

MINUTES of the meeting of Cabinet held at The Council Chamber, Brockington, 35 Hafod Road, Hereford on Thursday 20 January 2011 at 2.00 pm

Present: Councillor RJ Phillips (Chairman)

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

In attendance: Councillors PA Andrews, WLS Bowen, PJ Edwards, TM James, RI Matthews, PM Morgan, WU Atfield, MAF Hubbard, AE Gray and J Stone

79. APOLOGIES FOR ABSENCE

There were no apologies for absence.

80. DECLARATIONS OF INTEREST

7. REVIEW OF THIRD SECTOR SUPPORT AND DEVELOPMENT SERVICES.
Councillor DB Wilcox, Personal, Mrs Wilcox is the Chairman of Hereford Voluntary Action.

81. MINUTES

RESOLVED: That the Minutes of the meeting held on 16 December 2010 be approved as a correct record and signed by the Chairman.

NOTE:

Cabinet was notified of the death of Mrs Sue Harling, wife of the former Chairman of the Council, Councillor Peter Harling.

Cabinet agreed to move Agenda Item 6 – Response to Scrutiny Review of Home Care, as the first item on the agenda for discussion.

82. RESPONSE TO SCRUTINY REVIEW OF HOME CARE

The Cabinet Member, Adult Social Care presented the report on the scrutiny review and introduced the new Interim Director of Adult Social Care, Jana Burton to Cabinet.

The following points were made:

- The review had highlighted some significant issues. Some of the actions identified in the 15 recommendations would need to be amended as issues had changed both locally and nationally since the report had been produced.
- The rapid response delivery and information regarding aids and adaptations for the home could provide significant savings and allow people to live independent lives outside of their homes, and delay or prevent the need for more intensive care or admission to a long term care home.

- With regard to the Integrated Care Organisation and Mental Health review Section 75 arrangements, the Council would need to be clear about the role of the property that belonged to the Council.
- Delayed discharges – this had been controversial in the past and there was still considerable work to be done on the matter, particularly with partner organisations.

Members discussed further the points raised in the scrutiny review and agreed the responses.

RESOLVED: That the response be agreed.

83. JOINT MEDIUM TERM FINANCIAL STRATEGY 2011/14 AND BUDGET UPDATE 2011/12

The Cabinet Member Resources advised Cabinet had been preparing for sometime for the cuts in funding under the Comprehensive Spending Review. The 2011/12 financial settlement had resulted in Herefordshire being required to make savings of £10.3m. This would include the changes to the local government funding formula which would amount to losses of £2.7m in funding. It was added that for 2011/12 a number of the grants the Council had previously received would now cease or become part of the general formula grant, and there would now only be six specific grants. However, there would be greater flexibility for the Council in the way funds were spent. The Cabinet Member added that it was not intended to increase council tax; this would take advantage of the government's voluntary scheme to support councils that retained council tax at the current level, with the emphasis being in reducing costs not services. Funding from reserves would be used to help with the reduction in grant funding. The Joint Medium Term Financial Strategy brings together the financial planning of the Council and NHS Herefordshire.

The Director of Resources stated that:

- Members had been kept informed of the Comprehensive Spending Review (CSR) process and the wider implications of the reductions in public sector spending, which were outlined on page 6 of the report.
- The budget encompassed the council tax voluntary scheme to hold council tax at current levels
- The additional funding of £3.5m for Adult Social Care was welcomed.
- The reduction in the number of grants had reduced bureaucracy and increased local choice on spend.
- There would be an increased impact on schools as they faced funding pressures as the number of pupils on the rolls were falling.
- The settlement was expected to be in place for two years following which central government was to review the formula; further change was therefore expected including the localisation of council tax benefit.
- The majority of funding would now be via the general formula grant and details of this were still awaited, but the total savings required for 2011/12 was £10.3m.
- Directorates went through the star chamber process on two occasions before the conclusion of the overall budget and policy process.
- With the reduction in grant funding the emphasis had been on cutting costs and not reducing front line services.
- General reserves needed to be maintained at 3% of net revenue budget, which requires a reserve of £4.5m.
- The reduction in funding for concessionary fares could impact on rural areas but would be mitigated by temporary funding generated through reserves which was required to be replaced within 12 months.

- 2012/13 would also be a challenging year reflecting the speed of the deficit reduction and the change in the formula grant.
- It was anticipated that there would be a loss of 250 full time equivalent (FTE) posts in the authority.

The Leader of the Council made the following comments:

- Although the authority had been preparing for cuts they were more extensive than expected.
- The settlement details were not known until 13 December 2010 and since then it had been an intensive time for the finance staff.
- The changes to the formula grant had not helped Herefordshire.
- It was clear that the principles to identify savings and minimise the impact to frontline services had not been sufficient because of the scale of funding reduction, therefore there would be some significant reduction in staffing numbers in the authority, similar to other authorities.
- There would be a reduction of 250 FTE staffing posts, which had already begun. The losses had been expected and therefore, those staff posts which directly related to grant funding had been made temporary posts in anticipation of the reduction.
- The majority of savings had been made through the removal of posts and the restructuring of directorates.
- There would be some impact on library services; however, it had been the policy of the authority to join services, where practicable, to ensure the sustainability of the service, such as the info shops, libraries and tourism centres operating from a shared location.
- The public recognise the current scale of cuts has been unprecedented before and, as a result, the authority would be smaller and more efficient within two years.
- The additional £3.5m for adult social care was welcomed, but it was essential to ensure that the funds were spent wisely.
- Herefordshire is further ahead and in a better position than most authorities because of the joint working with NHS Herefordshire.

