



HEREFORDSHIRE  
COUNCIL

# Draft Revenue and Capital Budget 2007-2008







## HEREFORDSHIRE COUNCIL

Herefordshire Council is responsible, directly or indirectly, for a huge range of services that matter to the people of the county – from schools and the care of the most vulnerable in our communities, to roads and public transport, libraries and leisure facilities, recycling and waste and these are no more than important examples.

### Corporate Plan 2006/2009

The Council shares a vision for a better Herefordshire with a wide range of partner organisations in the private, public and voluntary sectors, and with those representing communities. It is of

Herefordshire as a place where people, business and an outstanding natural environment will together bring about sustainable prosperity and well-being for all.

The Council's Corporate Plan says what we will do over the next three years to fulfil the vision. It also sets out how we intend to carry on improving our efficiency and effectiveness, so that we deliver a fair deal for the Council Tax-payers and make sure that our front-line services are as good as they can be.

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### What the Council can do

The Council has a wide and growing range of powers and duties. These already range from a general power to promote well-being to a host of specific legal obligations. These include such things as the provision of schools, the welfare of children and vulnerable adults, the safety of roads, waste collection and disposal, licensing and trading standards. The Council has limited or no discretion in some areas but more in others

#### Top Priorities:

to **maximise the health, safety, economic well-being, achievements and contribution of every child**, with special emphasis on sound arrangements for safeguarding vulnerable children and sustained improvements in educational attainment

to **reshape adult social care, enabling vulnerable adults to live independently** and, in particular, **many more older people to continue to live in their own homes**

to **secure the essential infrastructure for a successful economy**

to streamline its processes, assets and structures, and **secure significant efficiency savings, particularly by delivering the *Herefordshire Connects* programme**

to **sustain thriving communities, including by securing more efficient, effective and customer-focused services, clean streets, tackling homelessness and effective emergency planning**

to **protect the environment, including by producing much less waste, recycling much more of what remains and significantly reducing carbon emissions**

to **improve transport and the safety of roads**, including further reductions in the numbers of people killed or seriously injured

to **promote diversity and community harmony and strive for equal opportunities** for all the people of Herefordshire, regardless of race, religion, disability, sex, sexual orientation, geographical location, income or age

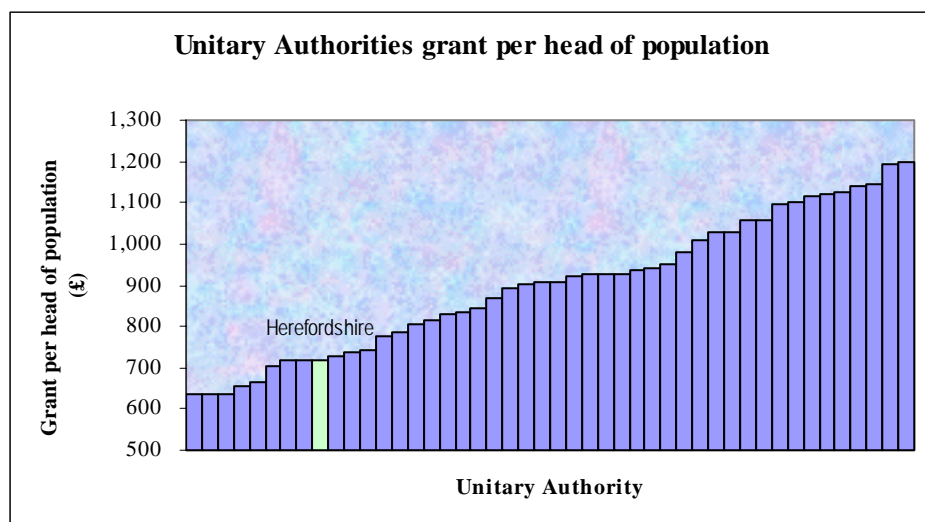
to **give effective community leadership**, working with partners to deliver the *Herefordshire Community Strategy*, including the *Local Area Agreement*

## Introduction

The following pages set out the spending plans of the Council for 2007/08

The Council Tax charges were set at Council on 9<sup>th</sup> March 2007 and Herefordshire Council's Council Tax Charges are as follows:

| Property Band | Property Value at 1 <sup>st</sup> April '91<br>£ | Proportion | Council Tax<br>£ |
|---------------|--|------------|------------------|
| A             | Up to 40,000                                     | 6/9        | 722.31           |
| B             | 40,000 – 52,000                                  | 7/9        | 842.69           |
| C             | 52,000 – 68,000                                  | 8/9        | 963.08           |
| D             | 68,000 – 88,000                                  | 9/9        | 1,083.46         |
| E             | 88,000 – 120,000                                 | 11/9       | 1,324.23         |
| F             | 120,000 – 160,000                                | 13/9       | 1,565.00         |
| G             | 160,000 – 320,000                                | 15/9       | 1,805.77         |
| H             | Over 320,000                                     | 18/9       | 2,166.92         |



The graph above shows the grant (Formula Grant and Dedicated Schools Grant) per head of population for all unitary authorities for 2007/08. It shows that Herefordshire Council is 38<sup>th</sup> out of 46 unitary authorities in terms of funding per head of population.

Total net revenue expenditure of £122,371,000 represents an increase of 3.45% or £4,086,000 on the 2006/07 net revenue budget. A summary of the variations between 2006/07 and 2007/08 is set out below:

|   | £'000s       | £'000s       | £'000s         |
|---|--------------|--------------|----------------|
| <b>2006/07 BASE BUDGET</b>                            |              |              | <b>118,285</b> |
| Inflation (Pay Awards & Prices)                       |              |              | 618            |
| <b>SERVICE ADJUSTMENTS</b>                            |              |              |                |
| Adult and Community Services                          |              |              |                |
| ▪ Queenswood Park                                     | 25           |              |                |
| ▪ Edgar Street Grid                                   | <u>225</u>   | 250          |                |
| Children & Young People's Services                    |              |              |                |
| ▪ Whitecross School – PFI Contract                    |              | 451          |                |
| Corporate and Customer Services                       |              |              |                |
| ▪ Herefordshire Matters                               | 50           |              |                |
| ▪ Emerging Pressures                                  | <u>500</u>   | 550          |                |
| Environment   |              |              |                |
| ▪ Waste Management – PFI Contract                     |              | 550          |                |
| Resources   |              |              |                |
| ▪ Procurement & Efficiency                            | 55           |              |                |
| ▪ Housing & Council Tax Benefit Administration        | 150          |              |                |
| ▪ Support Services Review                             | <u>100</u>   | 305          |                |
| Central Services                                      |              |              |                |
| ▪ Chief Executives Development Fund                   |              | 150          |                |
| Other Items   |              |              |                |
| ▪ Herefordshire Connects – Revenue Savings            | (5,800)      |              |                |
| ▪ Increase in Capital Financing Costs                 | 1,238        |              |                |
| ▪ Use of existing Herefordshire Connects Reserve      | (1,500)      |              |                |
| ▪ Transfer of Part of Social Care Contingency Reserve | (1,300)      |              |                |
| ▪ Transfer of Budget Management Reserve               | (1,100)      |              |                |
| ▪ LABGI Grant   | (2,000)      |              |                |
| ▪ Increased Cash Transactions Income                  | (500)        |              |                |
| ▪ Balance Sheet Review                                | (300)        |              |                |
| ▪ Procurement & Efficiency                            | (250)        |              |                |
| ▪ Cover for Herefordshire Connects Savings            | 5,800        |              |                |
| ▪ Corporate Capacity                                  | 400          |              |                |
| ▪ Capacity (to be allocated)                          | <u>6,524</u> | <u>1,212</u> | 3,468          |
| <b>2007/08 BASE BUDGET</b>                            |              |              | <b>122,371</b> |

### Seeking the views of the community

As part of the 2007/08 budget process, the Council has held Community Forums in each market town and Hereford City.

