privilege to propose this motion to make Mr Kindred an Honorary Freeman of the County of Herefordshire. He would be the first Herefordshire resident to be honoured in this way since the inception of the Council in 1998, but his successful sporting career, winning through in the face of adversity, justified that distinction.

The Chairman moved the motion.

Councillor PJ Edwards seconded the motion.

Councillor Edwards was invited to speak in support of the motion. He acknowledged that Councillor PJ McCaull was unable to attend council today, and noted his work in supporting the establishment of the swimming pool in Leominster and the talent that it had attracted. He made the following additional comments:

- The success of the swimming pool in Leominster, and its role in supporting talent in the county, was a credit to Vice-Chairman Councillor McCaull who was unable to be present at this meeting
- Mr Kindred and his family participated in their community in Newton Farm and attended events. The family endorsed what was achievable and continued to do good work in the county
- Mr Kindred led by example and it was hoped that he would remain out front in all he achieved

The Leader was invited to speak.

He expressed the pleasure in supporting this motion, and on behalf of Council, all members and all staff gave heartfelt congratulations to Mr Kindred and his family. He added that Mr Kindred was a hero in Leominster through his use of the swimming facilities, and beyond as a world champion, giving people belief that with hard work and determination, anything could be possible. He was an inspiration for younger residents to take up swimming. Recognition was given to Nyree Kindred, also a well decorated Paralympian. Honouring Sascha today recognised his eminent services to the county and the positive impact of his success on others and for inspiring people to take up swimming and sport more generally.

The Chairman put the motion to the vote. The motion was carried unanimously.

The Chairman presented a scroll to Mr Kindred and formally conferred the freedom of the county upon him. The Chairman cited from the scroll, which read:

“At a special meeting of the County of Herefordshire District Council held on the sixteenth day of December two thousand and sixteen, it was resolved that the most



honourable distinction which is within the power of the council to bestow, be conferred upon Sascha Kindred, OBE.

He is hereby awarded Honorary Freeman of the County of Herefordshire in recognition of his eminent services to the county of Herefordshire during his twenty-two year international swimming career.

Winning a total of 62 major championship medals including seven golds at Paralympic Games, eleven golds at World Championships and 14 golds at European Championships, and holding 10 world records including the 200m men's swimming medley in Rio De Janeiro. His world class achievements leave a legacy of inspiring our many young swimmers of all abilities, to emulate his success in Herefordshire and elsewhere".

Mr Kindred was invited to speak.

In thanking the council for the conferment of freeman of the county, he described it as an honour to receive. He acknowledged the hard work, dedication and team support in his achievements. The honour today meant a lot and represented doing something right and being an inspiration.

**RESOLVED: That in accordance with Section 249(5) of the Local Government Act 1972 Sascha Kindred be admitted as an honorary freeman of the County of Herefordshire, in recognition of his eminent services to the county.**

The meeting ended at 12.47 pm

**CHAIRMAN**



**Chairman's Announcements – Meeting – 3 February 2017**

**Events attended by the Chairman of Herefordshire Council since the last Council meeting on 16 December 2016**

20 December –Meet the Postmen at Hereford Delivery Office  
20 December -ABF The Soldiers Charity Carol Concert  
23 December –Cathedral Festival of Lessons and Carols  
\*09 January –Citizenship Ceremony  
\*11 January – Funeral of Vice-Chairman  
21 January –Royal British Legion AGM

I wish to extend my thanks to Councillor John Stone for his kind assistance in deputising for me at the Citizenship Ceremony and Councillor Peter McCaull's funeral in my absence.

This year's Civic Service will take place on Sunday 12<sup>th</sup> March at 3.30pm at Hereford Cathedral. In consultation with the Dean, I propose to make the service particularly relevant to one of the Council's priorities – Children and young people. Representatives from uniformed organisations and youth groups will be invited to take part. In addition, the wonderful internationally renowned Cantible choir will be taking part and is a particular attraction. I would ask as many of you as possible to support this important civic event.

The Herefordshire Community Champions Awards are taking place again this year with kind sponsorship from Cargill and promotion by the Hereford Times. The competition was launched on 12<sup>th</sup> January with the closing date for nominations being 22<sup>nd</sup> February. More information and nomination forms can be found on the Council's webpage. Please publicise the event in your wards and either nominate someone or encourage others to put forward deserving people or groups for one or more of the five categories.

The independent remuneration panel will be considering the members' basic allowance and the special responsibility allowance in March 2017. Following this they will be making recommendations to Council in May 2017 in connection with these allowances. As part of their considerations, they would be grateful if members could please complete a short survey which was sent out via email on Monday 30 January 2017. I would urge all councillors to participate in this survey.



**Public questions to Council: 3 February 2017****Question from Mrs Wegg-Prosser, Breinton****Question 1****South Wye transport package financial provision.**

Reference the South Wye Transport Package with its Southern Link Road (construction “in 2019” according to a recent Newsroom report on the Council’s website), Councillors will be aware of the conditionality of the Local Growth funding of the scheme. This includes Active Travel Measures which are integral to the scheme, and are one of the conditions of the funding. The latest available report (July to September 2016) to the Department for Transport from the Head of Infrastructure Delivery indicates that Start of the Works (a Mandatory Milestone) will be 2 April 2018, with completion 30 September 2019. Could the Cabinet Member responsible for Infrastructure please explain why he considers that sufficient financial provision in the Medium Term Financial Strategy (Appendix 2: Approved Capital Programme, Line Items: Local Transport Plan, and South Wye Transport Package, columns 2018/19 and 2019/20) has been made to cover the full cost of the Southern Link Road, which includes the council-funded additional 580 metres long Clehonger Link, and the start of the Active Travel Measures works which extend in to 20/21?





<b>Meeting:</b>	<b>Council</b>
<b>Meeting date:</b>	<b>3 February 2017</b>
<b>Title of report:</b>	<b>2017/18 Budget and Medium Term Financial Strategy</b>
<b>Report by:</b>	<b>Leader of the council</b>

## Classification

Open

## Key decision

This is not an executive decision.

## Wards affected

County-wide

## Purpose

To approve the 2017/18 budget and medium term financial strategy (MTFS) as recommended by cabinet.

## Recommendations

**THAT the following be approved:**

- (a) the gross council tax base of 67,937.91 band D equivalents;
- (b) an increase in council tax in 2017/18 of 1.9%;
- (c) an additional precept in respect of adult social care costs of 2.0% applied to council tax in 2017/18.

Council notes that the impact of the above recommendations will result in a total council tax increase of 3.9%; increasing the band D charge from £1,324.83 to £1,376.50 for Herefordshire Council in 2017/18; and

- (d) the balanced 2017/18 revenue budget proposal of £145.025m (appendix 1 to this report) subject to any amendments approved at the meeting, and specifically.
  - i. the net spending limits for each directorate as at 3.4.1
  - ii. the gross revenue budget of £350.438m
  - iii. delegates to the section 151 officer the power to make necessary changes to the budget arising from any variations in central government funding allocations via general reserves.

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Further information on the subject of this report is available from Mark Taylor, interim director of resources on Tel (01432) 383519

**THAT Council adopts the following:**

- (a) the treasury management policy statement, appendix 3;**
- (b) the medium term financial strategy (MTFS) which incorporates:**
  - i. the capital programme approved by Council on 16 December 2016;**
  - ii. the treasury management strategy (TMS);**
  - iii. the reserves policy, as determined by the section 151 officer as a prudent level of reserves.**

## **Alternative options**

- 1 Council can recommend alternative spending proposals or strategies within the constraint of setting a balanced budget for 2017/18. Any alternative proposals must identify sufficient compensatory funding to support additional spending proposals.

## **Reasons for recommendations**

- 2 The council has a legal obligation to set a balanced budget and council is responsible for approving a budget, based on cabinet's recommendations, in line with the budget and policy framework rules within the constitution.

## **Key considerations**

- 3 The impact of continuing reductions in central government funding to local authorities means that Herefordshire Council is required to make further savings to balance its budget for 2107/18 and in the years to come. This is part of the overall information coming from central government.

<https://www.gov.uk/government/publications/autumn-statement-2016-documents>

<http://budgetresponsibility.org.uk/overview-of-the-november-2016-economic-and-fiscal-outlook/>

- 4 During the summer of 2016 the council submitted its efficiency plan to government in support of a four year settlement which was accepted and allows the council to more effectively plan for the future as central government grants continue to fall.
- 5 The council has directed its resources to deliver the key services required by residents while reducing overall costs to demonstrate efficiency and ensure good use of resources. In making substantial savings to date, the council will have delivered savings of almost £70m by the end of 2017/18 in response to an 80% reduction in central government funding since 2010.
- 6 The budget has been prepared by senior officers and has been subject to rigorous review by the management board through a star-chamber type challenge process. It has been constructively challenged through the council's scrutiny committees prior to a final examination of key assumptions and proposals by cabinet in advance of submission to council.
- 7 The budget proposals were published and discussed at cabinet on 19 January 2017

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Further information on the subject of this report is available from  
Mark Taylor, interim director of resources on Tel (01432) 383519



and all issues raised have been reflected in the current budget documentation and questions raised by non-cabinet members responded to outside the cabinet meeting, specifically:

- a) clarification of internal and external spend to date on the Hereford by-pass funding set out in the capital programme was provided at the meeting by director of economy, communities and corporate;
  - b) the pollution risk in the river Lugg has been passed to directorate services for a formal assessment and if necessary inclusion in the councils risk management matrix.
- 8 A balanced, deliverable budget is proposed and is recommended to full council for approval.
- 9 The section 151 officer is satisfied that the budget represents a balanced, deliverable budget for 2017/18 and that it includes adequate provision for planned expenditure, the robustness of the estimates made for the purposes of the calculations, and the adequacy of the proposed financial reserves.

## **Community Impact**

- 10 The MTFs and budget demonstrate how the council is using its financial resources to deliver its priorities as stated within the corporate plan.

## **Equality duty**

- 11 The public sector equality duty (specific duty) requires us to consider how we can positively contribute to the advancement of equality and good relations, and demonstrate that we are paying “due regard” in our decision making in the design of policies and in the delivery of services.
- 12 A number of service specific equality impact assessments have been completed for the service specific budget proposals to assess the impact on the protected characteristic as set out in the Equality Act 2010. Individual equality impact assessments will be prepared prior to consultation and delivery of each specific saving initiative.
- 13 The duty means that the potential impact of a decision on people with different protected characteristics is always taken into account when these assessments have been completed then we will consider mitigating against any adverse impact identified.

- 14 The change in council tax has meant that there has been a change to the support given through the council tax reduction scheme. This scheme provides essential help towards the council tax liability for all claimants on low income. Whilst this isn't a "protected characteristic" under the Equality Act it is a factor taken in to account as it is recognised that low income can compound the impact on individuals. By continuing to assess entitlement on a means-tested basis, similar to the national approach to means-tested benefits, the scheme is equitable, albeit that the level of support overall may be reduced to working age claimants.
- 15 The EIA process and consultation for individual budget savings are based on identifying whether or not service delivery impacts are likely to be different for a person because of their protected characteristic. We acknowledge that in particular older and disabled people and those on low income may be adversely impacted upon when remodelling services such as residential or day centre support, or transport services. We also recognise that the changes and remodelling we do around early year and children's centres could have an impact on these same individuals. Through the consultation and assessment process all services changes are expected to identify the risk of these impacts and mitigate against them where possible. Further detail can be found in a cumulative equality impact assessment in appendix 5.

## **Financial implications**

- 16 The financial implications arising from the council's revenue budget are fully set out in the report.

## **Legal implications**

- 17 Council is required by statute to set a balanced budget that considers expenditure and funding. Councillors are required to act prudently when approving the budget and council tax so that they act in a way that considers local taxpayers. Councillors in making this decision must give careful and considered regard to:
- a) the report from the chief finance officer concerning the robustness of the estimates and the adequacy of the reserves within the budget proposal;
  - b) the aims of the equality duty and the cumulative impact of the budget proposal as set out in appendix 4 to this report;
  - c) the results of the consultation as set out in appendix 6 to this report, including any alternative options proposed by consultees.
- 18 Council should note that some of the savings proposals may require further development, assessment and consultation.

- 19 Council should note that the 3.9% council tax increase is in line with the revised flexibility set of in the 2016 Autumn Statement.

## **Risk management**

- 20 Section 25 of the Local Government Act 2003 requires the chief finance officer to report to Council on the robustness of the estimates included in the budget and the adequacy of reserves when it is setting the budget and council tax.
- 21 The budget has been prepared using relevant, available information, current spending, anticipated pressures and the Government's financial settlement.
- 22 The key risks identified are set out in the MTFs at appendix 4. Risks will continue to be monitored through the year and reported to cabinet as part of the budget monitoring process

## **Consultees**

- 23 Consultation on the budget proposals commenced on 29 July 2016 and ended on 7 October 2016. The consultation process was compliant with the council's constitution (as per section 4.3.2.4) in seeking responses to the budget proposals from as wide a range of individuals and groups as possible. The consultation sought views on priorities, savings and income proposals and included how we could do things differently. The outcome of the consultation, attached in appendix 6 has informed and guided decisions within the proposed budget.
- 24 There were a total of 280 standard responses to the consultation, of which 241 submitted online and 39 completed paper copies. 171 responses supported an increase in charges for council services above the level of inflation. 148 responses supported Herefordshire Council in making a further increase in council tax above 3.9%.
- 25 The need to improve infrastructure and access to funding and business support were highlighted as what the council could do to improve the attractiveness of Herefordshire to businesses.
- 26 Initial proposals have been reviewed and re-phased following the consultation feedback, particularly areas seen as a higher priority by the public, libraries, community and public transport. The updated savings proposals are reflected in appendix 2.
- 27 The budget proposals have been subject to review and challenge by both of the council's scrutiny committees and their comments and recommendations were responded to and are reflected in the final proposals - see appendix 7.

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Mark Taylor, interim director of resources on Tel (01432) 383519

## Appendices

- Appendix 1 Revenue budget summary 2017/18;  
Appendix 2 2017/18 savings plans by directorate;  
Appendix 3 Treasury Management Strategy Statement;  
Appendix 4 Medium Term Financial Strategy (MTFS) 2017/18 – 2019/20  
Including:
- Capital Budget, as approved by Council on 16 December 2106
  - 2017/18 Treasury Management Strategy (TMS)
  - Reserves Policy
  - Risk Management
- Appendix 5 Cumulative equality impact assessment;  
Appendix 6 Summary of budget consultation  
Appendix 7 General Overview and Scrutiny Committee recommendations and responses

## Background papers

None.

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Mark Taylor, interim director of resources on Tel (01432) 383519

## Appendix 1

### Revenue budget summary 2017/18

Directorate	Current net budget £000s	Net changes £000s	Draft net budget £000s
	2016/17		2017/18
Adults and wellbeing	51,243	(85)	51,158
Children's wellbeing	20,875	278	21,153
Economies, communities and corporate (ECC)	46,540	(1,800)	44,740
<b>Total directorate net budget</b>	<b>118,658</b>	<b>(1,607)</b>	<b>117,051</b>
Centralised corporate costs			6,458
Capital financing - debt repayments			11,074
Capital financing—interest			6,785
Other central budgets			1,057
One off funding			2,600
<b>Total net spend (budget requirement)</b>			<b>145,025</b>
<b>Financed by</b>			
Council tax			93,049
Locally retained business rates			22,415
Revenue support grant			10,090
Business rates top grant & S31 grant			10,197
New homes bonus			3,585
Rural services delivery grant (including transitional grant) RSDG			4,669
Adult Social Care support grant			885
Reserves			135
<b>Total Funding</b>			<b>145,025</b>



## Appendix 2

### Detailed savings plan by directorate

Adults and Wellbeing Directorate	Impact	2017/18 £000
Review, recommissioning and decommissioning of block contracts - including full year impact of 2016/17 savings	Reduction in some council funded services and supported housing by utilising alternative funding streams to increase community capacity, raising expectations and performance of existing information and advice services and enabling access to universal services. Individual EIA's will be undertaken as each contract is reviewed and recommissioned / decommissioned.	550
Reducing the need for formal care services by utilising strengths based reviews and incorporating informal community based support in care plans	Reduction in demand for formal care services and holding demographic pressures to 80% of expected. Access to support for those with eligible needs will be unaffected. Focus on developing community social support.	350
Managing contract inflation and securing contract efficiencies	No impact to service users and analysis of market sustainability undertaken to minimise impact on providers. The equalities impact of this proposal will be low/negligible as integral to their contract with the council, each contractor has an expectation to meet the Equalities Act 2010 criteria and this forms part of the contract monitoring arrangements to ensure that any impact is understood and addressed.	200
Review of high cost packages to ensure value for money placements through better use of supported living accommodation, community based options and workforce culture change programme resulting in more effective working practices with better outcomes for service users	Reducing costs of learning disability cohort leading to more equitable service provision that meets eligible needs at a reduced average cost in line with comparator authorities. The equalities impact of this proposal on service users will be low/negligible as they will be assessed correctly and against the criteria of new services available, and which are required to meet eligible needs.	700
Maximise income generation through increased telecare sales and client contributions for domiciliary care	The impact of the changes will be affordable as all services will only be charged for following individual financial assessments in accordance with Care Act (2014)	150
Reduction in staffing through partnership working and mobile working	No direct impact on service users due to increased productivity	200
Early delivery of public health savings		200
Sale of beds to self-funders		50
<b>Total</b>		<b>2,400</b>

<b>Children's Wellbeing Directorate</b>	<b>Impact</b>	<b>2017/18 £000</b>
Manage contract inflation and secure contract efficiencies	The equalities impact of this proposal will be low/negligible. Integral to their contract with the Authority, each contractor has a scheduled expectation to meet the Equalities Act 2010 criteria and is part of the contract monitoring arrangements to ensure that any impact is understood and addressed.	250
Reduction in the number of looked after children	Will provide better long term outcomes for children who are in care and promote families staying together. The equality impact of this proposal will be low and fits in with the government proposal to ensure as many children as possible are cared for safely at home.	566
Accessing government grant to focus early help on the most vulnerable families to reduce the need for higher cost services	Improved school attendance, educational achievement, reduced anti-social behaviour, youth offending and increased employment. This targeted programme provides supportive interventions to specific families whatever their background. Under the Equality Act 2010 this work, undertaken by the council and its partners, pays 'due regard' to the need to: <ul style="list-style-type: none"> <li>- Eliminate unlawful discrimination, victimisation and harassment</li> <li>- Promote equality with regard to the protective characteristics; although due to the targeted approach not specifically using the Protective characteristics.</li> <li>- Promote good relations.</li> </ul>	100
Organisational restructure to reflect the service requirements	Ensuring families benefit from a consistent and established service through a stable and capable social worker workforce.	243
<b>Total</b>		<b>1,159</b>



<b>Economy, Communities &amp; Corporate</b>	<b>Impact</b>	<b>2017/18 £000</b>
<b>Efficiency savings</b> <b>Initiatives include:</b> Management savings, staff restructures, saving on printing cost, reduction in storage costs at the Modern Records Unit.	No impact on service delivery - efficiency savings	363
<b>Back Office Services and Corporate Accommodation efficiencies</b>	No impact on service delivery - efficiency savings	500
<b>Car Parking charges increase</b>	Following changes introduced in 2016/17, keep the charging structure under review to increase in fees to support the Council's sustainable transport policies and manage available spaces to support local economy. Potential adverse impact on trade if charges deter visitors. Structure of charges will aim to address local circumstances and encourage visitors and shoppers to visit Hereford and the market towns. Income will be targeted to support transport services in accordance with the Council's Local Transport Plan. Concessions for 'blue badge' holders are not affected by the recommendations, this includes staff parking in council car parks. Any increase in charges will have an impact on all users of the car parks. The impact will naturally vary according to the necessity and frequency of use and what alternative transport arrangements are practicable. Whilst this impact is non-discriminatory in the sense that it applies to all, it is inevitably an impact that is less easily 'absorbed' by those with lower levels of household income. The balance between the impact on individual users and the wider public interest of the council has been considered, and in this context the proposal is considered to be justified.	225
<b>On-Street Car parking Project</b>	Introduction of on street charges in central Hereford and potential extension of residents parking in surrounding areas which will provide ongoing revenue to support transport services. Proposals will improve traffic circulation, increase turnover and availability of short term parking for shoppers, ensure provision for loading and unloading and improve parking for residents living close to the city centre. The only protected group relevant to this proposal would be disabled people who have a 'blue badge' concession for parking. The introduction of a charge for on street parking cannot be applied to 'blue badge holders' and hence they would not be negatively affected by the proposal. The proposal will be subject to further consultation and any details around location of identified disabled parking bays will be considered in the light of consultation responses.	172

<p><b>Reduced cost of Public and School / College Transport and moving public transport information to online only</b></p>	<p>Reduction in cost of support for public transport services, increased income from parental contributions and post 16 SEN transport users previously agreed. Further savings from contract efficiencies.</p> <p>A transport funding review is underway which will explore a range of opportunities to reduce costs across all local passenger transport services and alternative sources of funding to support such service. Savings are likely to be achievable through the integration of passenger transport contracts, service efficiencies, moving more users onto commercial and supported bus services and review of eligibility for services. If this approach does not achieve the full savings target, it may be necessary to further reduce public transport subsidy.</p> <p>Public consultation carried out in autumn 2016 will inform decisions for 2017/18.</p>	<p>275</p>
<p><b>Phased removal of subsidy for Community Transport organisations</b></p>	<p>The phased reduction in the support to Community Transport (CT) providers commenced in 2015/16 and the exploration of alternative funding sources to support such services. To continue this to full reduction by 2019/20 will have provided a five year transition period for providers to seek opportunities to increase their independent financial viability. Support has been made available for providers to take on more contracted work and also to assist them to increase their capacity. Grants have been available for new fleet and could be made available in future subject to funding being available.</p> <p>CT reductions were considered within the consultation for the transport and travel review 2014 but at that stage there was no proposal to completely withdraw direct council support. If the council wishes to progress full withdrawal of support from 2018/19 then a further consultation and EIA would be required before confirming this decision. Whilst CT provides services for people who are 'disadvantaged' it is noted that this is not in itself a specifically defined protected characteristic within the EIA duty we are aware that the majority of CT users are elderly and/or have a disability which reduces transport options.</p> <p>Consultation in relation to public transport savings will be used to inform this proposal.</p>	<p>nil in 2017-18</p>
<p><b>Change the Highway Maintenance Plan to allow higher quality planned repairs to be undertaken for significant safety related pothole defects rather than the current temporary fixes required to meet reactive timescales. This will reduce the overall cost and reduce the need for repeat treatments.</b></p>	<p>Remaining full-year impact of measures implemented during 2016/17.</p>	<p>150</p>

<p><b>Phased removal of subsidies to parish councils for the Lengthsman and Parish Paths .</b></p>	<p>Decision taken to phase funding out over the MTF5 period. The condition of minor roads in Parish areas will be dependent upon whether Parish Councils choose to replace the subsidy with their own resources.</p> <p>Those communities that do not contribute to the funding or provide support to the scheme will see a reduction in the level of service for lower level activities currently carried out on the network by Parish and town councils.</p> <p>With P3 schemes , users of the ROW network could be affected by the reduced level of maintenance if parishes are unable/ unwilling to increase the level of activity from volunteers.</p>	<p>100</p>
<p><b>Community asset transfer of parks and open spaces</b></p>	<p>Sports pitch and parks maintenance cost saving through a programme to transfer responsibility for assets to community groups, town and parish councils and others. Impact of this proposal could see communities taking greater care and ownership of their local environment.</p> <p>Positive outcome on communities taking on responsibility for open spaces.</p> <p>If community or interest groups cannot be found and we are unable to continue the current level of maintenance, some users of open spaces may be affected in the reduction of amenity use.</p>	<p>100</p>
<p><b>Increased income and efficiency within Public Realm Services</b></p>	<p>Increase income from increased enforcement in relation to works carried out by utility companies on the highway (NRSWA) - reduction in highway defects.</p> <p>Investment in fleet and plant to reduce ongoing revenue cost and maintenance. No adverse impact upon service.</p> <p>Environmental service redesign</p> <p>Review of service to streamline and reduce cost of cleansing and monitoring of waste/litter related issues. Improved environment through better coordination.</p>	<p>230</p>
<p><b>Waste &amp; Sustainability</b> Increased income from commercial waste collections.</p>	<p>No further impact. Service changes relating to commercial waste collections and waste treatment savings do not impact on residents but on organisations.</p>	<p>30</p>
<p><b>Income from Solar Panels and Street Lighting Energy Efficiency Savings</b> Capital investment in solar panels to reduce energy costs and attract Government renewable energy subsidies Expiry of repayments for energy efficiency loan supporting Street Lighting investment</p>	<p>No impact - energy efficiency saving</p> <p>The solar PV procurement process included a mandatory section on Equality and Human Rights, which was developed in conjunction with the Council's Corporate Diversity team.</p>	<p>145</p>

<b>Facilities Management Service</b>	Shire Hall and Town Hall to become appointment based centres. Increased income from charging for council civic buildings.	30
<b>Withdrawal of Museum and Heritage Services subsidy</b>	Income generation through charging at the Old House from April 2017, remodel of the learning offer to schools, volunteers to support the opening of the Museum at Broad Street in Hereford. Limited impact on protected characteristics. Though charging may have an impact across all ages, special free open days will take place to support local people able to visit the Old House without cost. Education events to take place at the Old House as part of a schools programme.	100
<b>Savings in Customer and Library Services</b>	Retained library service across the county, and remodelled customer services following an appointment based approach, a comprehensive digital offer, phone service, and face to face service in Hereford. A full needs and impact assessment completed for October 2016 cabinet. A retained county library services was the key finding of the consultation to mitigate negative impact, along with a delivered service for people who are housebound. For customer services any change to the offer to be delayed until 2018 to understand the impact on people requiring face to face support for benefits.	380
<b>Sub Total</b>		<b>2,800</b>

## Appendix 3

# Treasury Management Strategy 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 2011. 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 formally adopts the following 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 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.
- 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 Chief Finance Officer, 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.

- Audit and Governance Committee to be responsible for ensuring effective review 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, and any financial instruments entered into to manage these risks.

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.

# **Medium Term Financial Strategy 2017/18 – 2019/20**

## Introduction to Herefordshire's Medium Term Financial Strategy

Herefordshire is a rural county with an older demographic, facing an increasing demand for services which makes savings difficult. Despite this the council has set a medium term financial strategy which demonstrates how savings will be achieved by increasing efficiencies from changing the way services are delivered.

2016/17 saw further significant budget reductions and the requirement for £10m savings in addition to those achieved in previous years but the council is on target to deliver these savings and balance its budget in the current financial year. Further savings will be required in the coming years, £17.5m between now and 2019/20 to offset the impact of reducing central government contributions to council funding.

The MTFS demonstrates the robust financial planning that Herefordshire has and assurance in its ability to deliver the medium term financial strategy; to be approved by Council in February 2017.

The MTFS summarises the financial position of the council and includes the expected impact on revenue spending, capital investment, borrowings and reserves in the coming years. The management of our financial resources is necessary to ensure the council is able to continue to deliver services to our residents today and also to deliver benefits across the region in future years.

As funding from central government has reduced, the council has become almost totally reliant on council tax and business rates to fund its services. That is why the cabinet is recommending an increase of almost 4% in the rate of council tax for 2017/18.

The opportunity to ask the residents of Herefordshire to contribute above the level set by government has been given serious consideration, however, it is clear that households have many other pressures on their budgets. The proposed increase of 3.9% is the minimum that it is prudent to set in order that the council can continue to deliver the quality and range of services to the most disadvantaged in the county.

The MTFS contains a great deal of information which will allow you to:

- Understand the overarching financial position of the council in the coming years;
- Have confidence that the public money with which the council has been entrusted will be used to support the needs of all our residents;
- Be assured that the financial position of the council is sound and secure.

The council has an excellent track record in delivering its plans and the report sets out some of the many achievements of the last few years including the following:

- 368 miles of road resurfaced in the last 3 years and over 200,000 pot-holes
- Fastershire completed the delivery of fast broadband to 80% of Herefordshire premises
- Enterprise zone established and developed
- Key Stage 5 results 6% above national average in our schools
- Re-establishing the council as a commissioner of adult social care from NHS

This MTFS underlines the council's aspiration to support its new Economic Vision, to develop further the business rates income and job opportunities which will ensure that this council can fund its statutory duties in the years to come. The cabinet is confident that the plans it is asking Council to approve in February will ensure Herefordshire continues to be great place to live and work.



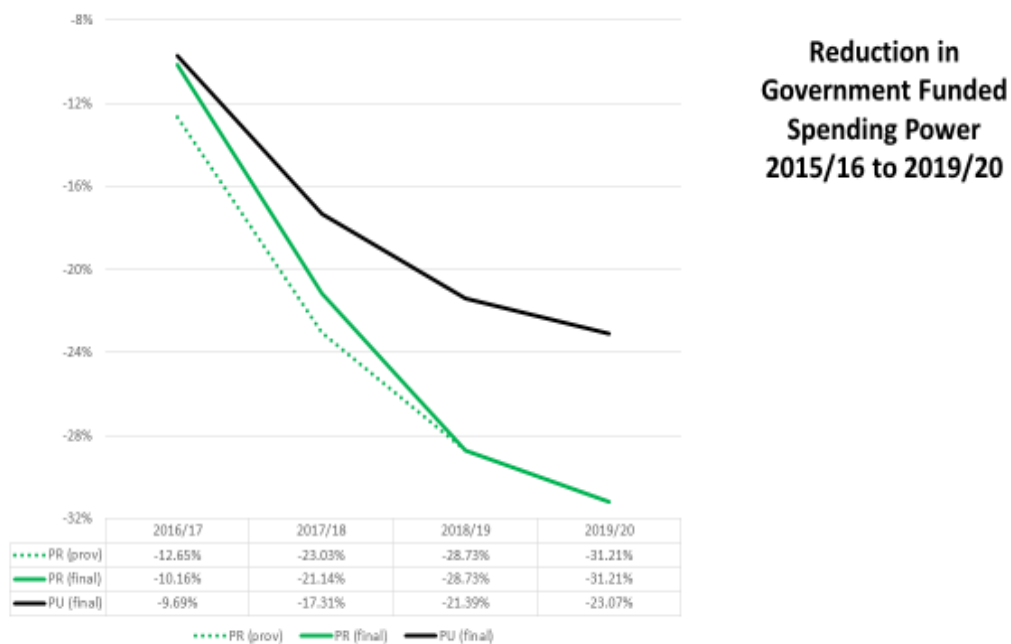
**Councillor Tony Johnson**

**Leader of the Council**



## 1. Background to the Medium Term Financial Strategy

- 1.1. Herefordshire is the one of the most sparsely populated county in England, with residents dispersed across its 842 square miles. Areas of poverty and deprivation exist in Herefordshire and there are crucial economic, geographic and demographic factors, relating to distance, population sparsity, ageing, social inclusion and market structure. However, as a rural area, it receives on average, 50% less central government assistance than an urban rural area placing Herefordshire at a disadvantage compared to our urban counterparts.
- 1.2. In addition, social isolation is a growing concern, not least because of the disproportionately increasing number of older people living in Herefordshire, but also due to poverty and deprivation. The cost of living in rural areas, for example transport and domestic fuel costs, can be higher than in urban areas. There is also recognition that it is often the most vulnerable members of the community, such as frail elderly people and deprived families who suffer most from the loss of local services and the high cost of living.
- 1.3. 54% of Herefordshire's population live in rural areas of which 42% in the most rural locations. Providing services to a dispersed population across a large geographic area is a challenge and additional resources are required to ensure council services are maintained for all residents in the county
- 1.4. The four year funding settlement has partially recognised these additional pressures by increasing support for the most sparsely populated rural areas by increasing the rural services delivery grant (RSDG), £4.1m in 2017/18 for Herefordshire. Despite this rural councils are worse off than urban ones. (Green (bottom) line rural councils/ Black (top) line urban councils)



- 1.5. Herefordshire's economic base is focused on agriculture and as such its business rates base is low compared to other areas. As such a 1% growth in the business base generates an extra £63.50 per person in Westminster but just £2.20 for Herefordshire. While Government grant systems attempt to make allowance for the additional cost and complexity of delivering services in sparsely populated areas it is not enough for councils like Herefordshire where its sparse population is more evenly distributed throughout the county. To redress this imbalance, the council works with the Rural Services Network (known as SPARSE) and its MP's to improve this position.
- 1.6. Despite these constraints the council has made necessary, difficult decisions to enable it to continue to deliver important services to our residents whilst assessing the challenge of delivering savings of £87m between 2010 and 2020.
- 1.7. Without delivering the challenging changes required, Herefordshire Council would have been unable to meet its financial obligations. The council is committed to work within budget and 2016/17 is expected be the 4th successive year that we have done so.
- 1.8. Whilst ensuring that the overall budget is balanced, the council has been carefully building reserves to a prudent level to manage financial risk and to support future needs. Over the past three years the council has delivered improvement, achievement, positive change and outcomes along the way to deliver our key priorities, including:

#### **Supporting the growth of our economy**

- Delivered major public realm improvements to Hereford's centre.
- Opening of the Hereford Greenway and new cycle bridge over the River Wye completing another key link in the city cycle network.
- 368 miles of road resurfaced in the last 3 years - 19% of the entire highway network.
- Filled over 200,000 pot-holes.
- Continued rolled out of "Fastershire" broadband to over 80% of residents and businesses in the county.
- Enterprise zone established and developed.

#### **Keeping children and young people safe and giving them a great start in life**

- Developed New Horizons to enable young adults with learning disabilities to stay in build their independence in Herefordshire rather than out of county.
- Increased the number of local foster carers by 9%, against a national backdrop of reducing numbers.
- Introduction of first Multi Agency Safeguarding Hub in West Mercia.
- Development of new approach to provide housing for vulnerable young adults.
- Development of family based short breaks for children with a disability to give parents more choice.

#### **Enabling residents to live safe, healthy and independent lives**

- Restructuring social work teams to provide a clearer service pathway, ensuring rapid assessment for routine cases, along with expert capacity for complex cases, dramatically increasing the proportion of clients reviewed each year,
- Reviewing all contracts and securing cost reductions of 30%-50%, while still maintaining quality and impact in key areas,
- Securing approval of a new housing strategy and housing allocations policy, in a context of major national system change

**All of which have contributed to our objective to secure better service, quality of life and value for money.**

1.9. The next three years are expected to be equally challenging but the MTFS is designed to provide a robust financial framework through which even more can be delivered to the residents of Herefordshire.

## **2. Medium Term Financial Strategy**

2.1. This Medium Term Financial Strategy (**MTFS**) covers the financial years 2017/18 to 2019/20 and demonstrates how the council will maintain financial stability, deliver efficiencies and support investment in priority services, whilst demonstrating value for money and maintaining service quality.

