

Herefordshire Council


Corporate Plan 2016-2020



Foreword

Welcome to Herefordshire Council's Corporate Plan for the period 2016 – 2020. The plan records our progress to date, reaffirms our priorities and sets out our ambitions for the next four years.

The priorities




Enable residents to live safe, healthy and independent lives



Keep children and young people safe and give them a great start in life



Support the growth of our economy



Secure better services, quality of life and value for money

Herefordshire Council continues to deliver against bold and ambitious plans and, by working with our local and national partners, we will continue to improve the quality of life for the county's residents.

By the end of the decade we will:

- Be even more focused on delivering good core services across the children's wellbeing, adults and wellbeing, and economy, communities and corporate directorates.
- Have encouraged and supported even more local services to be run by communities themselves, thereby enhancing community resilience and reduced demand on statutory services.
- Have improved skills and educational attainment within our communities to address the problem of low wages in the county.
- Have enabled the development of new economic activity and external investment to introduce better and better-paid jobs.
- Have delivered new infrastructure to support economic growth and the provision of more good quality affordable homes across the county.
- Have delivered high speed broadband to all who need it.
- Have worked closely with central government as it transforms the ways in which local authorities are funded.
- Have developed and be well on the way to implementing a county wide Economic Masterplan prepared in partnership with business and communities.
- Have further embraced digital technology to save costs, to improve mobile-working and to offer residents 24/7 access to always on services.

In common with local authorities across the country, Herefordshire Council is facing significant financial challenges as central government strives to balance its budget. We are at the 6 year point of a 10 year 'austerity period' during which the council will face increasing demands on the services it provides whilst simultaneously making savings totalling £91 million. This means that the council needs to significantly change how it operates and the services it runs to focus on greatest need.

Despite this, over the last five years the council's performance has improved across a wide range of services.

Building the foundations for a successful economy has been, and will continue to be, a key priority. We have enabled major improvements including the delivery of flood relief schemes; a new livestock market; a privately funded retail and leisure development on the site of the old livestock market; access to superfast broadband; an Enterprise Zone in Rotherwas, Hereford; improved leisure facilities across the county and improvements to the highway network. We have also put in place a Core Strategy that will provide a blueprint for developing the county over the period to 2031.

The council recognises that it is in the unique position of acting as a hub for the public sector, the private sector and the 3rd sector and accepts the responsibility to work with our partners and to provide leadership through the essential process of change in these most challenging of times.

Alongside delivering essential services, we will continue to build the infrastructure, encourage inward investment and create a business friendly environment to enable the economic growth that will ensure Herefordshire prospers in the future.

These are challenging times, but the council will meet the challenges whilst continuing to build bold and ambitious plans for the future.

Herefordshire an introduction

Herefordshire Council provides a wide range of services that combine to make a difference to residents' lives on a daily basis, including education, social care, highways and transport, planning, culture, waste management, environmental health and trading standards.

The council is funded by a combination of grants from central government, local council tax, local business rates and charges for some council provided services. The economic downturn has led to significant reductions in the funding we receive from central government. At the same time, there has been increased demand for some of our most important services, in particular those that protect vulnerable children and adults. We have been proactive in meeting that challenge, recognising that we need to radically change the way we work, in order that we can continue to deliver high quality services to the residents of the county.

This plan outlines our strategy for the next four years. It sets out how we will reshape services and become more efficient.

The plan focuses on the following four strategic priorities:

- Enable residents to live safe, healthy and independent lives
- Keep children and young people safe and give them a great start in life
- Support the growth of our economy
- Secure better services, quality of life and value for money

Setting the scene

Herefordshire's population is about 186,100, having grown by six per cent (10,000 people) since 2001 (compared to nine per cent in England and Wales overall). About one-third of the population lives in Hereford city, a third in the market towns and a third in rural areas.

Herefordshire is a popular destination for visitors, those with holiday homes and second homes and, in some areas, for out-of-county commuters.

The county's population has a considerably older age profile than that for England and Wales, with 23 per cent of the population aged 65 years or above, compared with 17 per cent nationally. This includes 5,700 people aged 85 years or above. There are 25 per cent more people aged 65 years or over than there were in 2001, compared with a 19 per cent increase nationally. There is a similar proportion of under-16s as nationally (17 compared to 19 per cent).

Herefordshire has a lower proportion of younger working age adults (aged 16 to early forties) compared with England and Wales as a whole, but has a higher proportion of older working age adults (mid-forties to 64).