The results of the consultation exercises have been helpful to Cabinet in the formulation of the budget for 2007/08.

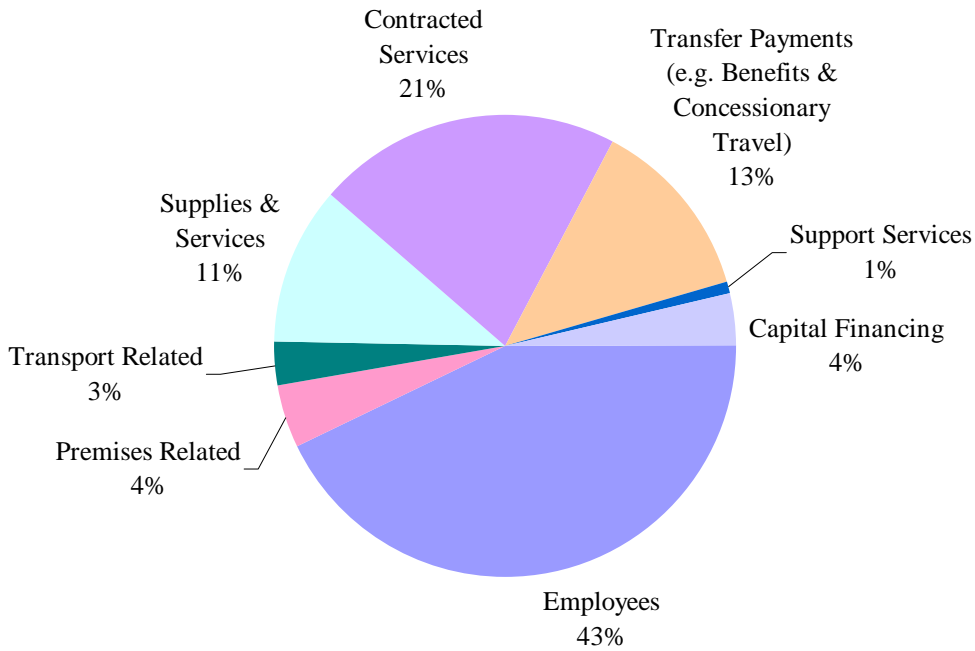
## The Budget Summary

Whilst a matter of determination locally by elected members; the budget is influenced significantly by Central Government. At a local level the Council undertakes, through Cabinet, Budget Panel & Strategic Monitoring Committee, a rigorous examination of the Council's spending needs prior to the budget setting meeting of full Council in March of each year.

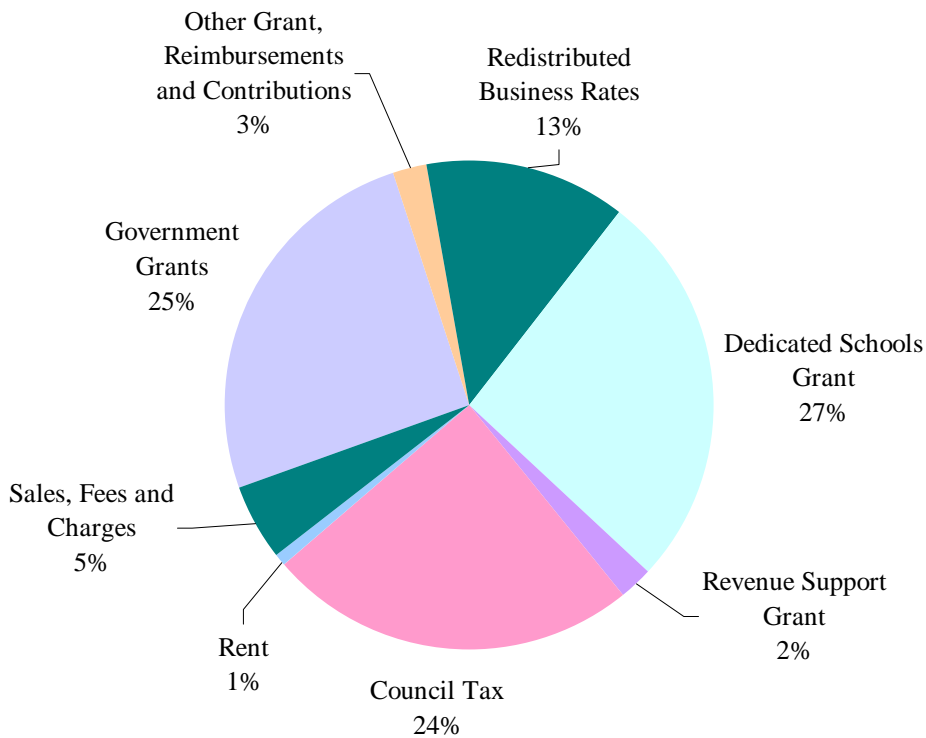
This booklet provides a financial summary of the Budget for 2007/08. Overall the Council will spend £122,371,000 during the coming year.