2.2. The MTFS is a key part of the council's integrated corporate, service and financial planning cycle. This process 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 the corporate priorities set out in the Corporate Plan. Herefordshire's key priority areas are:

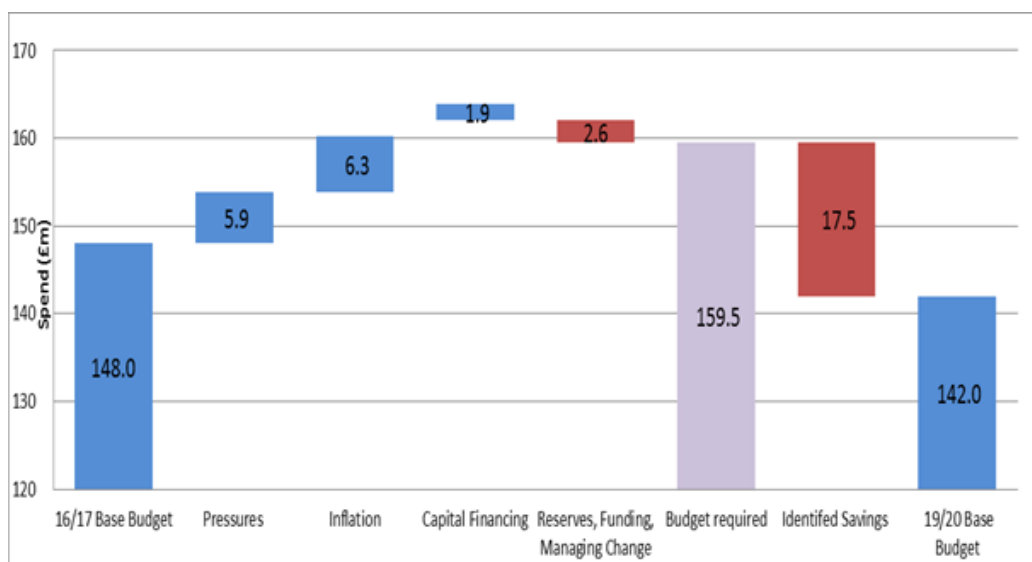
- **enable residents to live safe, healthy and independent lives**
- **keep children and young people safe and give them a great start in life**
- **support the growth of our economy**
- **secure better service, quality of life and value for money.**

2.3. All local authorities are reducing services as the government continues to significantly reduce the funding it provides to local government across England. We are seeing a significant change in the way councils are funded, back in 2010 80% of council spend was funded by grant but by 2020 almost all council expenditure will be funded locally through council tax and business rates. We remain in an austerity period in which the council has identified savings totaling £87m between 2010 and 2020. The council is on schedule to meet this challenge, delivering £69.5m of these savings by the end of 2016/17.

2.4. The demand for services continues to grow with the council providing care for more people, particularly in essential areas such as children's safeguarding and adult social care. Cost pressures have been reflected in this MTFS and residual risks will be constantly monitored. Demand management will be key to ensure future financial resilience alongside increased integrated working with the health sector.

### **2.5. Balancing the MTFS**

2.5.1. The MTFS has been set with regard to known funding reductions, additional cost pressures and identified savings of £17.5m for the period 2017/18 to 2019/20. The following graph demonstrates how the council's budget base is expected to move over the period of the MTFS. It starts with the current budget, reflects the specific spending pressures to show what the budget might be and then the savings required to ensure our expenditure matches our income.



## 2.6. Value for money

2.6.1. In managing the financial pressures, the council's strategic and corporate plans set out its vision for the county to support a strong, diverse and enterprising business base, operating in an exceptional and connected environment where the transfer of technology and skills foster innovation, investment and economic growth.

2.6.2. These ambitious plans will accelerate growth and provide opportunities for all who live and work in Herefordshire through strong stewardship and strong partnerships with the private sector. Over the last five years the council's performance has improved across a wide range of services building the foundations for a successful economy and this remains a key priority.

2.6.3. The council has enabled major improvements including the delivery of flood relief schemes, a new livestock market, a privately funded retail and leisure development on the site of the old livestock market, access to superfast broadband, an Enterprise Zone in Rotherwas, improved leisure facilities across the county and improvements to the highway network. A core strategy has been adopted that will provide a blueprint for developing the county over the period to 2031, including the delivery of the Hereford bypass.

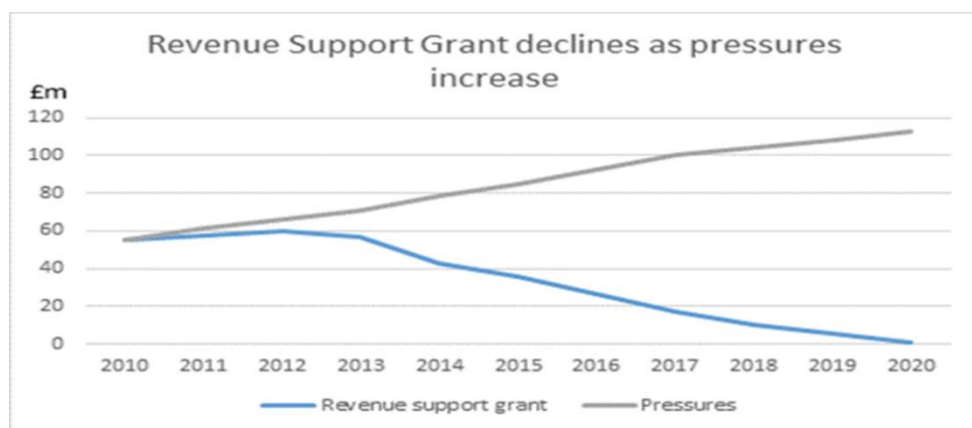
2.6.4. Using cost benchmarking data, the council is able to focus on areas where spend varies from other authorities with similar characteristics and challenges, such as providing adult social care services to a sparsely dispersed aging population. National benchmarking data is currently available to 2015/16 and showed that overall Herefordshire Council is ranked second against its thirteen statistical comparator neighbours on the basis of their cost of service (per revenue outturn).

2.6.5. These improvements have been recognized by our external auditors, Grant Thornton who annually review the value for money and statement of

accounts of the council. They do this by looking at key indicators of financial performance, its approach to strategic financial planning, its approach to financial governance and its approach to financial control. In respect of the last financial year (2015/16) they were satisfied that, in all significant respects, the council had proper arrangements in place to secure economy, efficiency and effectiveness in its use of resources.

## 2.7. National context

2.7.1. The local government finance system has undergone a significant change from a highly-centralised system of funding, with central government grants allocated on the basis of councils' relative spending need, to a system where councils as a group are self-funding and individual councils bear far more spending and revenue risk.



2.7.2. The impact of these changes has meant that Councils are less reliant on central government grant and more responsible for their financial management, resulting in an increasing funding gap to be met by savings.

2.7.3. Pressures on social care costs have been recognised through the introduction of an additional 2% levy on council tax referendum thresholds to be used entirely for adult social care; this will generate £1.8m each year for Herefordshire. The Autumn Statement provided some additional flexibility to the timing and size of this precept, provided that it does not exceed 6% over the three year period. Consideration will be given to this option in future years.

2.7.4. The Autumn Statement reduced the level of New Homes Bonus, with a 0.4% threshold and introduced a specific, one year, Adult Social Care Grant. The net impact of this was a £0.2m reduction which in 2017/18 has been mitigated by a higher tax base.

2.7.5. The government will introduce the first ever national funding formula for schools, high needs and early years, a detailed consultation was launched in 2016 and the new formulae will be implemented from April 2018.

2.7.6. In addition, discussions continue on the national system of business rates with the proposal for councils to retain 100% of business rates (rather than

50% at present) but potentially without the protections for councils with lower numbers of businesses. This additional funding is likely to be accompanied with additional responsibilities, and therefore may require additional savings with an expectation for “national fiscal neutrality”. The council is continuing with its current, sound practices to manage these pressures.

2.7.7. The 2016 Autumn Statement reflected the latest forecasts from the Office of Budget Responsibility which indicated increasing inflationary pressures and falling government revenues well into 2020 and beyond. This is likely to result in increasing the government’s borrowing requirement and introducing greater uncertainty in the growth and resilience of the UK economy.

2.7.8. These national factors create further risk to the council’s core income streams and the increased need to hold reserves at a level sufficient to protect the council from unplanned events.

2.7.9. This MTFS period will be extremely challenging for councils and many face difficult decisions about which services are scaled back or stopped altogether. It is against this background that Herefordshire council’s MTFS has been prepared.

### 3. The Revenue Budget

3.1. The MTFS summarises the council’s financial plans for the next three years, is updated annually, and reflects the current year’s performance and the next year’s budget; it covers the period from 2017/18 to 2019/20,

3.2. It is prepared using the Financial Resource Model (**FRM**) which takes into account the corporate financial objectives and plans. The FRM provides an assessment of the overall resource available over the medium term linking the revenue account with the capital investment plan, treasury management strategy and reserves policy to provide a complete overview of the council’s financial position over time. It sets the financial context for corporate and service planning so that the two planning processes are fully integrated.

#### 3.3. Funding Assumptions

3.3.1. The FRM includes a number of key assumptions in respect of funding on which the financial strategy is based. The council’s revenue funding assumes:

- Council Tax - a 1.9% increase for 2017/18 and in future years in council tax plus a further 2% in respect of the Adult Social Care precept, making an overall increase of 3.9% per annum;
- Revenue Support Grant is expected to fall in line with the four year settlement agreed between the government and council;
- Increases in business rate reliefs as set in the Autumn Statement.

3.3.2. These will be reviewed each year against further changes in government funding as part of the annual budget process to ensure all relevant and up to date information is reflected in the budget process. Increasingly the council is becoming more dependent on income from Council Tax and Business

Rates than funding from central government and this will continue throughout the years covered by the MTFs. It is worth noting the system of business rates is likely to change in 2020/21 and may reduce the level of business rates retained by the council for future years.

<b>Funding Assumptions</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>
	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>
Council Tax (assuming 3.9% increase p.a.)	93,049	97,466	101,894
Locally retained business rates *	32,612	33,116	33,654
Revenue Support Grant (RSG)	10,090	5,370	620
New Homes Bonus (NHB)	3,585	2,540	1,760
Rural Services Delivery Grant (including transitional grant) RSDG	4,669	3,149	4,093
ASC Support Grant	885	-	-
Reserves - one offs	135	-	-
<b>Base Budget</b>	<b>145,025</b>	<b>141,641</b>	<b>142,021</b>

\*Business rates includes top up and Section 31 grants

### 3.4. Budget Pressure Assumptions

3.4.1. Current planning assumptions include the following:

- inflation - 2%- 2.4% uplift per annum on income and costs, contract inflation indices on non-pay expenditure;
- pay – increased at 1% per annum;
- introduction of the apprenticeship levy in 2017/18 and Living Wage impact;
- interest rates – investment income and borrowing costs in line with the Treasury Management Strategy.

3.4.2. The total of directorate pressures included in the FRM are set out in the following table and also reflect the service demand pressures identified within each directorate. These do not reflect the potential inflationary increases indicated in the Office of Budget Responsibility's report published on 23 November 2106 but are reviewed annually as part of the budget process.

3.4.3. The potential impact arising from the decision of the UK to leave the European Union is likely to influence future government financing and some indications of this have been provided. These changes will be reflected in future planning as they become clearer.

<b>Budget Pressures</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>	<b>Total</b>
	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>
Legislative changes (living wage)	618	492	540	<b>1,650</b>
Adult's demographic pressures	850	926	945	<b>2,721</b>
Adults preventative measures	(600)	-	-	<b>(600)</b>
Contract and pay inflation and other pressures	1,891	2,154	2,277	<b>6,322</b>
Apprenticeship levy	200	-	-	<b>200</b>
Unaccompanied asylum seeking children	100	-	-	<b>100</b>
Children's services pressures	425	-	-	<b>425</b>
Adults contractual inflation	356	508	529	<b>1,393</b>

<b>Base Budget</b>	<b>3,840</b>	<b>4,080</b>	<b>4,291</b>	<b>12,211</b>
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3.4.4. Following the approval of the budget, directorates will be expected to manage any new or additional budget pressures within their own net spending limits.

### 3.5. Savings Assumptions

3.5.1. The council delivered almost £70m of savings in the financial years 2010/11 to 2016/17 and will be required to generate an additional £17.5m of savings in the financial period 2017/18 to 2019/20 in order to balance its planned expenditure against its income.

3.5.2. Directorate savings have been identified, or revised, as part of the budget process and these are summarised in the table below:

<b>Directorate Savings</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>	<b>Total</b>
	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>
Adults and Wellbeing	2,400	1,950	1,500	<b>5,850</b>
Children's Wellbeing	1,159	1,572	1,050	<b>3,781</b>
Economy, Communities and Corporate	2,800	1,800	1,060	<b>5,660</b>
Corporate Savings	491	500	1,200	<b>2,191</b>
<b>Total Savings</b>	<b>6,850</b>	<b>5,822</b>	<b>4,810</b>	<b>17,482</b>

#### 3.5.3. Adults and Wellbeing

Key savings targets are directed toward the following areas to improve service delivery and reduce costs while protecting the most vulnerable members of the community.

<b>Adults and Wellbeing Directorate</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>	<b>Total</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Review, recommissioning and decommissioning of block contracts - including full year impact of 2016/17 savings	550	400		<b>950</b>
Reducing the need for formal care services by utilising strengths based reviews and incorporating informal community based support in care plans	350	350	300	<b>1,000</b>
Managing contract inflation and securing contract	200	200	200	<b>600</b>
Review of high cost packages to ensure value for money placements through better use of supported living accommodation, community based options and workforce culture change programme resulting in more effective working practices with better outcomes for service users	700	700	300	<b>1,700</b>
Maximise income generation through increased telecare sales and client contributions for domiciliary care	150	100	100	<b>350</b>
Reduction in staffing through partnership working and mobile working	200	200	600	<b>1,000</b>
Early delivery of public health savings	200			<b>200</b>
Sale of beds to self-funders	50			<b>50</b>
<b>Total</b>	<b>2,400</b>	<b>1,950</b>	<b>1,500</b>	<b>5,850</b>



### 3.5.4. Children's Wellbeing

Savings proposals have been directed to the following areas to minimize the impact on service delivery

<b>Children's Wellbeing Directorate</b>	<b>2017/18 £000</b>	<b>2018/19 £000</b>	<b>2019/20 £000</b>	<b>Total £000</b>
Manage contract inflation and secure contract efficiencies	250	250	250	750
Reduction in the number of looked after children	566	822	450	1838
Accessing government grant to focus early help on the most vulnerable families to reduce the need for higher cost services	100	150	150	400
Organisational restructure to reflect the service requirements	243	350	200	793
<b>Total</b>	<b>1159</b>	<b>1572</b>	<b>1050</b>	<b>3781</b>

### 3.5.5. Economy, Community and Corporate Savings Proposal

Directorate savings plans are focused on improving the efficient operation of core services through service re-design, operational efficiency and increased parking income:

<b>Economy, Communities &amp; Corporate</b>	<b>2017/18 £000</b>	<b>2018/19 £000</b>	<b>2019/20 £000</b>	<b>Total £000</b>
Efficiency savings, staff restructures, saving on printing cost, storage costs at the Modern Records Unit.	363	100	180	643
Back Office Services and Corporate Accommodation efficiencies	500	450	250	1,200
Car Parking charges increase	225	235		460
On-Street Car parking Project	172			172
Reduced cost of Public and School / College Transport	275	180	150	605
Phased removal of subsidy for Community Transport organisations	nil in 2017/18	60	75	135
Change the Highway Maintenance Plan to reduce the overall cost	150			150
Phased removal of subsidies to parish councils for the Lengthsman and Parish Paths .	100	100	100	300
Community asset transfer of parks and open spaces	100	90		190
Increased income and efficiency within Public Realm Services	230	25	25	280
Increased income from commercial waste collections.	30	30	30	90
Income from Solar Panels and Street Lighting Energy Efficiency Savings	145			145
Facilities Management Service	30			30
Withdrawal of Museum and Heritage Services subsidy	100	150	250	500
Savings in Customer and Library Services	380	380		760
<b>Sub Total</b>	<b>2,800</b>	<b>1,800</b>	<b>1,060</b>	<b>5,660</b>

### 3.5.6. Corporate Savings Proposals

In addition to directorate savings, this MTF5 targets savings related to corporately controlled assets and income to generate the following savings:

<b>Corporate Savings</b>	<b>2017/18 £000</b>	<b>2018/19 £000</b>	<b>2019/20 £000</b>	<b>Total £000</b>
Revisions to the Council Tax Reduction Scheme	150			<b>150</b>
Removal of the Council Tax Reduction subsidy to parishes	42			<b>42</b>
Interest savings from reduced short term borrowings	250	400	1,000	<b>1,650</b>
Organisational redesign savings	49	100	200	<b>349</b>
<b>Total</b>	<b>491</b>	<b>500</b>	<b>1,200</b>	<b>2,191</b>

### 3.6. Summary

The overall impact on the proposed revenue budget is shown below and demonstrates a balanced MTF5 in each of the plan years in line with the governments four year funding settlement:

<b>Revenue Budget</b>	<b>2017/18 £000's</b>	<b>2018/19 £000's</b>	<b>2019/20 £000's</b>
Base Budget	147,979	145,025	141,641
Pressures	3,840	4,080	4,291
Savings	(6,850)	(5,822)	(4,810)
	<b>144,969</b>	<b>143,283</b>	<b>141,122</b>
Corporate adjustments*	56	(1,642)	899
<b>Revised Base Budget</b>	<b>145,025</b>	<b>141,641</b>	<b>142,021</b>
<b>Funding Available</b>	<b>145,025</b>	<b>141,641</b>	<b>142,021</b>

\*Corporate adjustments include agreed virements, capital costs, funding adjustments and reserves

### 3.7. Directorate Net Spending Limits

The proposed revenue budget will be allocated to directorates as set out below:

<b>Directorate Budgets</b>	<b>Adults £000's</b>	<b>Children £000's</b>	<b>ECC £000's</b>	<b>Corporate £000's</b>	<b>Total £000's</b>
<b>2016/17 base budget</b>	<b>51,243</b>	<b>20,875</b>	<b>46,540</b>	<b>29,321</b>	<b>147,979</b>
Pressures	2,171	384	1,174	111	3,840
Savings	(2,400)	(1,159)	(2,800)	(491)	(6,850)
Corporate adjustments*	144	1,053	(174)	(967)	56
<b>2017/18 budget proposal</b>	<b>51,158</b>	<b>21,153</b>	<b>44,740</b>	<b>27,974</b>	<b>145,025</b>
Pressures	2,383	511	1,083	103	4,080
Savings	(1,950)	(1,572)	(1,800)	(500)	(5,822)
Corporate adjustments				(1,642)	(1,642)
<b>2018/19 draft budget</b>	<b>51,591</b>	<b>20,092</b>	<b>44,023</b>	<b>25,935</b>	<b>141,641</b>
Pressures	2,539	533	1,111	108	4,291
Savings	(1,500)	(1,050)	(1,060)	(1,200)	(4,810)
Corporate adjustments				899	899
<b>2019/20 draft budget</b>	<b>52,630</b>	<b>19,575</b>	<b>44,074</b>	<b>25,742</b>	<b>142,021</b>

\*Corporate adjustments include agreed virements, capital costs, funding adjustments and reserves

## 4. The Capital Budget

4.1. The capital investment set out in the capital programme will support the corporate plan priorities by:

- **Improving schools**
- **Enhancing infrastructure**
- **Housing delivery and**
- **Creating job opportunities**

4.2. The Capital Programme 2017/18 was approved by council on 16 December 2016 (commitments from previous years are shown in the appendix). The council's Capital Programme is funded by grants, borrowing and capital receipts. The revenue impact of funding schemes by borrowings are included in the budget in accordance with the Treasury Management Strategy and Prudential Borrowing Indicators. The following table summarises the fully funded capital investment programme and the detailed investment plan is set out in appendix 2.

<b>Capital Investment Programme and Financing</b>	<b>2017/18 £000</b>	<b>2018/19 £000</b>	<b>2019/20 £000</b>	<b>Total £000</b>
<b>Total Expenditure</b>	<b>73,272</b>	<b>65,938</b>	<b>36,911</b>	<b>176,121</b>
Prudential Borrowing	24,456	22,731	14,547	<b>61,734</b>
Grants and contributions	39,071	41,082	22,214	<b>102,367</b>
Capital Receipts	9,745	2,125	150	<b>12,020</b>
<b>Total Funding</b>	<b>73,272</b>	<b>65,938</b>	<b>36,911</b>	<b>176,121</b>

4.3. As the table demonstrates, capital expenditure can be funded from capital receipts, borrowing, grants and revenue contributions. 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. The capital receipts reserve is available to support spending on the creation or enhancement of assets.

4.4. Government support for capital investment is through the allocation of grants, known grant funding allocations for 2017/18 are listed in the appendix but a number, including disabled facilities grant and schools maintenance, are yet to be announced.

4.5. The challenges given to retaining assets will be based on value for money, the delivery of strategic priorities and key service delivery. Surplus properties will either be recycled or disposed of and proceeds will be reinvested. The disposal of land will be allowed after the consideration of sacrificing a capital receipt for transfer of the land for use as social housing, or as a community asset transfer.

## 5. Treasury Management Strategy

5.1. The council is required to adopt an annual Treasury Management Strategy Statement (**TMSS**) each year as part of the budget setting process in order to fully recognise the financial implications arising from its revenue and capital budgets through the capital financing requirement to ensure the impact of capital investment is fully reflected in the revenue

budget; this is provided through the minimum revenue provision (**MRP**).

5.2. The TMSS is a summary of the Treasury Management Strategy (**TMS**) which provides a more detailed analysis of the council's loans and investments and the future outlook for interest rates and financing, supported by the council's external treasury management advisors.

5.3. The TMS for 2017/18 sets out the council's strategy for making borrowing and investment decisions during the year to meet the capital and revenue spending plans approved by council and considers the impact of future interest rate movements. The full TMS is set out in detail in Appendix 3 and is summarized below.

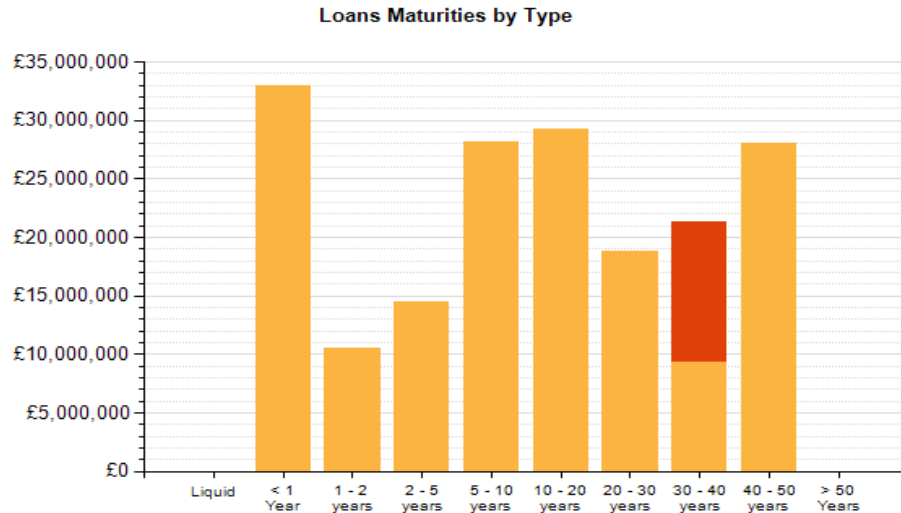
#### 5.4. Borrowing

5.4.1. The estimated year end borrowing levels for the period of the MTFs are set out below:

Estimated Year End Borrowings	31.03.17 £000	31.03.18 £000	31.03.19 £000	31.03.20 £000
<b>CFR excluding other long-term liabilities and MRP provision and grants</b>	245,669	258,152	236,174	243,760
Less: Existing Profile of Longer Term Borrowing – PWLB and bank loans	(149,950)	(148,489)	(143,011)	(137,517)
<b>Cumulative Maximum External Borrowing Requirement</b>	95,719	109,663	93,162	106,243
Internal borrowing	(17,000)	(15,000)	(12,000)	(10,000)
Anticipated Capital receipts	0	(33,600)	0	0
<b>Cumulative Net Borrowing Requirement</b>	78,719	61,063	81,162	96,243
<b>Total Council Borrowing</b>	<b>228,669</b>	<b>209,552</b>	<b>224,174</b>	<b>233,760</b>

5.4.2. Total gross outstanding debt at 30 November 2016 was £183.6m of which £32.5m were short term loans and £151.1m fixed rate, long term loans, which are being repaid via the minimum revenue provision as explained above. Included in total borrowings is £23.4m which is supported by a long term, commercial loan arrangement with our Waste Disposal provider.

5.4.3. The council's debt is repayable over the following maturity profile and reflects the level of short term debt held by the council to ensure sufficient flexibility to meet the planned requirements of the investment programme and capital receipts. The portion of the graph in red relates to LOBO (lender option, borrower option) loan repayments.



5.4.4. The need for new borrowing is based on the Capital Programme, which indicates an additional borrowing requirement of £25.9m over the MTFS period. The report of the Office of Budget Responsibility issued on 23 November 2016 does indicate that interest rates may have to rise in response to inflationary pressures arising from falls in sterling. However the MTFS and budget for 2017/18 have been set on the assumption that interest rates will climb steadily. This position will be kept under review so that the council is able to respond quickly should interest rates begin to rise. This impact will apply equally to both investments and borrowings (Appendix 3 in TMS).

## 5.5. Investments

5.5.1. During 2016/17 interest rates have remained low and in the year to date, the average daily rate achieved on the council's investments has averaged at 0.3%. A further decrease in the bank base rate, reducing it from 0.5% to 0.25%, was introduced from August 2016 and is not expected to rise in the short term but will be closely monitored in 2017.

5.5.2. The council's primary objective in relation to the investment of public funds remains the security of capital and minimisation of risk, which leads to lower returns. The council's Treasury Advisors, Capita, provide regular market intelligence to support the protection of the investment portfolio and cash balances are minimised to reduce the need to borrow.

## 6. Reserves

6.1. The Council's useable reserves are split between General Reserves and Earmarked reserves and are held for certain purposes is described below:

## 6.2. General Reserve

6.2.1. Part of the council's General Reserve is held as a Strategic Reserve to cover emergency events such as unforeseen financial liabilities or natural disasters. This reserve is maintained at a minimum level of between 3% and 5% of the Council's net revenue budget.

6.2.2. The remainder of the Council's General Reserve is to support one-off and limited on-going revenue spending and, in line with the four year settlement, for smoothing the impact of the late delivery of savings plans.

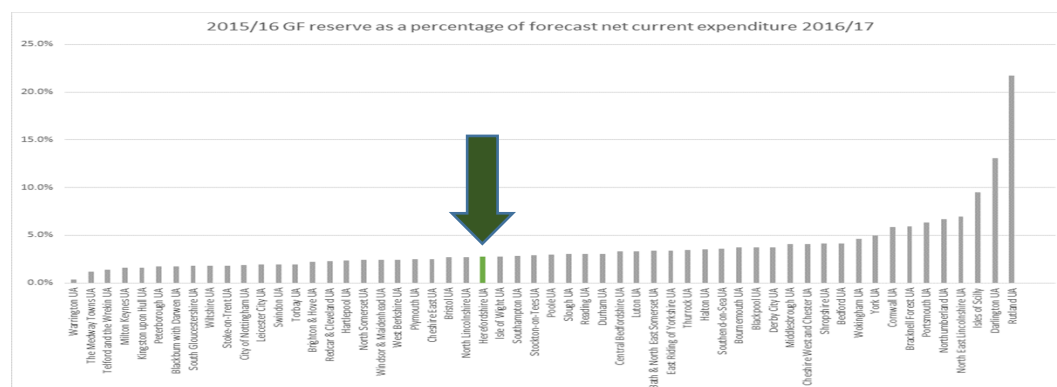
## 6.3. Earmarked Reserves

The council's earmarked reserves are held to meet identified spending commitments. These reserves will only be used for the purpose for which they were created and will be reviewed annually. If they are no longer required they will be transferred to the general reserve. The use of earmarked reserves requires the approval of the Chief Finance Officer.

Balance as at	Strategic Reserve	General Reserve	School Balances	Earmarked Reserves	Total Reserves
	£m	£m	£m	£m	£m
31 March 2016	7.2	0.1	9.4	19.1	35.8
31 March 2017	7.3	3.6	7.2	18.0	36.1
31 March 2018	7.1	4.0	7.2	16.0	34.3
31 March 2019	6.8	4.0	7.2	14.0	32.0
31 March 2020	6.8	4.0	7.2	14.0	32.0

Certain Earmarked reserves fall outside the control of the council, specifically School balances.

6.4. The level of reserves is reasonable when compared to other unitary councils and will be kept under review. (based on RO return data – not audited Financial Statements)



6.5. The Council's reserves policy is set out in Appendix 4 and reflects best practice in respect of the appropriate level of strategic reserves.

## 7. Budget Risks

7.1. The most substantial risks have been assessed in the budget process and, where possible, reasonable mitigation has been made. Risks will be monitored through the year and reported to cabinet as part of the budget monitoring process. The proposed budget includes contingency and reserves that, if required, can be used to manage risks.

7.2. Demand management in social care continues to be a key issue, against a backdrop of a demographic of older people that is rising faster than the national average, and some specific areas of inequalities amongst families and young people. Focusing public health commissioning and strategy on demand management through disease prevention and behavioral change is critical for medium term change. In addition re-setting our relationship with communities, focusing services on areas of greatest professional need, will support the MTFS.

7.3. There are on-going risks in achieving reductions in children's safeguarding costs, Herefordshire is high spending compared to statistical neighbours and methods of reducing this cost are progressing however some delays have been experienced.

7.4. Key areas of focus include, sustaining the current focus on a new relationship with citizens and communities, changing the models of care to more family based provision, managing the price paid where the council is the commissioner and/or where this is taking place with partners with a specific reference to health, improvements in commercial interface including contract management, using technology to enable new ways of working including significant channel shift around self-service and automated business process improvement and a subsequent headcount reduction. A full risk and mitigation summary is provided in Appendix 5.

## **8. Conclusion**

8.1. The council's Medium Term Financial Strategy sets out a challenging but robust financial framework through which planned services and investment can be delivered. It is a fully balanced framework so that:

- revenue expenditure is fully covered by income,
- capital expenditure is fully funded and the associated capital financing cost reflected in revenue budgets,
- effective treasury management ensures financial resources are available as required within a prudent framework
- useable reserves are sufficient to meet specific need and protect against unforeseen events.

## **9. Recommendation**

9.1. That Council adopts the three year Medium Term Financial Strategy as set out in the report.

## **10. Appendices**

Appendix 1	Net Revenue budget
Appendix 2	Approved Capital Investment Programme
Appendix 3	Treasury Management Strategy
Appendix 4	Reserves Policy
Appendix 5	Risk Assessment

## Appendix 1 Net Revenue budget and Directorate Spending Limits 2017/18

Directorate	Current net budget £000s	Net changes £000s	Draft net budget £000s
	2016/17		2017/18
Adults and wellbeing	51,243	(85)	51,158
Children's wellbeing	20,875	278	21,153
Economies, communities and corporate (ECC)	46,540	(1,800)	44,740
<b>Total directorate net budget</b>	<b>118,658</b>	<b>(1,607)</b>	<b>117,051</b>
Centralised corporate costs			6,458
Capital financing - debt repayments			11,074
Capital financing—interest			6,785
Other central budgets			1,057
One off funding			2,600
<b>Total net spend (budget requirement)</b>			<b>145,025</b>
<b>Financed by</b>			
Council tax			93,049
Locally retained business rates			22,415
Revenue support grant			10,090
Business rates top grant & S31 grant			10,197
New homes bonus			3,585
Rural services delivery grant (including transitional grant)			4,669
Adult Social Care support grant			885
Reserves			135
<b>Total Funding</b>			<b>145,025</b>



## Appendix 2

### Approved capital programme

Scheme Name	Prior years £000	2016/17 budget £000	2017/18 £000	2018/19 £000	2019/20 £000	Total £000
<b>Economy, Communities and Corporate</b>						
Energy from Waste Plant	23,412	16,588				40,000
Hereford City Centre Transport Package (includes Hereford city link road)*	17,575	12,124	5,682	4,000	1,270	40,651
Local Transport Plan (LTP)	annual plan	11,633	11,313	10,341	10,341	
Fastershire Broadband (excludes Gloucester spend in prior years of £9.7m)	9,003	6,605	9,747	7,248		32,603
Hereford Enterprise Zone	5,071	3,150	7,779			16,000
Leisure Centres	7,268	2,784				10,052
Solar Photovoltaic Panels	463	1,671				2,134
Data Centre Consolidation	-	1,170				1,170
Corporate Accommodation	18	1,082	1,771			2,871
South Wye Transport Package (total budget of £35m includes £8m funded by LTP, scheme extends into 20/21)*	1,983	1,000	3,500	14,000	6,200	26,683
Hereford Library Accommodation Works	91	909				1,000
Marches business improvement grants	-	833	833	834		2,500
Highway Depot Improvements	-	800				800
IT Network Upgrade	-	500				500
Software to Enable Remote Access to Desktops and Automate Upgrades	-	500				500
Property Estate Enhancement Works	-	500	500	500	500	2,000
LED street lighting	4,750	905				5,655
<b>Childrens wellbeing</b>						
Colwall Primary School	33	4,800	1,667			6,500
Schools Capital Maintenance Grant	annual plan	1,205				
Peterchurch Primary School	6	1,000	4,494			5,500
Preliminary works to inform key investment need throughout the county			300	1,774		2,074
Expansion for Marlbrook school			2,000	726		2,726
SEN & DDA school improvements			710			710
Schools Basic Need	annual plan	666				
<b>Adults and wellbeing</b>						
Disabled facilities grant	annual plan	1,734	tbc			
Private sector housing improvements			800	800	800	2,400
<b>Subject to funding confirmation</b>						
Herefordshire Enterprise Zone			2,500	3,200	500	6,200
Development Partnership project			600	10,000	10,000	20,600
Highway asset management & major infrastructure investment			14,543	7,735	7,000	29,278
Model Farm, Ross on Wye			2,520	4,250	300	7,070
<i>Other schemes less than £500k</i>		4,877	2,013	530		
<b>Total</b>		<b>77,036</b>	<b>73,272</b>	<b>65,938</b>	<b>36,911</b>	
<b>Financed by</b>						
Prudential borrowing		39,582	24,456	22,731	14,547	
Grant and funding contributions		32,188	39,071	41,082	22,214	
Capital receipts allocated to capital schemes		5,266	9,745	2,125	150	
<b>Total</b>		<b>77,036</b>	<b>73,272</b>	<b>65,938</b>	<b>36,911</b>	

\* both of these schemes are supported by the Marches Local Enterprise Partnership (LEP) and the funding allocations are based on the details contained within the scheme business cases, however as schemes develop and work completes, the individual scheme costs may vary but remain within the overall funding envelope as shown below

Scheme		LEP Grant £m	Locally funded £m	Total scheme budget £m
Hereford city centre transport package		16	25	41
South wye transport package		27	8	35
<b>Total</b>		<b>43</b>	<b>33</b>	<b>76</b>

## **Appendix 3**

### **Treasury Management Strategy**

#### **Contents**

- 1. Introduction**
- 2. Summary of Strategy for 2017/18**
- 3. Economic Background and Interest Rate Forecast**
- 4. Capital Financing Requirement**
- 5. Borrowing**
- 6. Investment Strategy**
- 7. Annual Minimum Revenue Provision Statement 2017/18**

#### **Appendices**

- a Existing Borrowing and Investments**
- b Borrowing Levels in Future Years**
- c Prudential Indicators**
- d Outlook for Interest Rates**
- e Treasury Management Policy Statement**

## 1. Introduction

- 1.1 **The Chartered Institute of Public Finance and Accountancy's Treasury Management in the Public Services: Code of Practice 2011 Edition (the CIPFA Code) requires the council to approve a Treasury Management Strategy Statement (TMS) before the start of each financial year. The TMS also includes the Annual Investment Strategy as required under Investment Guidance provided by Communities and Local Government (CLG).**
- 1.2 The council borrows and invests substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of risk are therefore central to the council's treasury management strategy.
- 1.3 The purpose of this TMS is to approve:
- Treasury Management Strategy for 2017/18
  - Borrowing – Section 5
  - Investments – Section 6
  - Minimum Revenue Payment (MRP) Statement – Section 7
  - Prudential Indicators - Appendix c

## 2. Summary of Strategy for 2017/18

### Borrowing

- 2.1 In 2017/18 council borrowing is estimated to decrease by £19.1m from £228.7m to £209.6m. This decrease can be analysed as follows.