As a whole, Herefordshire has relatively low levels of multiple deprivation. In general people are healthy, live longer compared with nationally, and have positive experiences of the things that affect their lives and well-being. However, some areas of south Hereford, Leominster and Ross-on-Wye are amongst the 25 per cent most deprived in England. Although the government's 2010 Index of Multiple Deprivation ranks Herefordshire 145th out of 326 local authorities, there are areas of significant poverty and deprivation within the county.

Average wages in the county are significantly below both the regional and national averages. Average house prices are high compared with elsewhere in the region. The affordable housing ratio is the worst in the West Midlands, with houses at the lower end of the market, costing around 8.6 times the annual wage of the lowest earners.

Unemployment in the county is low. Both agriculture and tourism are a more important source of jobs in the county than elsewhere in the West Midlands. Self-employment is more common in Herefordshire than in the rest of the UK.

Herefordshire has improved its performance at GCSE level over the past two years. However, vulnerable groups continue to perform significantly below their peers at all ages. Herefordshire has some very high performing sixth forms with some outstanding results but there is net migration of young adults out of the county in search of wider opportunities for employment and higher education. There are relatively few people in the workforce with higher education-level qualifications. There is limited higher education provision, and knowledge-based industries are under represented in the county.

Key achievements

This section highlights some of our notable achievements over the lifetime of our previous corporate plan (2013-2016).

Economy - create and maintain a successful economy:

What we said we would do

Support economic growth & connectivity (includes broadband, local infrastructure, transport and economic development)

Make Herefordshire more attractive to younger age groups for a more balanced age profile

Have good quality housing to meet everyone's needs

Support the improvement in quality of our natural and built environment

Embrace new ways of responding to changing pressures (includes sustainable & more local water, fuel and food supplies)

Have vibrant town centres with shops, restaurants and leisure facilities that keep people spending locally

What we did

Worked with the private sector to support the development of the Old Market retail centre, bringing £90 million of private investment into the county and creating over 1,000 jobs, whilst building a new livestock market which is now one of the leading markets in the country;

Made fibre broadband available to over 65 per cent of premises in the county, and over 300 businesses supported to improve digital skills;

Developed the enterprise zone – 45 per cent of available land let or under offer;

Built the Connect 2 cycleway and foot bridge;

Secured £43 million through the Local Enterprise Partnership (LEP), made up of £16m for the City Centre Transport Package and £27m for the South Wye Transport Package

Implemented a multi-million pound programme to improve the quality of Herefordshire's roads;

Adopted the Herefordshire Local Plan Core Strategy, which will provide the basis for planning and development in the county to 2031;

Secured £10.42 million through the European Social Fund (ESF) to contribute to sustainable economic growth and social inclusion by extending employment opportunities and developing a skills and adaptable workforce in Herefordshire.

Secured £2 million through the European Regional Development Fund (ERDF) to finance the construction of the Business Solution Centre in Rotherwas.

Facilitated development of 331 houses, of which 116 were 'affordable'; and

Invested £9 million in modernising and improving Halo Leisure run leisure facilities across the county.

People - enable residents to be independent and lead fulfilling lives:

What we said we would do

Improve outcomes for children and young people

There is access to excellent education and learning opportunities at all levels (includes early years/schools/ FE/HE/ adult learning)

People are physically and mentally healthy and stay healthy for longer

There is increased equality of opportunity and access, to reduce inequality in health & wellbeing outcomes

What we did

Exceeded the UK average for GCSE and A-level results in 2014 and 2015;

Provided nursery placements for nearly all 3 to 4 year olds, and increased the number of places for 2 year olds, giving children a great start in life;

Supported families to achieve better education results and better paid employment opportunities;

Successfully participated in national developments that improved the lives of children and families in Herefordshire: the New Belongings Project, significantly enhancing and improving planning, opportunities and outcomes for care leavers; SEN Direct, a new brokerage and information service for children and families with disabilities; Families First (Troubled Families);

Increased the proportion of 16 year olds leaving statutory education that go in to further education, employment or training;

Improved public health outcomes for children;

Provided support to 2500 of the most vulnerable people in our communities, including 750 people living in residential or nursing care homes;

Refreshed our direct payments policy, updated our direct payment fact sheets and produced easy to read literature to make it easier for people to have choice and control with a direct payment;

Worked closely with colleagues in the NHS, and introduced an integrated urgent care team that works to assess and put in place care and support at home to help people avoid going into long-term care or hospital. This team also helps to get people back home quickly following hospital admission;

Redesigned the organisation to focus on prevention. This brings together a number of services that enable people to stay at home, such as Telecare and housing adaptations, and leads our efforts to act as a catalyst to the development of strong and resilient communities that are able to support people through the difficult times in life;

Used a grant from Sports UK to enable a project to work with those people who are currently not engaged in physical activity;