| <b>OVERALL REVENUE BUDGET SUMMARY</b>                  |                   |                   |                 |
|--|-------------------|-------------------|-----------------|
|  | <b>2006/07</b>    | <b>2007/08</b>    | <b>%</b>        |
|  | <b>£'000s</b>     | <b>£'000s</b>     | <b>Increase</b> |
| Children and Young People's Services                   | 23,818            | 25,485            | 7.0             |
| Adult and Community Services                           | 46,565            | 46,939            | 0.8             |
| Corporate and Customer Services                        | 5,433             | 7,366             | 35.6            |
| Resources  | 589               | 125               | (78.8)          |
| Environment  | 26,163            | 26,912            | 2.9             |
| Central Services                                       | 5,855             | 4,500             | (23.1)          |
| <b>NET SERVICE EXPENDITURE</b>                         | <b>108,423</b>    | <b>111,327</b>    | <b>2.7</b>      |
| <b>FINANCING ADJUSTMENTS</b>                           |                   |                   |                 |
| Interest Receivable                                    | (1,020)           | (1,020)           | 0.0             |
| Capital Financing Costs etc.                           | 9,580             | 10,788            | 12.6            |
| Social Care Contingency                                | 1,302             | 1,302             | 0.0             |
| Herefordshire Connects Revenue Savings                 | -                 | (5,800)           | -               |
| Use of existing Hfds Connects Reserve                  | -                 | (1,500)           | -               |
| Transfer of part of Social Care Contingency Reserve    | -                 | (1,300)           | -               |
| Transfer of Budget Management Reserve                  | -                 | (1,100)           | -               |
| LABGI Grant  | -                 | (2,000)           | -               |
| Increased Cash Transactions Income                     | -                 | (500)             | -               |
| Balance Sheet Review                                   | -                 | (300)             | -               |
| Procurement & Efficiency                               | -                 | (250)             | -               |
| Cover for Hfds Connects Savings                        | -                 | 5,800             | -               |
| Corporate Capacity                                     | -                 | 400               | -               |
| Capacity (to be allocated)                             | -                 | 6,524             | -               |
| <b>TOTAL BUDGET</b>                                    | <b>118,285</b>    | <b>122,371</b>    | <b>3.5</b>      |
| Redistributed Business Rate Income                     | (39,011)          | (40,801)          | 4.6             |
| Revenue Support Grant                                  | (7,531)           | (6,847)           | (9.1)           |
| Collection Fund Surplus                                | (500)             | (256)             | (48.8)          |
|  | <b>(47,042)</b>   | <b>(47,904)</b>   | <b>1.8</b>      |
| <b>EXPENDITURE TO BE MET FROM COUNCIL TAX PAYERS</b>   | <b>71,243</b>     | <b>74,467</b>     | <b>4.5</b>      |
| Council Tax Base                                       | 68,254            | 68,730            | 0.7             |
| <b>COUNCIL TAX AT BAND D (excluding Special Items)</b> | <b>£ 1,043.80</b> | <b>£ 1,083.46</b> | <b>3.8</b>      |

## TOTAL REVENUE EXPENDITURE

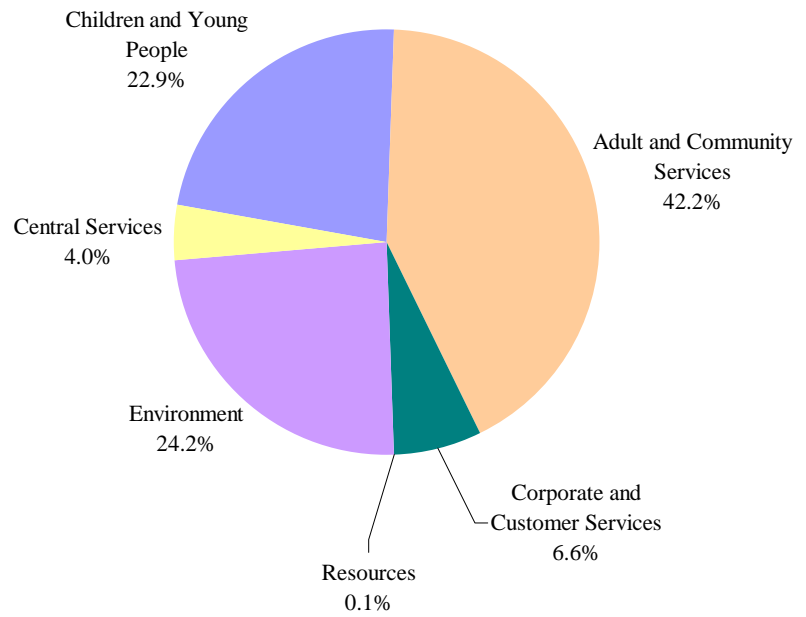


## TOTAL REVENUE INCOME





## REVENUE BUDGET ANALYSED BY DIRECTORATE



## CHILDREN & YOUNG PEOPLE'S DIRECTORATE

|  | Gross Expenditure<br>£'000 | Income<br>£'000 | Central Support<br>£'000 | Net Expenditure<br>£'000 |
|--|----------------------------|-----------------|--------------------------|--------------------------|
| <b>Children and Family Services</b>                |                            |                 |                          |                          |
| Commissioning & Social Work                        | 4,527                      | 207             | 0                        | 4,320                    |
| Looked After Children                              | 6,151                      | 4               | 0                        | 6,147                    |
| Family Support Services                            | 1,170                      | 39              | 0                        | 1,131                    |
| Other Children & Family Services                   | 556                        | 0               | 0                        | 556                      |
| <b>Total Children &amp; Family Services</b>        | <b>12,404</b>              | <b>250</b>      | <b>0</b>                 | <b>12,154</b>            |
| <b>EDUCATION</b>                                   |                            |                 |                          |                          |
| <b>Non-Schools</b>                                 |                            |                 |                          |                          |
| Strategic Management                               | 622                        | 0               | 0                        | 622                      |
| Severance, Pension Liabilities & Staff<br>Sickness | 446                        | 0               | 0                        | 446                      |
| Standards Fund Grants (incl. in support<br>of DSG) | 660                        | 0               | 0                        | 660                      |
| Special Education Services                         | 857                        | 0               | 0                        | 857                      |
| School Improvement                                 | 2,007                      | 882             | 0                        | 1,125                    |
| Transport  | 5,792                      | 325             | 0                        | 5,467                    |
| Admissions & Asset Management                      | 938                        | 0               | 0                        | 938                      |
| Student Support                                    | 171                        | 0               | 0                        | 171                      |
| Youth Service                                      | 1,140                      | 64              | 0                        | 1,076                    |
| Other Children's Services                          | 1,464                      | 946             | 0                        | 518                      |
| Children's Centres & Childcare                     | 2,425                      | 2,425           | 0                        | 0                        |
| <b>Total non-schools</b>                           | <b>16,522</b>              | <b>4,642</b>    | <b>0</b>                 | <b>11,880</b>            |
| <b>Savings to be agreed</b>                        | <b>(1,340)</b>             | <b>0</b>        | <b>0</b>                 | <b>(1,340)</b>           |
| <b>Central Support</b>                             | <b>0</b>                   | <b>0</b>        | <b>2,791</b>             | <b>2,791</b>             |
| <b>Total Budget 2007/08</b>                        | <b>27,586</b>              | <b>4,892</b>    | <b>2,791</b>             | <b>25,485</b>            |

## CHILDREN AND YOUNG PEOPLE'S SERVICES

### Contributes to Corporate Plan Priorities:

- To maximise the health, safety, economic well-being, achievements and contribution of every child, with special emphasis on sound arrangements for safeguarding vulnerable children and sustained improvements in educational attainment.