Cabinet was advised that David Sanders, Interim Director of Children's Services, would be leaving at the end of January and that Jo Davidson would replace him as the interim director. David Sanders was thanked for his work in Herefordshire and it was stated that he had brought clarity to the directorate at a time when education had been hit significantly under the new funding proposals. In addition it was noted there had been a top slice taken off the funding allocation to support the national academy proposals.

The Director of Children's Services stated:

- The impact on schools was significant under the school improvement programme.
- Area based grants for primary and secondary school national strategy - the area for development in Herefordshire was needed in performance at key stage 1 and 2, however, this was the area with reduced resources, so now looking at how to meet this development need in different ways.
- There is a national strategy for attendance, currently looking to see if there is funding available as Herefordshire has a high standard of attendance.
- There has been a direct funding impact on the 16 to 19 age group.
- School buildings were not part of the Council budget; however, it was important to have a clear picture of the building programme.

- The top slice of £650k for the school academy programme had not been expected.

Cabinet went on to make the following comments:

- The Local Transport Plan funding had been reduced from £13m to £10.3m.
- Priority has been given to bus services in remote rural areas, with £1m being used from reserves to rationalise bus routes, however, work would be done with communities to see how best to approach the matter. New bus contracts would be in place in the autumn.
- Concessionary fares would continue but not before 9.30 am, in line with statutory requirements.
- Road safety was to remain a priority, with maintaining potholes a first priority to ensure road safety.
- The prevention agenda in adult social care was to be moved forward along with reablement and the number of hospital beds available.
- Safeguarding funding for children had been protected for this year. It was noted that there were to be an additional 50 looked after children in Herefordshire.
- Cabinet thanked officers and partner organisations for the work that had been done together and the achievements made.
- Cabinet noted that the comments from the Overview and Scrutiny committee would be incorporated into the report to Council.

RESOLVED

- THAT:**
- (a) the attached MTFS including the overall 2011/12 budget be agreed for recommendation to Council;**
 - (b) a freeze of Council Tax for 2011/12 at 2010/11 levels be agreed for recommendation to Council; and**
 - (c) an explanatory note on the funding of future capital projects be included in the Joint Medium Term Financial Strategy.**

84. JOINT CORPORATE PLAN 2011/14

The Cabinet Member Corporate and Customer Services and Human Resources presented the Joint Corporate Plan to Cabinet and advised that following the elections in May 2011, it was anticipated that the plan would require refreshing.

The following points were made:

- The joint medium term financial strategy for both the Council and NHS Herefordshire endorsed the key priorities and principles of the new JCP.
- JCP appendix 1 – 1.5 had been changed to reducing health inequalities for the working population.
- The JCP had been to the Herefordshire Partnership management group and to the third sector partnership for their comments.
- Cabinet agreed that the comments of the Overview and Scrutiny committee were to be incorporated into the revised report to Council.
- Comments were made by Cabinet Members that consideration be given to the inclusion within the JCP to Hereford City, broadband and public transport.
- The Chief Executive and the Monitoring Officer were to be delegated to finalise/make amendments the JCP prior to it going before Council.

RESOLVED: That Cabinet recommended to Council the approval of the Joint Corporate Plan vision, priorities and long-term outcomes as set out at Appendix 1, save that the Chief Executive and the Monitoring Officer be delegated to finalise the Joint Corporate Plan and make any necessary amendments (if any) to reflect Cabinet Member comments regarding transportation and Hereford City.

85. REVIEW OF THIRD SECTOR SUPPORT AND DEVELOPMENT SERVICES

The Director of Resources, as chairman of the review, presented the report to Cabinet. The Director referred to the key factors for consideration as set out on page 128 of the report and to the issue of the Big Society approach and the delivering of solutions through the civil society, which was a key element of the new coalition government.

The Director referred to:

- The objectives of the review and the need for the sharing of back office functions for services, which would provide greater collaboration and value for money.
- The views of the Community Services Scrutiny Committee, which referred to the potential loss of skills of individual organisations and the possible loss of volunteers.
- Having one single local solution for Herefordshire, sharing services, providing a flexible outreach provision.
- Try to bring together a number of organisations and Council resources to better serve the people of the County.
- All proposals to be scrutinised by the third sector board.
- Cabinet welcomed the proposals and agreed they would be beneficial to all organisations concerned.

Cabinet thanked officers and partner organisations for the work they had done on the report, which would ensure that public money was spent wisely.

RESOLVED

- That:**
- a) **the outcome of the review be noted;**
 - b) **the principle of a single local solution to deliver support services to front line community and voluntary organisations, together with a shared services approach to back office functions, be approved; and**
 - c) **authority be delegated to the Director of Resources, in consultation with the Director of Sustainable Communities, to negotiate and implement a single delivery arrangement in accordance with the agreed principle.**

The meeting ended at 1.50 pm

CHAIRMAN