

REPORT OF THE MEETING OF CABINET

HELD ON 19 FEBRUARY 2009

Cabinet Members: RJ Phillips (Leader of the Council),
JP French (Deputy Leader),
LO Barnett, AJM Blackshaw, H Bramer,
JA Hyde, JG Jarvis, DB Wilcox and PD Price.

This report submitted to Council covers the proceedings of the meeting held on 19 February 2009.

1. DECISIONS RESERVED TO COUNCIL UNDER PART 4 OF THE CONSTITUTION

- 1.1 **Draft Financial Strategy 2009/12** – Cabinet considered the draft Medium Term Financial Strategy (MTFS) for 2009/12. Members were advised that during the last year the national financial position had changed with the economic downturn having a significant impact on the local economy. The report outlined that this had necessitated a reconsideration of the council's budget which had resulted in a shortfall in projected income due to a reduction in income and investment interest rates. The Financial Strategy, which is appended to this report, includes the Statutory Statement by the Chief Financial Officer, in the Council's case the Director of Resources, on the robustness of the estimates made for the purpose of budget calculations and the adequacy of the proposed financial reserves.

The Strategic Monitoring Committee's following comments were taken into consideration:

- i) assurance was sought that the savings expected from the Herefordshire Connects project were as reported to Cabinet on 31 July 2008 and would not be affected by the recession.
- ii) Regard needed to be had to the extent of damage to roads by the recent winter conditions
- iii) SMC had noted that the revised MTFS proposed a 3.9% Council Tax increase for 2009/10 and for the further years of the MTFS up to 2011/12, however the Council would have to be mindful of Government pronouncements on Council Tax levels and monitor the situation.

RECOMMENDATION:

Cabinet recommends to Council the updating of the current Medium Term Financial Strategy and resource model as highlighted in the report attached.

- 1.2 **Draft Capital Programme 2009/10** – Cabinet considered the draft Capital Programme 2009/10 which is appended to this report and outlined an update on the Council's capital spending plans, noting the available funding and capital bid funding recommendations.

RECOMMENDATION:

Cabinet recommends to Council that:

- (a) the funding available be noted
- (b) the funding allocations to capital bids be endorsed

- (c) the impact of capital spend be noted; and
- (d) the position on the capital receipts reserve be noted.
- (e) That £500,000 per annum for three years from 2009-10 to 2011-12 be added to the Capital Programme for maintenance and enhancements to the smallholdings estate. The expenditure to be funded from the Council's Capital Receipts Reserve.

- 1.3 **2009/10 Draft Treasury Management Strategy** – Cabinet considered a report which outlined the Draft Treasury Management Strategy and Prudential Indicators for 2009/10. Members were informed that the setting of Prudential Indicators and the reporting of the Council's Treasury Management Strategy for the coming year was required by the CIPFA Prudential Code for Capital Finance and the CIPFA Code of Practice on Treasury Management. Cabinet noted that the primary requirement of this Code was the approval by full Council of a policy statement that set out the Council's overall approach to treasury management operations. Members were informed that the Strategy provided a sound framework within which to carry out robust treasury management operations.

The Cabinet received the Strategic Monitoring Committee comment that it was observed that the effect of borrowing on the Band D Council Tax rate was estimated to involve a rise from £26.68 to £97.36 in 2011/12.

RECOMMENDATION:

Cabinet recommends to Council that:

- a) the Prudential indicators detailed in Appendix 1 of the report, which includes the draft Capital Programme, be endorsed.
- b) The Treasury Management Strategy in Appendix 2 of the report be endorsed
- c) The borrowing limits outlined in Appendix 2 of the report be approved
- d) The Council Minimum Revenue Provision Policy for 2009/10 in Appendix 4 of the report be approved.

2. NOTICES OF MOTION

- 2.1 Cabinet considered no motions to Council during the time period covered by this report.

3. KEY DECISIONS BY INDIVIDUAL EXECUTIVE MEMBERS WHICH WERE NOT INCLUDED IN THE FORWARD PLAN

- 3.1 **Preferred Bidder for the Design and Build of the Hereford Academy.** The Cabinet Member for ICT, Education and Achievement received and approved a report and recommendation for the Design User Group Tender Evaluation Board to appoint Willmott Dixon Construction as the preferred bidder for the construction of the new Hereford Academy. The decision was an urgent one in order to allow the Design User Group to work with the preferred bidder to refine the design proposals for submission to planning in April 2009. Planning consent was a requirement to complete the Final Business Case which would be submitted by Herefordshire Council to Partnerships for Schools (PfS) in July 2009. PfS approval for the Final Business Case would unlock the funding for the project. Approval of the Final Business Case in the summer would be crucial to the programme for the contractor to deliver the new buildings for the Spring term 2011.