### Aims and Objectives:

- Improve the health of young people
- Reduce the number of sexually transmitted infections in young people by at least 1% a year against the 2004 baseline figure of 278 cases
- Ensure that at least 85% of three year-olds have access to good quality early years education
- Increasing from 48.3% in 2006 to 52% by 2007 the proportion of pupils in schools maintained by the Council achieving 5 A\*-C GCSE grades, or equivalent including English and Maths.
- Reduce school absences.
- Ensure that 100% of schools have a functioning school council.
- Increase the number of 11-15 year olds volunteering.
- Increase from 19% to 28% the percentage of young people who feel that they can influence decisions affecting important local services.
- Reduce to less than 4.9% of 16-18 year olds those not in education, employment or training.
- Increase from 12 to 46 the number of young people who had been looked after by the Council in their 17<sup>th</sup> year who are engaged in education, training or employment at the age of 19.
- Increase from 92.9% to 95% the proportion of pupils in schools maintained by the Council achieving 5 or more A\*-G grades at GCSE, or the equivalent.
- Establish by March 2008 Children's trust arrangements.
- Implementation of the Herefordshire Common Assessment Framework.
- Deliver service improvements for children with learning difficulties and disabilities.



## DEDICATED SCHOOLS GRANT (DSG)

From the 1<sup>st</sup> April 2006 Central Government introduced this ringfenced grant to fund schools budgets. The latest announcement from the DfES shows an allocation of £81,891,000 DSG for Herefordshire for 2007/08. The final allocation of DSG will be made by the DfES in June 2007.

## CHILDREN & YOUNG PEOPLE'S DIRECTORATE (DEDICATED SCHOOLS GRANT)

|  | Gross Expenditure<br>£'000 | Income<br>£'000 | Net Expenditure<br>£'000 |
|--|----------------------------|-----------------|--------------------------|
| <b>Dedicated School's Grant</b>                  |                            |                 |                          |
| <b>Delegated to Schools</b>                      |                            |                 |                          |
| Primary Schools                                  | 35,685                     | 0               | 35,685                   |
| Secondary Schools                                | 36,908                     | 0               | 36,908                   |
| Special Schools                                  | 3,099                      | 0               | 3,099                    |
| School Standards Grant                           | 4,129                      | 4,129           | 0                        |
| School Standards Grant (Personalisation)         | 1,062                      | 1,062           | 0                        |
| Standards Fund Grant                             | 6,143                      | 6,143           | 0                        |
| Learning & Skills Council Grant                  | 0                          | 2,340           | (2,340)                  |
| <b>Spent on schools</b>                          |                            |                 |                          |
| School –Specific Contingencies                   | 146                        | 0               | 146                      |
| Provision for Children with special needs        | 2,092                      | 0               | 2,092                    |
| Fees for Independent Special Schools             | 1,994                      | 165             | 1,829                    |
| Pupil Referral & Education other than in schools | 1,285                      | 48              | 1,237                    |
| Early Years Education                            | 3,353                      | 0               | 3,353                    |
| Other Services for Schools                       | 513                        | 0               | 513                      |
| Learning Skills Council in support of SEN        | 0                          | 261             | (261)                    |
| Savings to be agreed                             | (370)                      | 0               | (370)                    |
| <b>Total Dedicated School's Grant 2007/08</b>    | <b>96,039</b>              | <b>14,148</b>   | <b>81,891</b>            |



## ADULT AND COMMUNITY SERVICES DIRECTORATE

|  | Gross Expenditure<br>£'000 | Income<br>£'000 | Central Support<br>£'000 | Net Expenditure<br>£'000 |
|--|----------------------------|-----------------|--------------------------|--------------------------|
| <b>Adult Services</b>                  |                            |                 |                          |                          |
| <b>Strategic Housing</b>               |                            |                 |                          |                          |
| Enabling Activities                    | 327                        | 60              | 1                        | 268                      |
| Private Sector Housing                 | 885                        | 464             | 1                        | 422                      |
| Homelessness                           | 1,495                      | 387             | 5                        | 1,113                    |
| Homepoint                              | 255                        | 252             | 0                        | 3                        |
| Head of Housing                        | 210                        | 108             | 142                      | 244                      |
| Supporting People                      | 10,867                     | 10,716          | 7                        | 158                      |
| <b>Total Strategic Housing</b>         | <b>14,039</b>              | <b>11,987</b>   | <b>156</b>               | <b>2,208</b>             |
| <b>Commissioning &amp; Improvement</b> |                            |                 |                          |                          |
| Performance & Improvement              | 955                        | 0               | 92                       | 1,047                    |
| Contracts & Commissioning              | 282                        | 0               | 0                        | 282                      |
| Social Care Support                    | 226                        | 4               | 5                        | 227                      |
| Training and Development               | 597                        | 478             | 0                        | 119                      |
| <b>Total Comm. &amp; Improvement</b>   | <b>2,060</b>               | <b>482</b>      | <b>97</b>                | <b>1,675</b>             |
| <b>Adult Social Care</b>               |                            |                 |                          |                          |
| Integrated Learning Disability         | 13,597                     | 5,685           | 67                       | 7,979                    |
| Integrated Physical Disability         | 3,588                      | 729             | 41                       | 2,900                    |
| Integrated Mental Health Service       | 7,555                      | 3,099           | 13                       | 4,469                    |
| Older People – Physical Frailty        | 21,174                     | 7,363           | 163                      | 13,974                   |
| Preventative Service                   | 163                        | 0               | 0                        | 163                      |
| Service Strategy                       | 478                        | 1               | 13                       | 490                      |
| Other Adult Services                   | 327                        | (1,010)         | 522                      | 1,859                    |
| <b>Total Adult Social Care</b>         | <b>46,882</b>              | <b>15,867</b>   | <b>819</b>               | <b>31,834</b>            |
| <b>Total Adult Services</b>            | <b>62,981</b>              | <b>28,336</b>   | <b>1,072</b>             | <b>35,717</b>            |

Continued overleaf

## ADULT AND COMMUNITY SERVICES

### Contributes to Corporate Plan Priorities:

- To reshape adult social care, enabling vulnerable adults to live independently and, in particular, many more older people to continue to live in their own homes
- To sustain thriving communities, including by securing more efficient, effective and customer-focussed services, clean streets, tackling homelessness and effective emergency planning.

### Aims and Objectives:

- Increase the number of people of 65 or over from 82.9 to 88 in 2007/08 helped to live at home per 1,000 population.
- Reduce from 34,691 to 32,996 the number of emergency unscheduled acute hospital bed-days in NHS hospitals occupied by a person aged 75 or more.
- We intend to have in place by October 2007 a comprehensive Older People's Strategy.
- Increase the number of people with physical disabilities per 1,000 population aged 18-64 helped to live at home from 4.8 to 5.1.
- Increase the number of people with learning disabilities per 1,000 population aged 18-64 helped to live at home from 2.5 to 3.
- Increase the number of people with mental health problems per 1,000 population aged 18-64 helped to live at home from 3.7 to 4.4.
- Decrease from 416 to 160 the number of people accepted as homeless during a year in respect of whom the Council has a full statutory duty.

