

**MINUTES of the meeting of CABINET held at COUNCIL CHAMBER, BROCKINGTON, 35 HAFOD ROAD, HEREFORD on Thursday 24 January 2008 at 2.00 pm**

**Present:** Councillor (Chairman) RJ Phillips

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

**In attendance:** Councillors TM James, RI Matthews, WLS Bowen, PJ Edwards, MD Lloyd-Hayes and SJ Robertson

**15. APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillors: PA Andrews and ACR Chappell.

**16. DECLARATIONS OF INTEREST**

There were no declarations of interest made.

**17. MINUTES**

**RESOLVED:** That the Minutes of the meeting held on 13 December 2007 be approved as a correct record and signed by the Chairman.

**NOTE:** The Chief Executive updated Cabinet on the School Review and advised that a further paper would come before Cabinet on 21 February setting out the process for the review and consultation for the next six to nine months. Cabinet would then be able to give their consent to the process.

The Leader added that external verification of data would be carried out to underpin the data currently held and an external partner would be brought in to provide advice throughout the process. Further details would be available at the meeting on 21 February. It is hoped that a set of proposals will be brought before Cabinet in September. The Leader reiterated that the process was very much about working in partnership with stakeholders across the county from the 21 February.

**18. DRAFT FINANCIAL STRATEGY 2008/11**

Cabinet was advised that the report before them sought Cabinet's approval of the Corporate Management Board's (CMB) recommendations for updating the current Medium Term Financial Strategy (MTFS) 2008/11. Cabinet was advised that a further report would be presented to Cabinet on the MTFS from the CMB at its meeting on 21 February, which would include details of the final local government finance settlement and any other possible changes. Included will also be any recommendations from the Strategic Monitoring Committee (SMC) and the final recommendations to Council on the financial strategy for 2008/11, the budget for 2008/09 and Council tax for 2008/09.

The Cabinet Member (Resources) set out the direction of the budget referring to the financial settlement for Herefordshire as outlined below:

Year	Formula Grant £m	Increase £m	Increase
2008/09	53.373	2.569	5.1%
2009/10	55.445	2.143	4.0%
2010/11	57.652	2.234	4.0%

It was added that it was felt that efficiency gains could be achieved in all service areas through better use of resources without significant reductions in the level of service provided. The Director of Resources stated the areas of Adult Social Care, Waste, Children's Social Care, Highways and School Transport were referred to as core service areas with the most financial pressure and it was stated that a modest fund would be set up for these key areas. The Director added that these were CMB's recommendations to Cabinet covering the next three year period and that work had been carried out with Cabinet in order to put the proposals together and set the scene of key points for the current financial year and forecasting for the next financial year. It was stated that in the local government financial settlement the final figure for the formula grant was £53.04m. Cabinet was advised that there had been a redistribution of the financial settlement leaning more towards London and the South East, however in percentage terms Herefordshire had not lost out as significantly as some other similar sized authorities. The Leader paid tribute to officers and politicians that had supported Herefordshire in lobbying ministers to achieve the settlement given.

With regard to the recent pay awards the policy on inflation uplift had been revised by CMB to reflect the recent above inflation pay awards. It was noted that non-inflation on non-pay budgets had been retained. Each directorate budget had been reviewed to ensure that service cuts would not need to be made. Cabinet was advised that a single one off payment had been made to the Social Care Adults and Health budget. A review of the inflation factor on fees and charges had been carried out and it was proposed that it remain at 2½%.

In referring to the base budget the Director stated that modernisation funding had been identified for the future. It was suggested that additional money set aside for Adult Social Care to help modernise services be ring fenced in the budget for the future. In referring to modernisation plans CMB recommended that within the draft MTFS 2008/11 that the Council match fund a contribution to that of the Primary Care Trust, which would be held until the modernisation plan for the two organisations was approved. It was added that CMB had identified a series of change issues listed at paragraph 36 of the report where money was to be ring fenced for future modernisation plans. In reviewing the reserves and balances CMB recommended that a fund is created providing a reserve to cover the Bellwin threshold in the event of flooding or any other eligible emergency. In the general reserves there had been a balance of £3m. It was proposed that this be increased to £4½m.

The Leader referred to page 14 of the report and the future Council tax increase and gave notice that he wished to have the recommendation revised in light of the final settlement agreement to 4.4% for 2008/09 from the 4.7% proposed. A Member in attendance asked when the Council would be informed on the accommodation strategy and the Leader stated he recognised the need for Cabinet to work with Scrutiny over the strategy and it was proposed that this should happen shortly. Reference was made to Environment directorate cut backs particularly in relation to the highways. Cabinet advised that although the budget was always under pressure the cut backs referred to were not in relation to the highways.