	£m
<b>Estimated council borrowing as at 31<sup>st</sup> March 2017</b>	<b>228.7</b>
<b>Capital investment funded by borrowing</b>	<b>24.5</b>
<b>Less: Provision for Repayment of Principal (MRP)</b>	<b>(11.1)</b>
<b>Grants and contributions</b>	<b>(34.5)</b>
<b>Reduction in usable reserves balances</b>	<b>2.0</b>
<b>Estimated council borrowing as at 31<sup>st</sup> March 2018</b>	<b>209.6</b>

- 2.2 The reduction in debt will be largely financed by the capital receipt from the sale of small holdings. Any borrowing requirements will be financed by short term borrowing. Short-term rates are currently significantly lower than longer-term rates and long-term analysis, comparing short-term finance with a long-term loan, has shown this to be the most cost effective approach with savings in the early years outweighing additional amounts payable that may fall due in later years.
- 2.3 The borrowing budget for 2017/18 includes provision to pay short-term interest rates of up to 1.5% (including brokers commission), we currently secure short term loans at an interest rate of 0.8%. The budget also includes the interest cost on existing fixed term borrowing.

- 2.4 Compared to a 20 year EIP loan (currently at 2.44%) using short-term finance (at 1.5%) interest cost incurred would be at least £0.5m lower in 2017/18 (being the estimated average amount of short-term debt outstanding during 2017/18 of £61.1m).
- 2.5 If no longer term PWLB loans are taken out, by 31 March 2018 variable rate short-term loans may total £61.1m (29%) compared to fixed rate longer-term borrowing of £148.5m. This strategy approves a total variable loan stock holding of up to 50% of total loans to minimise the risk of interest rate increases.
- 2.6 The council's exposure to variable rate debt has been discussed with the council's treasury adviser, Capita Asset Services, who agree with the council's borrowing policy and the consideration of our interest rate forecasting.

#### Investments

- 2.7 As a result of current banking regulations which, in the absence of government support, put the council's deposits at risk when banks get into difficulty, the council will:
- Maintain lower investment balances during the year;
  - Keep low but liquid cash balances and invest these mainly in Money Market Funds;
  - Maintain counterparty limits with the banks at prudent levels;
  - Consider other creditworthy investments to increase diversification.

### **3. Economic Background and Interest Rate Forecast**

#### Economic background

- 3.1 **UK. GDP growth rates** in 2013, 2014 and 2015 of 2.2%, 2.9% and 1.8% were some of the strongest rates among the G7 countries. Growth is expected to have strengthened in 2016 with the first three quarters coming in respectively at +0.4%, +0.7% and +0.5%. The latest Bank of England forecast for growth in 2016 as a whole is +2.2%. The figure for quarter 3 was a pleasant surprise which confounded the downbeat forecast by the Bank of England in August of only +0.1%, (subsequently revised up in September, but only to +0.2%). During most of 2015 and the first half of 2016, the economy had faced headwinds for exporters from the appreciation of sterling against the Euro, and weak growth in the EU, China and emerging markets, and from the dampening effect of the Government's continuing austerity programme.
- 3.2 The **referendum vote for Brexit** in June 2016 delivered an immediate shock fall in confidence indicators and business surveys at the beginning of August, which were interpreted by the Bank of England in its August Inflation Report as pointing to an impending sharp slowdown in the economy. However, the following monthly surveys in September showed an equally sharp recovery in confidence and business surveys so that it is generally expected that the economy will post reasonably strong growth numbers through the second half of 2016 and also in 2017, albeit at a slower pace than in the first half of 2016.
- 3.3 The **Monetary Policy Committee, (MPC), meeting of 4th August** was therefore dominated by countering this expected sharp slowdown and resulted in a package of measures that included a cut in Bank Rate from 0.50% to 0.25%, a renewal of quantitative easing, with £70bn made available for purchases of gilts and corporate bonds, and a £100bn tranche of cheap borrowing being made available for banks to use to lend to businesses and individuals.
- 3.4 The **MPC meeting of 3rd November** left Bank Rate unchanged at 0.25% and other monetary policy measures also remained unchanged. This was in line with market expectations, but a major change from the previous quarterly Inflation Report MPC meeting of 4 August, which had given a strong steer, in its forward guidance, that it was likely to cut Bank Rate again, probably by the end

of the year if economic data turned out as forecast by the Bank.

- 3.5 The latest MPC decision included a forward view that **Bank Rate** could go either up or down depending on how economic data evolves in the coming months. Our central view remains that Bank Rate will remain unchanged at 0.25% until the first increase to 0.50% in quarter 2 2019 (unchanged from our previous forecast). However, we would not, as yet, discount the risk of a cut in Bank Rate if economic growth were to take a significant dip downwards, though we think this is unlikely. We would also point out that forecasting as far ahead as mid 2019 is highly fraught as there are many potential economic headwinds which could blow the UK economy one way or the other as well as political developments in the UK, (especially over the terms of Brexit), EU, US and beyond, which could have a major impact on our forecasts.
- 3.6 The August quarterly Inflation Report was based on a pessimistic forecast of near to zero GDP growth in quarter 3 i.e. a sharp slowdown in growth from +0.7% in quarter 2, in reaction to the shock of the result of the referendum in June. However, **consumers** have very much stayed in a 'business as usual' mode and there has been no sharp downturn in spending; it is consumer expenditure that underpins the services sector which comprises about 75% of UK GDP. After a fairly flat three months leading up to October, retail sales in October surged at the strongest rate since September 2015. In addition, the GfK consumer confidence index has recovered quite strongly to -3 in October after an initial sharp plunge in July to -12 in reaction to the referendum result.
- 3.7 **Bank of England GDP forecasts** in the November quarterly Inflation Report were as follows, (August forecasts in brackets) - 2016 +2.2%, (+2.0%); 2017 1.4%, (+0.8%); 2018 +1.5%, (+1.8%). There has, therefore, been a sharp increase in the forecast for 2017, a marginal increase in 2016 and a small decline in growth, now being delayed until 2018, as a result of the impact of Brexit.
- 3.8 **Capital Economics' GDP forecasts** are as follows: 2016 +2.0%; 2017 +1.5%; 2018 +2.5%. They feel that pessimism is still being overdone by the Bank and Brexit will not have as big an effect as initially feared by some commentators.
- 3.9 **The Chancellor** has said he will do 'whatever is needed' i.e. to **promote growth**; there are two main options he can follow – fiscal policy e.g. cut taxes, increase investment allowances for businesses, and/or increase government expenditure on infrastructure, housing etc. This will mean that the PSBR deficit elimination timetable will need to slip further into the future as promoting growth, (and ultimately boosting tax revenues in the longer term), will be a more urgent priority. The Governor of the Bank of England, Mark Carney, had warned that a vote for Brexit would be likely to cause a slowing in growth, particularly from a reduction in business investment, due to the uncertainty of whether the UK would have continuing full access, (i.e. without tariffs), to the EU single market. He also warned that the Bank could not do all the heavy lifting to boost economic growth and suggested that the Government would need to help growth e.g. by increasing investment expenditure and by using fiscal policy tools. The newly appointed Chancellor, Phillip Hammond, announced, in the aftermath of the referendum result and the formation of a new Conservative cabinet, that the target of achieving a budget surplus in 2020 would be eased in the Autumn Statement on 23 November.
- 3.10 The other key factor in forecasts for Bank Rate is **inflation** where the MPC aims for a target for CPI of 2.0%. The November Inflation Report included an increase in the peak forecast for inflation from 2.3% to 2.7% during 2017; (Capital Economics are forecasting a peak of 3.2% in 2018). This increase was largely due to the effect of the sharp fall in the value of sterling since the referendum, (16% down against the US dollar and 11% down against the Euro); this will feed through into a sharp increase in the cost of imports and materials used in production in the UK. However, the MPC is expected to look through the acceleration in inflation caused by external, (outside of the UK), influences, although it has given a clear warning that if wage inflation were to rise significantly as a result of these cost pressures on consumers, then they would take action to raise Bank Rate.
- 3.11 What is clear is that **consumer disposable income** will come under pressure, as the latest employers' survey is forecasting median pay rises for the year ahead of only 1.1% at a time when inflation will be rising significantly higher than this. The CPI figure for October surprised by under

shooting forecasts at 0.9%. However, producer output prices rose at 2.1% and core inflation was up at 1.4%, confirming the likely future upwards path.

- 3.12 **Gilt yields, and consequently PwLB rates**, have risen sharply since hitting a low point in mid-August. There has also been huge volatility during 2016 as a whole. The year started with 10 year gilt yields at 1.88%, fell to a low point of 0.53% on 12 August, and have hit a peak on the way up again of 1.46% on 14 November. The rebound since August reflects the initial combination of the yield-depressing effect of the MPC's new round of quantitative easing on 4 August, together with expectations of a sharp downturn in expectations for growth and inflation as per the pessimistic Bank of England Inflation Report forecast, followed by a sharp rise in growth expectations since August when subsequent business surveys, and GDP growth in quarter 3 at +0.5% q/q, confounded the pessimism. Inflation expectations also rose sharply as a result of the continuing fall in the value of sterling.
- 3.13 **Employment** has been growing steadily during 2016, despite initial expectations that the referendum would cause a fall in employment. However, the latest employment data in November, (for October), showed a distinct slowdown in the rate of employment growth and an increase in the rate of growth of the unemployment claimant count. **House prices** have been rising during 2016 at a modest pace but the pace of increase has been slowing since the referendum; a downturn in prices could dampen consumer confidence and expenditure.
- 3.14 **USA**. The American economy had a patchy 2015 with sharp swings in the quarterly growth rate leaving the overall growth for the year at 2.4%. Quarter 1 of 2016 at +0.8%, (on an annualised basis), and quarter 2 at 1.4% left average growth for the first half at a weak 1.1%. However, the first estimate for quarter 3 at 2.9% signalled a rebound to strong growth. The Fed. embarked on its long anticipated first increase in rates at its December 2015 meeting. At that point, confidence was high that there would then be four more increases to come in 2016. Since then, more downbeat news on the international scene and then the Brexit vote, have caused a delay in the timing of the second increase which is now strongly expected in December 2016. Overall, despite some data setbacks, the US is still, probably, the best positioned of the major world economies to make solid progress towards a combination of strong growth, full employment and rising inflation: this is going to require the central bank to take action to raise rates so as to make progress towards normalisation of monetary policy, albeit at lower central rates than prevailed before the 2008 crisis.
- 3.15 The result of the **presidential election** in November is expected to lead to a strengthening of US growth if Trump's election promise of a major increase in expenditure on infrastructure is implemented. This policy is also likely to strengthen inflation pressures as the economy is already working at near full capacity. In addition, the unemployment rate is at a low point verging on what is normally classified as being full employment. However, the US does have a substantial amount of hidden unemployment in terms of an unusually large, (for a developed economy), percentage of the working population not actively seeking employment.
- 3.16 Trump's election has had a profound effect on the **bond market and bond yields** have risen sharply in the week since his election. Time will tell if this is a temporary over reaction, or a reasonable assessment of his election promises to cut taxes at the same time as boosting expenditure. This could lead to a sharp rise in total debt issuance from the current level of around 72% of GDP towards 100% during his term in office. However, although the Republicans now have a monopoly of power for the first time since the 1920s, in having a President and a majority in both Congress and the Senate, there is by no means any certainty that the politicians and advisers he has been appointing to his team, and both houses, will implement the more extreme policies that Trump outlined during his election campaign. Indeed, Trump may even rein back on some of those policies himself.

- 3.17 The election does not appear likely to have much impact on the Fed. in terms of holding back further on increasing **the Fed. Rate**. Accordingly, the next rate rise is still widely expected to occur in December 2016, followed by sharper increases thereafter, which may also cause Treasury yields to rise further. If the Trump package of policies is fully implemented, there is likely to be a significant increase in inflationary pressures which could, in turn, mean that the pace of further Fed. Rate increases will be quicker and stronger than had been previously expected.
- 3.18 In the first week since the US election, there has been a major shift in **investor sentiment** away from bonds to equities, especially in the US. However, gilt yields in the UK and bond yields in the EU have also been dragged higher. Some commentators are saying that this rise has been an overreaction to the US election result which is likely to be reversed. Other commentators take the view that this could well be the start of the long expected eventual unwinding of bond prices propelled upwards to unrealistically high levels, (and conversely bond yields pushed down), by the artificial and temporary power of quantitative easing.
- 3.19 **EZ**. In the Eurozone, **the ECB** commenced, in March 2015, its massive €1.1 trillion programme of quantitative easing to buy high credit quality government and other debt of selected EZ countries at a rate of €60bn per month. This was intended to run initially to September 2016 but was extended to March 2017 at its December 2015 meeting. At its December and March 2016 meetings it progressively cut its deposit facility rate to reach -0.4% and its main refinancing rate from 0.05% to zero. At its March meeting, it also increased its monthly asset purchases to €80bn. These measures have struggled to make a significant impact in boosting economic growth and in helping inflation to rise significantly from low levels towards the target of 2%.
- 3.20 **EZ GDP growth** in the first three quarters of 2016 has been 0.5%, +0.3% and +0.3%, (+1.6% y/y). Forward indications are that economic growth in the EU is likely to continue at moderate levels. This has added to comments from many forecasters that those central banks in countries around the world which are currently struggling to combat low growth, are running out of ammunition to stimulate growth and to boost inflation. Central banks have also been stressing that national governments will need to do more by way of structural reforms, fiscal measures and direct investment expenditure to support demand and economic growth in their economies.

#### Interest rate forecast

- 3.8 Investment returns are likely to remain low during 2017/18 and beyond.
- 3.9 Borrowing interest rates have been on a generally downward trend during most of 2016 up to mid-August; they fell sharply to historically phenomenally low levels after the referendum and then even further after the MPC meeting of 4 August when a new package of quantitative easing purchasing of gilts was announced. Gilt yields have since risen sharply due to a rise in concerns around a 'hard Brexit', the fall in the value of sterling, and an increase in inflation expectations. The policy of avoiding new borrowing by running down spare cash balances, has served well over the last few years. However, this needs to be carefully reviewed to avoid incurring higher borrowing costs in later times when authorities will not be able to avoid new borrowing to finance capital expenditure and/or to refinance maturing debt;
- 3.10 There will remain a cost of carry to any new long-term borrowing that causes a temporary increase in cash balances as this position will, most likely, incur a revenue cost – the difference between borrowing costs and investment returns.



3.10 A more detailed interest rate forecast provided by the Capita Asset Services is attached at **Appendix d.**

## 4 Capital Financing Requirement

- 4.1 Capital expenditure can be financed in a number of ways including the application of usable capital receipts, a direct charge to revenue, capital grant or by securing an up-front contribution towards the cost of a project.
- 4.2 Capital expenditure not financed by one of the above methods will increase the capital financing requirement (CFR) of the council.
- 4.3 The CFR reflects the council's underlying need to finance capital expenditure by borrowing or by other long-term liability arrangements, for example through lease arrangements.
- 4.4 The use of the term "borrowing" in this context does not necessarily imply external debt since, in accordance with best practice, the council has an integrated treasury management strategy. Borrowing is not associated with specific capital expenditure. The council will, at any point in time, have a number of cash flows both positive and negative and will be managing its position in terms of its borrowings and investments in accordance with its treasury management strategy.
- 4.5 The forecast movement in the CFR over future years is one of the Prudential Indicators which can be found in Appendix c. The movement in actual external debt and usable reserves (which have a direct bearing on when any internal borrowing may need to be externalised) combine to identify the council's borrowing requirement and potential investment strategy in the current and future years.

	<b>31.03.17 Estimate £000</b>	<b>31.03.18 Estimate £000</b>	<b>31.03.19 Estimate £000</b>	<b>31.03.20 Estimate £000</b>
<b>CFR excluding other long-term liabilities and MRP provision and grants</b>	245,669	258,152	236,174	243,760
Less: Existing Profile of Longer Term Borrowing – PWLB and bank loans	(149,950)	(148,489)	(143,011)	(137,517)
<b>Cumulative Maximum External Borrowing Requirement</b>	95,719	109,663	93,162	106,243
Internal borrowing	(17,000)	(15,000)	(12,000)	(10,000)
Anticipated Capital receipts	0	(33,600)	0	0
<b>Cumulative Net Borrowing Requirement</b>	78,719	61,063	81,162	96,243
<b>Total Council Borrowing</b>	<b>228,669</b>	<b>209,552</b>	<b>224,174</b>	<b>233,760</b>

- 4.6 The above table shows the council's net borrowing requirement over and above its existing long-term loan finance. Part of this requirement relates to the refinancing of principal repaid on long-term EIP and annuity loans with the balance relating to additions to the capital programme financed by borrowing.

- 4.7 Increased borrowing increases both interest payable and the amount to be set aside from revenue each year for the repayment of loan principal (called Minimum Revenue Provision (MRP)). Annual MRP is estimated to be between £10m and £12.3m as set out in the MTFs. Therefore if, after the large capital schemes scheduled for the next few years are completed, the new capital spend financed by borrowing can be reduced to below the annual MRP the council's total borrowing will fall, as shown in Appendix b.

## 5 Borrowing Strategy

- 5.1 At 30 November 2016 the council held £183.6m of loans, comprising long-term fixed rate loans totalling £151.1m plus short-term loans from local authorities of £32.5m. The balance sheet forecast in table 1 shows that the council's borrowing may need to increase to £228.7m by 31 March 2017 and to £209.6m by 31 March 2018, assuming the timing and levels of capital expenditure are as budgeted.

### Objective

- 5.2 The council's chief objective when borrowing money is to strike an appropriately low risk balance between securing low interest costs and achieving cost certainty over the period for which funds are required. The flexibility to renegotiate loans should the council's long-term plans change is a secondary objective.

### Strategy

- 5.3 Given the significant cuts to public expenditure and in particular to local government funding, the council's borrowing strategy continues to address the key issue of affordability without compromising the longer-term stability of the debt portfolio. With short-term interest rates currently much lower than long-term rates, it is more cost effective in the short-term to use internal resources and borrow using short-term loans.
- 5.4 This enables the council to reduce net borrowing costs (despite foregone investment income) and reduce overall credit risk by tailoring the timing of borrowing so as to minimise balances held. The benefits of internal borrowing will be monitored regularly against the potential for incurring additional costs by deferring borrowing into future years when long-term borrowing rates are forecast to rise. The council's treasury advisors will assist the council with 'cost of carry' and breakeven analysis. Its output will determine whether the council borrows additional sums at long-term fixed rates in 2017/18 with a view to keeping future interest costs low, even if this causes additional cost in the short-term.
- 5.5 Short-term loans leave the council exposed to the risk of short-term interest rate rises; they are therefore subject to the limit on the net exposure to variable interest rates in the treasury management indicators below.

### Sources

- 5.6 The approved sources of long-term and short-term borrowing are:
- Public Works Loan Board (PWLB)
  - UK local authorities
  - any institution approved for investments (see below)
  - any other bank or building society authorised to operate in the UK
  - UK public and private sector pension funds
  - capital market bond investors

- Local Capital Finance Company and other special purpose companies created to enable local authority bond issues.

5.7 In addition, capital finance may be raised by the following methods that are not borrowing, but may be classed as other debt liabilities:

- operating and finance leases
- hire purchase
- Private Finance Initiative
- sale and leaseback

#### LOBO loans

5.8 The council has two LOBO loans (Lender's Option Borrower's Option) of £6m each on which the council pays interest at 4.5%. Every six months, when the interest charges become due, the lenders have the option to increase the interest rate being charged at which point the council can accept the revised terms or reject them and repay the loan. LOBO loans present a potential refinancing risk to the council since the decision to amend the terms is entirely at the lender's discretion.

#### Debt rescheduling

5.9 The PWLB allows the repayment of loans before maturity by either paying a premium or receiving a discount according to a set formula based on current interest rates. Due to the prevailing low interest rate regime, opportunities for debt rescheduling are likely to be very limited. However, this option will be kept under review and will be considered where this is expected to lead to an overall saving or reduction in risk.

## **6 Investment Strategy**

6.1 The council needs to hold adequate funds to meet day to day liquidity needs, for example salary and creditor payments. The council hold balances of around £15m to cover all contingencies. A cash flow forecast is maintained that includes all known receipts and payments so that the council can take action to ensure that it can meet all its liabilities when they fall due.

#### Objective

6.2 Both the CIPFA Code and the CLG Guidance require the Authority to invest its funds prudently, and to have regard to the security and liquidity of its investments before seeking the highest rate of return, or yield. The council's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and receiving unsuitably low investment income.

#### Strategy

6.3 Given the increasing risk and continued low returns from short-term unsecured bank deposits, the council will aim to keep its invested funds as low as possible and reduce the amounts invested with banks and building societies. For 2017/18 the council will continue to rely on Money Market Funds which are highly diversified and carry reduced credit risk.

Risk Assessment and Credit Ratings

- 6.4 The council applies the credit worthiness service provided by Capita Asset Services. This service employs a sophisticated modelling approach utilising credit rating from three main credit rating agencies (Fitch, Moody's and Standard and Poor's). This modelling approach combines credit ratings, credit watches and credit outlooks in a weighted scoring system to which Capita Asset Services allocate a series of colour coded bands with suggested maximum durations for investments (as shown in table 2 below).
- 6.5 Typically the minimum credit ratings criteria the council use will be short term rating (Fitch or equivalents) of F1 and a long term rating of A-. There may be occasions when the counterparty ratings from one agency are marginally lower than these ratings but still may be used. In these instances consideration will be given to the whole range of ratings available, or other topical market information, to support their use.
- 6.6 The council has determined that it will only use approved counterparties from countries with a minimum sovereign credit rating of AA- (Fitch or equivalents). Currently these countries are:
- Australia (AAA)
  - Canada (AAA)
  - Denmark (AAA)
  - Germany (AAA)
  - Luxembourg (AAA)
  - Netherlands (AAA)
  - Norway (AAA)
  - Singapore (AAA)
  - Sweden (AAA)
  - Switzerland (AAA)
  - Finland (AA+)
  - Hong Kong (AA+)
  - U.S.A. (AA+)
  - Abu Dhabi (AA)
  - France (AA)
  - Qatar (AA)
  - UK (AA)
  - Belgium (AA-)

Approved Counterparties

- 6.7 The council will invest its surplus funds with any of the counterparty types in table 2 below, subject to the cash limits (per counterparty) and the time limits shown.

<b>Table 2: Approved Investment Counterparties and Limits</b>				
		<b>Colour coding or long term rating</b>	<b>£ limit</b>	<b>Time limit</b>
Banks and Building Societies	Term deposits, CDs or corporate bonds	Yellow Purple Orange Blue Red Green No colour	£5m £5m £5m £5m £5m £5m nil	5 years 2 years 1 year 1 year 6 months 100 days Not to be used

Council's Banker (NatWest)			£5m	Liquid
DMADF	DMADF account	AAA	Unlimited	6 months
UK Government	UK Gilts	UK sovereign rating	Unlimited	1 year
UK Government	Treasury Bills	UK sovereign rating	Unlimited	1 year
Multilateral development banks	Bonds	AAA	£5m	6 months
Local Authorities	Term deposits		£5m	1 year
Money Market Funds	MMFs	AAA	£5m	Liquid
Enhanced Money Market Funds with a credit score of 1.25	MMFs	Dark pink / AAA	£5m	Liquid
Enhanced Money Market Funds with a credit score of 1.5	MMFs	Light pink / AAA	£5m	Liquid
<b>Other investments:</b>				
Pooled funds			£5m per fund	
Mercia Waste Management (providing finance for Energy from Waste Plant)			£40m over the course of the contract	

### Specified Investments

6.8 The CLG Guidance defines specified investments as those:

- denominated in pound sterling,
- due to be repaid within 12 months of arrangement,
- not defined as capital expenditure by legislation, and
- invested with one of:
  - the UK Government,
  - a UK local authority, parish council or community council, or
  - a body or investment scheme of "high credit quality".

6.10 The Authority defines "high credit quality" organisations and securities as those having a credit rating of A- or higher that are domiciled in the UK or a foreign country with a sovereign rating of AA- or higher.

### Non-specified Investments

6.11 Any investment not meeting the definition of a specified investment is classed as non-specified. The Authority does not intend to make any investments denominated in foreign currencies, nor any that are defined as capital expenditure by legislation, such as company shares. Non-specified investments will therefore be limited to long-term investments, i.e. those that are due to mature 12 months or longer from the date of arrangement, and investments with bodies and schemes not meeting the definition on high credit quality. Limits on non-specified investments are shown in table 3 below.

<b>Table 3: Non-Specified Investment Limits</b>	
	<b>Cash limit</b>
Total long-term investments	£5m
Total investments with unrecognised credit ratings	£2.5m
Total non-specified investments	£7.5m

## 7. Annual Minimum Revenue Provision Statement 2017/18

- 7.1 The council is required to adopt an annual Treasury Management Strategy (**TMS**) each year as part of the budget setting process in order to fully recognise the financial implications arising from its revenue and capital budgets through the capital financing requirement to ensure the impact of capital investment is fully reflected in the revenue budget; this is provided through the minimum revenue provision (MRP). The Local Government Act 2003 requires the Authority to have regard to the Department for Communities and Local Government's *Guidance on Minimum Revenue Provision* (the CLG Guidance) most recently issued in 2012.
- 7.2 The broad aim of the CLG Guidance is to ensure that debt is repaid over a period that is either reasonably commensurate with that over which the capital expenditure provides benefits. The policy for the 2017/18 calculation of MRP is in line with the CLG Guidance and is based on the council's latest estimate of its capital budget. MRP has been set as follows:

	<b>2017/18 Estimated MRP £000</b>
Pre 31/03/11 Supported borrowing (A)	4,279
Prudential borrowing (B)	6,426
Finance leases and Private Finance Initiative (C and D)	369
<b>Total</b>	<b>11,074</b>

- A For supported capital expenditure before 31 March 2004 MRP has been determined at an appropriate % of the relevant Capital Financing Requirement in respect of that expenditure.
- B For unsupported capital expenditure incurred after 31 March 2011, MRP will be determined by charging the expenditure over the expected useful life of the relevant assets in equal instalments starting in the year after the asset becomes operational. Therefore capital expenditure incurred during 2017/18 will not be subject to a MRP charge until 2018/19 at the earliest.
- C For assets acquired by finance leases or Private Finance Initiatives, MRP will be determined as being equal to the element of the rent or charge that goes to write down the balance sheet liability.
- D For 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.

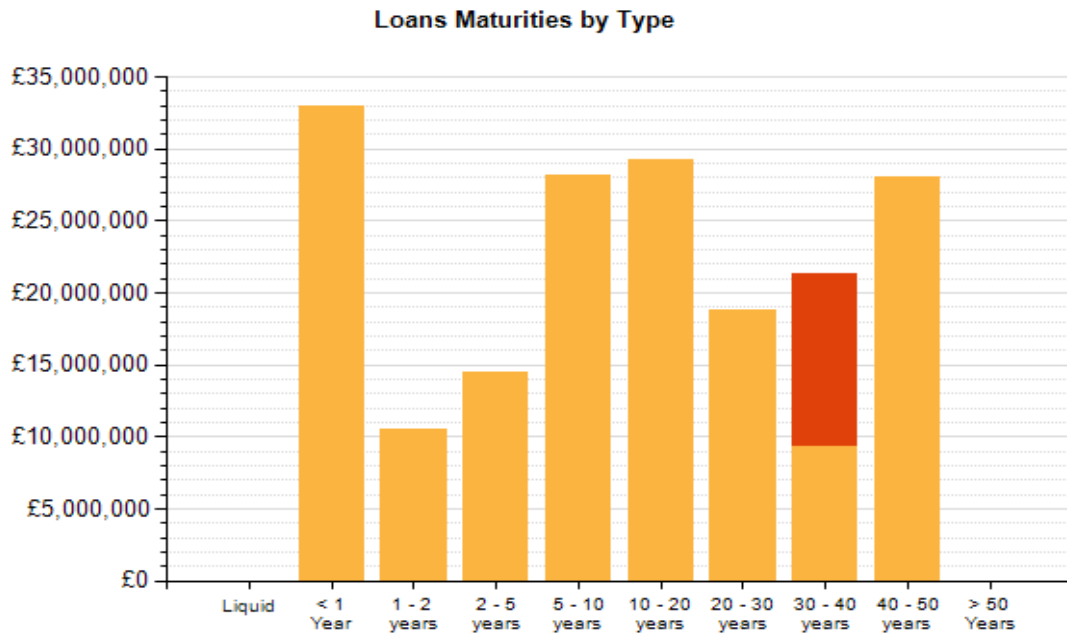
## APPENDIX 3a

### EXISTING BORROWING & INVESTMENTS AS AT 30 NOVEMBER 2016

<b>External Borrowing:</b>	<b>Actual Portfolio £m</b>	<b>Average Rate %</b>
<u>Long-term loans (all fixed rate)</u>		
Public Works Loan Board	<b>139.1</b>	<b>3.79%</b>
LOBO Loans	<b>12.0</b>	<b>4.50%</b>
<u>Short-term loans</u>		
Local Authorities	<b>32.5</b>	<b>0.73%</b>
<b>Total External Borrowing</b>	<b>183.6</b>	<b>3.30%</b>

<b>Investments:</b>	<b>Actual Portfolio £m</b>	<b>Average Rate %</b>
NatWest Liquidity Account (Instant Access)	<b>0.4</b>	<b>0.01%</b>
Money Market Funds (Instant Access)	<b>17.0</b>	<b>0.30%</b>
<b>Total Investments</b>	<b>17.4</b>	<b>0.29%</b>

## APPENDIX 3b





## APPENDIX 3c PRUDENTIAL INDICATORS

### 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 Prudential Code) when determining how much money it can afford to borrow. The objectives of the Prudential Code are to ensure that the capital investment plans of local authorities are affordable, prudent and sustainable, and that treasury management decisions are taken in accordance with good professional practice. To demonstrate that the Authority has fulfilled these objectives, the Prudential Code sets out the following indicators that must be set and monitored each year.

### 2. Estimates of Capital Expenditure

- 2.1 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 levels.

Capital Programme	2016/17 £000	2017/18 Estimate £000	2018/19 Estimate £000	2019/20 Estimate £000
<b>Expenditure</b>	<b>77,036</b>	<b>73,272</b>	<b>65,938</b>	<b>36,911</b>
<b>Funding</b>				
Capital receipt	5,266	9,745	2,125	150
Capital Grants	32,188	39,071	41,082	22,214
Prudential Borrowing	39,582	24,456	22,731	14,547
<b>Total</b>	<b>77,036</b>	<b>73,272</b>	<b>65,938</b>	<b>36,911</b>

### 3. Capital Financing Requirement

- 3.1 The Capital Financing Requirement (CFR) measures the council's underlying need to borrow for a capital purpose. The calculation of the CFR is taken from the amounts held in the Balance Sheet relating to capital expenditure and financing. The table below includes PFI contracts:

Capital Financing Requirement	2017/18 Estimate £000	2018/19 Estimate £000	2019/20 Estimate £000
<b>Total CFR</b>	<b>290,123</b>	<b>303,675</b>	<b>312,120</b>

### Gross Debt and the Capital Financing Requirement

- 4.1 In order to ensure that over the medium term debt will only be for a capital purpose, the local authority should ensure that debt does not, except in the short term, exceed the total of the

capital financing requirement in the preceding year plus the estimates of any additional capital financing requirement for the current and next two financial years.

- 4.2 The Section 151 Officer reports that the council currently has no difficulty meeting this requirement 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.

## 5. Operational Boundary for External Debt

- 5.1 The operational boundary is based on the Authority's estimate of the most likely (i.e. prudent but not worst case) level for external debt. It links directly to the Authority's estimates of capital expenditure, the capital financing requirement and cash flow requirements, and is a key management tool for in-year monitoring. Other long-term liabilities comprise finance lease, Private Finance Initiative and other liabilities that are not borrowing but form part of the council's debt.

<b>Operational Boundary</b>	<b>2017/18 Estimate £m</b>	<b>2018/19 Estimate £m</b>	<b>2019/20 Estimate £m</b>
Operational Boundary for Borrowing	310	290	300
Operational Boundary for other Long-Term Liabilities	30	30	25
<b>Operational Boundary for External Debt</b>	<b>340</b>	<b>320</b>	<b>325</b>

## 6. Authorised Limit for External Debt

- 6.1 The authorised limit is the affordable borrowing limit determined in compliance with the Local Government Act 2003. It is the maximum amount of debt that the Authority can legally owe. The authorised limit provides headroom over and above the operational boundary for unusual cash movements.

<b>Authorised Limit</b>	<b>2017/18 Estimate £m</b>	<b>2018/19 Estimate £m</b>	<b>2019/20 Estimate £m</b>
Authorised Limit for Borrowing	320	300	310
Authorised Limit for other Long-Term Liabilities	40	40	40
<b>Authorised Limit for External Debt</b>	<b>360</b>	<b>340</b>	<b>350</b>

## 7. Ratio of Financing Costs to Net Revenue Stream

- 7.1 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 financing costs. The definition of financing costs is set out in the Prudential Code and includes both interest payable and provision for repayment of loan principal.

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

<b>Ratio of Financing Costs to Net Revenue Stream</b>	<b>2017/18 Estimate £000</b>	<b>2018/19 Estimate £000</b>	<b>2019/20 Estimate £000</b>
Net Revenue Stream	145,025	141,641	142,021
Financing Costs	17,859	17,750	18,568
<b>Percentage</b>	<b>12.3%</b>	<b>12.5%</b>	<b>13.0%</b>

7.3 The above table shows budgeted financing costs within the council's medium term financial strategy.

## 8. Incremental Impact of Capital Investment Decisions

8.1 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 treasury management to the estimated tax base.

	<b>2017/18 Estimate £000</b>	<b>2018/19 Estimate £000</b>	<b>2019/20 Estimate £000</b>
Addition / (reduction) in total treasury budget	663	(109)	818
Estimated tax base (number)	67,598	68,149	68,571
<b>Estimated impact per Band D council tax charge, per annum</b>	<b>£9.81</b>	<b>(£1.60)</b>	<b>£11.93</b>

## 9. Adoption of the CIPFA Treasury Management Code

9.1 This indicator demonstrates that the council has adopted the principles of best practice.

9.2 The council has incorporated the changes from the revised CIPFA Code of Practice into its treasury policies, procedures and practices. The council's Treasury Management Policy Statement is attached at Appendix e.

## 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.

10.2 Due to the large difference between short-term and longer-term interest rates, the limit has been increased to accommodate the council financing the capital programme by short-term variable rate borrowing. Interest rates are forecast to remain low for the next few years and analysis (comparing a twenty year loan with short-term borrowing over the same period) indicates that short-term savings in the next few years will exceed any increased amounts payable in five to ten years' time. In pursuing this policy the council recognises that it is more exposed to an unexpected hike in interest rates but the benefits of affordability and flexibility (enabling the council to reduce its short-term borrowing either to reduce cash investments at

times of heightened credit risk or when the borrowing can be replaced by the proceeds from fixed asset sales) outweigh the increased interest rate risk.