**Contributes to Corporate Plan Priorities:**

- Sustain thriving communities, including by securing more efficient, effective and customer focused services, clean streets, tackling homelessness and effective emergency planning.
- To give effective community leadership, working with partners to deliver *The Herefordshire Community Strategy*, including the *Local Area Agreement*.

**Aims and Objectives:**

- Increase the percentage of adults who use:
  - Sports and leisure facilities once a month from 25% in 2005 to 29% in 2007.
  - Parks, open spaces, play areas and other recreational facilities at least once a month from 41% in 2005 to 47% in 2007.
  - Libraries at least once a month from 32% in 2005 to 33% in 2007.
  - Museums or galleries at least once every six months from 19% in 2005 to 20% in 2007.
  - Theatres or concert halls at least once every six months from 32% in 2005 to 35% in 2007.

**ADULT AND COMMUNITY SERVICES DIRECTORATE**

|   | Gross Expenditure<br>£'000 | Income<br>£'000 | Central Support<br>£'000 | Net Expenditure<br>£'000 |
|---|----------------------------|-----------------|--------------------------|--------------------------|
| <b>Community Services</b>                 |                            |                 |                          |                          |
| Social & Economic Regeneration            | 1,991                      | 80              | 333                      | 2,244                    |
| Community Leisure                         | 1,402                      | 0               | 95                       | 1,497                    |
| Parks, Countryside & PROW                 | 2,227                      | 284             | 67                       | 2,010                    |
| Cultural Services                         | 213                        | 0               | 154                      | 367                      |
| Arts                                      | 590                        | 0               | 25                       | 615                      |
| Tourism                                   | 625                        | 114             | 57                       | 568                      |
| Leisure Development                       | 188                        | 5               | 0                        | 183                      |
| Heritage                                  | 637                        | 86              | 27                       | 578                      |
| Libraries                                 | 2,196                      | 320             | 382                      | 2,258                    |
| Service Management & Support              | 496                        | 0               | 17                       | 513                      |
| Edgar Street Grid                         | 225                        | 0               | 0                        | 225                      |
| <b>Total Community Services</b>           | <b>10,790</b>              | <b>889</b>      | <b>1,157</b>             | <b>11,058</b>            |
| <b>Directorate Management &amp; Admin</b> |                            |                 |                          |                          |
|   | <b>164</b>                 | <b>0</b>        | <b>0</b>                 | <b>164</b>               |
| <b>Adult Services from page 10</b>        | <b>62,981</b>              | <b>28,336</b>   | <b>1,072</b>             | <b>35,717</b>            |
| <b>Total Budget 2007/08</b>               | <b>73,935</b>              | <b>29,225</b>   | <b>2,229</b>             | <b>46,939</b>            |



## CORPORATE AND CUSTOMER SERVICES DIRECTORATE

|  | Gross Expenditure<br>£'000 | Income<br>£'000 | Central Support<br>£'000 | Net Expenditure<br>£'000 |
|--|----------------------------|-----------------|--------------------------|--------------------------|
| Legal and Democratic Services              | 3,387                      | 798             | (1,259)                  | 1,330                    |
| Communication                              | 443                        | 1               | 30                       | 472                      |
| Herefordshire Partnership Support          | 364                        | 110             | 12                       | 266                      |
| Policy & Performance Management            | 762                        | 28              | 62                       | 796                      |
| Directorate Management & Support           | 255                        | 48              | 23                       | 230                      |
| Information Technology & Customer Services | 3,620                      | 158             | 310                      | 3,772                    |
| Emerging Pressures                         | 500                        | 0               | 0                        | 500                      |
| <b>Total Budget 2007/08</b>                | <b>9,331</b>               | <b>1,143</b>    | <b>(822)</b>             | <b>7,366</b>             |

## CORPORATE AND CUSTOMER SERVICES

### Contributes to Corporate Plan Priorities:

- To promote diversity and community harmony and strive for equal opportunities for all the people of Herefordshire, regardless of race, religion, disability, sexual orientation, geographical location, income or age.
- Better to understand the needs and preferences of service users and Council Tax-payers, and to tailor services accordingly.

### Aims and Objectives:

- Implement the Herefordshire Connects programme.
- Rationalise our front and back office functions.
- Complete out new ICT network during 2007/08 with the network available for at least 98.5% of the time.
- Provide better, faster and more responsive services to individual customers.
- Answer at least 95% of all telephone calls.
- Answer 80% of all telephone calls within 15 seconds.



## RESOURCES

### Contributes to Corporate Plan Priorities:

- To streamline its processes, assets and structures, and secure significant efficiency savings, particularly by delivering the *Herefordshire Connects* programme.

### Aims and Objectives:

- Increase the number of people aged 60 or over in receipt of Council Tax benefit from 7,751 in 2006/07 to 8,061 in 2007/08.
- Uphold its financial and audit duties to ensure good financial management and governance.
- Continue to improve the value for money we get from procuring goods and services. In 2007/08 we will achieve an additional saving of £250,000 through improved procurement procedures.
- Review our Accommodation Strategy by June 2007.
- Raise the proportion of the gross internal floor space in ODPM categories A and B.
- Maintain our Use of Resources score at 3.

## RESOURCES DIRECTORATE

|                                | Gross Expenditure<br>£'000 | Income<br>£'000 | Central Support<br>£'000 | Net Expenditure<br>£'000 |
|--------------------------------|----------------------------|-----------------|--------------------------|--------------------------|
| <b>Finance</b>                 |                            |                 |                          |                          |
| Financial Services             | 1,622                      | 45              | (1,577)                  | 0                        |
| Revenues & Exchequer           | 1,237                      | 201             | (1,036)                  | 0                        |
| Housing & Council Tax Benefits | 29,644                     | 39,665          | 637                      | (9,384)                  |
| Taxation                       | 11,012                     | 176             | 343                      | 11,179                   |
| Management & Admin             | 353                        | 0               | (353)                    | 0                        |
| Audit                          | 388                        | 5               | (383)                    | 0                        |
| National Non-Domestic Rates    | 18                         | 316             | 0                        | (298)                    |
| Procurement & Efficiency       | 55                         | 0               | 0                        | 55                       |
| Support Services Review        | 100                        | 0               | 0                        | 100                      |
| <b>Total Finance</b>           | <b>44,429</b>              | <b>40,408</b>   | <b>(2,369)</b>           | <b>1,652</b>             |
| <b>Property</b>                |                            |                 |                          |                          |
| Administrative Buildings       | 1,453                      | 87              | (1,366)                  | 0                        |
| Operational Buildings          | 293                        | 109             | 5                        | 189                      |
| Agricultural Services          | 246                        | 430             | 364                      | 180                      |
| Retail Properties              | 12                         | 486             | 5                        | (469)                    |
| Other Corporate Properties     | 16                         | 59              | 0                        | (43)                     |
| Industrial Estates             | 332                        | 1,308           | 8                        | (968)                    |
| Management & Administration    | 2,103                      | 464             | (1,639)                  | 0                        |
| Maintenance Pool               | 1,127                      | 0               | (1,127)                  | 0                        |
| Other                          | 86                         | 125             | 0                        | (39)                     |
| Trading Operations:            |                            |                 |                          |                          |
| -Fairs                         | 8                          | 39              | 0                        | (31)                     |
| -Markets                       | 138                        | 95              | 92                       | 135                      |
| -Management & Support          | 183                        | 694             | 30                       | (481)                    |
| <b>Total Property</b>          | <b>5,997</b>               | <b>3,896</b>    | <b>(3,628)</b>           | <b>(1,527)</b>           |
| <b>Total Budget 2007/08</b>    | <b>50,426</b>              | <b>44,304</b>   | <b>(5,997)</b>           | <b>125</b>               |