Further discussion was held on the budgets and reserves and any risk management that needed to be addressed in particular with regard to the ICT strategy. Cabinet expressed that good work had been done in setting up reserves and addressing budget issues.

Cabinet also discussed the work of Scrutiny officers and the Head of Legal and Democratic Services advised Members of the recent interviews carried out to recruit additional staff.

#### **RESOLVED**

**THAT: Cabinet approve the Corporate Management Board's recommendations for updating the current Medium Term Financial Strategy and resource model highlighted in the body of the report subject to:**

- (a) inclusion of the final local government finance settlement figures for Herefordshire for 2008/09 and indicative figures for 2009/10 and 2010/11;**
- (b) a revised planning assumption for a Council tax increase of 4.4% in 2008/09; and**
- (c) continued discussion on the level of reserves in the light of (a) and (b) above.**

#### **19. DRAFT CAPITAL PROGRAMME 2008/09**

The Cabinet Member Resources presented the draft Capital Programme to Cabinet and advised that there were a number of issues that could not be addressed within the funds available. Cabinet would confirm its capital budget recommendations to Council on 7 March 2008 following its meeting on 21 February. The Head of Financial Services advised Cabinet that officers had been invited to place bids for the Capital Programme with 27 bids being placed. He referred to paragraph 7 of the report, schemes recommended for funding through the Right to Buy Capital Receipts Reserves and paragraph 8 schemes recommended for funding by Prudential Borrowing. He added that with reference to the Strangford landfill site there was a legal requirement to assess the site. With regard to flooding reference was made to the Holmer School Flood alleviation. Cabinet was advised that the funding was for remedial works for the prevention of the recurring flooding problems experienced in July 2007. Reference was also made to the Sustrans Lottery Bid, whereby the Council was required to provide match funding for a walking and cycling route and the ongoing funding commitment that went with it.

Reference was made to paragraph 9 of the report, schemes that could be funded from prudential borrowing. At paragraph 10 of the report Cabinet was advised of any major bids such as the Master's House scheme Ledbury, however there was uncertainty surrounding external funding and it was not therefore being recommended at this time. Cabinet was also advised that the bid for the Bayley Bridge at Colwall was not a prudential borrowing scheme at present.

Referring again to the Master's House scheme Cabinet was informed that an application to Advantage West Midlands for a multi use grant had been made and a response was expected in February. It was added that a bid had been made for lottery funding also. It was proposed that a further report be brought back to Cabinet on the Master's House scheme in order to confirm deliverability on the project.

Cabinet was also concerned that there would be less funding for other bridges as a result of the Bayley Bridge in Colwall not being part of the capital programme.

Cabinet was advised of some unspent funds for the refurbishment of the town centre. The funds were for the possible integration of the Edgar Street Grid with Widemarsh Street. It was proposed that the funds be put back into the capital programme.

#### **RESOLVED**

##### **THAT:**

- (a) the funding available be noted;**
- (b) the funding allocations to capital bids be endorsed;**
- (c) the impact of capital spend on Herefordshire Connects in 2008/09 be noted;**
- (d) the position on the capital receipts reserve be noted; and**
- (e) that a further report on the Master's House, Ledbury proposals be brought back to Cabinet.**

#### **20. PROGRESS ON IMPROVEMENT CHILDREN AND YOUNG PEOPLE'S SERVICES**

The Cabinet Member Children's Services presented the report to Cabinet on the progress made in Children's Services and complimented staff on the progress that had been made. The Director reminded Cabinet that it had been a difficult Joint Area Review (JAR) outcome in 2005 with a number of things put in place in order to monitor progress. Recently the Government Office for the West Midlands had looked at the requirement to remove the intervention and Cabinet was advised that it had been agreed by the Government Office that the intervention could be removed. This was due to the improvement in outcomes in the last 18 months, which were significant and that services were now either adequate or better across the five ECM outcome areas. The Director advised that she was positive about the letter from the Government Office regarding their comments on Herefordshire as they were in agreement with the directorates own self evaluation. She reiterated that the directorate had worked closely with the Government Office and would continue to have regular meetings but formal intervention had now been removed.