	2016/17 Approved	2016/17 Revised	2017/18 Estimate	2018/19 Estimate	2019/20 Estimate
<b>Upper Limit for Fixed Interest Rate Exposure</b>	100%	100%	100%	100%	100%
<b>Upper Limit for Variable Interest Rate Exposure</b>	50%	50%	50%	50%	50%

## 11. Maturity Structure of Fixed Rate Borrowing

- 11.1 The council will also limit and monitor large concentrations of fixed rate debt needing to be replaced. Limits in the following table are intended to control excessive exposures to volatility in interest rates when refinancing maturing debt.
- 11.2 The maturity of borrowing is determined by reference to the date on which the loans could be repaid. The council's two LOBO loans could become repayable within 12 months although, if the lenders do not increase the interest rates being charged, which is the current assumption, then the loans could remain outstanding until 2054.

Maturity structure of fixed rate borrowing	Estimated level at 31/03/17	Lower Limit for 2017/18	Upper Limit for 2017/18
Under 12 months	20.7%	0%	35%
12 months and within 24 months	0.7%	0%	30%
24 months and within 5 years	6.1%	0%	25%
5 years and within 10 years	12.5%	0%	25%
10 years and within 20 years	22.7%	0%	40%
20 years and within 30 years	13.3%	0%	40%
30 years and within 40 years	13.3%	0%	40%
40 years and within 50 years	10.7%	0%	40%
Total	100.00%		

## 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.

Upper Limit for total principal sums invested over 364 days	2016/17 Approved £m	2016/17 Revised £m	2017/18 Estimate £m	2018/19 Estimate £m	2019/20 Estimate £m
	5	5	5	5	5

**APPENDIX 3d  
OUTLOOK FOR INTEREST RATES  
(FORECAST & ECONOMIC COMMENT PROVIDED BY TREASURY ADVISORS)**

	Mar-17	Jun-17	Sep-17	Dec-17	Mar-18	Jun-18	Sep-18	Dec-18	Mar-19	Jun-19	Sep-19	Dec-19	Mar-20
<b>Bank Base Rate (%)</b>	0.25	0.25	0.25	0.27	0.25	0.25	0.25	0.25	0.25	0.50	0.50	0.75	0.75
<b>PWLB Rates (%):</b>													
<b>5 years</b>	1.60	1.60	1.60	1.60	1.70	1.70	1.70	1.80	1.80	1.90	1.90	2.00	2.00
<b>10 years</b>	2.30	2.30	2.30	2.30	2.30	2.40	2.40	2.40	2.50	2.50	2.60	2.60	2.70
<b>25 years</b>	2.90	2.90	2.90	3.00	3.00	3.00	3.10	3.10	3.20	3.20	3.30	3.30	3.40
<b>50 years</b>	2.70	2.70	2.70	2.80	2.80	2.80	2.90	2.90	3.00	3.00	3.10	3.10	3.20
The above PWLB rates are noted by Capita Asset Services as being their “central” or most likely forecast, however, they also note that there are upside and downside risks to their forecast.													

**Forecast:**

- The council’s treasury advisors forecast the bank base rate to stay on hold until quarter two of 2019 at which point small stepped increases are anticipated. It is anticipated the bank base rate standing at 0.75% at March 2020. Capital Economics has a similar interest rate forecast profile to the aforementioned.

**Council budget:**

- As can be seen from the table above, the council’s treasury advisors central forecast is for the Bank Base Rate to remain at 0.25% during 2017/18. The council’s short-term borrowing budget has been based on a rate of up to 1.5% which should incorporate sufficient headroom to accommodate any unexpected changes in the Base Rate.
- The investment budget is based on the majority of funds being held in instant access accounts generating low returns.
- Should the Bank Base Rate increase sooner or more rapidly than forecast the increased yield on investments will partly offset any increase in short-term variable rates.

## Appendix 4

### Reserves Policy

#### 1. Introduction

- 1.1. The Local Government Act 2003 requires the Chief Finance Officer (section 151 officer) to report on the adequacy of reserves and provisions, and the robustness of budget estimates, as part of the annual budget setting process.
- 1.2. Best practice guidance does not advise on the actual level of unallocated general reserves, but on the processes that should be in place. There is a broad range within which a council might reasonably operate, depending on its particular circumstances and each council should make its own judgement, based on the advice of its Chief Finance Officer. In making this decision the Chief Finance Officer takes account of strategic, operational and financial risks. The financial risks are assessed in the context of the council's overall approach to risk management.
- 1.3. CIPFA best practice guidance suggests that a Council should hold a strategic reserve to mitigate the financial impact of major events of between 3% and 5% of its net budget. This guidance has been adopted by the Chief finance Officer for the period of the current MTFs.

#### 2. Adequacy of Proposed Financial Reserves and Robustness of Estimates

- 2.1. The Chief Finance Officer must ensure that the budget setting process, and the information provided is sufficient, to allow council to come to an informed view regarding the 2017/18 council tax requirement, revenue budget, capital programme and Treasury Management Strategy.
- 2.2. While the council continues to operate within the financial constraints arising from increasing financial pressures and reductions in central government financial settlements, robust budget monitoring and a thorough financial planning process should determine the required level of reserves. The level of reserves will be reviewed at each quarter end as part of the council's budget monitoring reports.
- 2.3. Financial and operational risks need to be considered within the context of the Council's overall approach to risk manage and account taken of key budget assumptions and existing financial management arrangements.
- 2.4. The council's financial planning process should be sufficient to identify issues with a significant financial impact in order for these to be highlighted to senior officers in a timely manner.
- 2.5. An annual review of the council's reserves and balances is undertaken as part of the annual financial planning exercise and as part of the council's preparation of its annual Statement of Accounts. The level of reserves appears adequate for the forthcoming financial year and financial planning period through the continuing commitment to manage service expenditure within approved budgets
- 2.6. The Council makes appropriate financial provisions for known future liabilities or losses of uncertain timings or amount. These are detailed in the annual Statement of Accounts. The 2015/16 Statement was approved by Audit and Governance Committee on 24 September 2016 and for 2016/17, the draft Statement will be presented to Audit and Governance Committee in July 2017.

### **3. Review of Reserves**

3.1. The overall reserves of the council will be subject to detailed review at the end of each financial year as part of the preparation for the production of the council's statement of accounts, and as part of the council's annual budget setting process to ensure reserves are

- 3.1.1. Relevant,
- 3.1.2. Appropriate, and
- 3.1.3. Prudent.

3.2. The Chief Finance Officer will ensure that the council has in place well established robust and regular budget monitoring processes. These take account of the current level of reserves, the latest budget requirements calling on reserves to meet current commitments and to make contributions to reserves to meet future commitments.

3.3. The Chief Finance Officer must consider strategic, operational and financial risks in assessing the adequacy of the council's reserves position.

### **4. Use of Reserves**

4.1. Approval to use or make contributions to reserves is provided by the Chief Finance Officer, as part of the regular budgetary process, in discussion with the Chief Executive and Leader of the Cabinet

4.2. Movements in reserve will be reported to Council as part of the financial Outturn at the end of the financial year.

### **5. Conclusion**

5.1. The Chief Finance Officer is satisfied that the Council's ongoing approach to its reserves and provisions is robust. The council's strategic reserve is maintained between 3% - 5% of the net budget requirement, at the end of March 2016 the balance was £7.2m (5% of net budget).

5.2. This is sufficient to ensure that the council has adequate resources to fund unforeseen financial liabilities, and that the council's approach to general balances for 2017/18 is deemed appropriate. The level of reserves and expected movement in reserves are set out in the MTFS as part of the annual budget setting process.

## Appendix 5 Key risk Assessment

	<b>Key Financial Risks</b>	<b>Likelihood</b>	<b>Impact</b>	<b>Mitigating Actions</b>
1	<b>Unexpected events or emergencies</b> By its nature, the financial risk is uncertain	Low	High	<ul style="list-style-type: none"> <li>• Council maintains a Strategic Reserve at a level of between 3% and 5% of its revenue budget for emergency purposes</li> <li>• Level of reserve is currently £7.3m (5% of budget)</li> </ul>
2	<b>Increasing demand for Adult Social Care</b> Demand for services continue to increase as the population gets older	High	Medium	<ul style="list-style-type: none"> <li>• Demand led pressures provided for within our spending plans</li> <li>• Activity indicators have been developed and will be reported quarterly alongside budget monitoring</li> </ul>
3	<b>Potential Overspend and Council does not deliver required level of savings to balance spending plans</b> Challenging savings have been identified within our spending plans.	Medium	Medium	<ul style="list-style-type: none"> <li>• High risk budget areas have been identified and financial support is targeted towards these areas</li> <li>• Regular progress reports on delivery of savings to Management Board and Cabinet</li> <li>• Budget monitoring arrangements for forecasting year end position in place and forecast balanced</li> <li>• Plan to review level of cover available from General reserves in place</li> </ul>
4	<b>Potential delay in delivery of Capital Receipts</b>	Medium	Low	<ul style="list-style-type: none"> <li>• Potential new capital receipts may be available from further corporate property sales.</li> <li>• Capital receipts received will be monitored quarterly</li> </ul>
5	<b>Increase in Pension Liabilities</b> Our contributions are influenced by market investment returns and increasing life expectancy.	Medium	Low	<ul style="list-style-type: none"> <li>• Spending plans reflect the level of pension contribution required as identified by the Pension Fund's Actuary in 2016 for the next three years</li> </ul>
7	<b>Failure to provide safeguarding and placements for children</b> There is an increasing requirement to provide sufficient school places There is a rising number of children requiring specific support	Medium	High	<ul style="list-style-type: none"> <li>• Provision has been made in the capital programme to increase school places</li> <li>• Directorate plans in place to manage and mitigate demand</li> <li>• Ongoing reviews of children already under care of council</li> </ul>
8	<b>Volatility in future funding streams in Government funding streams and Business Rates Retention</b>	High	Medium	<ul style="list-style-type: none"> <li>• Prudent assumptions made in budget</li> <li>• Ongoing review of developing business rate changes</li> <li>• Business case to support future investment decisions</li> </ul>
9	<b>Brexit</b> Impact of EU exit may lead to increased volatility in economic stability and reduced access to funds	Medium	Medium	<ul style="list-style-type: none"> <li>• Reduced reliance on grant funding in all directorates</li> <li>• Increased local economic and social investment to increase core income</li> </ul>



## Appendix 5

### Cumulative Equality Impact Assessment of Budget 2017/18

#### 1. Background

Herefordshire Council has a saving target of £6.8m in the financial year 2017/18. In order to achieve this, budget proposals have been prepared. Those that affected services had an equality impact assessment completed, and these were considered before decisions were taken on the budget.

Over the next four years a total £17.5m of savings are required.

This document summarises the Equality Impact Assessment for the budget proposals for the financial year 2017/18. It highlights:

- The key differential impacts of potential budget decisions for legally protected groups
- Where a single decision or series of decisions might have a greater negative impact on a specific group
- Ways in which negative effects across the council may be minimised or avoided, and where positive impacts can be maximised or created

Budget decisions can have different impacts on different groups of people, either changes to individual services or in the way those changes have an impact cumulatively.

The council has a legal duty (under the Equality Act 2010) to evidence that we have paid due regard to the need to:

- Eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the act
- Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it
- Foster good relations between persons who share a relevant protected characteristic and persons who do not share it

The budget EIAs demonstrate how we are considering impacts, and action we will take where needed.

#### 2. The Budget Equality Impact Assessment (EIA) Process

In Herefordshire we use an EIA process to identify the main potential impacts on groups covered by legislation (the protected characteristics in the Equality Act 2010<sup>1</sup>).

EIAs have been completed by service leads on the budget proposals where the potential change impacts on service provision. These have been reviewed for the proposals 2017 and, where new proposals have been put forward, new impact assessments have been completed.

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<sup>1</sup> "Protected characteristics" are; age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation (also marriage and civil partnership, but only in relation to eliminating discrimination)

The aim of the EIA is to support good decision making; it encourages public bodies to understand how different people will be affected by their activities so that policies and services are appropriate and accessible to all and meet different people's needs.

The aims of an EIA become especially important at times of straitened budgets, enabling us to:

- Think about what the council is trying to achieve
- Consider what impact the decision will have on different groups
- Target resources to those who may be most vulnerable
- Fund services which respond to people's diverse needs and save money by getting it right first time

Nationally there have been a number of successful legal challenges to funding decisions because public authorities have failed to show such consideration during the process. In such cases the public authority will almost always be required to start the decision-making process again, with improved consultation and evidence gathering to identify the impact on particular groups.

We have agreed that we must focus our priorities and resources towards:

- Enable residents to live safe, healthy and independent lives
- Keep children and young people safe and give them a great start in life
- Support the growth of our economy and the number of people in work
- Secure better services, quality of life and value for money

Unfortunately, it is not just severe funding reductions we are facing, but also an increasing population with additional needs, particularly in priority areas such as children and young people and adult social care.

The council can no longer continue to pay for all the services it has traditionally provided therefore services must be prioritised and consideration given as to how they are provided. This means that certain services may need to be radically reduced or stop being provided, especially if they are not within the council's priority areas.

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

The budget proposals are being developed within the context of on-going reduced public funding to local government.

Key national issues that may have an equality impact include:

- Final comprehensive spending review
- Specific grant funding allocations
- Increased integration with health
- Devolution of services to local authorities
- Retention of business rates
- The on-going costs of refugees and asylum seekers
- Welfare reform
- Education reform

### **4. The Local Context**

The Council is committed to supporting people to live full and independent lives within their local communities. While assessing the cumulative impact of our proposals on equality

groups, we have identified two additional factors that could compound the impact. These factors are:

- Rural isolation (due to the rural nature of the county)
- Risk of financial exclusion (due to low income)

## **5. Equality Impact Assessment Findings**

The EIA process and consultation have been based on identifying whether or not service delivery impacts are likely to be different for a person because of their protected characteristic (with a focus on where impacts may be worse).

There has been an overall assessment of the Equality Impact Assessments that have been produced and the findings are:

- We acknowledge the importance of services such as transport and the rural bus service in providing access to services for rural communities and, in particular, older and disabled people and those on low income.
- We acknowledge the need to ensure that our services are as accessible as possible, and are looking at alternative models of delivery to support these budget proposals, including the use of technology to reduce our costs.
- We also recognise that these changes will have implications for carers, the majority of whom will be women, and that we need to fulfil our responsibilities to carers.
- Service users who are facing changes to residential or day centre support may face considerable uncertainty, worry and disruption. These impacts could be disproportionately felt by older and disabled service users, and specifically service users with a learning disability.
- We also recognise that the changes and remodelling we do around “early years” and children’s centres will have an impact on this same group.
- We also recognise that imminent changes such as housing benefit cap will impact on some people, particularly large families that are waiting for social housing. It is recognised that some of our proposals might further impact on these individuals.
- There are some fee increases for non-statutory services that we provide, for example car parking, and we understand that these fee increases all add up.
- We have also recently decided to change the support through the Council Tax Reduction Scheme. The Council Tax Reduction Scheme provides essential help towards the Council Tax liability for all claimants on a low income. By continuing to assess entitlement on a means-tested basis, similar to the national approach to means-tested benefits, the scheme is equitable, albeit that the level of support overall may be reduced to working age claimants.
- Many of the services that are not a statutory requirement for the council to deliver will be delivered at full cost recovery (ie. charged for), or outsourced to an alternative provider. This may not impact on specific protected characteristics, but will impact on those who have a low income.



# Budget consultation questionnaire report 2016

Version 1.1  
Strategic intelligence team

January 2017

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## Version history:

Version	Date	Organiser	Description
V1.0	30.10.2016	Strategic intelligence team	Final report
V1.1	23.01.2017	Strategic intelligence team	Final report – names of non-standard survey respondents added

If you need help to understand this document, or would like it in another format or language, please call the Research Team on 01432 261944 or e-mail [researchteam@herefordshire.gov.uk](mailto:researchteam@herefordshire.gov.uk).

## Executive summary

- The 2016 consultation on Herefordshire Council's priorities and budget for 2017/18 ran from late July to early October 2016. The budget questionnaire was available online and hard copies were distributed at promotion events in the city and market towns.
- There were 280 responses to the questionnaire; 86 per cent of which were submitted online and 14 per cent were completed on paper.
- The majority of respondents (61 per cent) were willing to support an increase in charges for council services above the level of inflation.
- Fifty three (53) per cent would support a further increase in council tax above 3.9 per cent which will require a referendum, to raise additional funds; 28 per cent would support an increase of council tax by 6.1 per cent, 10 per cent of respondents would support an increase of 8.3 per cent and 15 per cent of respondents would support an increase of 11.7 per cent.
- More than forty (40) per cent of respondents thought that their parish council should charge extra in order to carry out 'maintaining communal areas (parks, playgrounds, sport pitches)' and 'grass / hedge cutting', while a third of respondents thought 'road / footpath maintenance', 'winter services (e.g. gritting, clearing roads / pathways)' or 'litter / dog fouling enforcement' should be carried out with extra charge by their parish councils
- The most common activities that respondents currently volunteer are 'litter picking', 'helping out in emergencies', the 'good neighbour scheme' and 'supporting libraries / museums / leisure facilities'.
- A large majority of respondents (76 per cent) thought the council could do more to 'improve infrastructure' to improve the attractiveness of Herefordshire to businesses.



## Introduction

The consultation on Herefordshire Council's priorities and budget for 2017/18 began on Friday 29 July 2016 and ended on Friday 7 October 2016. This report presents the key points from the analysis of responses received by 12 October. The consultation was published on the council's website with the following background documents:

- [Medium Term Financial Strategy](#)
- [Directorate savings proposals](#)
- [Capital programme 2016/17](#)
- [Corporate plan 2016-2020](#)

## Methodology

The budget consultation questionnaire was constructed and quality assured by a project team. The questionnaire was published on the Herefordshire Council website and residents were invited to complete it online. A printable version was made available on the website for residents who preferred to download, print and complete the questionnaire. Pre-printed questionnaires were also made available in libraries and customer service centres in the county. The consultation was promoted on the council's social media sites (Twitter and Facebook) and at events throughout the county.

This report presents the results of the combined online and paper responses to the questionnaire. The sample base is the number of respondents to the question and is the base from which percentages are calculated. The sample base used is specified for each question. Percentages are presented rounded to the nearest whole number in the tables; however, the charts are based on unrounded percentages.

Note that if respondents could select more than one answer to a particular question, the percentages may add up to more than 100 per cent.

Where comments have been provided these are listed in full but have been anonymised and corrected for spelling where appropriate.

There were a total of 280 responses to the questionnaire, of which 241 were submitted online and 39 were completed paper copies.

## Results

The following analysis represents 280 responses received to the consultation questionnaire.

Please see **Appendix A** for all the comments and suggestions received to the questionnaire and **Appendix B** for the responses received as letters and e-mails to the consultation.

### **Q1. Are you willing to support an increase in charges for council services above the level of inflation?**

Sixty one (61) per cent of respondents were willing to support an increase in charges for council services above the level of inflation.

**Table 1: responses to question 1**

	<b>Number of respondents</b>	<b>Per cent of respondents</b>
Yes	164	61%
No	103	39%
Total respondents	267	100%
Not answered	13	

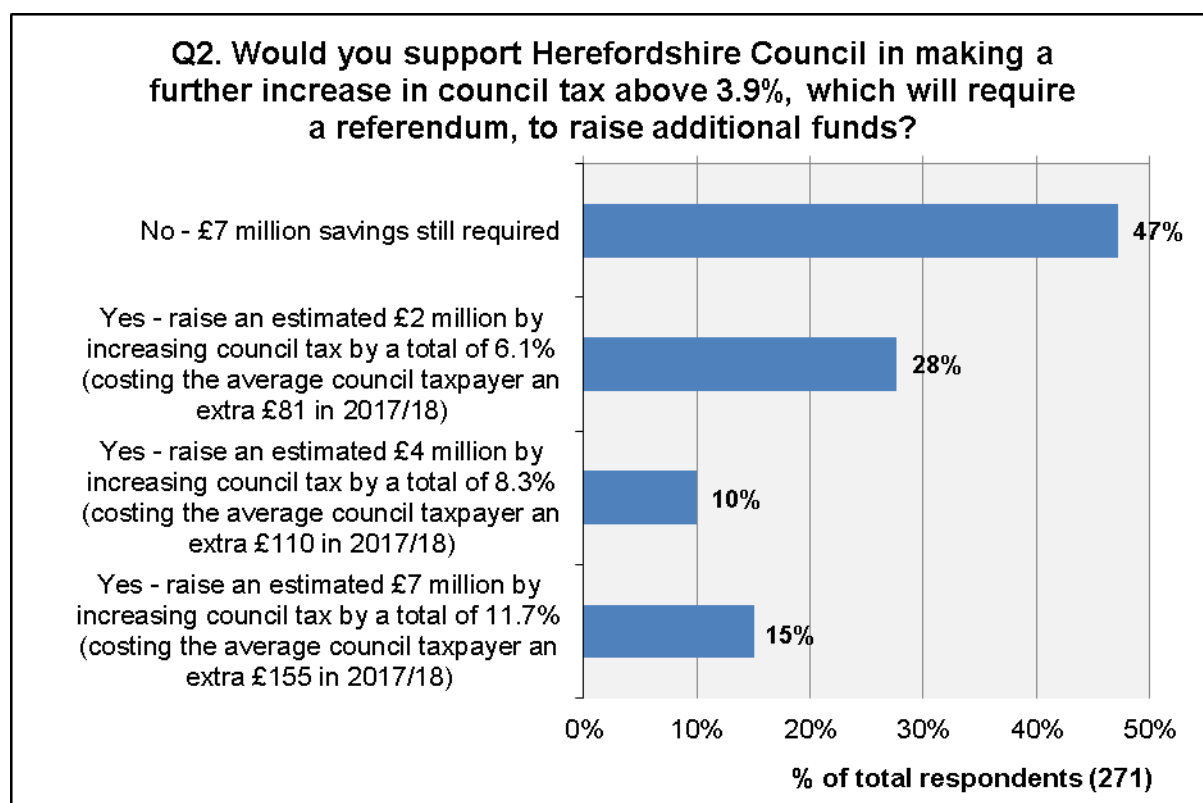
### **Q2. Would you support Herefordshire Council in making a further increase in council tax above 3.9%, which will require a referendum, to raise additional funds?**

Of the 271 respondents to this question, 143 respondents (53 per cent) would support a further increase in council tax above 3.9 per cent, which will require a referendum, to raise additional funds. Forty seven (47) per cent (128 respondents) did not support a further increase in council tax above 3.9 per cent.

**Table 2: responses whether supporting for a further increase in council tax above 3.9 per cent**

	Number of respondents	Per cent of respondents
No - £7 million savings still required	128	47%
Yes - raise an estimated £2 million by increasing council tax by a total of 6.1% (costing the average council taxpayer an extra £81 in 2017/18)	75	28%
Yes - raise an estimated £4 million by increasing council tax by a total of 8.3% (costing the average council taxpayer an extra £110 in 2017/18)	27	10%
Yes - raise an estimated £7 million by increasing council tax by a total of 11.7% (costing the average council taxpayer an extra £155 in 2017/18)	41	15%
Total respondents	271	100%
Not answered	9	3%

**Chart 1: would you support an increase of council tax above 3.9 percent?**



**Q3. Do you have any suggestions about what other things the council should consider to achieve the required savings?**

Analysis of this question indicated that frequently cited suggestions were around five themes:

- **Reduce council expenditures** (e.g. reviewing contracts and contract monitoring).
- **Reduce council in-house spending** (e.g. on salaries, expenses, staffing levels, subsidies, expenses, non-essentials, and improving systems, policies and procedures, and smarter working via technology).
- **Improve council management of assets** (e.g. sale of buildings and farms; reduce accommodation costs; encourage multiple use of buildings).
- **Generate income and increase revenue streams**
- **Merge with other local authorities and/or share design/delivery of front line services and back office functions**

The following word cloud highlights the most common words that featured in the general comments. Please see appendix A-Q3 for full list of comments.

**Figure 1: word cloud showing responses to Q3**  
(size of word relates to the number of times it was mentioned)



**Q4. Respondents to last year’s consultation suggested a number of activities that could be undertaken locally. Your parish council has the power to charge an extra amount on top of your council tax. Do you think that they should exercise this power and charge extra in order to carry out any of the following? (please tick all that apply)**

Seventy seven (77) per cent of total survey respondents provided answers to question 4. Of these, over 40 per cent of respondents thought that their parish council should charge extra in order to carry out ‘maintaining communal areas (parks, playgrounds, sport pitches)’ and ‘grass / hedge cutting’, while a third of respondents thought ‘road / footpath maintenance’, ‘winter services (e.g. gritting, clearing roads / pathways)’ or ‘litter / dog fouling enforcement’ should be carried out through extra charges by their parish councils.

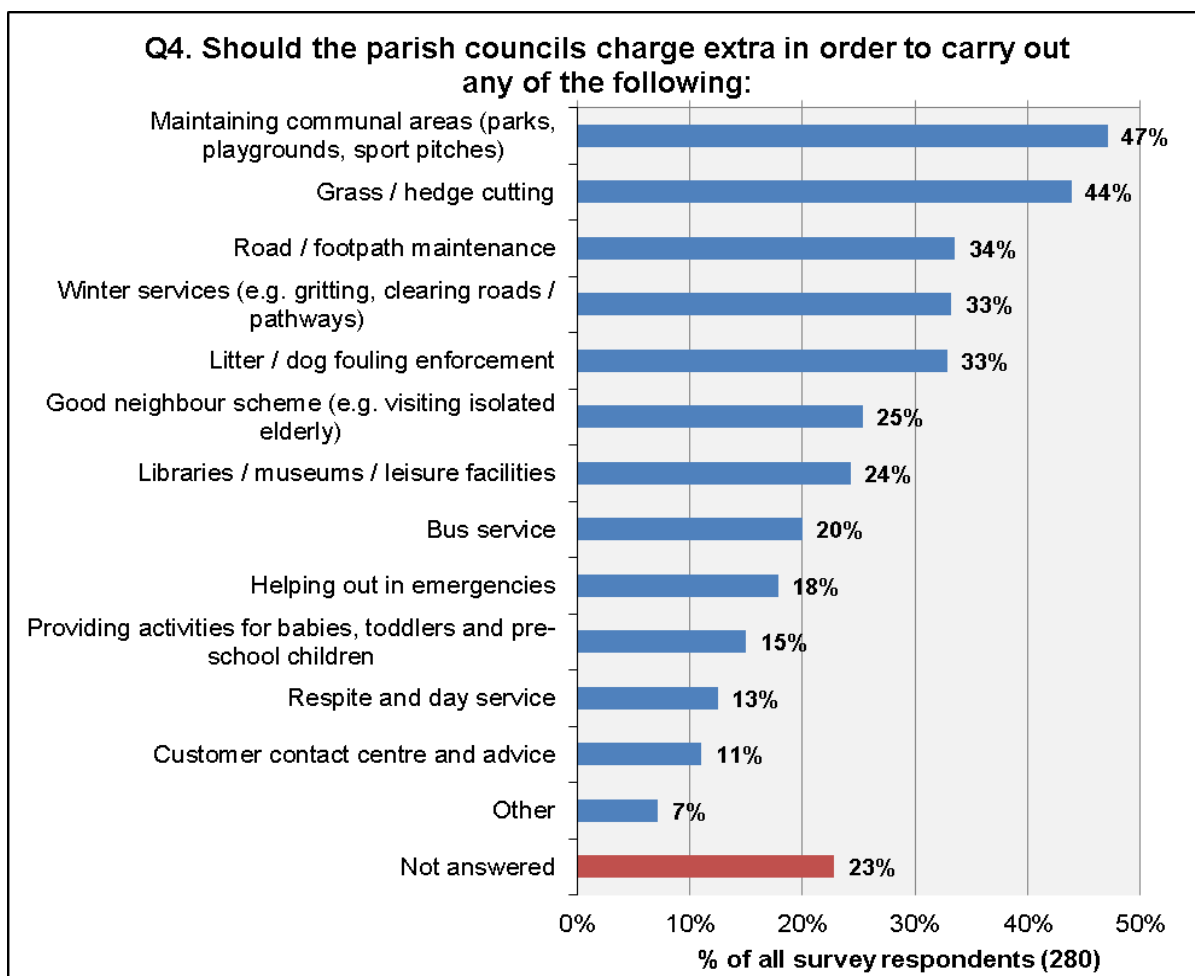
Nearly a quarter of residents (23 per cent) did not answer this question.

Further to question 4, respondents were asked to provide ‘other’ suggestions for activities that could be undertaken locally. There were 57 comments made. Of these, forty eight (48) per cent of respondents suggested that residents should not pay extra amount on top of their council tax because these activities and these are local government responsibilities. Please see appendix A-4a for full list of comments.

**Table 3: responses to question 4**

	<b>Number of respondents</b>	<b>Per cent of all survey respondents*</b>
Maintaining communal areas (parks, playgrounds, sport pitches)	132	47%
Grass / hedge cutting	123	44%
Road / footpath maintenance	94	34%
Winter services (e.g. gritting, clearing roads / pathways)	93	33%
Litter / dog fouling enforcement	92	33%
Good neighbour scheme (e.g. visiting isolated elderly)	71	25%
Libraries / museums / leisure facilities	68	24%
Bus service	56	20%
Helping out in emergencies	50	18%
Providing activities for babies, toddlers and pre-school children	42	15%
Respite and day service	35	13%
Customer contact centre and advice	31	11%
Other	20	7%
Not answered	64	23%
Total respondents	216	77%
*Total survey respondents	280	

**Chart 2: should parish councils charge extra in order to provide some activities**



**Q5. Do you currently volunteer in Herefordshire?**

Approximately fifty (50) per cent of respondents currently volunteer in Herefordshire.

**Table 4: responses to volunteering**

	Number of respondents	Per cent of respondents
Yes	130	49%
No	134	51%
Total respondents	264	100%
Not answered	16	

**Q6. People have previously indicated that they would be willing to help out more in their community. Please indicate whether you currently volunteer or would be interested in volunteering in the following roles. (please tick all that apply)**

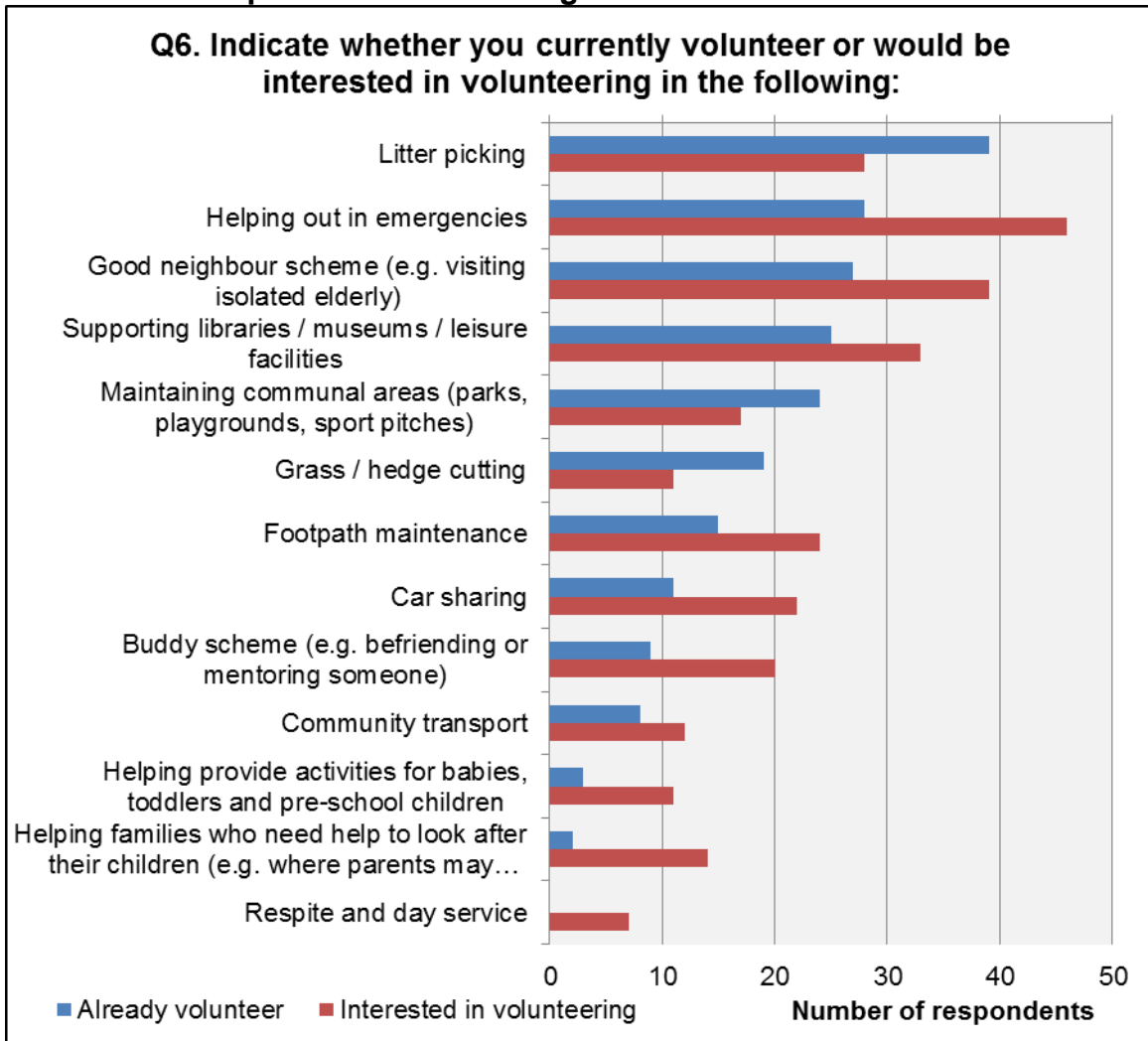
Please note because the numbers of responses are small, percentages have not been provided for this question.

The most common activities that respondents currently volunteer for are 'litter picking', 'helping out in emergencies', 'good neighbour scheme' and 'supporting libraries / museums / leisure facilities'. While there is still a higher demand in volunteering in these activities, people are also interested to volunteer in 'footpath maintenance', 'car sharing' and 'buddy scheme'. According to table 5, 'respite and day service' is lacking in volunteers currently, however, seven respondents showed an interest to volunteering in future.

**Table 5: responses to current and potential volunteering activities**

	Already volunteer	Interested in volunteering	Not answered	Total respondents
Litter picking	39	28	213	67
Helping out in emergencies	28	46	206	74
Good neighbour scheme (e.g. visiting isolated elderly)	27	39	214	66
Supporting libraries / museums / leisure facilities	25	33	222	58
Maintaining communal areas (parks, playgrounds, sport pitches)	24	17	239	41
Grass / hedge cutting	19	11	250	30
Footpath maintenance	15	24	241	39
Car sharing	11	22	247	33
Buddy scheme (e.g. befriending or mentoring someone)	9	20	251	29
Community transport	8	12	260	20
Helping provide activities for babies, toddlers and pre-school children	3	11	266	14
Helping families who need help to look after their children (e.g. where parents may need a lot of medical treatment)	2	14	264	16
Respite and day service	0	7	273	7
Other	34	0	246	34

**Chart 3: current and potential volunteering activities**



Other (please specify below):

There were 55 comments made to specify other volunteering activities that respondents currently carry out. Among these helping in a ‘community shop/charity organisation (e.g. Hereford Disability United, food bank)’, ‘village hall and church activities ‘ and ‘parish and town council’ were the most common activities that respondents are currently volunteering in. Four respondents suggested that they would be interested in providing ‘home base back office functions’, ‘vocational training’, ‘emergency road clearance’ and ‘work as a granger’.



