

MEETING:	COUNCIL
DATE:	19 NOVEMBER 2010
TITLE OF REPORT:	LEADER'S REPORT

CLASSIFICATION: Open

Wards affected

County wide

Purpose

To provide an overview of the Executive's activity since the last meeting of Council.

Recommendation

THAT:

The report be noted.

Report

Meeting the Financial Challenge

1. The government's Comprehensive Spending Review 2010 (CSR) announcement was made on 20th October, and I know many members will have attended the briefing session held at the end of last month. Whilst the full implications for Herefordshire won't be known until we receive the detailed local government settlement in the first week of December, some of the key elements of CSR include:
 - From April 2011 grants currently paid outside Formula Grant worth more than £4bn, will be rolled into Formula Grant.
 - From April 2011 onwards, grant streams to local authorities will be reduced from around 70 to less than ten.
 - All ring fencing on grants will be removed, except from the Dedicated Schools Grant and a new grant for public health, to be introduced in 2013.
 - Authorities, which choose to freeze Council Tax in 2011/12, will 'have the resultant loss to their tax base funded at a rate of 2.5% in each year of the Spending Review period'.
 - By 2014/15, £1bn will be put into Formula Grant for Personal Social Services, meaning total funding for social care, including rolled-in grants, will be £2.4bn; in 2011/12 the addition is £530 million.
 - In addition, £1bn of funding will be provided through the NHS budget to support joint working between the NHS and councils in the provision of social care.
 - Bus Operators' Subsidy will be reduced by 20%, and Statutory concessionary travel entitlements will remain; I have written to both the Minister for Transport and the Rural

Affairs Minister expressing my concern about the future resourcing implications for concessionary fares in rural areas.

- Revenue grants to local authorities from DfT will be reduced by 28%. More details on funding will be announced shortly.
- The number of transport grants to councils will be reduced; councils will gain greater control and flexibility over spending these grants.
- The schools budget for 5 to 16 year olds will increase by 0.1% in real terms each year of the Spending Review period. This includes £2.5bn of funding for the new pupil premium, although clarity is still needed about whether this resource will be capital or revenue. I have written to the Minister, Lord Hill, seeking assurance that we will be safeguarded from any cuts in devolved schools grant.
- The 'New Homes Bonus' will be introduced to 'reward' councils granting planning permission for the construction of new homes, by matching Council Tax receipts for each new home built for a number of years, with an additional premium added. The government has also announced its intention of introducing a statutory Community Infrastructure Levy on developers; this is a policy we have been pursuing in Herefordshire and it is pleasing to note the government's intention to legislate on this issue.
- The Regional Growth Fund will be worth over £1.4bn over three years. A panel will assess funding bids from Local Enterprise Partnerships as well as the private sector.
- From 2013/14 Council Tax Benefit (CTB) will be localised; Government also plans to reduce spending on CTB by 10%.

2. Whilst the financial settlement will undoubtedly be challenging, because we have been working over the past three years to ensure better services are delivered using less money, we are in a better position than many. Our aim is for the council to become focussed on the commissioning of quality services rather than directly providing services itself. We are developing locality working to achieve:

- More effective/efficient use of properties;
- Improved public access to services and provide greater public engagement in the design and delivery of services;
- Increased co-location and co-working across all sectors;
- Reduced revenue expenditure by sharing and redesigning services; and
- Reduced county carbon footprint.

We will also work with local councils to support them in making choices about which services they may choose to commission locally for their communities

3. Actions we have already undertaken or planned include:

- Over £1 million a year to be saved by shedding management posts. We will have 25 per cent fewer managers in two years time and estimate that at least 250 other posts are likely to go as public services are further streamlined.
- Around £33 million would be gained over the next ten years by sharing corporate functions across the council, the primary care trust and the county hospital. We are the only place in the UK to share corporate functions across local government and health in this way. A report appears elsewhere on your agenda regarding the establishment of a joint venture company through which to progress this service sharing arrangement.
- A new commercial strategy will control purchasing and secure economies of scale, saving a further £4 million a year.
- We are rationalising the number of buildings we operate from in each area of the county, bringing services together to make access easier for residents; receipts will be gained from asset sales and money saved on running costs. All historical, heritage or

iconic buildings under council ownership will be safeguarded. We are working with partners from different agencies in nine localities across the county to ensure public services are joined up and available much closer to communities.

- We will be cutting red tape, spending less on enforcing regulations, and working to abolish several old by-laws that are irrelevant in the modern age.

4. Cabinet has agreed the timetable and consultation arrangements for the 2011/12 budget.

National Policy Developments

5. The Council, with its health partners, submitted a response to the government's White Paper *Equity & Excellence: Liberating the NHS*, and its four associated consultation documents. The assistance given by the Overview and Scrutiny Committee in hosting a local stakeholder event to help inform the development of that joint response was much appreciated. Further White Papers on Public Health, Children's Services, Social Care, Localism and Local Government Financing are expected in the coming months.
6. The government has announced that there will be no Council Tax revaluation in the lifetime of this parliament.