The Director added that the areas for further improvement would be taken forward and a draft Children and Young People's Plan was being finalised for April. She added that the directorate would now return to the normal pattern of reporting to Cabinet.

Cabinet discussed funding for schools with particular regard for Staunton-on-Wye school and was advised that the funds for the school were ring fenced. Discussion was also held over the proposed build of Minster Academy through BSF funding scheme and the wish to have an early rebuild of the school. Cabinet was advised that there was approximately £40m for primary school redevelopment and the worst buildings would need to be prioritised. Cabinet and Members in attendance thanked staff for their hard work in achieving the removal of the formal intervention from the directorate.

#### **RESOLVED**

##### **THAT:**

- (a) **Cabinet note the significant progress reported and the cessation of formal intervention by Government Office West Midlands;**
- (b) **Cabinet return to the usual performance monitoring and reporting of the Directorate; and**
- (c) **it be noted that Cabinet thanked the Children and Young People's Directorate for their hard work in achieving the removal of the formal intervention by Government Office.**

## **21. INTEGRATED PERFORMANCE REPORT**

Cabinet received the report on the Integrated Performance and Finance Report outlining the Council's performance against the Annual Operating Plan 2007/08 and national performance indicators. The report also outlined partnership performance for the first six months in delivering Local Public Service Agreements, Local Area Agreements and the Herefordshire Community Strategy. The Cabinet Member Corporate and Customer Services and Human Resources praised the report but added that there was still work to do with partner organisations in relation to performance monitoring.

In looking at the highlights of the report Cabinet was informed that there were 23 indicators at red and 24 at green, with a large number still at amber therefore it was unknown whether the target would be reached or not for those areas. Cabinet was advised that the Council was tougher on itself than the Audit Commission regarding its direction of travel. Cabinet was up dated on the overall Comprehensive Performance Assessment result for the Council which is moving from three to two stars. This was as a result of a drop to two stars for the Use of Resources and 1 star for Housing. Cabinet was informed that the drop in the score for housing was not as a result of deterioration in performance, but as a result of a change in the selection of housing performance indicators used by the Audit Commission. Members were advised the indicator was now to measure the length of stay, as opposed to how many families, in bed and breakfast accommodation. A Member in attendance praised the report for its clarity and reiterated the need to emphasise to partner organisations the importance of performance management.

Cabinet addressed the 2007/08 projected outturn as at the end of November 2007, which was just over £3m. There was an increase in the invest to save underspend of £3.5k. With Herefordshire Connects there was a reduction in anticipated expenditure as the project was on hold, with the end of November report showing a £1m overspend. With regards to the Bellwin claim due to the July 2007 flooding there was an overspend; however, there would be a claim from Government for approximately £3m. Cabinet was advised that an area of risk was within Adult and Community Services directorate regarding HALO and job evaluation issues.

### **RESOLVED**

#### **THAT**

- (a) **performance to the end of November 2007 and the adequacy of the proposed remedial actions to address areas of under performance be considered; and**
- (b) Cabinet recommend that the Herefordshire Partnership Performance Management Group address under performance on indicators that are led by partner organisation.

## **22. HEREFORDSHIRE SATISFACTION SURVEY 2007**

Cabinet received the Herefordshire Satisfaction Survey 2007, which summarises the recent findings of the survey and the corporate actions to be taken. The Cabinet Member Corporate and Customer Services and Human Resources said that the report was clear and would form part of the Member Seminar on the Satisfaction Survey. Cabinet was advised that the survey was conducted during September and October 2007.

Officers advised Cabinet that there was a statutory requirement to conduct a best value survey every three years. Cabinet was reminded that the Customer Satisfaction Survey was linked to the Community Strategy and that there was a significant change in satisfaction surveys with the emphasise on perception such as quality of life linked to people getting on well together – a key focus in area assessments. It was added that the Hereford Voice Programme was being developed to tease out what more could be done in relation to perceptions. It was noted that 50% of those questioned were fairly satisfied. The overall satisfaction with the Council was at 44%, which had not significantly changed since 2006 when it was at 43%. Members discussed the Herefordshire Matters magazine provided to all households and being able to provide it on tape for the blind. Cabinet was advised that this was being looked into with the Blind College.