What we said we would do

What we did

People are able to take more responsibility for themselves (includes making healthy choices & focus on prevention)

People are active in their communities and look out for the more vulnerable so they can live independently

Public services are prioritised to support those in need of services to maintain their independence or stay safe

People stay safe

Implemented a new information service that enables people to remain independent through signposting to relevant support and offering the ability to self-assess their needs;

Delivered our homelessness and prevention service which helps families and individuals seeking new housing to secure stable living arrangements, which provides the foundation for good health and wellbeing. We helped 1883 families and individuals avoid becoming homeless; offered advice to a further 1995; and made 642 homelessness decisions;

Improved our safeguarding services by implementing a person-centred approach through Making Safeguarding Personal, and reviewed and launched a new Herefordshire Safeguarding Adults Board which provides oversight of safeguarding issues across partner organisations. We responded to 821 instances where safeguarding concerns were raised;

Improved our approach to personalisation and involved more service users and providers in developing our services by improving the Making it Real Board and appointing an engagement lead to lead this work; and

Continued to work on our public health initiatives such that we are amongst the best performing local authorities in the West Midlands for the delivery of NHS Health Checks.

Efficient and effective services

What we said we would do

Build on our strengths to develop our culture, capability, capacity and effectiveness to deliver excellence, fairness and value for all our communities

Create an engaged, agile, flexible and responsive workforce that is resilient into the future

Develop a strong, integrated performance management culture and process that is effective in managing risk, maximising opportunity and promoting continuous improvement (includes linking performance outcomes to cost, risk management, corporate governance systems, lean systems thinking)

Ensure HR resources are aligned to priorities

Manage our finances effectively to secure value for money and deliver a balanced budget

Develop a robust commissioning framework and capability (includes evidence-based planning & commissioning, clear decommissioning strategies, development of markets to drive down costs, improve quality and generate inward investment)

What we did

Balanced the budget - cutting waste, rationalising buildings, and being innovative;

Council Tax has risen by no more than 2 per cent per annum over the duration of the current corporate plan;

Key frontline services have been protected;

The responsibility for public health has been integrated into the council;

Customer Service call response rates have improved through different ways of working and an increasing shift to the use of on-line services;

Reviewed the council's website to enable residents and businesses to access services, make applications and make a payment;

Increased the number of libraries run by the community;

Piloted a Well Being function in Kington Library as a model of combining services important to local people;

Implemented a programme of health and wellbeing initiatives for council staff, which has led to reduced levels of absence;

Improved waste disposal and waste collection services through investing £40 million in a new energy-from-waste plant, which is expected to be operational from 2017, saving taxpayers £45 million over the lifetime of the plant.

Saved £500,000 annually by introducing a fortnightly refuse collection, and increased the recycling rate.

Efficient and effective services:

What we said we would do

Making best use of the resources available to us in order to meet the council's priorities (includes money, buildings, IT, information)

Ensuring we make the best use of funding opportunities both at national and regional level

Being transparent about our resources

Involving, engaging and influencing others at as local a level as possible (includes enhancing local democracy, partnership working, locality working, customer engagement, lobbying)

Ensuring that all council and partner delivery services are responsive to customer needs, engage customers effectively, and enable access to services at as local a level as possible and information through the most appropriate channel

Maximising self-help where possible, focussing on prevention and demand management, and diverting unnecessary demand on services.

Continually looking for improvement and remaining open to challenge

Being focused on delivery and impact ensuring that benefits are realised and resources are linked to outcomes

What we did

Reprocured the public realm contract;

Rationalised and modernised the residual estate;

Built the Herefordshire Archive and Records Centre, a cost efficient and purpose built records facility which now houses the county's archive records, archaeology unit, historic environment record, and the biological records centre;

Devolved a range of services to parish and community groups;

Utilised information technology and council premises to support better ways of working for our workforce;

Vacated 53 operational properties with consequential savings of £0.9m per annum and capital receipts of £4m;

Reduction in management costs; and

Introduced a new way of issuing Blue Badges, providing a better experience for customers whilst reducing the opportunity of fraud.

The priorities

- Enable residents to live safe, healthy and independent lives
- Keep children and young people safe and give them a great start in life
- Support the growth of our economy
- Secure better services, quality of life and value for money

The council, as with any other organisation, works towards an agreed set of priorities. We have consulted widely with residents and stakeholders as we have developed this plan to ensure that we are providing appropriate services to the residents who need them. We remain committed to efficiently maximising the use of resources in order to secure better services, quality of life and value for money whilst complying with our legal duties and corporate priorities.

The corporate plan does not seek to cover everything the council does but instead focuses upon those issues and services that we have identified, with the help of residents and service users, to be the most important. From this we have developed our four priorities. We will include the detail of the actions the council will take to deliver against those priorities in our annual delivery plan, and within directorate and service plans.