- 3.2 Growth Point Funding Allocation.** This was an urgent report for consideration by the Cabinet Members for Environment and Strategic Housing, and Highways and Transportation to agree the areas for expenditure of the Growth Point funding allocations announced by Government on 10 December 2008. The capital allocation of £1.46 million was specifically in response to the bid for expenditure to implement the Park and Ride (North) site. In respect of revenue funding just over £171,000 had been awarded for each of the next two financial years. Whilst the Grant Award was not ringfenced it has been made in response to specific bids included in the Programme of Development.

4. CORPORATE STRATEGY AND FINANCE
Chairman of Cabinet – Councillor RJ Phillips

Report on Decisions Taken

- 4.1 There were no decisions by Cabinet relating to this portfolio during the reporting period.

5. CHILDREN'S SERVICES
Cabinet Member - Councillor JA Hyde

Report on Decisions Taken

- 5.1 There were no decisions by Cabinet relating to this portfolio during the reporting period.

6. CORPORATE AND CUSTOMER SERVICES AND HUMAN RESOURCES
Cabinet Member - Councillor JP French

Report on Decisions Taken

- 6.1 Integrated Corporate Performance Report for April to December 2008 –** Cabinet received a report outlining the performance for the first nine months of 2008-2009 against the Corporate Plan 2008-11, the Local Area Agreement, the Herefordshire Community Strategy, and other key indicators. The report also took into account the separate but complementary financial performance report, risk and progress against the action plans produced following the Crookall review. Cabinet noted that whilst overall picture was one of improvement as many more indicators were reaching their target, it was recognised that some indicators were not meeting their targets, which was in part due to the need to present robust evidence of action taken. Members were also advised that many of the judgments on indicators relating to Adult Social Care were based on forecasts due to the lack of updated data from the Frameworki system; this information would be available at the end of March 2009. It was noted that the economic downturn would prove a challenge, however Members noted that the authority had evidenced improved performance whilst delivering a projected small underspend in the council's budget. The Cabinet considered the performance to the end of December 2008 and the measures being taken, where necessary to improve and noted progress in implementing the action plans produced following the Crookall review.

7. ECONOMIC DEVELOPMENT AND COMMUNITY SERVICES
Cabinet Member - Councillor AJM Blackshaw

Report on Decisions Taken

- 7.1 Hereford Open Retail Market** – Cabinet considered a report which outlined the result of the consultations undertaken on the proposed relocation of the Hereford Open Retail Market into the St Peter’s Street/High Town interface and Commercial Street each Saturday and Wednesday. The Cabinet resolved to approve; that subject to the approval of the capital programme bid, the relocation of Hereford Open Retail Market to the St Peter’s Street/High Town interface and Commercial street as from the 8 April 2009 (or as soon as operational arrangements allowed); that the proposed formulation of a policy governing allocation of the stalls be noted and that during the first year of operation a Retail Impact Assessment is undertaken; and that a formal evaluation of the effectiveness of the new arrangements would be considered by the Cabinet Member at the end of that period.

8. ENVIRONMENT AND STRATEGIC HOUSING
Cabinet Member: Councillor JG Jarvis

Report on Decisions Taken

- 8.1 There were no decisions by Cabinet relating to this portfolio during the reporting period.

9. HIGHWAYS AND TRANSPORTATION
Cabinet Member - Councillor DB Wilcox

Report on Decisions Taken

- 9.1 There were no decisions by Cabinet relating to this portfolio during the reporting period.

10 ICT, EDUCATION AND ACHIEVEMENT
Cabinet Member – Councillor PD Price

Report on Decisions Taken

- 10.1 **Strategic Monitoring Review of ICT Services: November 2008** – Cabinet considered the response to the recommendations arising from the Strategic Monitoring Committee review of ICT Services, conducted by the ICT Services Review Group in November. The proposed response to the recommendations arising from the review was agreed.

11. RESOURCES
Cabinet Member - Councillor J P French

Report on Decisions Taken

- 11.1 The decisions by Cabinet relating to this portfolio during the reporting period are outlined in paragraphs 1.1-1.3.

12. SOCIAL CARE ADULTS
Cabinet Member - Councillor LO Barnett

Report on Decisions Taken

- 12.1 There were no decisions by Cabinet relating to this portfolio during the reporting period.

Background Papers

- Agenda papers of the meeting of Cabinet held on 19 February 2009

**COUNCILLOR RJ PHILLIPS
LEADER OF THE COUNCIL**