## ENVIRONMENT DIRECTORATE

|   | Gross Expenditure<br>£'000 | Income<br>£'000 | Central Support<br>£'000 | Net Expenditure<br>£'000 |
|---|----------------------------|-----------------|--------------------------|--------------------------|
| <b>Environmental Health &amp; Trading Standards</b> |                            |                 |                          |                          |
| <b>Environmental Health</b>                         |                            |                 |                          |                          |
| Air Pollution                                       | 65                         | 42              | 0                        | 23                       |
| Water Pollution                                     | 99                         | 38              | 0                        | 61                       |
| Pollution Controls                                  | 508                        | 0               | 0                        | 508                      |
| Landfill Sites & Contaminated Land                  | 272                        | 0               | 0                        | 272                      |
| Pest Control  | 258                        | 115             | 0                        | 143                      |
| Dog Control   | 164                        | 6               | 0                        | 158                      |
| Animal Health & Welfare                             | 197                        | 1               | 0                        | 196                      |
| Commercial Team                                     | 485                        | 0               | 0                        | 485                      |
| Licensing   | 383                        | 331             | 0                        | 52                       |
| Env. Health Central Support                         | 0                          | 0               | 226                      | 226                      |
| <b>Trading Standards</b>                            | <b>551</b>                 | <b>16</b>       | <b>51</b>                | <b>586</b>               |
| <b>Waste Management</b>                             |                            |                 |                          |                          |
| Waste Collection – Domestic                         | 3,739                      | 137             | 109                      | 3,711                    |
| Waste Collection – Trade                            | 504                        | 950             | 0                        | (446)                    |
| Recycling   | 478                        | 5               | 0                        | 473                      |
| Waste Disposal                                      | 9,290                      | 1,706           | 20                       | 7,604                    |
| <b>Other Services</b>                               |                            |                 |                          |                          |
| Travellers Site                                     | 193                        | 90              | 60                       | 163                      |
| Cemeteries  | 232                        | 136             | 83                       | 179                      |
| Crematorium   | 195                        | 440             | 66                       | (179)                    |
| <b>Total EH &amp; TS</b>                            | <b>17,613</b>              | <b>4,013</b>    | <b>615</b>               | <b>14,215</b>            |
| <b>Highways and Transportation</b>                  |                            |                 |                          |                          |
| <b>Highways</b>                                     |                            |                 |                          |                          |
| Roads Maintenance                                   | 2,237                      | 0               | 315                      | 2,552                    |
| NRSWA   | 133                        | 156             | 0                        | (23)                     |
| Winter Maintenance                                  | 986                        | 0               | 0                        | 986                      |
| Drainage/ Flood Alleviation                         | 184                        | 0               | 0                        | 184                      |
| Street Lighting                                     | 957                        | 0               | 6                        | 963                      |
| Bridgeworks   | 156                        | 0               | 0                        | 156                      |
| Street Cleansing                                    | 1,340                      | 79              | 126                      | 1,387                    |
| Public Conveniences                                 | 451                        | 0               | 0                        | 451                      |
| Traffic Management                                  | 523                        | 18              | 42                       | 547                      |
| <b>Transport</b>                                    |                            |                 |                          |                          |
| Transport Planning                                  | 861                        | 0               | 69                       | 930                      |
| Road Safety   | 526                        | 351             | 0                        | 175                      |
| Public Transport (incl. Rural)                      | 2,665                      | 1,162           | 45                       | 1,548                    |
| Bus Stations  | 22                         | 27              | 0                        | (5)                      |
| Concessionary Travel                                | 1,319                      | 0               | 1                        | 1,320                    |
| Car Parking   | 671                        | 2,217           | 208                      | (1,338)                  |
| Decrim. of Parking Enforcement                      | 737                        | 529             | 0                        | 208                      |
| Shopmobility  | 64                         | 0               | 0                        | 64                       |
| Searches  | 9                          | 2               | 0                        | 7                        |
| Section 38 Fees                                     | 9                          | 45              | 0                        | (36)                     |
| <b>Total H'ways &amp; Transport</b>                 | <b>13,850</b>              | <b>4,586</b>    | <b>812</b>               | <b>10,076</b>            |
| <b>Subtotal C/fwd</b>                               | <b>31,463</b>              | <b>8,599</b>    | <b>1,427</b>             | <b>24,291</b>            |

## ENVIRONMENT

### Contributes to Corporate Plan Priorities:

- To protect the environment, including by producing much less waste, recycling much more of what remains and significantly reducing carbon emissions.
- To improve transport and the safety of roads, including further reducing the number of people killed or seriously injured.
- To sustain thriving communities, including by securing more efficient, effective and customer focused services, clean streets, tackling homelessness and effective emergency planning.

### Aims and Objectives:

- Adopt the Unitary Development Plan.
- Increase the proportion of Council-owned or managed land, without a nature conservation designation, that is managed for biodiversity.
- Increase the proportion of land designated as a Site of Special Scientific Interest within the local authority area that is in favourable condition.
- Increase the numbers for key species.
- Reduce the amount of household waste collected per head in a year from 521.7kg in 2005/06 to 515kg.
- Reduce from 78.2% to 75.4% the proportion of household waste that is landfilled.
- Increase the proportion of household waste recycled from 17.46% in 2005/06 to 18%
- Reduction in carbon emissions per head of the population.
- We aim to reduce energy consumption by at least 1.5% a year against the 2006 baseline. We will also have an affordable Warmth Strategy completed by June 2007.
- Reduce the number of people killed or seriously injured in road traffic collisions.
- Reduce the number of people slightly injured in road traffic collisions
- Reduce the percentage of adult residents in Herefordshire who usually travel to work for their main job by driving a car or van on their own.
- Control the increase of annual average traffic volumes to no more than 8% compared with 2003/04.
- Increase from 3,248,935 in 2005/06 to 3,948,000 the number of passenger bus journeys a year.
- We will measure people's perceptions of traffic congestion.
- Increase by 18% the number of cycling trips in a year compared with 2003/04.