**Q7. What do you think the council could do to improve the attractiveness of Herefordshire to businesses? (tick all that apply)**

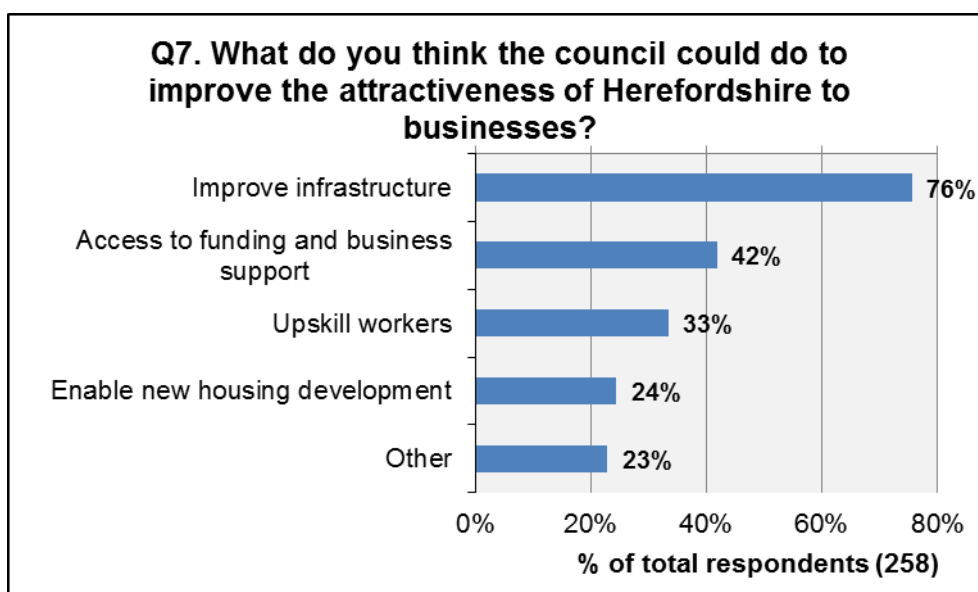
The majority of respondents (76 per cent) thought the council could ‘improve infrastructure’ in order to improve the attractiveness of Herefordshire to businesses. ‘Access to funding and business support’ and ‘upskill workers’ also ranked highly.

There were 105 comments of ‘other’ suggestions. Among these, ‘better broadband and mobile phone coverage’, ‘improved transport network including better roads and Hereford bypass’ and ‘improved public transport’ were most commonly cited. The full list of comments can be found in appendix A-Q7.

**Table 6: responses to question 7**

	<b>Number of respondents</b>	<b>Per cent of respondents</b>
Improve infrastructure	195	76%
Access to funding and business support	108	42%
Upskill workers	86	33%
Enable new housing development	63	24%
Other	59	23%
Total respondents	258	100%
Not answered	22	

**Chart 4: things that council could do to attract businesses to Herefordshire**



The following word cloud highlights the most common words that featured in the ‘other’ suggestions.



**Figure 3: word cloud showing responses to Q8**  
(size of word relates to the number of times it was mentioned)



Please see appendix A-Q8 for full list of comments.

**Q9. Do you have any additional comments or suggestions regarding how we could deliver services in a different way?**

Analysis of this question indicated that frequently cited suggestions were around several themes such as:

- **Reduce council expenditures** (e.g. reviewing contracts, contract monitoring, use of local suppliers; awarding contracts to community interest groups, social enterprises; bringing services in-house; reduce administrative burden).
- **Improve inner workings of the council** (e.g. leaner systems; smarter working through use of technology; shared databases).
- **Support vulnerable people and communities more effectively** (e.g. through co-production/co-design of services).
- **Better use of modern technology to reduce staffing and paper costs** (web information, online payments; apps).
- **Improve partnership working with parish councils** (e.g. devolve more powers to deliver local services with support; merge smaller parishes).
- **Invest in market towns** (to enable access to council services for dispersed aging population).
- **Merge with other local authorities and/or increase joint working.**

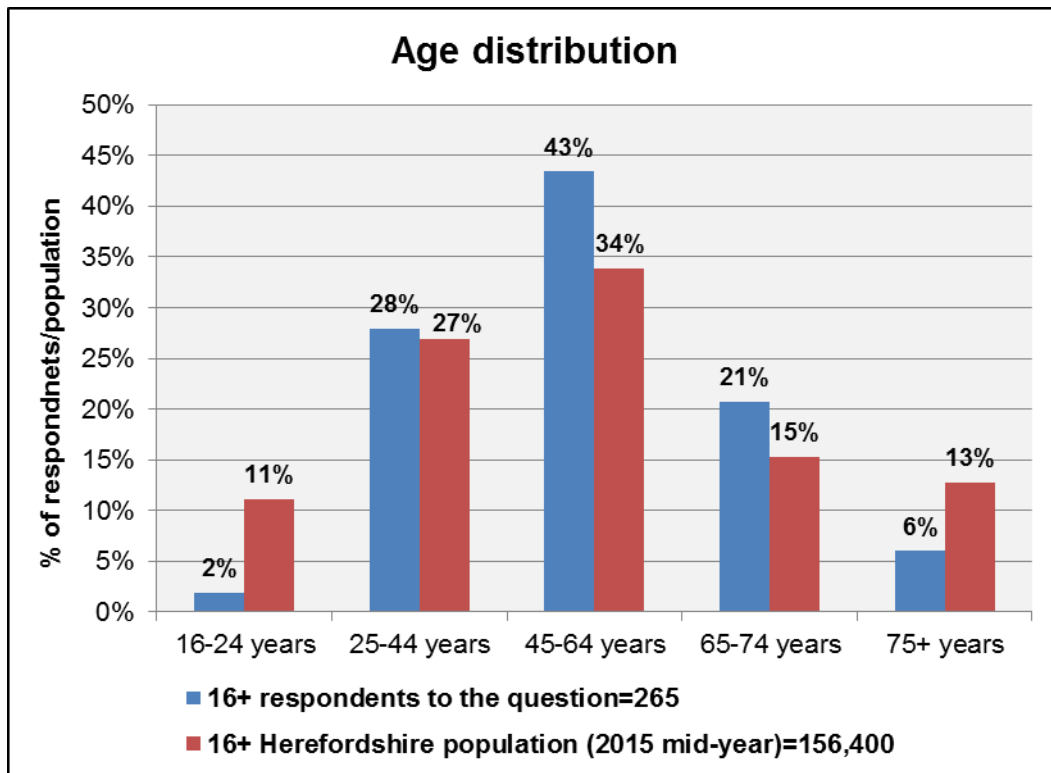
- **Change ways in how services/funding operate to reduce costs but keep services** (e.g. library service; health and social care; use of capital funding not revenue funding).
- **Improve council behaviours** (e.g. transparency of decisions; meaningful consultation with public).

Please see appendix A-Q9 for full list of comments.

## Respondent profile

- Two per cent of respondents represented an organisation or a group while 98 per cent were individuals. The organisations that responded to the consultation were:  
Humber, Ford and Stoke Prior Group Parish Council  
Ledbury Town Council  
Orleton Parish Council  
Richards Castle PC  
Rural business organisation and  
'Anonymous organisation'
- 52 per cent of respondents to the survey were males and 48 per cent were females (Herefordshire population profile: 51 percent to 49 percent)<sup>1</sup>
- 27 per cent were aged 65 years or over, 43 per cent were aged 45-64 years, 28 per cent were aged 25-44 years and two per cent were 24 years or younger. According to chart 5 it is clear that people aged 45-64 years were over represented in the consultation.

**Chart 5: age distribution of survey respondents and Herefordshire population**



<sup>1</sup> The Population of Herefordshire 2016 (<https://factsandfigures.herefordshire.gov.uk/media/48832/population-of-herefordshire-2016-v20.pdf>)

- Twelve (12) per cent of respondents' day-to-day activities were limited a little or limited a lot because of a health problem or disability which has lasted, or is expected to last, at least 12 month.
- Ninety five (95) per cent of respondents identified themselves as English, Scottish, Welsh or British; three per cent identified themselves as another national identity.
- Of the respondents who answered the question about their ethnicity, 98 per cent identified themselves as 'white' and one percent as 'other white'. This composition is slightly different to the adult population ethnicity profile of the county, where five per cent were 'other white' and two per cent were 'non-white' (according to the 2011 Census).
- Six (6) per cent of respondents felt that they had been treated differently (positively or negatively) because of who they are.

In addition to the standard survey responses, there were six responses received as emails/letters from the following (please see appendix B):

- Kington town council
- Its Our County (political party)
- Weobley parish council
- Cusop parish council
- Two members of public

End

**Appendix A: Full list of comments**

**Appendix B: Other form of responses to the consultation**

**Appendix C: The questionnaire**

# Appendix A-Full list of comments

## Introduction

This report shows the comments made by residents to budget consultation 2016 questionnaire. Some of the comments have been edited to preserve anonymity, where this has been done the changes are marked within < >. Any remarks added by data entry personnel are shown in parenthesis, for example [comment illegible].

Note: Some of the comments refer to the statement number in the questionnaire. Where necessary, please refer to the questionnaire in appendix B.



## Appendix A-Q3

**Q3. Do you have any suggestions about what other things the council should consider to achieve the required savings? There were 140 comments made.**

Comments
1. More rigorous and specific requirements when tendering for services and ensuring these are being met. I am amazed at the lack of the above which does not constitute a quality job therefore not cost effective. 2. Reduce expense of county councillors. 3. Stop having a budget for 'entertaining' e.g. complementary food and drink.
A charge made for householders who do not recycle, either at all or correctly. Increase charges for Leisure Centre etc. use. My family and I don't use any of these facilities, and we are fed up with subsidising others. Charge for on road parking in towns such as Ledbury and Leominster. Do we really need the twin town scheme, in the advent of the Brexit vote?
A road sweeper drives up the middle of the white cross terraces, early in the mornings, it does absolutely nothing, cars are parked either side of all the streets and the middle of the road doesn't need sweeping. This is a dreadful waste of resources.
A significant decrease in council staffing levels.
Apply the Spend to Save principal to restore grants to the charity (3rd) sector in particular to Herefordshire Citizens Advice Bureaux (CAB) which provides a service which by its preventative/advice work saves the council money and brings an extra £3-4 million each year to the benefit of its clients and the general economy of Herefordshire
Be very clear about what can and can't be delivered in council services. Be upfront about the challenges and choices so people really understand why they can't expect to have services previously delivered unless they are comfortable with paying more. Explain which services have had budget cuts and which ones could also contribute more to still enable the council to deliver services considered critical.
Bureaucracy within council departments. Scrap silly schemes like high town improvements
Cancel the Balfour Beatty Living Places (BBLP) contract and bring the work "in house". No private company = no need to make profit. Cut back on services for social care
Capitalise on existing assets, but please don't sell them all off. Farm holdings should not have been sold off. It is not necessary to spend on refurbishing High Town that is a luxury that should not be put ahead of services to Herefordshire residents. Herefordshire is a beautiful county and there are so many tourism opportunities that are being ignored.
Cease work with Hoople, Balfour Beatty.
Change provider Balfour Beatty

Comments
<p>Charge every household some council tax. Single and lower earners and severely disabled could still have the 25% (or more for severely disabled) allowance but not if there is more than one income (to include job seekers etc.) in the household. Charges also to "seasonal workers" on farms where their use of refuse collection etc. and they earning should be taken into account. They are living in accommodation; usually mobile homes rented from the farmer, and should pay something whilst in this country. Otherwise, suggest farmers should be council tax on each mobile home on their land.</p>
<p>Charge more to the owners of stray dogs. £55 plus the cost of kennel isn't even as high as an £80 fixed penalty notice for dropping a cigarette butt and sending people to collect stray dogs takes up a lot more time and effort. Every dog should now be micro-chipped - do the council apply an additional fine if people claim a dog which is also not micro-chipped?</p>
<p>Charge or suggest a charge for people with free bus passes. This could be done by putting a donation box onto each bus and displaying a recommended fair. The money should be used to maintain local bus services.</p>
<p>Check what people quote for and the price. Remember local contractors to the job are a lot cheaper. Check the job is done correct first time and the contractors do not have to go back and repair it a few weeks or months after finished and passed. I saw a job done and I said to the person who I had phoned about the fault, phoned me to ask if finished. I said yes they have finished but it will not pass. It did not pass and I said I hope the council do not have to pay for the second time. That is place money is wasted.</p>
<p>Close final salary pension schemes to further accrual</p>
<p>Consider capital spend more robustly. Be more creative with service provision- e.g. sharing buildings. Support recruit internally- and voluntary cost saving/service redesign could be considered to contribute to savings. Stop subsidies to parish councils. Rationalise the number of councillors. Seek more external third party investment from national scheme.</p>
<p>Consider the asset list and sell any titles (e.g. Lord of the Manor of XXX), works of art, property surplus. Consider reducing the public road network by declassifying roads serving less than (say) three properties and making them unmaintained. Ensure that all businesses especially those registered to residential addresses are considered by valuation office for payment of business rates; initially concentrate on those who are VAT registered.</p>

Comments
<p>Continually making more and more cuts to existing service provision is unsustainable. Continually re-engineering and re-procuring statutory services achieves very little in the long run other than to provide commissioning staff with something to fill their days. The time has come for a step change in the county. It's quite clear that Herefordshire is not large enough to sustain a unitary authority and all the responsibilities that come with that position. The decision to form a unitary authority was taken at a different time when government funding was at a far higher level and the demographic pressures were not as high. The obvious next step is the explore a more regional approach - a re marriage to Worcestershire (or linking up with other neighbouring authorities). Surely that is a no-brainer as it would enable senior management and back office costs to be cut significantly as well as enabling scarce expertise (e.g. social workers) to be shared across the region thereby improving the standard of services and making the available funds go further in terms of supporting essential front line services (social services and waste is about all that's left really...). By reducing the number of councillors and the admin to support them the savings could be re-directed to existing parish councils who could take on responsibility for more local services to improve the quality of life and surroundings. I would be willing to pay more council tax for those sorts of services where I can see and feel the improvement, but I won't pay for lots of service commissioners who are just re-organising the deck chairs on the titanic. Sadly I don't think I could trust Herefordshire Council (HC) to take a leading role in such a change, so I think council tax should be left at the existing level until the council becomes financially unsustainable and central government have no option but to drive through the changes needed.</p>
<p>Continue to fund and support children's health services School Nursing and Health visiting!</p>
<p>Control spending in Adult and Children Directorates.</p>
<p>Cut all expenses to councillor</p>
<p>Cut back on the ridiculous salaries some of the executives are paid.</p>
<p>Cut contracts with lazy 'outsourc' suppliers (Balfour Beatty?) Seek sponsorship/advertising revenue from major retailers. Cut council executive pay further. Cut council staffing levels and integrate departments. Re-amalgamate with Worcestershire. Stop spending on 'vanity' projects.</p>
<p>Cut down on councillors expenses</p>
<p>cut librarians and have volunteers in all libraries</p>
<p>Cut salaries at the top. Is &lt;name removed&gt; really worth the money he is being paid?</p>
<p>Cut some of the office jobs and top salaries. They are way over paid.</p>
<p>Cut the pension provision for staff</p>
<p>Defer the renovation and decoration of council buildings until an easier financial time. Combine services into the same venues, where reasonably possible, freeing buildings for rent.</p>
<p>Don't spend money on traveller's sites- they don't pay tax. Don't know enough detailed info on what the council does spend money on to inform this. Only generic areas in the reported accounts.</p>

<b>Comments</b>
<p>Drastically reduce public libraries with a few supervisors and volunteers and no librarians as they cost nearly £250,000, charges for internet access. A reduction in middle management to preserve the essential services that are a life line to so many.</p>
<p>Encourage communities to take on some services or pool resources with the voluntary sector. This could for instance cover Libraries and Advice centres run as part of village halls and their volunteers. Teenagers and young adults, if able, to be asked to run youth services as part of any benefits receivable; that'd enable useful work experience. Lobby to have the Libraries Act 1964 changed to a less prescriptive model more suited to the Web-age for enabling Libraries to be locally run by volunteers.</p>
<p>Ensure all staff retire at 65 or similar levels as in the private sector. to include, police, and fire services. The council pension scheme for all employees to be reduced to a similar level as the average in the private sector. This should be a long term plan to reduce expenditure.</p>
<p>Enter a merger, or strategic partnership, with Shropshire Council on all back office functions. Two councils with one media team, commissioning team, business rates team etc. Both authorities could then have access to an appropriately resourced and sized staff whilst also realising substantial savings.</p>
<p>Further efficiency savings in large service area e.g. adult social care. Whilst appreciate that these services are statutory there should be opportunity to make some efficiency savings.</p>
<p>Generate means to increase revenue on a macro level. Primarily this means encourage business and businesses into the county and look after the ones that are there. There is virtually no support for new businesses / growth businesses available and there is in other areas - how can this be possible?</p>
<p>Get rid of unnecessary staff. Consolidate services, which would improve performance and reduce the need for so many offices. I have seen many council workers doing little to nothing but being paid for the privilege. Start cutting the deadwood by looking at management level employees. Sell off buildings that are no longer needed for offices or turn them into student accommodation for the new university. This way you'd make money for years to come. Also, get a move on with the sale of the Tennant farms. If you are going to sell them, do so. Stop fanning around. Set an achievable value, get the letters sent out and put these poor sods out of their misery. By setting an achievable price, you'll sell them quickly, make your money and not be stuck with land you can't sell or lease. Hanging on for one buyer for the lot is folly. Unless, of course, Prince Charles is waiting in the wings.</p>
<p>Get some better advice on external contracts, e.g. Balfour Beatty. Study your management costs - do you have a regular high-level management review?</p>
<p>Greater delegation to town and parish councils to deliver the most vital services (bus service, libraries, road/footpath maintenance)</p>
<p>Has the council considered sharing the learning from areas of the service that have seen a reduction in budget while service has improved?</p>

Comments
<p>Heating, air conditioning and lighting in the buildings, this is not effective as it can be, some buildings have heating on when some of the rooms are empty and when it is warm outside. Buildings used more effectively outside of normal working hours make them easier to access to allow private organizations to hire. Merge library services and children's centre services and make them community hubs, involve the public in having ownership of the buildings. Revamp the council website and WISH Wellbeing Information and Signposting for Herefordshire) service, WISH to run their 'Shop' from a council building instead of paying for a shop.</p>
<p>Herefordshire council tax rates are the highest among the west of England councils, look to neighbouring councils to see if lessons can be learnt. Consider sharing services with other councils e.g. help desks services.</p>
<p>I am unsure what the financial running costs are of the council, however I am sure that there are cuts that can be made internally.</p>
<p>I don't know enough about how the council spends its money to offer a sensible opinion.</p>
<p>I note the proposals to introduce on street parking charges in central Hereford and to increase parking charges at other public car parks - which I approve of. Does the county have powers:</p> <p>(a) to require supermarkets such as Sainsbury's to levy parking charges (removing the 2/3 hour free parking "privilege" that shoppers currently enjoy), and</p> <p>(b) to benefit from some or all of the resulting revenues, after deduction of costs of collection?</p>
<p>I think it is really important that the council, together with other councils, should lobby central government more effectively to make the point that they are bearing the brunt of the government's austerity measures. We have already lost services that I regard as essential for a civilised, caring society. The voluntary sector is being expected to fill gaps that really should be funded by taxation. The tone of the leaders of government has changed; will this be reflected in a change of strategy?</p>
<p>I think the council should encourage local parish councils to make use of the skills of local residents in running morning coffee or afternoon tea clubs with a theme such as gardening, crafts, photography etc. This would help combat isolation and keep residents more healthy and build up friendships and working relationships with the local population and assist the good neighbour schemes. Encourage those who use sports fields etc. to form a rota to cut the grass and provide help with maintenance of machines.</p>
<p>I work in the private sector and always think there is too much red tape associated with anything the council does. It must be possible to make decisions without loads of consultations etc. etc. taking time and money.</p>

## Comments

I would have agreed to increases in council tax if it was a fair tax which quite clearly it is not. The rich in large houses pay little more than the poor in small houses. I would agree to an increase in local taxation if it was progressive e.g. local income tax rather than regressive as it is now. The questions above are pointless because if you think the present council tax system is unfair you have no alternative but to oppose increases that will hurt the poor most while the wealthy won't be affected. I would like to pay more for social services etc. but can't agree to an increase in tax that is regressive where the poor suffer most. The problem is with central government who won't effectively tax large corporations and the wealthy.

In the long-term, I think it makes sense to take a broad look at service delivery, and to think 'outside the box' in terms of how we achieve our aims. In particular, to: - encourage an environment of close co-working between departments, to find 'win-win' situations, and prioritise effectively:

- look at possibilities for the council to be income-generating in its activities (not charging for basic services provided, but for added value - e.g. energy from waste)

- look at council assets, how these can be maintained in partnership with the community, and where the use of these could be maximised either for income generating, or for achieving council aims (assets to be retained where possible, and if transferred, then only with careful prioritisation)

- build up a reputation as a leader in sustainability and the arts - engage with people, and encourage participation in decision-making and community life. In the short term it seems inevitable that there will be cuts to service delivery.

I don't want to be idealistic, but I do think it should be done carefully, particularly bearing in mind how each decision affects the most vulnerable. Services which can be delivered in partnerships with other organisations or communities can and should be explored, but only if done well (i.e. not 'dumped on' people, but with a period of 'hand-holding': sharing visions, communicating well, showing leadership, building capacity... ultimately empowering others).

Instead of cutting, look to expand and grow, providing more services that a fee can be charged for.

Introduce a tax for all vehicles using Hereford city centre. Especially HGV (Heavy Goods Vehicles). Ban HGV traffic from A roads (damage to surface and hedgerows).

Introduce a tax for all vehicles using Hereford city centre. Especially HGV. Ban HGV traffic from A Roads (damage to surface and hedgerows).

It's hard to be involved in the local government. If you had put the council tax up year on year maybe you won't be in such a mess. Work with the government and let's get this sorted!!

Keep parking charges to a minimum. Lack of public transport requires people to drive in to the city. Please remember we live in a rural area.

Ledbury town council suggests that Herefordshire Council re-negotiates the BBLP contract.

Less capital spending which has recurrent spending implications

<b>Comments</b>
Less money spent on constant internal changes dreamt up by people without real jobs serving the residents
Less top level council staff - or take pay cuts like the rest of us. Considerably less independent advisers. Use the surveys you've already got. They seem to have covered everything over the years - just multiply the numbers by some percentage.
Lobby central government for a demographic driven grant, Herefordshire has a very high proportion of over 65's and this puts and disproportionate and unfair burden on council funds.
Lobby government for the cuts from central government not to be made.
Lobby government hard to obtain a higher level of rate support and removal of arbitrary restrictions.
Lobby the conservative government to give more money as we are an agricultural county without the residents to support these increases and cuts. Our rural economy would not support this proposal for increase in council tax.
Look at cutting in-house spending i.e. the need for higher management positions and high salaries for such a small county. The need to keep moving offices every couple of decades. Fill the many empty shops by offering a reduced rent level and encourage people to shop locally by free 2 hour parking. People are reluctant to pay money to spend money i.e. why would I drive past the many DIYs offering free parking to queue and pay to use Phillip Morris for example. Local shops are disadvantaged by being located in town centres.
Look at the salaries that are paid out for higher council executives and managers. They are very high compared to the average wage earned in Herefordshire.
Make all market town car parks free which would increase business takings and increase business tax to a level in excess of the lost income.
Make management cuts and reduce management salaries and create a cap on salaries.
Make parish councils pay more for things that benefit them I.e. local tourism to their area.
Make the website simpler to use for signing up for direct debits. It would not work consequently you had to foot the cost of producing and sending me a pin number. We have to recycle at home, but at the tip in Ross the plastic is mixed in landfill which will cost you money in landfill taxes.
Manage contractors more professionally - noted to be very slack during repairs to council owned buildings. Reduce travel by use of video-conferencing and Skype etc. Review and reduce burdensome paperwork when delivering services. Check eligibility for welfare very carefully (but fairly).
Maybe consider management officials savings?!
More effective working relationships with third sector providers

<b>Comments</b>
More promotion in hiring rooms in council buildings. Stop thinking 'banking hours' and think 24/7. More road shows promoting what we do.
Not at this time. It would help though that devices to repair the atrocious 3rd world state of the roads is addressed or residents might not want to stay here into retirement and beyond.
Only do enough tree cutting, grass cutting, etc. that is really needed for public safety and the safety of road users. A lot of areas can remain uncut - this also assists nature - bees in particular, which Herefordshire relies on for its apples and other pollinator crops. Do not change light bulbs in street lighting - but keep enough changed to ensure safety. A lot of other council actually switch off street lighting during certain hours of the night e.g. from midnight to 5.00 a.m. All of these small amounts of savings add up.
Pay cut for staff
Paying for library requests
Perhaps you could protect essential care services by including a voluntary buy-in for non-essential (premium) services. In effect, you would have a two or three tiered buy-in and run membership systems for libraries, museums, theatres and transport options. Rather like the way supermarkets have three tiers of quality (Basics, everyday and taste the difference). You would still give free or subsidized access for anyone on benefits or below/above a specific age group. You need to phase in digitizing services for elderly people. We are nearly at a point where those becoming pensioners will have the technical knowhow and personal computers to be able to access information online (library services, timetables, tourist information) we're not quite there, but we are only a decade away. You could also include a section on your council tax bill for a voluntary one-off or monthly overpayment for those who feel they can give to the council's charitable and voluntary areas, such as food banks, in bloom etc.
Powys council has had to find a lot more than you. Look at efficiencies in house. Cut number of big wigs earning a lot of money. Look a buying fuel with other councils same for school books etc. Forming buying groups for lorries, fuel cars, stationary, and postage. When highways contract is up for renewal look to a 5 day week but Wednesday - Sunday and Monday - Friday so that all vehicles have no days stood still so less vehicles required
Prevention is key; reduce adult social care expenditure by keeping people living independently for as long as possible. Keep the population healthy, physically active, healthy eating, simple measures we can all achieve but produce massive savings. Preventing the younger population becoming older and dependent, working together across agencies and partners to achieve the same outcomes.



Comments
<p>Prioritise statutory services (libraries, social care) over non-statutory services (tourism). Prioritise transport (roads and busses). Cut back on office accommodation costs (acres of unused space in Plough Lane for example). More home working and hot-desking for officers. Re-locate more functions to cheaper accommodation in the market towns. Use technology more - conference calls, skype meetings etc. Review all private sector contracts, and re-negotiate at lower rates - take it or leave it, most businesses will take it! Use more interns as office assistants - a great training opportunity at minimum wage. Cut the pay of the CEO (Chief executive Officer) and all senior officers by 10%, and ring-fence the savings for top priorities. Launch public fund-raising appeals for key priority areas. Design a structured giving programme to enable the better off to donate on voluntary basis to the priorities of their choice. Challenge the whole bankrupt philosophy of austerity - badger the Chancellor. It hasn't worked, and we have had enough. Talk to local communities more - hear what they are saying and act on it.</p>
<p>Publicly lobby central government for an end to austerity and reduced levels of local government funding, working with other local authorities. Use all of the council's cash reserves before passing on reduced central government funding burden to local residents.</p>
<p>Q2- Use extra to pay down debt. Re-join Worcestershire. High level of elderly &amp; others in need in Herefordshire, but low level of good manners to pay for many on benefits. Tax needs to come from somewhere. Or combine council admin (higher-paid levels) in West Mercia Councils. Too many bosses.</p>
<p>Raise the charges of bus fares but only by 10p or something small but try to put services that have been cut and would be used back into place. Keep the libraries open please</p>
<p>Re evaluate the red tape around some of the council's regulations. A part time employee of the council could be allocated to each parish council whose role it would be to develop a neighbourhood plan and to be constantly identifying areas of financial savings, taking local recommendations for savings back to the council for approval. This way each part of the county could initiate good practice, which is tailor made to the local residents and environment, meanwhile making savings.</p>
<p>Re negotiates or cancels your contract with Balfour Beatty which appears to give them the right to withdraw a service and arbitrarily dump it onto parish councils or local communities. When they test the market to replace BBLP they find local suppliers are less than half the cost of your supposedly competitive contract prices.</p>
<p>Reduce adult care budget and concentrate on getting business rates up.</p>
<p>Reduce cost of adult social care</p>
<p>Reduce costly office moves, sell off old property instead of putting it all in the skip and reduce salary scale for all directors or reduce the number of directors across the council</p>
<p>Reduce costs by reducing HR (Human Resources) costs, appraisals for staff and other staff time wasting measures, get on with delivering services to the public.</p>
<p>Reduce costs by reducing HR costs, appraisals for staff and other staff time wasting measures, get on with delivering services to the public , libraries and bus services etc.</p>

<b>Comments</b>
Reduce executive officers pay scales by 8.3%
Reduce job creation schemes such as appraisals x 4 a year and other wasteful in house corporate nonsense. Staff can then focus on providing services to the public!
Reduce members allowances and IT (Information Technology) allowances. Reduce frequency of refuse and recycling collections
Reduce spending on cycle paths which very few use
Reduce spending on grass cutting by offering inducements to residents to maintain areas outside their properties-such as free swimming or parking vouchers.
Reduce the number of senior managers you employ. Use a different company instead of Hoople who charge a fortune. Merge with Worcestershire council
Reduce the pay of most highly paid executives until it much closer to that of ordinary staff. Rigorously check that private contracting is more cost effective than working in house. If you are being forced to contract out by central government policy, let us know.
Reduce the wages for executives, stop running silly business courses where 'consultants' teach the obvious. Do away with contracts with oversized and out of county organisations take profit on minimum wage jobs.
Reduce unnecessary red tape and process to allow the council to transfer more assets or services to the community or voluntary sector.
Reduce your own offices and wages to higher members!
Remember the smaller towns, for example Ross-on-Wye. The county council seems more concerned with the city of Hereford then what is happening in the smaller towns. We are the only town that has taken on a number of assets so we are saving you thousands. Also planning notices should be advertised with the local paper, the Ross Gazette. This will save you money as Hereford Times is expensive and no one in Ross reads it!
Remuneration of senior staff. Better medium to long term planning. Fund raising amongst wealthier to provide particularly for one off/capital projects. Education/use of PR (Public Relations) and social media to educate people on implications of wastage/misuse of public services esp. in NHS, police services, etc.
Review higher salaries of senior members of council staff and cost of consultants/project managers
Review if all staff is actually required. Reducing staff numbers will generate savings. Review the quality of work by contractors. Too many poor substandard jobs being done which require early repair.
Review salaries, pension provision etc. for council employees.
Sack all cabinet members and let the elected members make the decisions.

<b>Comments</b>
Sell all the farms presently owned by the council. These are not in the interests of the vast majority of Herefordshire's population. The days of smallholding farms have gone and we should not have to subsidise those that farm them.
Share services with other authorities. E.g. Herefordshire and Worcestershire Fire Service.
Shared services with other neighbouring authorities, including Wales.
Shelve optional capital schemes.
Spend less on outsourcing/consultancies and private companies - reinvest in local people working for the council not private companies working for themselves.
Stop BBLP wasting our money and do the job that they are being paid for. If they are not going to do what they are being paid for then don't give them the money. That should save quite a bit.
Stop carrying out costly retendering and procurement exercises where existing providers can be re-contracted.
Stop employing 'interims' consultants by any other name. These people are paid high salaries come up with ideas then disappear and leave other staff to deal with the consequences of their schemes.
Stop moving offices. Stop paying for projects that don't work - i.e. IT at Plough Lane.
Stop paying staff, which are suspended, full pay. Reduce the amount paid in sickness to staff - the rest of us get paid nothing when we are ill, and we resent paying people what we do not get ourselves.
Stop spending on a Hereford University - we have sufficiently good further education system, this is an ego-trip. Stop spending on the arts, e.g. Courtyard, they should be self-sufficient Stop spending on unnecessary 'what-ifs' like the westerly by-pass, over the past decade so much money has been mis-spent.
Stop spending on vanity projects in Hereford
Stop trying to increase the size of Hereford, the congestion is through traffic not visitors. Town has nothing to offer as most shops are the same thing (coffee). Ripping up town centre will do nothing for shops unless the rates come down. Bypass should of been done years ago will not get done on time or budget, but should of sorted a bridge crossing first (40 years ago). Trying to draw new businesses into Hereford will not come from all this due to poor connections to motorways, it will still take as long to get through town than Belmont to Aber!
Stop vanity projects like the relief road. Ensure value for money from things like resurfacing high town. Probity of councillors is a major issue - some of the planning decisions recently have looked very like cronyism. Fewer councillors required. Council should be protecting public toilets, libraries, rather than expensive projects / feathering the nests of councillors.

<b>Comments</b>
<p>Stop wasteful spending on new roads i.e. inner 'relief road' and from Ross road to Abergavenny road. Stop wasting money on office moves. Improve general efficiency. Council is very poor value for money. Sell Rotherwas estate to raise capital. Raise rent of new cattle market to yield margin of 3%.</p>
<p>Stop wasting money on re-branding. Stop paying BB too much money for cutting grass, which they never do.</p>
<p>Stop wasting money on silly ideas</p>
<p>Stop wasting public funds on ridiculous schemes that only benefit a few /or are a complete waste. The High Town refurb was a waste. The Inner Link Road is a road to no-where - another waste and already over budget!! The planned SLR (Southern Link Road) is another waste as it won't relieve congestion. You lot can't be trusted to spend our money wisely so why should we give you any more to fritter away on vanity projects?</p>
<p>Support energy efficiency serves, low carbon transportation options etc.</p>
<p>The council should fight their (our corner harder with the government). It is unacceptable that councils like Birmingham, Liverpool, and Tower Hamlets have money thrown at them in the billions, and we are starved of cash to subsidise them.</p>
<p>The council should look at the process it uses to deliver the vital services. Loads of money is wasting not looking at the services it provides to those who actually need adjustments, correspondence out to people who are no longer living at the address and they are aware of this as new info has been given to put on database, they do not send out correct format letters to those who need alternative formats. The money spent on chasing fly tippers should be spent on opening tip hours longer and making one day a day that business can take a small amount of waste for a charge to the tip such as £10 for a small trailer of items of waste. There should be greater integration of service information so that five systems are not being used for services which all use the same information taken by one. The council is then paying five licence fees for the service uses when only one will suffice. Spend less money on the frivolous cafe and perks for the staff at plough lane; spend equal amounts of money giving all staff workable conditions, not palace style facilities making the working conditions too comfy that staff don't work to full potential. Look at the processes used and instead of starting the process for each department from a high level. Why not look at it from a ground level from a resident /user place and build it around them, rather than some fancy expensive system that cost loads of money doesn't meet half the needs required and is then out of date and near useless in 18 months. Bring staff up through the departments encourage growth in staff teams already in council rather than pay stupid money to bring in people only interested in money not the council and area they have been born and bred in and care for. The involvement of young students out of university is good idea but make sure they work with experienced people who know the area and not ready to destroy it by bringing in ideas not relevant to the council surroundings. Basically look at the services that are run from the ground level not from the ivory tower where no one is actually impacted by them. Work from bottom up, experience the services as an individual for a week without being a Cllr or manager, ride the bus first thing in morning or at school home time or workers home time. Talk to the people who use all on daily basis and then look at cuts not from those who have no real use of it and just use occasionally. Speak to people in person on surprise visit on buses do not advertise.</p>

<b>Comments</b>
The council should look to its own processes, costs and inefficiencies before penalising residents.
The council should stop making Voluntary Redundancies and then employing the same staff as 'consultants'. There are staffs that have taken redundancy but are then re-employed. The practice should stop. Stop paying so much 'sick pay'. Six months on full pay then six months half pay based on service is unsustainable. Times are hard and most people under pressure but how many other organisations offer this? Lets look at Franklin House. How often and how much for the several refits? Now all wasted as the council will now spend way too much extending and refitting Blueschool House. Then there is the bad deal with Elgar House, Why after signing a lease is Herefordshire Council now footing the bill for asbestos removal? Another total waste of council tax payer's money. These saving could be made with better judgement and actually paying due diligence.
The infrastructural maintenance in the county is disproportionate to the total population and a one-size-fits all allocation of spend does not treat all people fairly across the country. To address London/southeast cantered bias it is essential the council prevail on the central government to fund Herefordshire take into account the sparseness of the county's population and the undue costs of upkeep to maintain services in such a widely spread community.
The link to budget consultation page does not work so I cannot give an informed opinion.
The parish council is concerned that whilst deep and harmful cuts are being made to all services, there are still numerous examples of wasteful inefficiencies which we see in operations, for example the poor standard of verge-cutting, inefficiencies in how potholes are repaired and to what standard. At this time of crisis, there should also be reductions in the salaries of the very highest-paid staff of the Council, to help contribute to savings and lead by example.
This survey is poorly designed and ultimately will produce results that are little, if any real value. If you want to identify meaningful views from council tax payers you should ask questions about willingness to pay more money for council tax services only once relevant information about implications of different budget choices have been provided. For example, if you are in favour of no current increase in budget above 3.9% then the implications of the likely £7 million of cuts should be explained. What services would be cut? What actions are being taken to examine where administrative savings can be made? If respondents are provided with this information then more realistic responses will be provided. Similarly I might be inclined to register a positive response to increasing the budget above 3.9% if I was given an idea of where this extra money was to be spent. By not providing this information (or at least an indication of where you expect to spend this money) the question is of little value.
Use capital funding wherever possible to fund (e.g.) planned highway maintenance, and scrap controversial vanity projects such as the Hereford bypass
Use of less agency staff by improving conditions for permanent staff
Work closer with the voluntary sector, seeing if positions can be of a voluntary capacity, and pay contracts to not for profit organisations and see if those organisations can get funding support from funding bodies to make them more efficient?