Supporting the community and local economy

7. Working in partnership with Shropshire and Telford & Wrekin councils, as well as local business representatives, Herefordshire has been successful in securing government approval for the Marches Local Enterprise Partnership (LEP); one of only 24 out of 67 partnerships to gain approval in the first tranche. The Marches LEP partnership will work with local business leaders to encourage economic growth and prosperity, while at the same time cut bureaucracy. Coming hard on the heels of the announcement that Herefordshire is to be a pilot for superfast broadband in rural areas, enabling access for over 10,000 homes and businesses in the south of the county, this is a welcome demonstration of the confidence that exists in our county's ability to attract and sustain enterprise, boost home working and local prosperity, as well as retaining our talented young people and maximising the value of our beautiful and highly valued rural environment. I would like to place on record my thanks to all those involved in the development of this bid and in particular Philip Wells of AWM, and Alan Ronald from the council's own economic development team.
8. Tourism is a key element to securing the future of our local economy and I am delighted that Sir Ben Gill has accepted the chairmanship of a new Destination Management Partnership for the county. Following a review of tourism in Herefordshire which identified that the county's tourism industry is currently worth around £415 million a year, and suggested there is the potential to grow the annual tourism spend, the new partnership will be private sector led and will undertake a strategic role in growing the visitor economy and marketing a distinctive new brand for Herefordshire.
9. Of the almost £440,000 that Herefordshire Council currently contributes to supporting tourism each year, some £219,00 has been supporting the costs of running stand-alone tourist information centres in the county. Whilst we fully support the need to provide this service, and understand the value they add to the local economy, in the current economic climate it is vital that we find the most cost effective way of securing this service for the future. We have therefore agreed a re-modeling of the service to, wherever possible, operation of the service is transferred to existing customer service facilities, providing better value for money whilst retaining service quality.
10. As part of our continuing promotion of the county we have again supported the Flavours of Herefordshire event, the Hereford Contemporary Craft Fair, and the 20th annual Herefordshire

Photography Festival, which runs until 27th November at venues across the county and region including the Museum and Art Gallery, Courtyard Theatre, Cathedral, Buttermarket, Royal National College for the Blind and Hereford College of Arts; I would encourage you all to attend.

11. I must place on record our thanks to all those involved in tackling the recent fire in High Town, and in particular Darren Prosser an Amey street cleaner who first raised the alarm; without his quick thinking things could have been very much worse. Activity is now focused on recovery, offering support to those businesses affected and ensuring that the retail heart of the county can continue to flourish, particularly in the all important run up to Christmas. A host of activities to attract shoppers are in place, including a skating rink, festive events at the Old House, themed markets and Santa will be taking up temporary residence in the Buttermarket! To take the stress out of the shopping experience we are again operating a Saturday Park & Ride scheme from the Racecourse in the north and Grafton Car Park in the south.
12. At a time when the focus is on cut-backs and belt-tightening we should not forget to celebrate our successes and build on them.
 - Hereford is now off the 'critical list' for empty shops, with a number of retailers, such as The Entertainer and East opening for the first time in the city.
 - The county has been identified as being one of the top ten most economically resilient areas in the UK.
 - Our £1.2m refurbishment of Widemarsh Street will be completed by the end of this month, in time to allow Christmas events to take place.
 - Designs for the future refurbishment of the Buttermarket, which celebrated its 150th anniversary this year, go on show later this month and I would encourage everyone to visit and express their views on the ideas displayed.
 - The new Livestock Market on Roman Road is taking shape and, when completed will be able to handle around 9,000 animals a day in 21st century facilities.
 - Plans to progress regeneration of the old livestock market site are in place with our development partner Stanhope announcing they have secured Odeon as their first operator, providing a 6-screen facility able to host live music events as well as screening films and major sports events.
13. Other activity includes:
 - Consultations on both the Local Transport Plan and Hereford Core Strategy have taken place during the autumn, the outcomes of which will be considered by Cabinet and Council in the New Year.
 - We have been making preparations for the coming winter period; salt stocks are in place and we have agreed actions in response to the *Scrutiny Review of the Impact of Winter Weather December 2009 – February 2010 and the Response to it*. I would like to thank the Overview and Scrutiny Committee for undertaking this review on our behalf. Communities of course have a key role to play in difficult times and I am sure all members will join me in recognising the valuable contribution made by volunteers and good neighbours – just calling in to check that a neighbour is OK can make all the difference. I know that many members of the public were concerned that if they took action to clear snow or ice from pathways outside their premises or homes they may be incur legal liabilities and I therefore wrote to the Secretary of State for Communities & Local Government urging clarification on this matter. I am pleased to report that I have received a response indicating that such guidance is now in development.

Other Issues

14. In addition, Cabinet has considered the following issues:

- a) *Budget and Performance Monitoring Reports* – Cabinet considered reports on performance and revenue and capital outturn for the first quarter of 2010/11 and noted actions being taken to address areas of underperformance.
- b) *Equalities & Human Rights Charter* – Cabinet approved a charter provide a focus to ensure that we meet our obligation under the Human Rights Act 1998, and the detailed requirements of the Equality Act 2010, and demonstrating our commitment to dignity, respect and human rights in everything that we do.
- c) *Joint Strategic Needs Assessment* - Cabinet noted the key points and recommendations of the 2010 assessment and agreed they be used to inform decisions regarding future plans, strategy development, budget decisions and commissioning of services.
- d) *Youth Justice Plan* – Cabinet endorsed the 2010 plan for Council's consideration; this appears elsewhere on your agenda today.