## ENVIRONMENT

### Aims and Objectives

- Reduce from 18% in 2005/06 to 17% the proportion of relevant land and highways that fall below an acceptable level.
- Reduce from 3% in 2005/06 to 2% the proportion of relevant land and highways from which unacceptable levels of graffiti are visible.
- Maintain at 2% the proportion of land and highways from which unacceptable levels of fly-posting are visible.
- Maintain our current grant of 1 (very effective) in the year-on-year reduction in the total number of incidents and increase in total number of enforcement actions taken to deal with 'fly-tipping'.
- Increase the percentage of people satisfied with the cleanliness standard in their area.
- Increase from 90% in 2005/06 to 100% the percentage of abandoned vehicles removed within 24 hours from the point where the Council is legally entitled to remove the vehicle.

## CENTRAL SERVICES

### Contributes to Corporate Plan Priorities:

- To embed corporate planning, performance management and project management systems so as to continue to drive up service standards and efficiency.
- Recruiting, retaining and motivating high quality staff.

### Aims and Objectives:

- To complete by March 2008 our Comprehensive Equality Policy Action Plan.
- Commitment to Investor in People accreditation by October 2007.
- Continue our comprehensive programme of employee training and development.
- Raise completion rates of SRDs from 94% to 95%.
- Reduce sickness absence from 10.5 days per FTE in 2005/06 to 9 days per FTE in 2007/08.
- Maintain annual employee turnover at no more than 9%.

## ENVIRONMENT DIRECTORATE

|                               | Gross Expenditure | Income        | Central Support | Net Expenditure |
|-------------------------------|-------------------|---------------|-----------------|-----------------|
| <b>Planning</b>               |                   |               |                 |                 |
| <b>Building Control</b>       |                   |               |                 |                 |
| Building Regulation Fees      | 0                 | 641           | 0               | (641)           |
| Building Control Management   | 728               | 0             | 84              | 812             |
| <b>Development Control</b>    |                   |               |                 |                 |
| Development Control Fees      | 0                 | 1,304         | 0               | (1,304)         |
| Dev. Control Management       | 1,811             | 0             | 255             | 2,066           |
| <b>Forward Planning</b>       |                   |               |                 |                 |
| Development Plan              | 17                | 2             | 0               | 15              |
| Forward Planning              | 642               | 0             | 47              | 689             |
| <b>Conservation</b>           |                   |               |                 |                 |
| Conservation Management       | 906               | 0             | 78              | 984             |
| <b>Total Planning</b>         | <b>4,104</b>      | <b>1,947</b>  | <b>464</b>      | <b>2,621</b>    |
| <b>Subtotal from page 14:</b> | <b>31,463</b>     | <b>8,599</b>  | <b>1,427</b>    | <b>24,291</b>   |
| <b>Total Budget 2007/08</b>   | <b>35,567</b>     | <b>10,546</b> | <b>1,891</b>    | <b>26,912</b>   |

## CENTRAL SERVICES

|                             | Direct Expenditure<br>£'000 | Income<br>£'000 | Central Support<br>£'000 | Net Expenditure<br>£'000 |
|-----------------------------|-----------------------------|-----------------|--------------------------|--------------------------|
| <b>Corporate</b>            |                             |                 |                          |                          |
| Chief Executive's Office    | 519                         | 4               | 17                       | 532                      |
| Corporate Management        | 1,583                       | 0               | 1,292                    | 2,875                    |
| Non-Distributed Costs       | 845                         | 0               | 0                        | 845                      |
| Precepts & Levies           | 248                         | 0               | 0                        | 248                      |
| <b>Total Corporate</b>      | <b>3,195</b>                | <b>4</b>        | <b>1,309</b>             | <b>4,500</b>             |
| <b>Human Resources</b>      |                             |                 |                          |                          |
| HR Support                  | 1,454                       | 278             | (1,176)                  | 0                        |
| Corporate Training          | 246                         | 21              | (225)                    | 0                        |
| <b>Total Corporate</b>      | <b>1,700</b>                | <b>299</b>      | <b>(1,401)</b>           | <b>0</b>                 |
| <b>Total Budget 2007/08</b> | <b>4,895</b>                | <b>303</b>      | <b>(92)</b>              | <b>4,500</b>             |

## **CAPITAL PROGRAMME 2006/07**

### **Introduction**

The Council's Capital Programme represents ongoing and significant investment in the infrastructure of Herefordshire. The Council maintains detailed strategic documents to identify and manage such investment. The Capital Programme is approved on an annual basis as part of the Council tax setting process.

### **Resources**

The level of capital resources available determines the total capital spending in the year. There are five sources of funding available:

- Supported Capital Expenditure (Revenue) (SCE(R)) amounts are allocated by Central Government and represent an amount of borrowing that Government will support in order to finance the Capital Programme. For 2007/08 the Council received a SCE(R) allocation to date of £10.0 million.
- Prudential Borrowing can be taken over and above SCE(R) where the capital financing costs are met from revenue budget savings or directly from Council Tax.
- The Council receives capital grants and contributions from a number of sources. These are usually for specific items of capital expenditure and come with specific conditions attached.
- Capital receipts are obtained from the sale of capital assets. These receipts are held corporately and are used to fund capital projects.
- Contribution can be made from the revenue budget of a service towards their capital programme. However pressure on revenue budgets means there is limited opportunity for such support.

### **Setting the Budget**

- Individual capital schemes are included in the Capital Programme on the basis of the Education Asset Management Plan, the Housing Investment Strategy and the Local Transport Plan.
- Other capital schemes funded through Prudential Borrowing are determined by Cabinet to proceed with capital schemes for which there is no specific or alternative funding identified, or for which external funding can be attracted, or for which there is a legal requirement to progress.

### **Monitoring the Capital Programme**

- Due consideration is given at all stages of capital planning to the ongoing capital and revenue implications of the Capital Programme.
- A process of rigorous monitoring of all capital projects is carried out and reported to Cabinet through the Integrated Performance Reports.

## CAPITAL PROGRAMME 2007/08

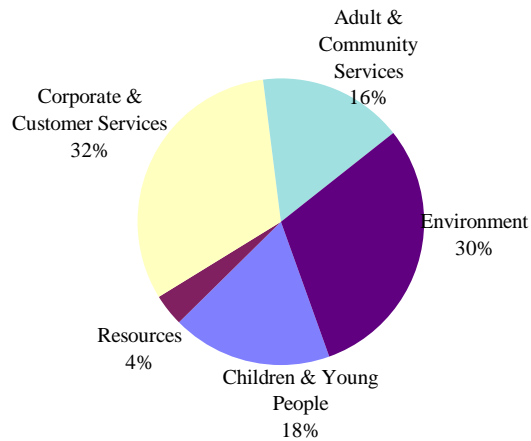
The Council plans to spend £63.7 million on capital projects in 2007/08

Approximately 57% of this expenditure is likely to be financed with borrowing.