## Comments

Yes, put the car park prices down, it's driving people away and for people that work in town it's a tax on the high street worker. In wales where ever they did this car park revenues went up because more people came rather than empty car parks and shops. We are a rural town bike lanes won't help the traffic at all get on and build the link roads bypass as soon as possible creating jobs etc. Stop wasting money redoing high town to match new market, any one I speak to can't believe this huge amount of money as wasted!!

Yes. When observing a pothole that has been advised and needing filling. I understand from Balfour Beatty that if its not of the correct size (depth + width) not considered by someone to meet the criteria then it isn't filled, but is reported and noted. I can't imagine how much this procedure must cost! Why not fill it while someone is there looking at it! The roads are in a dreadful state in Herefordshire and more funding from the budget needs to go towards repairs.

## Appendix A-Q4

**Q4a. Do you think that they should exercise this power and charge extra in order to carry out any of the following? Other, please specify: There were 57 comments made**

Comments
All of the above should be taken care of from our council tax.
All the above are desirable, but it is stopping Herefordshire Council doing its jobs properly. I am a chairman of a parish council, and we should not be doing Herefordshire's job. We already do some of the above.
All the above are the responsibility of government NOT the citizens ..... collection of taxes due from big business should sort out the shortfall here
Although the parishes may have powers they would in most cases not have the available resources to operate what are in most cases county council responsibilities. If a parish does take on these works the county council should restore the parish council tax support scheme.
Citizens advice / advice on council services
Create safe options for cycling
Homeless services
I agree parish councils could do more, but am concerned it could contribute to a 'postcode lottery' in living standards... What parish councils can offer might vary hugely between different areas.
I assume any additional funds raised would be enough to hire somebody to undertake these tasks in the community.
I don't think 'Road / footpath maintenance' and 'Winter services (e.g. gritting, clearing roads / pathways)' should be on the list at all. It would fragment services. The town/parish councils could then cross their fingers and hope! And would they hire the machines? And what about the stockpile of material for gritting - who would decide the amount to get (buy)? The Kington Centre already provides a council advice centre and activities for small children - isn't this still part of the library service?
I think these are essentials that should come out of council tax revenue.
If some of the above are going to be charged extra for - why pay council tax?!!
Introduce a local fair taxation system and I would agree to increases
Invest in more bicycle lanes
It will cost each parish more to buy individually as they have no buying power
Keeping drains, ditches etc. clear to reduce risk of flooding and providing activities for older residents like coffee/tea clubs etc.
Keeping the town clean and tidy is important for tourism as well as residents. Many parts of Hereford are disgraceful at the moment and will deter people from returning. Hotspots - Union Walk and Drybridge underpass!!
Local councils do not have the finances to take on these extra services unless more finance is released to make it possible
Make dog fouling charges huge £500 per poo. Ask the community to cut the local grass; we would happily do so close to our house.
No - they should be given the money to deliver these by HC from savings made through the suggestions in my previous comment. Otherwise this is just double taxation HC will put up its council tax and parishes will do so as well.
No - why should we pay for services twice!

Comments
No additional parish council tax. In Ledbury this has been extremely high in increases over the last 3 years. The reason given, less money received from county budget. I would not mind at 1% increase in line/above inflation. Enough is enough.
No I don't. I pay enough now. Start charging them that pay nothing. 10 flats by me pay nothing, not even one off them.
No I don't. I pay enough now. Start charging them that pay nothing. 10 flats by me pay nothing, not even one off them.
no more than many town and parish councils already do
No- some of these thing should be co ordinated, but on a voluntary basis.
No they shouldn't charge more and should manage their budget more efficiently
No, that would be paying twice effectively for the same services. We are already paying enough, to get nothing out of it.
No, that's just another way of putting council tax up.
No. This is a sparsely populated parish with limited resources. It should not have to pay, for example, for highways which have substantial use by heavy traffic (e.g. quarry, farm, commercial lorries) as it is transacted by the A4110 and fringed by the B4362.
No. this is purely passing the buck and is the responsibility of county council.
Not capable of running bus services
Not really, because the Council is being forced to abandon their responsibilities.
Odd question. There is no space to indicate you don't want further taxation at county or local level. My earnings have steadily declined over the years to the point I earn less now than I did 30 years ago. I have to pay more to take care of myself. There is no NHS (National Health Service) dentistry where I live, prescription charges are high, I have to spend more support on my children's education because of cuts and give more to people in need through charitable donations, because the state can't or won't support people in need. I pay more and more to local/county government each year for fewer and fewer, poorer quality services. This points to government cuts and inefficient local management as the problem.
Only applicable in largely populated councils. Small parish councils that are predominantly elderly could not do this
Parish council shouldn't charge extra, all these are local government's responsibilities. Get on with that, deliver the services!
Parish Councillors are volunteers. Most already work hard, so no organisation of these tasks cannot be added to their work load. It is much better and cost-effective to organise these tasks centrally
Parish Councils are not qualified to manage additional activities. They can barely manage the ones they do already.
Parish councils generally do not have the resources, staffing or economies of scale to do these things efficiently. We do some of them (e.g. organising and underwriting a minibus service) purely to replace things when they are cut and we face a crisis as a result.
Please Keep all existing libraries open.
Please remind me what we pay council tax for
Pressing Herefordshire Council to fulfil its responsibilities fully without question.
Provision of community based demand responsive transport schemes to replace bus subsidies.
rest should be delivered by the council (except 'Grass / hedge cutting' and 'Litter / dog fouling enforcement')
Roads in parts of Ledbury are shameful
Save money by allowing locals to be in charge of communal areas



Comments
Some of these tasks could be done as community service by petty offenders
There is not a 'NO' option! We cannot afford to pay more for services we already pay for unless we just pay-as-we-use for all services.
These should all be funded centrally to ensure fair distribution. If parishes wish to do more, that should be voluntary.
This is a simple attempt to push services away from Herefordshire Council as is an attempt to push the burden of the tax rise on to Parish Councils.
This sort of 'saving' is fraudulent - tax-payers pay the same or more - to another recipient!
Those items I have not ticked are the responsibility of the county council!
Try talking to the parishes rather than dumping your unwanted costs onto them using phoney stats from a biased survey
Very few people actively volunteer to provide these services, whatever response they give in a survey.
We already have volunteers to do all of these - and more - at Weobley.
We already pay more as taken on the assets
We pay for all of the above through council tax now

## Appendix A-Q6

**Q6a. Please indicate whether you currently volunteer or would be interested in volunteering in the following roles. Other, please specify: There were 54 comments made**

Already volunteer
Active Charity Trustee
Already do some gardening by Victoria Bridge
Arts and culture event management of free community events; free talking newspaper for visually impaired/blind people
Church
Cooking breakfast for low income and homeless people, looking after clubbers on Saturday nights
Donating my handmade craft items to charities
Driving for outings - old people
Generally being a responsible citizen/good neighbour
Heartstart
Helping families who need help to get their children to school. We are members of a volunteer group that tidies up & plants wild flowers at the top of Tump Lane in Much Birch & keeps footpath clear for the school children & their parents.
I am a town councillor
I am one of the volunteers who run Weobley library. I am treasurer of our local community magazine.

I volunteered at my local Children's Centre from 2011-14, when I had a baby. I worked as a breastfeeding peer supporter, a parent representative on the Advisory Board, and on the Wye Valley NHS Trust's Baby Friendly Initiative strategy group. I have stopped as my child is now in school. I have just joined the school's PTFA, and 'Transition Leominster', and am interested in joining the 'Grangers' too. I think there is a lot of 'volunteering' that we participate in that goes un-noticed, e.g. visiting elderly neighbours, childminding, helping in emergencies, providing emotional support, and participating in community events.. It's very hard to quantify.
Involvement in voluntary organisations - W.E.A. (Workers educational Association), UA3, etc
Junior Bulls, conservation volunteers
Local Council - NDP Steering - other national charity work
Member of the Parish Council
Parish council
Q5) I work more than full time and have a family. I work all the time, have few opportunities for leisure activity and the little spare time I have I spend with my family. I help out an elderly neighbour when I can and have helped out in schools in the past. I would like to help more but I have no spare time.
Riding for the Disabled, Youth Drama Group
School
School events
Sports coaching
Sports coaching
Stewarding in church
Town Councillor
Trustee for a carers' charity
Trustee of charity and also volunteer at HFC (Hereford Football Club)
Village fundraising for the community centre, church, elderly. I also run the library Friends group, and the amateur dramatic society
Village Hall Trustee
Volunteer and Trustee at Riding for Disabled, Volunteer Hereford Disability United & Director despite using wheelchair
Wildlife, footpaths
Work in community shop
Youth club
<b>Interested in volunteering</b>
All such services require public liability insurance and DRB (Disclosure and Barring Service) checks
Already working full time cannot do any more than I currently do
Charity work. Local information (church Magazine)
Currently help with fund raising for charities, running village hall; happy to help in a library or emergency road clearance work.
Helping the youth group
Helping with the community Lander and the 'spin off' breakfast club.
Homeless, addictions, mental health
I cannot volunteer more widely without a better public transport system (not community transport)
I don't live in an area where these things are needed. If I lived in a town I would consider them or I would volunteer for home-based, back office support.
I litter pick every day as people can or won't put litter in the bins. Try fining them for dropping litter - raise money that way
I volunteer on my neighbourhood plan steering group

I'm the Treasurer to the Village Hall and Community Centre
Information and advice, filling in forms which many older people find daunting.
It might be great the people are happy to do free work but if no one volunteers nothing gets sorted
parish councillor isn't on the list; I'm re-joining the evening
Providing skills improvement and class workshops
Provision of local food bank
Shifting the burden of responsibility to the citizenry does not absolve government of its responsibility for citizens' welfare
These are all council tax jobs
Volunteering is fine for people who have time, but for many people, including myself, opportunities are restricted because of work and family commitments. Also, of course, some people are too infirm to be able to volunteer.

## Appendix A-Q7a

**Q7a. What do you think the council could do to improve the attractiveness of Herefordshire to businesses? Other, please specify: There were 104 comments made**

Comments
Accelerate high speed broadband rollout - this is a huge imperative and everything else pales in comparison
Assign petty offenders to litter picking - community service could also include grass cutting, hedge trimming, clearing drains
Be pragmatic and finally build a city centre bypass; build new direct roads to connect Hereford to regional motorways in Ross on Wye and Worcester
Better broadband
Better internet access
Better public transport
Bold and visionary thinking on a strategic communications strategy to attract global interest in Herefordshire
Broadband!
Build another river crossing, reduce congestion as many people avoid it altogether
Build new housing in larger estates, not small garden grabs and field infills. Leominster in particular this applies to.

Comments
Build on Herefordshire's strengths, in order to install a pride of place in Herefordians as well as attract more people here. We could build up a capacity and reputation as being leaders in certain fields if we build on what the county offers, and assess what it could offer to future generations. I think its natural environment is an obvious asset, which should be protected and enhanced; otherwise Herefordshire's special qualities would be destroyed. We can forge our own development path - a sustainable one - that creates a more resilient, vibrant place & culture. This would attract people and businesses (sustainable ones!) in itself.
Build some houses please, big shortage, young people moving away.
Bypass in Leominster and Hereford required. Establish proposed STEM University. Better road links to rest of UK, including motorways. Improve train services to London and Birmingham. Fast broadband and better mobile coverage. Housing only if new businesses are coming into the county. Important to encourage a mix of businesses.
Clear litter from edge of roads, put up clear signs (many are very dirty or hidden behind hedges) and make the approaches to our county a lot smarter.
Continue expansion at Rotherwas/Skylon Enterprise Zone
Continue to support bus services
Council needs new people to bring new life to a dying county
Deliver high speed broadband is the main priority
Develop further education facilities
Do not know word "upskill"
Don't make everything town-centric. Allow rural development to flourish. Including development.
Enable social housing development
Encourage businesses to develop worthwhile apprenticeships & schools to develop the skills based education we need.
Encourage more skilled folk to settle in Herefordshire with new skills
Get staff back and keep local services open. Why close local services when you have not got money to spend.
Get superfast broadband connection throughout the county
Get the traffic flowing so that visitors and deliveries can drive into Hereford

<b>Comments</b>
Go out and sell it - workforce availability etc.
Help advertise Herefordshire businesses, including shops and tourist attractions.
Housing for rent
Housing should be linked to infrastructure. E.g. developing Hereford as an employment centre
Ignore it, or move county to south east England. Its geographical position means that agriculture and tourism should be its biggest industries. Location means that, beyond agricultural output, only producers of high value, near-nil-volume goods are likely to be attracted to Herefordshire. Grandiose plans for industry and infrastructure should be abandoned and small/shared/incubator business units developed.
Improve accessibility to public transport
Improve broadband - faster.
Improve broadband connectivity
Improve broadband in the county
Improve bus services to reduce congestion and help local economies
Improve city centre and access to city centre
improve environment more sustainable transport
Improve internet access and connections.
Improve passenger transport
Improve public transport access
Improve public transport network, attracts more spend in localities
Improve public transport so that potential employees can travel to and from work easily.
improve roads and get better broadband and mobile phone connections
Improve roads and public transport, increase wages and create affordable housing. Herefordshire is a very expensive area in which to live and work.
Improve sporting facilities
Improve the conditions of existing infrastructure.

Comments
Improve the public realm in our town centres and villages and maintain public services such as buses. Boost the idea of the county being high tech, green and cut down air and other pollution in Hereford.
Improve the road surfaces - there are huge potholes on many roads
Improve the road system by building roads that will have maximum not minimum impact. Despite Fastershire broadband is still very poor around the county
Improve transport hub facilities
Improve transport links, especially public transport
Improve, not cut bus services
Improved broadband is most important as it would allow more people to work from home or rural offices. Please do not build all over the superb landscape and heritage assets of Herefordshire.
Improvement of infrastructure should not be Hereford focussed as it currently is. Housing development appears to only serve to encourage more people to retire to the county.
Improving public transport (buses/rail/trams) and the timing links between all categories.
Improving public transport is key
Improving the road surfaces and filling potholes that need to be filled. Monitoring speeding traffic through villages
Increase spending & enforcement on litter collection and street cleansing.
Inducements for relocation
Insist government meets its responsibilities ... what is the council actually doing in this regard?
Lobby for better road links into and around Hereford
Lower business rates
Lower the rates. Fix the roads.
Make first impression of town's better, need to look attractive and not send visitors around the backstreets as in Ross before they can find their way to the town centre.
Make the river attractive to walkers, cyclists etc. Definitely get rid of litter.
More leisure facilities and visitor attractions needed in the county. Improve the leisure pool as it needs updating. We need to attract more visitors to spend in the county.

<b>Comments</b>
No more houses!!
Not sure
Pressure the utility companies for better supplies especially IT services. Do the rental charges for properties in town really need to be that high?
Promote business opportunity in Herefordshire as below.
Provide excellent industrial units for rent - energy efficient, good transport networks
Provide free workshops on setting up own business
Provide more and support current entertainment opportunities as outlined in the March 2007 report 'How to retain and attract 18 - 35 year olds to the county'
Provide park and ride as city centre car parking is now too expensive
Provide some sort of support in setting up new business, making it easy rather than difficult
Put more public sector jobs into villages.
rail / roads and public transport to key employment areas
Recognise Ross on Wye as the gateway to the county with the best road links, many industrial opportunities have been lost by focussing on Hereford city when the motorway network begins at Ross.
Reduce car parking charges. Herefordshire Council has done its best to destroy the city. Too much ill-judged 'development' for 'prestige'.
Reduce rates for shops in town. Encourage renewable energy.
Reduction in rates and parking = more business and people visiting the city
Reliable mobile phone and internet throughout the county.
Repair the roads properly (not bodge them up) and get proper fibre broadband to rural areas
Restore some funding to The Courtyard
Rising scale of Tax. i.e. 0% 1st year, 40% 2nd year, 75% 3rd year, 100% 4th year. Give the business time to grow.
Sort out the traffic and parking problems
Sort out traffic congestion

Comments
speed up fibre broadband installation
Stop trying to make bigger it only brings more cost to everything around and does not bring more money in. If it did we would not struggle.
Stop wasting public funds and start offering business incentives to come here.
Superfast broadband needs to be a priority across the whole county
Support business via planning for & building live/work units in local communities. Build flexible, clean, and small to medium industrial units that can be used in for lots of different businesses at reasonable rents.
The new university
The road system is appalling and off putting - as well as high car parking charges.
Transport
Transport, transport, transport, and parking. Traffic in Hereford is bad and parking very excessive. I work from home 3 miles from Hereford but now don't go into town unless I really have too. £5 to park on some rough gravel at Edgar Street is a rip off.
Try some real support for tourism, the biggest part of the county economy rather than your infatuation with small numbers of hi tech jobs
try to make the old town centre a little more appealing to businesses aka a clean-up
University/Higher education.
We need good roads and 1st class broadband to attract businesses and keep young people and those with young families in the county
What does upskill workers mean?
Whatever is done needs to be clearly communicated to residents so we all understand what the councils plans are

## Appendix A-Q8

**Q8. Is there any other capital investment you think the council should make?**

**There were 111 comments made**

Comments
A bypass. Tidy up grotty footpaths. Jet washes high town and Eign gate and the subways.



<b>Comments</b>
A city centre bypass. Build new direct roads to connect Hereford to regional motorways in Ross on Wye and Worcester.
A joined up network of tourist information hubs
A new Library, essential for a beneficial knowledge climate: see Worcester
A proper cycle path scheme instead of pretending to promote cycling, build a Hereford ring road, promote free parking schemes in the market towns
Achieve the above projects and many problems will be solved.
Additional support for families with young children through Home Start etc.
Advice Services - Citizens Advice/Partnership
Become more involved with improving Hereford library (Broad Street). A centre to improve the lives of those in the community.
Better public transport in Hereford - you don't need more roads, just to discourage (by providing a good alternative) the plethora of local cross-city trips that clog the place up, e.g. the school run. Better broadband connectivity helps, too. And finding ways to keep high-value office jobs in the city centre, not shifting them all to Rotherwas will pay massive dividends in city centre regeneration, which begins a virtuous circle of growth and recovery. Sending jobs to Rotherwas so the city becomes an employment wasteland, apart from retail is extremely short sighted. Hereford is your main and only real prospect of securing jobs growth. Everywhere else the costs of making them appealing are simply not worth it.
Better road surfaces
Better roads
Boost existing businesses by ensuring and advertising bus routes to them, e.g. provide bus services from Hereford city centre and Ross to Ross Labels and various tourist attractions within Herefordshire. The Wye Valley is a hotspot for tourism, but more people from within Herefordshire could day trip there with better advertising and transport services. This would encourage people to spend money locally on buses and small local businesses rather than hopping on a train to Barry Island (which is easier than getting to the Wye Valley from Hereford city) and spending their money where we won't benefit.
Build a by-pass round Hereford. Upgrade all A roads Improve bus services. Support village infrastructure - e.g. village hub buildings such as village halls
Build a new library / museum.
Build at least one bridge across the wye in Hereford near the centre - not a by-pass. Traffic wishes to get in and out of Hereford. Park and Ride. Improved cycle lanes and cycle routes - and actually carry these projects through. The St Owen street contraflow has been cancelled at least twice already - will it be 3rd time lucky?
Build council houses. That's it. Build houses for people to live in.
By pass around Ross from Walford to Hildersly!!
By-pass and new river crossing on the west of the city
Bypass in Leominster and Hereford required. Establish proposed STEM University. Better road links to rest of UK, including motorways. Improve train services to London and Birmingham. Fast broadband and better mobile coverage. Vital to invest in tourism. Ideal industry as it will both promote the best assets and retains the values and ethos of the county. Establish a 'Golden Valley' National Park or AONB (Areas of Outstanding natural Beauty) and build appropriate facilities (cycling, footpaths etc.) to make it accessible and enjoyable to visitors.
Children services as it saves money in the long run
Complete Ledbury by-pass, to include access to strategic housing site, North of the Viaduct, from the A438 Hereford Rd, underneath the Viaduct.
Create a by pass for Hereford

Comments
Create a sports park which is state-of-the-art - encouraging a diverse range of activities and sports for all abilities.
Creation of improved public transport facilities in Hereford and market towns.
Cycle paths and bus improvements to help people to travel
deliver high speed broadband is the main priority
Develop further education facilities
Ensure that social care is appropriately funded particularly in rural areas
Ensure that the council considers the artistic, creative and cultural needs of the people both young and old.
Fund and support H.V.O.S.S. (Herefordshire Voluntary Organisations Support Service) because if you are needing more volunteers to support the services you are responsible for you will need their experience in co-coordinating efforts to maximum efficiency.
Get moving on the western relief road
Get rid of it's most inefficient buildings and build / buy / refurbish buildings so that it owns and occupies an estate of efficient buildings that cost far less to run, as per the new HARC (Herefordshire Archive and Records Centre)
Hereford bypass
Herefordshire pays some of the lowest wages in the UK, yet it is a very expensive county to live in. A high percentage of workers only earn minimum wage or the National Living Wage. Perhaps the council could spend some money to educate employers to pay better wages. After all, if you pay peanuts - you get monkeys!
How about supporting public transport and not trashing it? Increased investment in sports and fitness - I have never seen so many fat 20-somethings as there are in this county: a long-term cost to the NHS. A water sports centre (sailing/rowing etc.) on the old gravel pits at Marden is a no-brainer. Promotion of cycling is also a no-brainer - a 'tour de Herefordshire'? Our country roads are perfect.
Ignore it, or move county to south east England. Its geographical position means that agriculture and tourism should be its biggest industries. Location means that, beyond agricultural output, only producers of high value, near-nil-volume goods are likely to be attracted to Herefordshire. Grandiose plans for industry and infrastructure should be abandoned and small/shared/incubator business units developed.
Improve Broadband connectivity
Improve city centre and access to city centre
Improve provision of cycle paths-perhaps by encouraging farmers to provide space beside roads and giving them favourable publicity when they do so.
Improve public transport
Improve roads
Improve roads and infrastructure
Improve the roads that we already have. Stop building roads over our beautiful countryside. Work out sustainable transport measures instead. Turn the city into a no car zone and make it a cycling mecca. Look at the visionary tram idea.
Improve tourist infrastructure
Improve traffic congestion
Improve transport infrastructure
Improve transport infrastructure for public transport.

Comments
Improve/provide lighting and cameras on footpaths and cycle lanes.
Improved access/road improvements specifically aimed at rural tourism improvements. E.g. cycle/footpath across Backney bridge that connects rural villages to Ross-on-Wye.
Improved Bus/Rail facilities, bus priority schemes, not just cycle paths!
Increase digital resources - libraries, public space, etc. Use increased analytics to deliver core services more effectively. Increased promotion of how people can use services most effectively.
Increase the amount spent on the county's roads - this will help reduce the spend on remedial works
Intensive support and assessment for children who are failing in education and are excluded from school. This group of children are very expensive, frequently go onto commit crimes and are easily led into taking drugs etc. This could be avoided if their needs were properly assessed whilst in school and if necessary treatment provided. Also if their families were supported during this time, their outcomes are much improved, enhancing the lives of each member of the family, whilst reducing the cost to the tax payer. Resources to fund a team of people to do this work would be at a minimal cost and save money in education, law enforcement, health (better mental health, fewer attendances at A and E (Accidents and Emergency) etc.)
Invest in their local small businesses and help them grow.
Invest in training to up skill council employees and then cut down expensive interim consultants who eats public money.
Invest to save in projects that deliver energy savings and income from renewables - especially council buildings and industrial estate properties
Keep the libraries open, they are a huge source of information and books that would be incredibly difficult to get otherwise! It is vital! Thanks.
Library service
Look to development of its property assets as opposed to selling them for others to develop, so that the council sees the full return or is able to control what is developed based on the county needs.
Lower rates for local shops and garages so that they can stay open and support people who work from home.
Make all new housing developments install Gerry waste water & sewage systems that are cheaper than conventional systems, look attractive and clean more effectively.
Make first impression of town's better, need to look attractive and not send visitors around the backstreets as in Ross before they can find their way to the town centre.
Mental health services. Careers advice/support in school and for adults
More capital investments to create long term savings (if the money stacks up correctly) such as placing solar or other technologies on/in buildings. Or stop using buildings where it would cost too much to retrofit these and work out if getting rid of these buildings and building something new which will save in the future would bring longer term savings. I can't see how selling off assets for other businesses to make profit out of them by converting them is going to benefit the council in the long term.
Need to attract quality employers not just in Hereford itself. Barriers are available buildings and the labour force is not skilled for the 21st century.
New bus station
New transport hubs fit for the 21st century or in Hereford's case even the 20th century!
Next phase of link road?
No. They have more than enough on which most of the time they cannot handle
Not given the current financial climate
Offer more leisure facilities for the County, new cycle track

Comments
Park and ride
Please ensure that the current plans are carried out. Housing is expensive, roads are atrociously maintained. Some council buildings are unfit for purpose - lack of appropriate toilet facilities Tec.
Provide subsidised flats to attract teachers, police, and nurses. Give them priority over non-workers. Build more 1 bedroom flats in 3 storey buildings for young and elderly. Build 2 and 3 bedroom terrace houses (more efficient use of land). Good to build on brown field sites.
Provision of county-wide community transport mini-buses, together with computer facilities to enable sharing of assets/drivers.
Quasi fixed capital investment in human resources to increase skill base.
Repair roads properly and stop wasting money of pointless short term pot hole filling that last no more than weeks and hold infrastructure providers (notably Open reach) to account for their failure to deliver reliable fibre broadband to rural areas
Repairing roads.
Ring road and another bridge over the river to ease traffic traveling into and through town. Stop artic lorry's needing to drive through the centre of Hereford
Ring road needs finishing! Car parking in Hereford needs extending and Kilpeck station would make a good park & ride or parkway. 1) Sustain key local services 2) Create jobs and get local people into work 3) Attract and secure inward investment 4) Improve connectivity through road improvements - ring road needs finishing. Provide better broadband connectivity - not all of us have computers. Enable new housing development - where?
Road and transport improvements to keep the city moving.
Roads, especially ring road to the east
Roads.
Rural cycle paths. I live along the A4110 and you would be mad to cycle along it (though people do), given the heavy lorries and farm machinery that uses the road. There's no pavement either. A cycle path into Leominster from Mortimers Cross would be marvellous - I'd use it for shopping and recreation, as would my husband and children.
Schools need investment - many of them are very shabby. It sets a bad example to our aspirational youngsters.
Small projects that create multiple values for people and the environment (along the principles mentioned in Q.3) decided by a process of shared problem-solving and co-design (elaborated on in Q.9)
Sort out the traffic problems in the city centre
Specific to Ledbury - Connect road underneath viaduct for strategic housing. Improve broadband connectivity
Spend less/much less on wasteful items e.g. most of what is currently being done now and in the past
Stop trying to make bigger it only brings more cost to everything around and does not bring more money in. If it did we would not struggle.
Support for home-workers using the improved broadband connection to make effective use of online workforce and reduce employment related transport difficulties.
Supporting long term unemployed people to get jobs. This would also have the benefit of reducing the financial support the council has to provide to them e.g. Housing benefits etc.
Sustainable transport. investing in tourism focusing on the river Wye
Target attractiveness of market towns for inward investment. Really need a market towns project. Infrastructure investment should consider surgeries etc. in areas of high housing growth

Comments
Target one or two high tech industries that could set-up significant businesses in the area without concern for our relative isolation.
The area is known for a lot of negative things, such as the transport being poor, the roads full of potholes , the buses not running on time, the council has a lot of things that could be promoted and used to its advantage: the blind college produces a lot of talented students, why not try to develop these skills further, promote that as bigger thing create a unique skill set that shows the council is disability aware and promoting it. Which would help to develop staff here and residents to increase knowledge would benefit all the area could be promoted by using its quietness to bring in larger office based business from places like London to have their office here. Need to increase the internet speed but push the business advantage of working here and bringing in new skill to the area is the first to develop a big business here. Bring in someone like Thorne EMI again bring in JCB type business frame to develop a trade framework, investment in the roads and transport links could be vital. Repair them quickly, look at areas such as Sweden where they develop road repair systems which repair stretches by digging up whole patches and then relaying it behind so no patch work roads. Be the first in country to do this. Increase the councils presence with a trade, promote it so brings in more business as there is nothing really that stands out business wise as Bulmer's has been sold off the other companies that used to be a icon of. Herefordshire no longer stand out even the Hereford cattle is no longer unique and stand out for our area. We need to stand out stand up and be proud shout about how good we are as a county as we can be better than the low position we have dropped to in amazing places in the UK.
The bypass is a priority.
The Hereford Enterprise Zone is not as successful as an enterprise zone should be because Hereford is remote, nowhere near the motorway network so not attractive. Time is a big factor. It takes too long to get to Hereford from anywhere. Time is money. New housing is only selling very slowly, so plans to build 1000s more seem misplaced. Much better to invest in tourism, culture and agricultural/horticultural/food/drink excellence to put Herefordshire on the map.
There needs to be some provision for youth, this could reduce damage caused in parks etc.
Trade, Tourism and International Awareness promotion to elevate Herefordshire's visibility in Europe, the United States and other global regions
Traffic calming
Transport Interchange at the Railway Station.
Transport projects such as providing bus real time info, smart ticketing , and transport interchange fit for purpose.
What is Herefordshire's unique selling proposition? Why would businesses want to come any further west than Worcester, Gloucester or Bristol.
Whatever is done needs to be clearly communicated to residents so we all understand what the councils plans are
Widen Belmont road or do something to reduce the traffic, similarly the Newtown road stretch at the end of Edgar street.
Work with the MP and central government. Go approve funding for all things.
Yes, as above. The new university.
You've identified the important areas but Hereford needs a bypass NOW

## Appendix A-Q9

**Q9. Do you have any additional comments or suggestions how we could deliver services in a different way? There were 119 comments made.**

Comments
A clear vision of what Herefordshire Council can actually do - in numbers, not vague aspirational vocabulary - would make an enormous difference.
Access to centralised enquiry team via live video pods in supermarkets/petrol stations/pubs (in rural areas) or by web portal. Production of apps to assist in reporting potholes, blocked gullies etc. via android / apple phones.
As I noted above - scrap BBLP and bring in house. Stop moving offices around the city - don't spend money on a building for offices and then move in a few years It is like deckchairs on the titanic
As stated before, another local government restructure to re-join Worcestershire or link up with Shropshire / Gloucestershire. The traditional 'county' services like social services can be delivered from that regional organisation and parishes do the more local services. But that doesn't mean parishes raising their council tax precept, they should simply get a cut of the massive savings to be made by economies of scale from joining up, so the whole thing is cost neutral and council tax payers see their money go further.
As well as the possible tiring of service buy-in and voluntary charitable giving on the council tax bill, you could consider the idea of rationalizing your benefits/fraud service and switching to a countywide universal living payment. Most research into universal payment schemes show them to be progressive and beneficial with lower running costs. You could merge all your services into one building in each town, so that a library would also contain the TI, CAB, careers advice and other walk-in support services. In Leominster, for instance, you could move the fire station onto the enterprise area and sell off the riverside site. Or sell off (or stop renting) the library, TI and CAB buildings, relocate the fire station and use the riverside site to build this larger central council facility which could include gallery and presentation space, but only if it might give a net capital gain. You could use this investment to build something of real national/international architectural merit and interest to encourage businesses and tourists as well as increase patronage.
Be more efficient - improve council employee's efficiency
Being more creative and valuing staff.
Better access to online services and info via email/web/social media
Better support for carers and young carers
Bring back in house external work such as Highways and Hoople, why pay someone else to earn a profit from the council? Of course we all know the consultation will be ignored as last year with cutting of bus services.
Build flats or house or garages on spare ground in Vicarage St, to stop parking and dumping scrap car. Up to 7 at a time. We who live there have had to get moved. Q1) Paid for my bus pass, paying taxes for 48 years at work
Build flats or house or garages on spare ground in Vicarage St, to stop parking and dumping scrap car. Up to 7 at a time. We who live there have had to get moved. Q1) Paid for my bus pass, paying taxes for 48 years at work
Build the bypass at Hereford and E-W bypass at Leominster.
Build your own care homes for the elderly so that you don't have to pay the huge fees charged by profit making private enterprise care homes.
Bulk buying of everything with other local authorities. Monday - Friday working and Wednesday - Sunday working with Monday/Tuesday off so less Lorries less cost. When recycling contract due do the above so less capital and less cost for company. Cut rights of way budget. Look at in house efficiency and ways to be more effective.