**RESOLVED That the results of the survey and the actions outlined in paragraphs 21 to 26 of the action plan be noted.**

### **23. PLANNING OBLIGATIONS SUPPLEMENTARY PLANNING DOCUMENT**

The Cabinet Member Environment and Strategic Housing presented the Planning Obligations Supplementary Planning Document for adoption, which sets out the Council's policy on the use of planning obligations to be approved by Council following statutory public consultation. Officers were thanked for their work in producing the report. It was stated that the Planning Committee had held a thorough debate over the issues and Cabinet was reminded that 50% of houses in the county were in schemes of under 10 and should this level be retained, this would exclude 50% of new homes built. The Cabinet Member stated that he had spoken with some small builders who did not have any concerns with the proposals; however, some Members in attendance felt this might not be the case with all in the building profession. Officers advised that some of the aims of the SPD were to provide as much certainty as possible to landowners, prospective developers and other interested parties. It was added that there was a high volume of planning applications coming forward and therefore there was a need to put a protocol in place for the future.

Cabinet was informed that an officer would be appointed dealing specifically with Section 106 agreements and would be reporting to Cabinet every six months on the financial planning gains made and on where the funds were to be used. Cabinet welcomed the proposals and the potential revenue to be used in the county that could be brought in. Members stated that it was important to retain the Area Planning Sub-Committees as they felt it was essential with regards to planning applications in their ward areas. Members in attendance welcomed the proposals in the SPD but were concerned about the ultimate cost for young people. Members asked how the figures proposed equated with neighbouring authorities and were advised that there was a considerable variation around thresholds with other authorities. It was proposed that the threshold should go down to one single build as it could be a significant build and therefore should contribute through the Section 106 Agreement. Cabinet debated the effect this could have on rural housing. It was also suggested that some authorities had not gone below the threshold of 10. A Member in attendance stated that the officers' recommendation at the Planning Committee meeting had been not to go below a threshold of six and the Member felt it would

victimise rural residents if the authority did so. The Member agreed that there should be a charge, but felt that it should be reduced if the threshold was to be for one single dwelling.

**RESOLVED**

**THAT it be recommended to Council that:**

- (a) the Planning Obligations Supplementary Planning Document and associated Sustainability Appraisal be agreed and adopted;**
- (b) appropriate amendments be made to the Planning Committee Scheme of Delegation to Officers and that a Section 106 Monitoring Officer be recruited by Planning Services;**
- (c) the Supplementary Planning Document be brought into effect by the end of March 2008 and appended to planning applications received from that date; and**
- (d) Cabinet agree the change to the Planning Obligations SPD including with respect to Children and Young People and give Delegated final approval of any amendments to the Cabinet Member Environment and Strategic Housing.**

**24. ASSESSMENTS OF 18 - 64 YEAR OLDS' FUTURE NEEDS AND SERVICES: MENTAL HEALTH AND PHYSICAL DISABILITIES**

The Cabinet Member Social Care Adults and Health presented the report and reminded Cabinet of the budgetary pressures emerging for the Council. The Director for Adult and Community Services advised Cabinet of the work that had been completed for old people and were now looking at people with learning disabilities. He added that the work was being externally verified.

Cabinet discussed the key points identified looking forward to 2012. It was noted that the county had a higher than average number of residents with mental health problems, which was not expected to change over the coming years. It was also stated that it was predicated that there would be a significant increase in young people with mental health problems, but it was added that when investigated this did not appear to be the case; however, figures were still awaited from the Government with regard to young people. Cabinet was informed that with regard to mental health problems, too much was being spent on residential care and not enough on local support care. With regard to the physically disabled it was expected there would be a 4-5% increase in the physically disabled in the county.

Cabinet was advised that the new regulations come into statute on 1 April and therefore there was a requirement to approve how joint commission plans with the Primary Care Trust would be achieved to deliver more effective services. Cabinet was advised that the joint board made up of the Council and the PCT had already looked at the proposals.

The Chairman of the Health Scrutiny Committee expressed concern that the report had not been presented to the Health Scrutiny Committee and that assumptions were being made and conclusions being drawn up prior to scrutiny being involved. Cabinet agreed that both the Health and the Social Care Scrutiny Committees should have the opportunity to review the report and it was agreed that the decision should be deferred.

**RESOLVED That any decision on the Assessments of 18-64 Year Olds' Future Needs and Services: Mental Health and Physical Disabilities be**

deferred.

25. **REPLACEMENT LIVESTOCK MARKET** (Pages 1 - 2)

Cabinet considered a confidential report on the replacement of the Livestock Market.

**Not for publication this information relates to the financial or business affairs of any particular person (including the authority holding that information).**

The meeting ended at 5.40 p.m.

**CHAIRMAN**