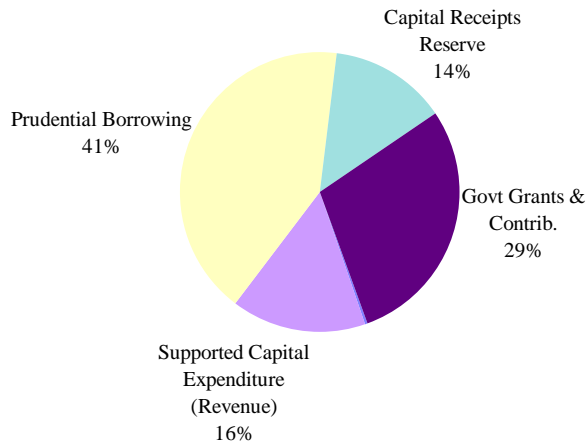
The Council has received government approval to borrow £10.0 million in 2007/08.

| Programme Area                | Total Budget<br>£'000 | Funded By:                |  |                                    |                                   |                                  |
|-------------------------------|-----------------------|---------------------------|--|------------------------------------|-----------------------------------|----------------------------------|
|                               |                       | Revenue Contrib.<br>£'000 | Supported Capital Expenditure (Revenue)<br>£'000 | Prudential Code Borrowing<br>£'000 | Capital Receipts Reserve<br>£'000 | Govt. Grants & Contribs<br>£'000 |
| Children & Young People       | 11,420                | 0                         | 2,163  | 1,800                              | 1,706                             | 5,751                            |
| Resources                     | 2,334                 | 170                       | 0  | 314                                | 1,700                             | 150                              |
| Corporate & Customer Services | 20,406                | 0                         | 0  | 20,406                             | 0                                 | 0                                |
| Adult & Community Services    | 10,496                | 0                         | 218  | 952                                | 5,270                             | 4,056                            |
| Environment                   | 19,048                | 0                         | 7,582  | 3,026                              | 39                                | 8,401                            |
| <b>Budget 2007/08</b>         | <b>63,704</b>         | <b>170</b>                | <b>9,963</b>                                     | <b>26,498</b>                      | <b>8,715</b>                      | <b>18,358</b>                    |

### Analysed by Programme Area:



### Analysed by Source of Financing:



## Main Schemes £'000s

### Children and Young People

|  |       |
|--|-------|
| Riverside Junior and Infants School Amalgamation | 4,620 |
| The Minster High School Replacement              | 3,049 |
| Sutton Replacement Primary School                | 936   |

### Resources

|                          |       |
|--------------------------|-------|
| Cattle Market Relocation | 1,650 |
|--------------------------|-------|

### Corporate and Customer Services

|  |        |
|--|--------|
| Herefordshire Connects Business Transformation Project | 19,356 |
|--|--------|

### Environment Services

|   |        |
|---|--------|
| Highways and Bridge Maintenance including Rotherwas Access Road | 10,265 |
| Ross on Wye Flood Alleviation Scheme                            | 5,000  |
| New Crematorium Hereford  | 2,000  |

### Adult and Community Services

|  |       |
|--|-------|
| Private Sector Housing and Affordable Housing Grants | 5,233 |
| Friar Street Museum Resource and Learning Centre     | 1,323 |
| Extra Care Housing Development                       | 815   |
| Disabled Facilities Grant                            | 525   |



## GLOSSARY OF TERMS

### BUDGET

A statement defining the council's policies in financial terms.

### BUSINESS RATES

A levy on businesses, based on a national rate in the pound set by the government and multiplied by the 'rateable value' of the premises they occupy. Business rates are collected by billing authorities on behalf of central government and then redistributed among local authorities and police authorities on the basis of population. Also known as Non-Domestic Rates. In 2007/08 the Small Business multiplier (applicable to those businesses eligible for small business rate relief) is 44.1p. The Standard multiplier is 44.4p.

### CAPITAL EXPENDITURE

Includes spending on the acquisition, creation or enhancement of assets either directly by the local authority or indirectly in the form of grants to other persons or bodies. Expenditure not falling within this definition must be charged to the General Fund as Revenue Expenditure.

### CAPITAL RECEIPTS

The proceeds from the disposal of land or other assets that can only be used to finance capital expenditure or repay outstanding debt on assets financed from borrowing.

### CENTRAL SUPPORT

This column identifies the Back-Office Support Functions provided by HR and the Corporate and Customer Services and Resources Directorates that are recharged to Front-line Services. These are shown on the face of the Budget Book to comply with the Best Value Code of Practice and give the reader an indication of the full cost of providing services. Note: These figures are purely indicative, since the actual recharges are based on end-of-year Outturn.

### COLLECTION FUND

A fund administered by each billing authority. It is used to record local taxes and non-domestic rates collected by the authority, along with payments to precepting authorities, the national pool of non-domestic rates and its own general fund.

### COUNCIL TAX

The main source of local taxation to local authorities. It is levied on households within its area by the billing authority and the proceeds paid into its collection fund or distribution to its precepting authorities and for use by its own general fund services.

### COUNCIL TAXBASE

The number of Band D equivalent properties in an area (68,730.09 for Herefordshire for 2007/08)

### COUNCIL TAX BENEFIT

Assistance provided by billing authorities to adults on low income to help them pay their council tax bill. The cost to authorities of council tax benefit is largely met by government grant.

### DEDICATED SCHOOLS GRANT

From the 1<sup>st</sup> April 2006 this specific grant is paid by Central Government to fund schools budgets. This is estimated by the DfES to be £81.891 million for 2007/08.

### GENERAL FUND

The main revenue fund of a billing authority. Day-to-day spending on services is met from the fund.

### NET EXPENDITURE

Gross expenditure less service specific income, but before the deduction of Revenue Support Grant.

### PRECEPT

A charge made by a precepting authority on a billing authority, requiring the latter to collect income from council taxpayers on their behalf.

### PRUDENTIAL BORROWING

Borrowing used to finance capital expenditure which does not have SCE(R) support. The financing costs of such borrowing have to be met from revenue budget savings or directly from Council Tax.

### REVENUE SUPPORT GRANT (RSG)

A grant paid by central government to aid local authority services in general, as opposed to specific grants, which may only be used for specific services. The grant makes up the difference between expenditure and the amount which would be collected in council tax for that level of expenditure and the amount of non-domestic rate distributed.

### SUPPORTED CAPITAL EXPENDITURE (REVENUE) SCE(R)

An approval to borrow in order to finance capital expenditure and permits an authority to pay for capital expenditure out of credit rather than cash. SCE(R) is issued before the start of the financial year to which it relates, and can only be used in respect of capital expenditure defrayed in that year. SCE(R) can be used in relation to any kind of capital expenditure.

This budget book has been produced by the Finance Department – Resources Directorate. If you have any comments or suggestions on its content please let us know.