<b>Comments</b>
Challenge the idea that Herefordshire can only survive if it builds a new large-scale business economy. The location is against that, while money is being wasted trying to promote it. Stop wasting money and focus on natural assets.
Communication needs to be better - most people don't know how decisions are made of that we could in fact have a voice - it just seems that decisions are made from top down. Give your people a voice and make it more accessible for them to do so!
Contact with public officers to reduce wasting time trying to source correct department.
Continue to roll out energy saving initiatives and renewable energy options and initiatives around the County.
Customer contact and advice, emergency support and others could benefit, cost wise, from sharing services with other county councils.
Cut Adult care. Sorry but it takes far too much of the budget and frankly we have had it good we baby boomers. It's time to give the youngsters a chance. As for devolving services to parishes .... What a joke. The councillors are volunteers and the clerks are part time. We have neither the time or expertise to take on these sort of projects. Didn't we get rid of District Councils who did these jobs?
Delegate as much local services to Parish and Town Councils with the funding to deliver it. Taken on as many central government roles as possible that relate to Herefordshire if the funding is available to help deliver them. Don't rely on volunteers delivering services but encourage and support them as much as possible where they do want to take on services.
Delivering services using volunteers is NOT a cost free exercise, especially if delivering services in people's homes. To protect vulnerable children and adults and to deliver a quality service that meets legal requirements and follows good practice guidelines, means forward planning, understanding what is to be delivered and employing a robust volunteer coordinator. Volunteers need to be recruited, trained, and supervised regularly. There needs to be a clear system off discipline and grievance management to support good volunteers and weed out unsuitable ones.
Demand businesses in the new market development and the enterprise zone to pay business rates.
Distribute some funds to Parish Councils to establish Community projects to maintain rural environment and facilities.
Efficient managerial staff - good training for your staff - stops relying on internet for everything as it is too time consuming and causes problems for people which could be solved with the correct face to face contact.
Either commission services on a needs basis, or commission on an economy of scale basis in partnership with Shropshire. Trying to commission on an economy of scale basis for Herefordshire alone does not make good business due to the population size.
Ensuring close continuity between county health & social services so that funding is used as effectively as possible. Consider libraries as an educational & community asset, often the only such asset in small communities, therefore justifying adequate funding.
Explore more business type opportunities. I think much has already been achieved and budget cuts have already been really difficult. Duplication has been reduced, it already seems like the bare minimum / statutory function is delivered.
Filling potholes when first seen buy Balfour Beaty.
Focus on finishing tasks that are started before starting new ones and failing to complete any well.
Funding market town improvements will encourage tourism.
Genuinely work in partnership with parish councils instead of the disdain you have exhibited for years.
Have a more proactive communication with residents. The Cabinet system is extremely undemocratic.

<b>Comments</b>
<p>Have greater consultations with the Market Towns, to demonstrate fairness and equality, services are too City centric. Parish Council's should receive a percentage of Council Tax collected, i.e. 20%, for the local delivery of services that are being devolved by the County to satisfy the short term savings, e.g. grass cutting, toilets, libraries/local services, litter collection, etc. The Parish Councils could probably do it more efficiently and cheaper, but need the funding, we cannot keep raising the precept's, that's double taxation. If you do it for CIL, it can be done for Council Tax.</p>
<p>Having today visiting Ross on Wye customer council services today I was so impressed by the excellent service I received, in every way. I can only say, Ross office should go to the top of the class.</p>
<p>Herefordshire Council has over the last few years completely abdicated its responsibilities to maintaining the health and well being of its citizenry by buying into a system of austerity promulgated by a right wing government that favours the 'haves' over the 'have nots'. It is shameful that the council has not taken any measures to ensure that the vulnerable and the dispossessed are not increasingly side-lined in the face of such greed and, in fact, has assisted in this subjection of its population.</p>
<p>Herefordshire is a beautiful place to live but not a place to grow old in. The council has no money or ideas to improve services, the hospital is in special measures and the infrastructure is at risk of collapse.</p>
<p>I am recently arrived into Herefordshire and will consider ways to improve service delivery during the coming months.</p>



Comments
<p>I care about Herefordshire, and don't want to see services cut to the bone. Services could in fact be delivered in radically different ways, if we could only dare to think differently... (And I hope this message gets to senior managers, executives, and council members). When there are cutbacks, the first casualties are our ability to be creative, innovate, and freely associate ideas - yet these are the very things we need in order to be resilient to change. (And I mean the resilience of the county, and of the Council itself.) Often, we do things 'the way they have always been done', and find it hard to readjust what we do to be fit for purpose, because we can no longer see the woods for the trees. This is exactly when we need a reality check. Here are a few suggestions: - Designing projects and delivering services together. Delivery-level staff across diverse departments can achieve a lot when given the opportunity to put their heads together often, collectively share problems, and come up with ideas that address more than one issue. Not only does this reduce the instances of working at cross-purposes, or duplicating work, but it also generates increased efficiency in that multiple benefits are reaped - i.e. 'win-win' situations. (e.g. a project based on flood-defence issues could also create habitats contributing to ecological resilience, increase access to the outdoors, generate energy, create opportunities for recreation, tourism, etc., etc...) Co-design can be expanded on to include partner organisations. - Taking a long-term approach, and addressing the 'root causes' of problems. It takes guts to take a proactive approach in reactive times, but it is entirely necessary for our efforts to be sustainable. It represents huge savings in the long term, if not the short (e.g. addressing children's health and wellbeing now means healthier adults in the future; creating a true 'pride of place' reduces littering &amp; antisocial behaviour...) - though some interventions would possibly produce short-term benefits too. - Involving people, the Council could be reaping much added value from involving citizens in decision-making, and in contributing to its aims. If people are engaged properly, then they will not feel coerced, but empowered to participate in improving their own communities. This has to be done carefully (as mentioned before), which communicating clearly - in terms that we all understand, through media we access easily (including digital engagement, e.g. twitter opinion polls - but not abandoning other means, e.g. having paper forms at the library, along with a friendly member of staff!), and most importantly in language that emphasises shared ownership and responsibility, and dissolves the boundary between 'authority' and 'service user'. Overwhelmingly, increasing transparency and openness generates goodwill and trust. More events could be held to engage the public with decisions about the things that matter most to them, and involve them in delivery where appropriate (e.g. Sydonia Park, Leominster - first a community meeting was held to find out what people wanted for their local park, then a volunteering day was held to carry out some of the work - having the added benefit of bringing the community together, building social coherence). Also, the Council could be publishing more Open Data, enabling businesses, education establishments, community-builders and interested citizens to engage with the issues we grapple with as a county, and offer solutions. Additional ideas:- Sharing resources with other public services where it makes sense to do so (this is probably already being done) - Offering contracts to local businesses, using local supply chains wherever possible. Encouraging a circular economy. - Income-generating activities, and maximising use of assets, as mentioned before.</p>
<p>I think the Public Realm budget is seen as an easy option for cuts; Herefordshire roads are in dire need of investment and it is extremely short sighted of the Council to neglect investment now for short term budgetary gain.</p>
<p>I think we need to see more community involvement but not have all volunteers who do not cost anything but still have a "hike" in our council tax to keep the middle management in posts.</p>
<p>Implement a can do policy to replace the current you must not policy - move on, make it happen instead of finding reasons not to.</p>
<p>Important to protect services like CAB, social care</p>
<p>Improve back office functions and processes to reduce waste. Re-tender expensive contracts. Merge with neighbouring authorities. Improve Joint working with partnerships. Put social services out to tender.</p>
<p>Improve efficiency within the council. Reduce internal waste within the council</p>
<p>Improve internal communication- council online presence to stimulate innovation.</p>

Comments
Improve key local services. No further cuts in public transport.
In the 14 years I have lived in the county I have seen so much money wasted. Just stop all the foolish spending. Amalgamate with Worcester or Shrewsbury (yes!!) and save a fortune in duplicated administration and services. Abandon corrupt cabinet system.
Invest in turning local assets into Social enterprises and look to see how council smallholdings could become the hub of local community enterprises etc.
It gets frustrating that you cut so many services but raise the council tax!! I don't care about adult social care!!
It is outrageous that the council has overspent and is coming cap in hand to ask us for more money. Who is in charge of the budget? Where are the priorities? There is still no Hereford Library! Why? Who thought it would be better to have some arty crap in the new shopping centre? Why do you keep building roads that don't go anywhere? Look at Hereford's local needs and respond in a sensible manner. I despair at the level of waste and the pie-in-the-sky schemes. What a waste!
It is very important to take into consideration safeguarding of vulnerable people - all volunteers should be vetted to ensure safety and no abuse - they should also receive adequate training for the roles they wish to volunteer for. Many organisations help in Herefordshire to protect the vulnerable - it is important that Herefordshire Council appreciate the work they do with the meagre funding they get - so should spend wisely on continuing to help these charities to continue in operation.
It is vital in this widespread rural County to keep access to Council services in the Market Towns, especially important in ageing communities. It's likely there will be cuts to transport and people will not be able to travel as easily so there will be an increased risk of isolation. Not everyone has the skills/knowledge/capability to go digital. Not everyone can afford to go digital. Not everyone is able to access free online services. Those living in more isolated areas are likely to have problems with network/phone signals. For those who are able to go digital - have the systems and network speeds to support this. Have robust online application forms etc. Have automated phone systems.
Keep bus services open and add later buses so people can get evening jobs if they don't have access to a car.
Keep Libraries and council offices open in Ross and Leominster market towns
Less bureaucracy means more time for staff to deliver services.
Less job-sharing - it is not efficient to have several people doing parts of a job - customers often have to wait till their contact is in before making any progress with a query.
Look at the systems used and ask why we are using so many systems to store people's details on when one will suffice. Why not use the information given to the various officers to actually look at services needed develop these to meet needs. If more people require the social service than need grass cutting why not look at putting more money in to that then looking at bring in teams from colleges such as Holme lacy to cut the grass and give a qualification for doing it. Use groups that would benefit from doing things as well as the county would. Look at the system Ross town council employed to recycle in previous years to get metal items, then they could collect more items for recycling would bring in skills to the charity users as it was people with additional needs who collected items helps with day groups and interaction skills for users. There are lots of things that could be done if people actually looked at the way they share information and asked for help. Use groups in the community as friends and partners not enemies, promote things that benefit the community not fight them speak to people not just other Cllrs and managers get out and about be more approachable. I work with in the council and this council is near impossible to speak to anyone to deliver any ideas to they are all dismissed and blown out of water for pointless groups of meetings that do nothing but waste time and money. The council needs to re-embrace the resident's views and be approachable to new ideas but also old ones. Look at the comments shared by residents not highly paid workers who don't live in the county and barely work from here either speaks to members of staff on front line in person not just by questionnaires.
Look to amalgamate services with Worcestershire.

<b>Comments</b>
Maintenance of roads in the county is clearly a low priority and significantly underfunded with oversight failure. These matters need addressing urgently before minor roads revert to cart tracks.
Make better use of the Children's Centre building, give access to providers to hire rooms in the evenings and weekends.
Make decisions about supporting local charities that deliver services to the vulnerable and needy in a more timely way. Currently it is impossible to plan services more than a few months ahead.
Maximize cost effectiveness of service delivery, ensuring contractors deliver what is required and tightening contracts
More choice
More cost effectively!
More customer facing staff.
More on line services and self help plus a reduction in management
One large state of the art County Library (out of town -Hereford e.g. Rotherwas) with excellent internet connections, skilled qualified Librarians, reading room for reference/Local History study. Plus a book/information delivery/collection (as in Amazon) throughout the county, delivered either by post/courier or drop in to local store, shop, garage, charity shop etc. with delivery van to take out and return. This would save the cost of expensive libraries at Leominster/Ross/Ledbury etc. while still providing books and information for those who need them and provide a good Professional information service to business user. Resurrect a peripatetic Professional children's Librarian to visit schools and advise on children's reading - expensive but still cheaper and more effective than multi-centre static libraries. Sorry, I did not fill in the Library Questionnaire but I missed the date as I was not aware of it.
Outsource/put out for tender council work/projects to enable more competitive pricing and control on spending.
Performance management of 'poor' staff within the council to improve efficiency and effectiveness.
Please save our library. We have a great team of volunteers who staff the community library but understand we may be closed to save money. This would be a huge loss to the community.
Pleased with service that BBLP provide
Positively encourage and offer contracts to non profit making social enterprises who have the interests of the community at their heart and minimise the use of public and private companies who are driven by profit and the bonuses of Directors and have no interest in the needs of the community
Providing services jointly with neighbouring authorities. The only thing that prevents this sort of thing happening is self-interest of senior managers and politicians.
Pushing services down to parish council budgets is hugely unfair. You need to control your costs and not simply move them to other places just because they do not have the budget constraints that you have. Cut your own unnecessary costs, including the ridiculous administration burden of the council.
Radical redesign of rural transport subsidies, to encourage community transport schemes. Protection of library and cultural services and closer integration with education services, at all (primary, secondary and tertiary levels.
Reduce costs by bringing services back in house, such as Hoople and Balfour Beatty, why pay their profit margin?
Reduce money spent on wasteful projects such as creating tree lined boulevards in South Wye and paying for interim staff.
Reduce the number of parish councils (merge smaller ones with neighbouring parishes), thus enabling them to better support Herefordshire Council
Reduce the senior management headcount

<b>Comments</b>
Reinvest in council services rather than lining the pockets of private companies. Support charities and organisations working with young homeless adults - they are our future and should be given as much help as possible at the start of their lives - without a secure housing base we are nothing and can become nothing. Without support they end up costing society more in the long term.
Repairs to the infrastructure please can they be done at night. Hereford was grid locked during August. Better IT services for the public in libraries. I'm helping when/if Hereford re-opens it will be much faster. More displays in council buildings regarding the various aspects the council covers and when they are being promoted.
Retain the core expertise in-house who know the county and how it functions, and review services fully that are being delivered against robust value for money criteria, to ensure that informed decisions are made based on real costs of delivering the service and the community impact.
Return to using Amey, not Balfour Beatty
Run the council as a business
Seamless services. Public services that talk to each other and work together to provide seamless services for the public needing/using them. Systems that are compatible and do the job properly.
See attached <letter attached is included in the appendix A-Q9a>
See no 8 please
Send district nurses and other health care workers to elderly at home more; allow visits to be longer. Give students career advice at age 14 or 15 so they can consider options while there is still a chance to get required courses in school. Make sure all in county speak, read & write English. Translators are an unnecessary expense. Anyone using them should be charged full price.
Share services with neighbouring authorities. More volunteers in more libraries. Insist that government recognises that Herefordshire has particular challenges (sparse population, wide range of small businesses below the rates threshold, few large businesses) and so needs appropriate funding to make up the shortfall that is inevitable if the county is to rely on business rates alone to make up the shortfall from a reducing government contribution.
Sort out the school buses, public buses are dangerous and currently children are standing up on busy routes which is UNSAFE and is leaving some parents worried about their children's safety.
Stop advertising free activities (e.g. visiting the Black & White House or nature trail walks) and start stimulating the local economy by advertising local activities that need to be paid for. Tourist information should inform people of where best to spend their money across Herefordshire, not how best to save it.
Stop letting contracts to the private sector. Properly managed the Council could deliver services for less cost. The profits currently made by the private sector could be used to deliver more services avoiding such severe cuts.
Stop spending on useless projects. Hire some new people with new, better ideas ... too much of the same old stuff and Herefordshire is going nowhere.
Stop the active village grant, no one wants it, its a low take up and costs loads
Support development of professional arts and crafts in Herefordshire Support further education to provide skilled workforce.
Take back control of the 'contracted out' services, and review them as council run activities. Better accountability and control of spending will follow.
The capital projects list makes a depressing litany of projects focused on Hereford city and on Council Officers obsessions. It, with the exception of schools, fails to reflect tax-payers aspirations. There should be no optional capital spending until finances are stable and sustainable - boring and challenging for officers but what residents would wish.
The fact that Hereford has no proper library is appalling

Comments
The highway bridges and roads are declining in condition rapidly due to under investment, they need further maintenance investment to keep them open
The main thing is to lobby central government to stop the austerity budget which is having such a negative impact on our rural economy
The Parish Council considers that Herefordshire Council should be able to increase Council Tax above 2% to counteract cuts in central government funding. However, the requirement to hold a referendum to do this makes this option unavailable in practice, as it is unlikely that a majority of taxpayers would vote in favour for increased taxes, and the cost of such a referendum would therefore be a waste of scarce resources. Central government should be told that these rules are a restriction on the rights of elected councillors to take local decisions on local matters, and a cynical attempt to avoid responsibility for the catastrophic impacts of central government funding cuts. Central government would not seek a referendum on increasing taxes for exactly the same reasons, so why should they impose this requirement on local government?
There is too much expenditure on road building and maintenance rather than on public realm and basic services. If you compare Hereford, which has aspirations to be a university city, with other medium sized cities it looks very car dominated, dirt and threadbare.
Think ahead and not having to be in a 'catch-up' situation all the time i.e. be proactive and not reactive. If this means employing new forward thinking people so be it.
Thinking still seems to be disjointed and there is no focus on maintaining what makes the county so unique. It seems that the Council is actually hell-bent on destroying the character of the county rather than supporting it. In my mind, this hardly qualifies as a consultation - there is no substance to the questions that properly reflects the complex issues that need to be balanced to achieve the necessary savings.
This survey does not let respondents give a view on the full list of proposals for cutting the budget 2017-2020
Try and share with neighbouring authorities. Do not expect parishes to be able to fill the gaps; they are not skilled enough at present and it is very hard to go from a standing start to do new services responsibly.
Undertake meaningful consultation- listen to feedback received.
Use capital funding for planned highway maintenance, and street lighting, thereby reducing pressure on revenue budget. Replacing broken pedestrian and equestrian bridges, and funding small improvements to the rights of way network.
Use online as much as possible and scale back in person and phone services so that those who can use online find it much more attractive rather than queueing or hanging on the phone. Those unable to use the web will then be an ever decreasing minority needing to use expensive in-person or phone services and they can be scaled back then dropped.
Value the existing voluntary organisation that you already support and please don't reduce their funding without serious discussions as to the longer term impact of such decisions. Reducing funding for one will possibly increase pressure on another.
We don't use communal areas, we don't use leisure services, public transport, nurseries, any type of social care etc. I seriously think that the government in general, not just councils, should only make people pay taxes for the services they use. Means test things like bus passes, OAP rates for services etc., television licences, winter fuel allowances. Stop giving high earners free nursery care etc. If we stopped handing out 'freebies' to the people who can easily afford to pay instead, I'm sure everyone, especially the needy would benefit.
What funds does the council get from the EU? If any, we don't know yet how this might/will change.
Work as one team for the good of the people of Herefordshire. If you want to be the best and have a tidy county you must work with all to maintain roads, litter picking, cut hedging, clean road signs, and maintain bins and so on and so on.

<b>Comments</b>
<p>Yes - get rid of Balfour Beatty &amp; its pathetic random pothole patching. Get rid of Balfour Beatty blokes wandering aimlessly with leaf blowers (what job they are doing heaven knows). Get rid of more useless council employees on inflated salaries (£98000+). Revive Hereford old town - currently plagued with dark doors &amp; charity shops. Provide improved public transport links to and from Hereford city. Day and night. PS lastly!! Please stop doing these 'surveys' in summer when everyone is away and parish councils do not meet.</p>
<p>Yes, bring services in house, do not commission profit making companies at councils expense</p>
<p>Yes, by designing consultations that actually work, where are your budget proposals? This exercise is yet another waste of money. Save money by cancelling the High Town upgrade project. Bring back trees into High town and the centre of Hereford.</p>
<p>Yes, stop giving in to certain groups just because they shout the loudest. They certainly do not speak for the majority of the county, but a very tiny proportion. Stand by your convictions, instead of back tracking.</p>
<p>You have to make a stronger case to central Government about the unique challenges of the rural landscape in which we live. At the moment you actively discriminate against people who don't live in towns, but giving them either much poorer services, or none at all. This is unfair. You should strive harder to use the villages as an asset. They offer cheap accommodation for businesses, and a very can-do attitude among their residents. But they also need support. Poor families struggle to find work when there is so little public transport. There are no customer service centres in villages, to help poorer people access services and benefits. Yet people in similar circumstances that happen to live in towns, get access to a wide range of services and help. This is unfair, and needs to be addressed. Village populations are ageing fast, and while volunteers may be able to help now, in the next 5-10 years they will become too old to do so, and will be in need of services themselves. These short-sighted cuts exercises are leaving threadbare services that will not be able to cope in the future. You need to start take a longer-term approach.</p>

Chief Executive's Office

18 AUG 2016

Issued to:

Knownledged:

**KINGTON TOWN COUNCIL**



QUALITY  
TOWN  
COUNCIL

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Herefordshire Council  
Plough Lane  
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HR4 0LE

Friday 16<sup>th</sup> January 2015

## **HEREFORDSHIRE COUNCIL 2017/18 BUDGET CONSULTATION**

Dear Mr. Neill,

Kington Town Council wishes to express its concern about the consultation that is being carried out by Herefordshire County Council in relation to its future budget. It will comment specifically on the budget proposals at a later date, but at this point wishes to note some issues in relation to the questionnaire that can be returned both by members of the public and by representatives of organisations.

Whilst the first page of the consultation document does have a side box which gives access to a range of documents, at no point does the main text suggest that people should read the Directorate Savings proposals document nor the other documents before completing the questionnaire. After one brief paragraph, you reach a box which says "Complete the online 2017/18 budget consultation questionnaire". We would suggest that most people are likely to go straight to the questionnaire without reading any of the documentation, which in any case is long and complex. This therefore means that many of the following questions are likely to be answered without due regard for the complex issues which lie behind the questions and the decisions that the council is likely to take in relation to its budget.

We would also like to comment specifically on the questions as asked in the document:

Town Clerk

Gwilym J. Rippon Member ILCM, Cert HE Ceg

**Question 1** is about charges for council services – it notes that the council already charges for a number of services, but does not say which ones. The question asks if the respondent is willing to support an increase in charges above the level of inflation – how can you answer this question without more information about what levels of charges are currently levied and which services could see increased charges? To find out this information requires close reading of documentation.

**Question 2** asks about increase in council tax – but again, does not say on the form what an increase could fund or protect. Whilst a range of background documents are provided and can be accessed, how many respondents are likely to do this and therefore answer the question in an informed way?

**Question 3** is about savings and asks for ideas – a write-in box. It requires the respondent to go back to the first page of the consultation and to know that to see proposed savings, you have to click on Directorate Savings Proposals. You then have to return to the questionnaire to continue. The Directorate Savings Proposals are quite long and complex.

**Question 4** is where the problems really start. The question is posed with a lead-in that says that as part of last year’s consultation, over half of respondents thought that town and parish council, community groups or voluntary organisations could do more to help deliver services in their local community if Herefordshire Council reduced or stopped delivering a particular service. As this does not contextualise this with the information that any additional services could have an impact on the uncapped parish precept, nor recognise the services that towns and parishes already provide, this could be very misleading for respondents. Discussions with towns and parishes in advance of this list and this question would have been useful. The list includes many services that could not be undertaken without staffing and funding – such as libraries and leisure facilities, respite and day services, providing activities for babies, toddlers and pre-school children, and bus services. Whilst the question as posed does note that “Your parish council has the power to charge an extra amount on top of your council tax. Do you think that they should exercise this power and charge extra in order to carry out any of the following”, there is not sufficient information provided to enable people to know what kind of additional charge, the costs of providing these types of services or the feasibility of town and parish councils providing these. Some services would also cut across town and parish boundaries and funding for service users outside of the town or parish boundary could be declared an ultra vires payment if challenged (for instance with bus services or libraries,) unless all relevant parishes in a locality were willing to increase their precept and contribute. We consider that it is very irresponsible of Herefordshire Council

Town Clerk  
Gwilym J. Rippon Member ILCM, Cert HE Ceg



to ask this question in this way without proper advance consultations and discussions with town and parish councils.

**Question 5** is a very leading question, asking respondents if they already volunteer in Herefordshire.. Many people are unable to volunteer, for all kinds of reasons. To ask this kind of question in this consultation is potentially discriminatory and should not form part of this consultation. **Question 6** then goes on to ask people if they would be willing to volunteer in a wide variety of roles – including activities where either health and safety or safeguarding would be issues. In addition, as noted for question 4, most of these activities would require volunteers to be properly recruited, screened and vetted, trained and supported by paid staff. Volunteering is not a cost free activity. This could also raise expectations that all of these activities can be undertaken in this way. This again is a complex issue, which requires significant further discussion with town and parish councils, and with relevant organisations, particularly voluntary organisations that are already seeing their budgets cut and grants from various bodies harder to achieve.

The following questions about capital funding and support for business are not in themselves problematic, but in determining a environment for business development and the attraction of new business, the role of culture and the arts and the green environment have been completely overlooked. There are significantly more issues that create a good business and living environment than just those noted in **Question 7**.

As we have noted, Kington Town Council will comment in more detail on the specific budget proposals. We feel, however, that the consultation exercise will do little other than satisfy the requirement that Herefordshire Council has consulted, but as with other recent consultations, this is a meaningless exercise and we would hope that the Council would in future perhaps consult with town and parish councils as to appropriate ways to achieve more effective engagement of local communities in consultation on what are very specific issues that impact on the well-being of the county.

Yours Faithfully



Gwilym J. Rippon MILCM, Cert HE Ceg  
Town Clerk

Town Clerk  
Gwilym J.Rippon Member ILCM, Cert HE Ceg



## 2017-18 Budget Consultation Response

### Assumptions

We note that the working assumption is that the cap on general council tax uplift remains at 1.9% for 2017-18. We also note that a further 2% budget uplift is included in the budget to be ring-fenced to support the rising cost of Adult Social Care. However, it is not clear in the consultation documentation where this additional funding is represented in the figures. The supporting paperwork appears to be identical to the paperwork approved at last year's budget – to include all the same savings profiles contained in the MTFS at that time.

### Grants and Local Government Act (1972) facilities

We are not able to see where the ~£4m of grants, including the Rural Services Support Grant, awarded immediately after approval of the 2016-17 budget and currently held in reserves, are being proposed to be spent. It is disappointing that with 6 months' notice the interim has not been used to make suggestions on how this grant funding might support service delivery into rural areas in time for such suggestions to be consulted upon here.

A significant proportion of last year's consultation respondents were amenable to paying more through their Council Tax to secure or improve services important to them at a local level: albeit that they had reservations regarding how such services would be agreed and their levels assured. This enthusiasm seems well matched to the facility provided by Section 137 of the 1972 Local Government Act: it is disappointing to be unable to find any assessment in the consultation of the parish funding which could be available under the Section 137 provisions for the support of agreed services.

This facility is a funding source that we have brought to officers' attention in previous years, and we would strongly encourage a serious consideration of this facility and the opportunity it presents to enable and encourage closer co-operative working amongst parishes. While central government continues to reduce the amount of national taxation redistributed through the core grants mechanisms, it is perverse to continue to ignore this source of local funding and the improved local government co-operation it could encourage.

Based on the August 2016 population figures for the county we have around 150,000 electors. At the 2016-17 S137 rate of £7.42 per elector, this gives a maximum of some £1.1m of parish funding which could be available for the support of non-statutory services delivered either cooperatively at parish level or cost effectively at county level, whichever is most appropriate. The opportunity has been missed to use 2016-17 to begin the conversation with parishes on the service mix and spread which may be appropriate for such funding support. We urge the administration to make a commitment now to begin this dialogue immediately, so as to explore the possibilities and acquire the consensus needed to make use of this source of funding in 2018-19.

### **Additional Savings: context and proposals**

A savings programme has already been proposed which omits certain funding sources, mentioned above, and which also is behind in its delivery in some areas and overambitious or untargeted in others. IOC has maintained for a number of years that the budget for Herefordshire is, in reality, not balanced; and that savings targets in departments are sufficiently unclear in their detail to create the concern that they are used merely to give the appearance of a balanced budget.

Far from being motivational for staff, unrealistic or unattributed savings targets give the impression that a budget is never truly something on which delivery is expected. Neither is it encouraging for particular areas of the council's business repeatedly to be required to make additional in-year savings to bail out those parts of the council's business which have been assigned unachievable savings at the start of the year: a culture of perennial overspend, and/or perennial plundering in various parts of the council's business, is corrosive and ultimately undermines the necessity for culture and behaviour change.

Elsewhere these in-year unbudgeted savings risk impacting on investment programmes essential to the enablement of new ways of working when these become delayed and cut to compensate in-year pressures. This also risks preventing or delaying the service re-engineering necessary to deliver savings. Projects like Digital Channels and the improvement of the council's website are critical to the delivery of service and behaviour change. Additional savings and increased income could come from the council focussing on information handling and knowledge management for the county, its partners and the voluntary and third sector organisations seen as core to new service models across all departments and stakeholder webs.

Is the council compliant with its own income and charging guidelines, adopted in 2011/12? What priority is being given to creating the understanding of service delivery costs which would enable charging tariffs to be developed for parishes and individual residents to consider? It's hardly surprising that people/parishes are reluctant to commission works which come with unspecified or open-ended liability: re-painting of road markings, traffic regulation orders, gully sucking and drain clearance, residents' parking zones, replacement local/road signage are a few examples of work which could be funded locally if the costs were properly understood.

Other proposals include:

- Using the council tax collection system to enable individuals and/or larger groups of properties to buy additional services and spread their payments.
- Offering a chargeable green/garden waste collection service in urban areas for re-cycling/composting (rather than going to landfill), particularly in the south of the county close to the green waste facility just over the Gloucestershire border.
- Deploying ubiquitous technology and evolving social business networks to change the way in which services are made available (assuming sufficient all-county broadband coverage), for example:
  - Real time GPS on public transport linked to mobile phone apps, showing the exact location of buses (which could be linked to smart messaging signs at bus stops and the opportunity for income from advertising that reacts to and targets users in its Bluetooth bubbles) would negate the need for published bus route timetables. GPS would enable smaller operators to enter the market and to upload their travel route – or even for them to deliver 'doorstep services' in rural areas.

- UBER offers a new model for urban minicabs/taxis: the technology could also enable people, as part of the 'Choose how you move' programme, to register to provide flexible taxi services in rural areas where reduced bus services are expensive and inflexible. The UBER model would enable local people known in their own communities to be paid for transport services as if they were Community Transport drivers.

Further savings could be made from a more joined-up view of how we use the 'assets' the council already has at its disposal.

- Library and Customer Service centres are the ideal points at which to base signposting and wellbeing hubs for Adults' and Children's Wellbeing, and for our healthcare partners. Significant investment is required in these directorates and partner organisations to deliver preventative programmes and behaviour change. Customer Service & Library staff members are good sources of knowledge and data, and are well networked in their local communities. They already have the skills and knowledge to match well with the CWB/ASC messaging and would also be able to deal with the wide range of issues and problems which might involve other advice areas and partner services.
- Cultural centres (theatres/museums) can act similarly as hubs for such service provision and signposting, with advisors doubling up as front desk for these services.
- Most Town Councils already run a reception desk/enquiry point, the cost of which could be shared with Customer Services and a wellbeing hub, offering the potential for space sharing, savings in operating costs and additional revenue from the repurposing of existing office space.

The implementation of advice and signposting services can be flexibly deployed to match the locality need and best options for the physical access points in each community. These Centres can be hubs for Neighbourhood Networks of Community Champions – providing support and contact services in their immediate localities – from good neighbourliness through to regular shopping, prescription or other care services.

All parishes have been challenged to provide these neighbour volunteers, but such support networks will need to include income-generating services in order to be stable and viable. The council should be looking to provide payment or support to enable some of the services to be provided. It is not realistic to expect that these support activities will be sustainable without some element of funding – although this can come in part from the beneficiary through personal budgets etc.

Treating the provision and marketing of excellent and attractive specialist respite care services should be an important part of the council's investment in prevention and pipeline management. Making those services available for part/full payment for non-qualifying families enables the cost to be spread across the year or shared amongst family members, with collection through the council tax system.

### **Additional Parish Service Delivery**

There needs to be fully co-ordinated effort to enable parish dialogue on this matter. Not all of the options offered in Section 4 of the questionnaire seem suitable for parish level delivery.

Activities suitable for wholesale parish devolution would appear to include:

- Maintaining communal green spaces (parks, playgrounds, sports pitches)
- Grass and hedge cutting
- Litter and dog fouling enforcement

- Good Neighbour schemes

Activities which would involve some level of parish action, but which would also require continued county council involvements would appear to include:

- Road/footpath maintenance
- Libraries, museums and leisure facilities
- Customer contact & advice
- Winter services (gritting, clearing roads/pathways)
- Helping out in emergencies

Herefordshire Council should return the ownership of the city and market town car parks to these parishes to create income-generating assets to contribute to the cost of taking on the above services. This would be appropriate since there is a direct correlation between visitor numbers to these urban centres, use of services, and car park usage. If section 137 monies were not to be utilised to spread service delivery costs amongst locality parishes, then return of the car parks to the urban parishes they serve would ensure that the parish carrying their cost would have income derived from visitors, thus ensuring that the entire costs are not borne solely by the residents of the parish.

Activities for which we believe it would be difficult for most parishes to deliver effective action due to the complicated nature of the services involved:

- Respite and Day Care
- Bus Service
- Providing activities for babies and pre-school children

### **Volunteering**

The gaps that open up in Herefordshire's social structure cannot be expected to be plugged solely with volunteers. The council's own Joint Strategic Needs Assessment shows that ~34% of local residents already volunteer on a regular basis: with the percentage of the elderly, infirm, and children in the county, 34% must be close to saturation point for volunteering.

The council could, and should, be providing more support to voluntary and third sector organisations, and to have a policy to look to place contracts for care and support work with local charity-based businesses so that the funding remains focussed on service delivery and not on shareholder profits. Encouraging local employers to implement volunteering programmes and to support local charities and projects with the time their staff donate would also help to expand the voluntary sector into local business, and to extend and focus social responsibility initiatives within the county.

### **Attracting New Business**

The focus should be on building on the county's strengths, on recognising what's special and different about Herefordshire and aligning all the council's resources to maximise the benefits these differences bring. Herefordshire is an attractive location for people who want to balance quality of life with business.

The visitor economy needs focussed support. Budget hotels for business and pleasure should be provided throughout the county so that people can afford to visit and to stay. Business parks should

be invested in to be brought forward in all the market towns. No large-scale housing development should be allowed to come forward without also providing local employment sites.

### **Other considerations and proposals**

The Economic Master Plan for the county should balance emphasis across the city, the market towns and rural areas. Broadband should be implemented to provide excellent upload and download speed in all areas to enable small businesses to operate in village locations and for the growth of the homeworking economy. The creative industries – including IT, computer programming and gaming - should be encouraged to relocate to the county. However the emphasis should be on helping existing businesses to expand while remaining here in Herefordshire.

Our AONBs and the River Wye SAC should be treated with care and sympathy as regards both development and the growth of industrial forms of agriculture. The rivers should be properly strategized as assets and access to them and care of them should be a priority.

Investment in the maintenance of existing road infrastructure should be the priority with the emphasis being on footpath and cycleway development in the rural areas to safely and sustainably link hamlets to villages and villages to towns. Cycle-tracks and bridleways on former railway routes should be instated and the towpath of the Hereford and Gloucester Canal should be re-instated ahead of the canal sections to create the movement route for people to begin to use this asset and to increase visibility of and commitment to the strategic project.

A light rail/maglev/monorail link from Hereford Station to the Enterprise Zone should be committed to in advance of road projects, and alongside a light tram system in the city. Railtrack and Network Rail should be engaged with and encouraged to re-instate the halts and request stops at villages along the railway lines running through the county, thereby encouraging and enabling development along these transport links from the east, southwest and north.

High Schools in the market towns should be encouraged to provide access to out of hours training facilities in half terms and holidays to businesses and link to the NMITE university project in the city to provide satellite resources and training portals to augment university facilities and to strengthen links to the local business community.

### **Capital Investments**

Priorities should include:

- Bringing forward employment sites in the market towns, and enabling road infrastructure, e.g. at Leominster, Ledbury and Bromyard, to serve these sites.
- Developing light rail and tram systems in the city, along with the extension and connection of the cycle and footpath networks throughout the county.
- Enabling pay car parks at schools to generate revenue in holiday periods.
- Extending the electric car charging point network and supporting new car pool/club schemes in towns and villages.
- Investing in GPS bus services, and a 'bus pass with benefits' scheme to encourage use of buses by under- 65s and to generate revenue from business offers and advertising. Investment in, or franchising of, smart signage/advertising at community message boards, hubs and bus stops.
- Providing free Wi-Fi zones in all the town centres – for council and parish notification or messaging and revenue from local business advertising.

October 2016

## Bus Services Review Herefordshire 18 July - 16 Oct 2016.

As Most of the Herefordshire Public know all these Council Questionnaires Accomplish NOTHING They are just to make on the Councilors the Council Staff have some thing to do Have any of the matters raised in the many public meeting ever been enacted.

### Have Your Say Budget Consultation July 2016 PO Box 4 HR4 0BR

- 1 The people on high Council Tax bands should pay the increases NOT those on Band A and B The public have had more than enough Consultations they only confirm the party political Solve Nothing
- 2 All English Councils can get ALL The Money they need to spend wisely or waste Ask The Commons for some of their unending Quantitative Easing It seems they can help the rich Financiers the Banks lets see them do something likewise for the English Poorer People.
- 3 These services so far Thank God are not applicable to me have to manage on basic state pension with the single Council Tax Deduction They do not say how many respondents there were 50% of what how many grown ups live in the County they don't know like the total amount in England.
- 4 No extra charges for any of these listed activities The present high Council Income Tax Other taxes are enough see the people employed do the work the public see so many one working others standing watching even enjoy radio entertainment to pass the idle time
- 5 Have one foot in the grave enough on looking after myself others should do the same but they are state Council benefit fed
- 6 Have no time for any of these worthy causes as fully committed seven days a week to stay alive  
Supporting growth businesses and employment training The commercial rates overheads are too high most shops have accommodation space above which should be used for domestic life These out of town industrial estates are too far for employees to walk to work too generous in their site areas England cannot afford this ongoing ever increasing loss of productive land.  
The boulevards around the old cattle market have not solved the delays when they were held an overhead roadway for the traffic was the correct answer now they have cleared site near Morrison / Rail Stn cut down again Old trees this ring road will only produce more and more killer fumes for the children. When the Councils their planners cannot put in place a simple one way system (half of which has now been enacted possibly by the Greens looking for their votes) for Leominster huge hold ups in this one horse town Can they put Hereford City traffic problems to right like you can catch lines of queues out of the river Severn
- 7 Everyone who has to travel to these new out of town businesses and accommodations should only be allowed to use public transport or their own sweat This is how all Councils MP PS should be made to function Unskilled workers all out of work shall do all the jobs listed to for their benefits Hugh Fearnley-Whittingstall showed everyone how 21<sup>st</sup> domestic accommodations can be built with roads on three levels as it is in Sweden

They stopped the 492 service Leo to had so all who could made other arrangements The service was brought back as 490 but the people who had to make other arrangements never came back Every decent person knows Once you loose a customer you very rarely get them back was this service stoppage done in order to kill off it few-needed passengers so close that it was a waste of money.

These buses run miles from the main direct road into villages where mostly they never pick up or drop anyone off These few people should walk to the stop on the main road

This Bus Co claim they carry out the Councils plan but it looks like most drivers run it for themselves especially once they have been here for a while The public do not know what it cost to run the services whether the subsidies cover the cost plus a profit or all the fare payers cash is profit. Did the Council claim they carry out The Government policy so OAP Concession pass use only after 0930 yet apparently Moulton Bucks the time is 0900 the OAP Con Pass should be used from earliest service to last in Rural Areas so less confusion on such as 492 1000 hrs ad bus returning to Ross from Hereford could have a few passengers.

How does The Stage Coach £5 all day anywhere shape up on the subsidy per passenger rates from £1 scale to £10

The Media have never shown these empty near-empty buses which are run at public price costs These buses will ALWAYS run as long as the MPS Councillors can milk the tax payers Christian value of efficiency economy don't enter this country's rules life

In previous consultations some people with OAP Concessionary bus passes they would be prepared to pay a fare rather than travel for free (This for free shows how these Authorities Councillors think The Concess OAP Bus Pass is NOT FREE The public pay Council Tax & other taxes for this then will these people Let The TRUTH)

We don't know how many people replied to these reviews 15 out of total population of OAPS in Herefordshire (The Government DO NOT know how many people live in UK) in Q10 of 18 July 16 Oct 2016 subsidy figure £1.00 to £10.00 but they do not say these willing to pay OAP alongside their proposed payment figure how many times per week they are going to use the service. So what true picture can any decent person set from any figures quoted in Q10.

5th Sept 2016 The 490 1242 never came to had Ann Ross Mill St through was there from 1230 Another passenger for Orleton at 1310 said they would have to get a taxi which they did because they had their Mother's lunch part frozen (probably ice cream) We noted (NOT there last week) that some time tables in bus shelters both undated one of these said 490 would leave at 1220 whether this took place of NOT don't know or how many passengers were aboard. The above Orleton passenger said NO new bus times were on display on their bus stop post there There was NO such on the buses I used all the time and NO such New Bus Timetable at Leo Bus Stop or in Hereford Do NOT think I will be on the 490 Leo to had from now Most OAPS pay high Council Taxes to subsidies these empty near empty buses their drivers are mostly Polish Are most OAPS subsidising in Polish State are the Police The Fraud Squad goes to find out if the 490 at 1220 and the 1242 that never reached Mill St had ever ran and if public subsidies were paid for this then more service

Copy To. Budget Consultation July 2016 as per 9



### **Email response from a resident**

“With spending cuts the rural appearance is deteriorating.

There is a wealth of people who, if organised, could help in correcting this situation. A constant excuse is Health and Safety and Insurance. Yet the type of person who would volunteer would sign a waiver form to alleviate this problem.

The Council should employ a coordinator of volunteers. Once a requirement is established volunteers should be requested from a pool of established volunteer.

The council would need to remove any waste following the completion of the task.”

<name removed>

**Email from Weobley parish council:**

Dear Sirs,

In response to your Budget Consultation we note that there appears to be much emphasis on options for service provision through funding via Parish Precepts or volunteering. We would like to point out that a considerable amount of this already takes place on our Parish.

The Parish Council already provides funds via its precept to support;

The Parish Lengthsman Scheme  
The Community Library  
Maintenance of the village Play Area

in addition our Community volunteers help with:

Litter Picking  
Interim grass cutting between scheduled cuts by the Local Authority  
Grass cutting and maintenance at the local Play Area  
Footpath maintenance  
Community Library and Museum  
Pre-school activities  
Meals on Wheels  
Community Wheels  
amongst many other community activities.

It's likely that other Parishes could report similarly. We are very fortunate to have such a supportive community but it is concerning that we and they may be expected to contribute much more as suggested by your survey questions.

Regards  
Lorraine Anderson, Chair  
Weobley Parish Council

**Email from Cusop parish council:**

“Cusop Parish Council considered the budget consultation at its last meeting and agreed that it valued the public services provided by Herefordshire Council but did not feel able to give a qualified response given the technical complexities of the breakdown of the budget.”

Best wishes

Ian Jardin  
Cusop Parish Clerk

## **Budget Consultation – July 2016**

Each year, Herefordshire Council asks residents to help shape the way its budgets are set. We will need to be even more efficient and effective to protect priority services and continue to support our county's vulnerable residents, whilst ensuring that Herefordshire remains a great place to live, work and learn.

Our priorities for Herefordshire are:

- enable residents to live safe, healthy and independent lives;
- keep children and young people safe and give them a great start in life;
- support the growth of our economy; and
- secure better services, quality of life and value for money

Herefordshire Council has saved over £59 million over the past six years. We must deliver further savings in order to balance our budget between now and 2019/20. We are working to develop a one Herefordshire approach with the NHS, Police, Fire and other public sector organisations in the county to improve efficiency and reduce costs.

We want to hear what council services you would want to protect and any ways in which you might be able to help us in enabling community services to continue. We also want to hear ideas on how we can improve – perhaps by using new technology, changing the way we do things, or by working with other organisations, community groups, or charities.

It's quick and easy to fill out online or if you have any more ideas, tweet us at #hfdsbudget or send us a facebook message. You can also share your views with your local councillor or parish council.

We are also running a number of consultations that may be of particular interest to those people who are currently receiving council services. More details can be found at [www.herefordshire.gov.uk/consultations/current-consultations](http://www.herefordshire.gov.uk/consultations/current-consultations). Further and more focused consultation may be required with groups directly affected by any anticipated changes.

The budget consultation runs from Friday 29 July 2016 to Friday 7 October 2016.

All responses will be collated, analysed and published. All individual responses will be anonymised, and responses on behalf of an organisation will have comments attributed to them in the final report. The feedback received will inform Cabinet's decision making on the draft budget. This will be proposed to Full Council in February 2017.

# Budget consultation 2016

29 July - 7 October

The council already charges for a number of services. The majority (71%) of respondents to last year's consultation thought that the council should increase service charges to protect current services across the county.

**1. Are you willing to support an increase in charges for council services above the level of inflation?**

- Yes  No

Every additional 1% increase in council tax raises around £0.9 million. We have already factored in a 1.9% increase to take account of general inflation, plus the Government is allowing us to increase council tax by an additional 2% to support the rising cost of social care. Given our ageing population and pressures in this area we intend to take them up on this offer. The current band D charge for Herefordshire Council services is £1,325 and so a 3.9% increase will cost the average council taxpayer an extra £52 per year. If these increases are not levied, additional savings will be required.

Next year our budget plans include £7 million of savings. Increasing council tax could help Herefordshire Council to support its services and reduce the amount of savings required. If we wanted to raise council tax above the 3.9% level, we would be required to hold a countywide referendum (which would cost approximately £300,000), where we ask residents to say whether they're for or against the proposal.

**2. Would you support Herefordshire Council in making a further increase in council tax above 3.9%, which will require a referendum, to raise additional funds?**

- No - £7 million savings still required
- Yes - raise an estimated £2 million by increasing council tax by a total of 6.1% (costing the average council taxpayer an extra £81 in 2017/18)
- Yes - raise an estimated £4 million by increasing council tax by a total of 8.3% (costing the average council taxpayer an extra £110 in 2017/18)
- Yes - raise an estimated £7 million by increasing council tax by a total of 11.7% (costing the average council taxpayer an extra £155 in 2017/18)

Herefordshire Council is considering its future plans, along with budget and council tax levels for next year, and would like your views. We remain committed to delivering services you need in a way that offers both value for money and protects services for those who are most in need. The challenge we have is how we can do this with less funding.

Our current savings proposals total £28.4 million between this year and 2019/20. For more detailed information on the savings proposals, medium term financial strategy and Corporate Plan, see [www.herefordshire.gov.uk/haveyoursay](http://www.herefordshire.gov.uk/haveyoursay).

**3. Do you have any suggestions about what other things the council should consider to achieve the required savings?**

The council provides a wide variety of services to people in Herefordshire, particularly to those who are vulnerable and have complex needs. As more pressure is placed on the council's budget, and on the budgets of partner organisations, different ways of delivering these services need to be developed.

As part of last year's consultation, over half of respondents (58%) thought that town and parish councils, community groups or voluntary organisations could do more to help deliver services in their local community if Herefordshire Council reduces or stops delivering a particular service.

**4. Respondents to last year's consultation suggested a number of activities that could be undertaken locally. Your parish council has the power to charge an extra amount on top of your council tax. Do you think that they should exercise this power and charge extra in order to carry out any of the following?**

*(please tick all that apply)*

- |  |   |
|--|---|
| <input type="checkbox"/> <i>Maintaining communal areas (parks, playgrounds, sport pitches)</i> | <input type="checkbox"/> <i>Good neighbour scheme (e.g. visiting isolated elderly)</i>            |
| <input type="checkbox"/> <i>Grass / hedge cutting</i>  | <input type="checkbox"/> <i>Customer contact centre and advice</i>                                |
| <input type="checkbox"/> <i>Litter / dog fouling enforcement</i>                               | <input type="checkbox"/> <i>Providing activities for babies, toddlers and pre-school children</i> |
| <input type="checkbox"/> <i>Road / footpath maintenance</i>                                    | <input type="checkbox"/> <i>Winter services (e.g. gritting, clearing roads / pathways)</i>        |
| <input type="checkbox"/> <i>Bus service</i>  | <input type="checkbox"/> <i>Helping out in emergencies</i>  |
| <input type="checkbox"/> <i>Libraries / museums / leisure facilities</i>                       | <input type="checkbox"/> <i>Other (please specify below)</i>                                      |
| <input type="checkbox"/> <i>Respite and day service</i>  |   |

Volunteering means giving unpaid help to any groups, clubs or organisations. It includes anything that you take part in, support, or help in any way, either on your own or with others. For example, helping at a youth or day centre, helping to run an event, campaigning or doing administrative work. It does not include giving money or anything that is a requirement of your job.

**5. Do you currently volunteer in Herefordshire?**

Yes

No

**6. People have previously indicated that they would be willing to help out more in their community. Please indicate whether you currently volunteer or would be interested in volunteering in the following roles.**

*(please tick all that apply)*

	<i>Already volunteer</i>	<i>Interested in volunteering</i>
<i>Maintaining communal areas (parks, playgrounds, sport pitches)</i>	<input type="radio"/>	<input type="radio"/>
<i>Grass / hedge cutting</i>	<input type="radio"/>	<input type="radio"/>
<i>Litter picking</i>	<input type="radio"/>	<input type="radio"/>
<i>Footpath maintenance</i>	<input type="radio"/>	<input type="radio"/>
<i>Community transport</i>	<input type="radio"/>	<input type="radio"/>
<i>Car sharing</i>	<input type="radio"/>	<input type="radio"/>
<i>Supporting libraries / museums / leisure facilities</i>	<input type="radio"/>	<input type="radio"/>
<i>Buddy scheme (e.g. befriending or mentoring someone)</i>	<input type="radio"/>	<input type="radio"/>
<i>Respite and day service</i>	<input type="radio"/>	<input type="radio"/>
<i>Good neighbour scheme (e.g. visiting isolated elderly)</i>	<input type="radio"/>	<input type="radio"/>
<i>Helping families who need help to look after their children (e.g. where parents may need a lot of medical treatment)</i>	<input type="radio"/>	<input type="radio"/>
<i>Helping provide activities for babies, toddlers and pre-school children</i>	<input type="radio"/>	<input type="radio"/>
<i>Helping out in emergencies</i>	<input type="radio"/>	<input type="radio"/>
<i>Other (please specify below)</i>	<input type="radio"/>	<input type="radio"/>

Supporting the growth of our economy is one of the council's strategic priorities. We want Herefordshire to be a place where businesses want to settle and can flourish. We also want our city and town centres to be vibrant and successful and our neighbourhoods to be attractive and sustainable. The county is already home to a wide range of businesses and we will continue to support and encourage the growth of our high value business sector and our small enterprises.

At the same time, we want to encourage a broad mix of businesses that will offer employment and training to local people. We also want to make sure residents, particularly young people, have the right skills needed for local employers. In doing this we want to achieve a sustainable infrastructure that protects and promotes the natural environment, communities and the county's economy.

**7. What do you think the council could do to improve the attractiveness of Herefordshire to businesses? (tick all that apply)**

- |  |  |
|--|--|
| <input type="checkbox"/> <i>Improve infrastructure</i>                 | <input type="checkbox"/> <i>Enable new housing development</i> |
| <input type="checkbox"/> <i>Upskill workers</i>                        | <input type="checkbox"/> <i>Other (please specify below)</i>   |
| <input type="checkbox"/> <i>Access to funding and business support</i> |  |

Herefordshire Council has funding which enables us to invest in and maintain assets across the county, as well as deliver new projects and infrastructure which support the local economy and help maintain public services.

The capital programme has an estimated spend of £51 million for 2017/18.

Projects include targeted capital investment to:

- Attract and secure inward investment;
- Create jobs and get local people into work;
- Improve school buildings to help with educational attainment;
- Improve connectivity through road improvements;
- Provide better broadband connectivity;
- Enable new housing development; and
- Sustain key local services.

More detailed information on the capital programme can be found at [www.herefordshire.gov.uk/haveyoursay](http://www.herefordshire.gov.uk/haveyoursay).

Any additional projects will need to be paid for. For example, through an increase in council tax or business rates, the sale of council buildings / land, or grant funding.

**8. Is there any other capital investment you think the council should make?**



9. Do you have any additional comments or suggestions regarding how we could deliver services in a different way?

## About you

Are you responding on behalf of an organisation or group, or as an individual?

- Organisation or group  Individual

If you are responding on behalf of an organisation or group please tell us the name of the organisation/group:

If you are responding as an individual please answer the following questions about yourself. This information helps us to understand the profile of respondents and whether views vary amongst different groups of people across the county. It will only be used for the purpose of statistical monitoring, treated as confidential and not used to identify you.

**What is your postcode?**

(not including the last 2 letters, e.g. HR4 0)

**What is your gender?**

- Male  Female

**What is your age band?**

- 0-15 years  25-44 years  65-74 years  
 16-24 years  45-64 years  75+ years

**Are your day-to-day activities limited because of a health problem or disability which has lasted, or is expected to last, at least 12 months?**

- Yes - limited a little       Yes - limited a lot       No

**How would you describe your national identity? (tick all that apply)**

- English       Scottish       Welsh  
 Northern Irish       British       Irish  
 Other

If Other please specify:

**How would you describe your ethnic group?**

- White British/English/Welsh/Scottish/Northern Irish  
 Other White (please specify below)  
 Any other ethnic group (please specify below)

If Other White please specify:

If Any other ethnic group please specify:

**Do you feel that the council has treated you differently (positively or negatively) because of who you are? (e.g. your gender, age, disability or ethnicity)**

- Yes       No

If yes, please specify:

### **Data Protection Act 1998**

The data collected in this form will only be used for the purpose of statistical monitoring. This information will only be retained for as long as is considered necessary for monitoring purposes and then it will be destroyed. At all times it will be kept in accordance with the Act.

**Thank you for your time**

You can complete this questionnaire online at [www.herefordshire.gov.uk/haveyoursay](http://www.herefordshire.gov.uk/haveyoursay), but completed hard copies can be sent to: Herefordshire Council Research Team, Freepost SWC4816, PO Box 4, Hereford, HR4 0BR

## Response to recommendations from General Overview and Scrutiny Committee

Recommendation		Response
1.	The executive be recommended to work with Parish and Town Councils to explore options for service delivery;	In respect of items <b>1,2 and 4</b> , these were addressed to the executive who have reported back to GOSC their intention to develop closer working with Parishes, liaise with MP's to champion the County's issues and provide a response to the issues raised during budget consultation (summary provided to GOSC at December meeting).
2.	The executive be recommended to make representations to local MPs and others to ensure that the voice of the County is being heard in relation to the government's business rate proposals and the views of local MPs reported.	See above
3.	The clarity of the budget report should be reviewed and officers requested that the report should be amended to include detail of gross income and expenditure, consistency of terminology, virements over the year to identify actual expenditure, analysis of the use of the Rural Services Delivery Grant, clarity over income.	<b>c)</b> The clarity of budget report was reviewed and amended to ensure consistency and clarity in future presentations and reports. Further detail of gross income and expenditure will be provided in the budget book summary which will be prepared once all information on grants is confirmed with government. The impact of this review was provided to GOSC at their December meeting
4.	The executive be asked to take full account of the consultation on the budget and reflect the views expressed in their budget proposals, indicating in the next report back to the overview and scrutiny committees the extent to which the consultation findings had influenced budget proposals, and, if the findings had been discounted, the rationale for taking that course.	See answer to 1 above.

5.	The reconciliation showing the changes between the report made to the Committee in November and that presented in December be circulated to members of the Committee for information.	Report submitted to committee January 2017.
6.	Officers be requested to explore the principle of facilitating increased engagement with parish Councils and communities and revenue funding to support invest to save proposals in support of the delivery of some services in place of Herefordshire Council could be explored as part of the future review of the MTFS.	It was clarified at the meeting that an “invest to save” proposal could be considered at any time even though a specific “pot” was not allocated.
7.	If a substantive issue relevant to the budget warranting further discussion with the Committee emerged a further report be made to the Committee’s meeting in January for its consideration.	Included in the reconciliation referred to in 4 above, reference was also made to the changes in the Autumn Statement in respect of New Homes Bonus and Adult Social Care Grant. In addition the report clarified the flexibility provided around the adult social care precept being up to 3% per annum subject to a maximum of 6% over three years



<b>Meeting:</b>	<b>Council</b>
<b>Meeting date:</b>	<b>3 February 2017</b>
<b>Title of report:</b>	<b>Pay policy statement</b>
<b>Report by:</b>	<b>Chair of employment panel</b>

## Classification

Open

## Key decision

This is not an executive decision.

## Wards affected

County-wide

## Purpose

To approve the 2017 pay policy statement for publication.

## Recommendation(s)

**THAT: the pay policy statement summarising existing council policies (at appendix A) be approved.**

## Alternative options

- 1 There are no alternative options to recommendation a); the approval by Council of a pay policy statement for the authority is a statutory requirement and the statement does not of itself make any policy changes, but provides a summary of those policies already in place.

## Reasons for recommendations

- 2 To provide transparency with regard to the council's approach to setting the pay of its employees in compliance with the provisions of the Localism Act 2011.

## Key considerations

- 3 The Localism Act places a requirement on local authorities to produce an annual pay policy statement for each financial year and for this statement to be approved by Council before the start of the financial year to which it relates.

- 4 The statement must set out the council's policies relating to:
  - a) The remuneration of its chief officers
  - b) The remuneration of its lowest paid employees; and
  - c) The relationship between the remuneration of its chief officers and the remuneration of its employees who are not chief officers.
- 5 The statement must include the council's definition of 'lowest paid employees' and the reasons for adopting that definition.
- 6 The statement must include policies relating to:
  - a) The level and elements of remuneration for each chief officer
  - b) Remuneration of chief officers on recruitment
  - c) Increases and additions to remuneration for each chief officer
  - d) The use of performance related pay for chief officers
  - e) The use of bonuses for chief officers
  - f) The approach to the payment of chief officers on their ceasing to hold office under, or to be employed by the authority; and
  - g) The publication of and access to information relating to remuneration of chief officers
- 7 The statement draws together factual material and provides a summary of the current pay policies of the council.
- 8 All posts, whether chief officer or not, have their level of remuneration established through assessment by a nationally recognised and independent job evaluation scheme. Council must approve any new salary packages exceeding £100,000.
- 9 In approving its statement, Council must have regard to any guidance issued by the secretary of state. In reviewing the content of previous statements it is apparent that additional information has been included such as broader workforce information, commentary on the organisational context and information on non-pay related HR policies. This has been taken into consideration in the development of the 2017 statement so that it more closely aligns to the statutory requirement. Employment panel reviewed the draft statement in January 2017 and recommended the draft to Council for approval.

## **Community impact**

- 10 The council continues to ensure that the resources available are used in the most effective way.

## **Equality duty**

- 11 The statement makes clear that the council's employment policies, and the processes by which pay levels for a post are set, have full regard to relevant equality legislation.
- 12 The public sector equality duty (specific duty) requires us to consider how we can positively contribute to the advancement of equality and good relations, and demonstrate that we are paying "due regard" in our decision making in the design of policies and in the delivery of services.

## **Financial implications**

- 13 There are no financial implications relating to the pay policy statement arising from the report; the statement simply summarises current policies and pay levels.

## **Legal implications**

- 14 Sections 38 – 43 of the Localism Act 2011 require that the council prepare a pay policy statement for each financial year. It must be prepared and approved before 31 March and once approved published. This policy statement meets the requirements of the Localism Act and also meets the requirements of the guidance issued by the Secretary of State for Communities and Local Government to which the council is required to have regard under Section 40 of that Act

## **Risk management**

- 15 Failure to approve and publish a statement would result on non-compliance with a statutory requirement. Arrangements are in place to ensure publication of the statement following approval by Council.

## **Consultees**

- 16 Management board, trade unions and employees will continue to be engaged as appropriate on future thinking and associated plans to make any further changes to elements of the pay policy, or terms and conditions of employment.

## **Appendices**

Appendix A – draft pay policy statement

## **Background Papers**

None identified.





## **Pay Policy Statement 2017**

1. This document meets Section 38(1) of the Localism Act 2011 that requires councils to produce an annual pay policy statement that articulates the council's own policies towards a range of issues relating to the pay of its workforce, particularly its senior staff and lowest paid employees. It does not apply to schools.
2. The purpose of this statement is to provide transparency with regard to the council's approach to setting the pay of its employees (excluding staff working in schools etc) by identifying the:
  - Methods by which salaries of all employees are determined;
  - Detail and level of remuneration of the council's most senior staff;
  - Remuneration of the council's lowest-paid employees; and
  - Relationship between the remuneration of senior officers and those employees who are not.
3. The statement is subject to an annual review. Council has delegated authority to the monitoring officer to make in year amendments to reflect changes to post holder details or approved changes to local or national pay policy.

### **Pay structure / national frameworks**

4. Herefordshire Council is committed to fair pay and grading determined by a robust and objective job evaluation process. The National Joint Council job evaluation scheme is used for all posts up to HC7 and the Hay job evaluation scheme for all posts above this level.
5. Based on the application of the job evaluation process, the council uses the nationally negotiated pay spine as the basis for its local pay rates in relation to job grades. This determines the salaries of the large majority of the workforce, together with the use of other nationally defined rates where relevant. The pay structure is in appendix 1.
6. All other pay related allowances are the subject of either nationally or locally negotiated rates, having been determined from time to time in accordance with collective bargaining machinery and/or as determined by council policy. In determining its grading structure and setting remuneration levels for all posts, the council takes account of the need to ensure value for money in respect of the use of public expenditure, balanced against the need to recruit and retain employees who are able to meet the requirements of providing high quality services to the community, delivered effectively and efficiently and at times those services are required.
7. The terms and conditions of employment applicable to officers on director grade and above are as determined by the Joint Negotiating Committee for Chief Officers of Local Authorities (or Joint Negotiating Committee for Chief Executives of Local Authorities) as amended/supplemented or superseded by decisions on conditions of service made by the council from time to time and contained within the council's employment policies and procedures.

**Appendix A**

8. Nationally or locally determined rates apply for other employee groups including:
- Employees whose pay and conditions are determined by the Soulbury Committee;
  - Employees who have transferred from the NHS to the council and retain their former terms and conditions of employment;
  - Employees who have retained terms and conditions of employment from other employers following a TUPE transfer to the council.
9. New appointments will normally be made at the minimum of the relevant grade, although this can be varied where necessary to secure the best candidate.
10. All employees, including senior employees, receive annual increments until the top of their salary grade has been reached. The first increment is paid when the employee has been in post for 12 months or six months after appointment, whichever is the later. This does not apply to the chief executive or directors who are on a spot salary.
11. In response to the financial challenges facing all councils, since 2013 all employees are required to take two days unpaid leave; this does not affect pensionable pay.
12. From time to time it may be necessary to take account of the external pay market in order to attract and retain employees with particular experience, skills and capacity. In accordance with the council's policy on market forces, where this is necessary the council will ensure the requirement for such a market forces supplement is objectively justified by reference to clear and transparent evidence of relevant market comparators. As appropriate a welcome payment and/or retention payment may be applied to specific hard to fill posts. These are regularly reviewed.

**Senior management remuneration**

13. For the purpose of this statement 'senior management' means 'chief officers' as defined within section 43 of the Localism Act. The posts falling within this definition are listed below, with details of their grade.
14. The contract for services budget amount should not be confused with or interpreted as a salary that an interim chief officer would receive through a contract for service arrangement as the budget covers the cost of the service provided, including national insurance, pension contributions and the cost of the agency managing the contract and does not directly relate to the value of the remuneration paid to the individuals carrying out the work.

	<b>Post Title</b>	<b>Salary grade</b>	<b>Contract for services budget (£)</b>	<b>Notes</b>
	CEO Herefordshire Council (head of paid service)	CX		
	Solicitor to the council (0.3 fte) (monitoring officer – 0.7fte))	HC13 HoS2		1
<b>Statutory chief officers</b>				
	Director of children's wellbeing	DIR1		

**Appendix A**

	<b>Post Title</b>	<b>Salary grade</b>	<b>Contract for services budget (£)</b>	<b>Notes</b>
	Director for adults and wellbeing	DIR1		
	Chief finance officer (section 151 officer)	DIR2		
	Director of public health		59,800	2
<b>Non statutory chief officers</b>				
	Director for economy communities and corporate	DIR1		
<b>Deputy chief officers</b>				
	Assistant director safeguarding and family support	HOS1		3
	Assistant director adults and wellbeing commissioning (acting)	HOS2		
	Assistant director commissioning and education	HOS1		
	Assistant director environment and place	HOS1		
	Assistant director communities	HOS1		
	Assistant director operations and support	HOS1		
	Programme director – housing and growth	HOS2		
	Head of human resources and organisation development	HOS2		
	Head of corporate finance (deputy S151 officer)	HC13		
	Head of corporate governance	HC11		
	Head of management accounting	HC13		
	Strategic business intelligence manager	HC10		
	Finance business partner (0.6 fte)	HC13		
	Enterprise zone managing director (0.8 fte)		76,138	
	Consultant in public health	£84,667		4, 5
	Health improvement specialist	£57,640		4
	Public health specialist (0.6 fte)	HC13		

1. Reflects percentage split for substantive role and monitoring officer responsibilities
2. This function is provided under a shared services agreement with Shropshire Council
3. Market Forces Supplement of £5,000
4. On TUPE'd pay rates
5. Plus clinical excellence award of £492.83 a month

**Additions to salary**

15. The chief executive is the returning officer for Herefordshire. No additional payment is made for fulfilling this duty for local elections as this is built into the overall salary, although there is an additional payment for national elections at a nationally set rate. Employees who undertake election duties are paid a fee that is set by the returning officer depending on the duties undertaken.

**Appendix A**

16. The council does not apply any bonuses, pension enhancements or performance related pay at this time to its chief officers, other than a clinical excellence award as indicated in the table under para 14.
17. Relocation for new employees and mileage are classed as expenses, i.e. are not tax deductible and relate to additional costs incurred.

**Recruitment**

18. Herefordshire Council's rules with regard to employment of staff are set out within the employment rules contained within section 4.9 of the constitution, available at the following link:

<http://councillors.herefordshire.gov.uk/ieListDocuments.aspx?CId=332&MId=4894&Ver=4&Info=1>

**Payments on termination**

19. The council's policy on termination of employment of employees prior to reaching normal retirement age, in accordance with regulations 5 and 6 of the Local Government (Early Termination of Employment) (Discretionary Compensation) Regulations 2006 and Regulation 12 of the Local Government Pension Scheme (Benefits, Membership and Contribution) Regulations 2007 (as amended), is to base redundancy payments on the statutory calculation multiplied by 1.5.
20. The council operates a mutual early resignation scheme (MERS) under which an individual employee, in agreement with the council, chooses to leave employment in return for a severance payment or, if in the Local Government Pension Scheme and aged over 55, a pension that is not actuarially reduced. It is not a redundancy or a voluntary redundancy.

**Re-employment having received a severance payment**

21. Any officer previously employed by Herefordshire Council in receipt of a severance, redundancy or MERS payment when their employment ceases may not be re-employed by the authority (including under a contract of service or as an agency worker) until a period of at least six months has elapsed, unless required to meet exceptional circumstances (in which case the payment would be claimed back on a pro-rata basis). If an individual does return to the council within one month they would be required to repay any MERS payment in full.

**Broader workforce perspective**

22. For the purpose of this pay policy statement, and in accordance with the provisions of section 38 of the Localism Act, Herefordshire Council defines "lowest paid employees" as those paid on full time (37 hours) equivalent salaries in accordance with the minimum spinal column point currently in use within the council's grading structure. As at 5 Dec 2016, this is scp10. The council employs apprentices who are not included within the definition of 'lowest paid employees' as they are engaged on a learning agreement.
23. The relationship between the rate of pay for the lowest paid and chief officers is determined by the job evaluation process used for establishing the grading of posts and grade/role profiles as set out earlier in this policy statement.

**Accountability and decision making**

**Appendix A**

24. In accordance with the council's constitution, the employment panel (in respect of the chief executive, monitoring officer, Section 151 officer and directors) or the chief executive (in respect of all other employees) is responsible for decision making in relation to the recruitment, pay, terms and conditions and severance arrangements in relation to employees of the council.
25. For those pay accountability matters identified within the Localism Act as being reserved to Council, the employment panel will be the body accountable for formulating recommendations to council including the undertaking of an annual review of this statement before recommending its approval to council as one of the suite of documents council approves as part of its medium term financial strategy. The pay policy statement therefore forms part of the budget and policy framework of the council.
26. In addition to approval of this statement, the right of approval of new salary packages over £100,000 is reserved to Council. In such circumstances the employment panel will be the body accountable for developing recommendations to Council.

**Publication**

27. After approval by Council, this statement will be published on the council's website. In addition, statutory employees (chief executive, directors, including the chief finance officer, and monitoring officer) are disclosed in the council's annual statement of accounts (available at: <https://www.herefordshire.gov.uk/government-citizens-and-rights/democracy/council-finances/> ) setting out the total amount of:
  - Salary, fees or allowances paid to or receivable by the person in the current and previous year.
  - Any bonuses so paid or receivable by the person in the current and previous year.
  - Any sums payable by way of expenses allowance that are chargeable to UK income tax.
  - Any compensation for loss of employment and any other payments connected with termination.
  - Any benefits received that do not fall within the above.

Herefordshire Council pay and grading structure – 1 April 2017 Appendix 1			
Grade	National SCP (scp50 & above are local)	Annual Pay Rate £	Hourly Pay Rate £
HC1	6	15,014	7.78
	7	15,115	7.83
HC2	7	15,115	7.83
	8	15,246	7.90
	9	15,375	7.97
	10	15,613	8.09
HC3	10	15,613	8.09
	11	15,807	8.19
	12	16,123	8.36
	13	16,491	8.55
HC4	13	16,491	8.55
	14	16,781	8.70
	15	17,072	8.85
	16	17,419	9.03
HC5	17	17,772	9.21
	18	18,070	9.37
	19	18,746	9.72
	20	19,430	10.07
	21	20,138	10.44
HC6	21	20,138	10.44
	22	20,661	10.71
	23	21,268	11.02
	24	21,962	11.38
	25	22,658	11.74
	26	23,398	12.13
HC7	26	23,398	12.13
	27	24,174	12.53
	28	24,964	12.94
	29	25,951	13.45
	30	26,822	13.90
	31	27,668	14.34
HC8	31	27,668	14.34
	32	28,485	14.76
	33	29,323	15.20
	34	30,153	15.63
	35	30,785	15.96
	36	31,601	16.38
HC9	36	31,601	16.38
	37	32,486	16.84
	38	33,437	17.33
	39	34,538	17.90
	40	35,444	18.37

**Appendix A**

HC10	41	36,379	18.86
	42	37,306	19.34
	43	38,237	19.82
	44	39,177	20.31
	45	40,057	20.76
HC11	46	41,025	21.26
	47	41,967	21.75
	48	42,899	22.24
	49	43,821	22.71
	50	45,011	23.33
HC12	51	46,231	23.96
	52	47,488	24.61
	53	48,781	25.28
	54	50,104	25.97
	55	51,465	26.68
HC13	56	52,866	27.40
	57	54,302	28.15
	58	55,778	28.91
	59	57,294	29.70
HoS2		72,103	37.37
		74,050	38.38
		76,048	39.42
HoS1		78,102	40.48
		80,211	41.58
		82,374	42.70
Director 2		99,970	
Director 1		122,412	
CX		147,915	