The delivery plan will identify key measures to enable us to track our progress in delivering the corporate plan priorities. The council will report quarterly and annually, as appropriate, on the progress being made.



Enable residents to live safe, healthy and independent lives

Our approach is to be proactive in helping and encouraging people to live healthier lifestyles and developing resources that offer more choice and control in remaining independent, therefore reducing or delaying the need for formal social care.



In the next four years we will:

Improve the provision of good information and signposting to enable people to support themselves and each other, getting the right help at the right time as needs change.

Build supportive relationships and resilient communities, acting as a catalyst for communities to become stronger.

Build services that help people get back on track after setback or illness and support disabled people to be independent, including through ensuring the provision of good quality housing.


Ensure that care and support is personalised, of good quality, that it addresses mental, physical, and other forms of wellbeing and is better joined-up around individual needs and those of their carers.

Work with the community to devolve services and assets where quality can be improved through local delivery.

Combine the use of facilities to create a network of Health and Wellbeing hubs, shaped by and serving local communities.

Measures:

- Improve the overall satisfaction of people who use services with their care and support.
- Improve the quality of life for people with care and support needs.
- Reduce the number of younger adults needing permanent placements in residential and nursing care homes (aged 18-64).
- Reduce the number of older people needing permanent placements in residential and nursing care homes (aged 65+).
- Reduce the number of delayed transfers of care from hospital which are attributable to adult social care.
- Increase the proportion of older people who are still at home 91 days after discharge from hospital into reablement/rehabilitation services.
- Improve the proportion of safeguarding enquiries which are concluded within 28 days of the decision to investigate.
- Improve the proportion of completed safeguarding enquiries where the clients' safeguarding outcomes are met.
- Increase the proportion of people using social care services who receive a direct payment.
- Improve the proportion of known carers in receipt of support.
- Improve the proportion of cases where a service is delivered within 28 days of referral.
- Increase the proportion of clients in receipt of long term care that are reviewed or reassessed against Care Act eligibility.
- Increase the number of affordable housing units delivered.
- Reduce the number of households in temporary accommodation.
- Increase the take up of the NHS Health Check programme.
- Reduce anti-social behaviour.



Ensure safe and secure neighbourhood environments, with attractive, safe surroundings, and good quality local amenities which enable people to enjoy life where they live.

Help create a strong sense of community where people feel they belong and have the confidence to get involved

Keep children and young people safe and give them a great start in life

We want children and young people to grow up healthy, happy and safe with supportive families and carers.



In the next four years we will:

Provide early help to 600 families to help them to improve education, health and employment outcome.

Reconfigure £3.5 million to deliver early years services including children centre services, health visiting and school nursing to improve the health, well-being, developmental and educational outcomes of children aged 0-5 years.

Make improvements so that the estimated 8,620 children and young people that require support with their mental health or emotional resilience are identified and supported to access help in a timely manner.

Measures:

- Increase the proportion of pupils attending a school and or setting that is good or outstanding.
- Increase the proportion of pupils attaining 5 GCSEs A-C including English and Maths.
- Reduce the number of families being referred to a higher level of need services.
- Improve education and health outcomes at age 5.
- Improve the proportion of contacts progressed within 24 hours.
- Reduce the attainment gap at age 16 between free school meal pupils and their peers.



Continue to develop a range of provision that can effectively identify and respond to safeguarding risks and needs; from the initial signs of the call for early help to a range of evidence-based interventions for a variety of complex situations.

Develop better evidence based approaches to support young people in adolescence to ensure a more successful transition to adulthood.

Promote and enable access to universal opportunities and services for children with disabilities and their families and ensure a range of provision to meet identified need.

Support the growth of our economy

We believe it is important to have a strong local economy. We want Herefordshire to be a place where businesses want to settle and can flourish. We also want our city and town centres to be vibrant and successful and our neighbourhoods to be attractive and sustainable.

The county is already home to a wide range of businesses and we will continue to support and encourage the growth of our high value business sector and our small enterprises.

At the same time, we want to encourage a broad mix of businesses that will offer employment to local people. We also want to make sure residents, particularly young people, have the right skills needed for local employers. In doing this we want to achieve a sustainable infrastructure that protects and promotes nature, communities and the county's economy. The council will look to provide the infrastructure needed to promote and sustain growth and prosperity, including the Hereford City Link Road, Hereford Southern Link Road and the development of a Hereford Relief Road Scheme, enabling jobs to be created and houses to be built.



In the next four years we will:

Develop and start implementation of a countywide Economic Masterplan.

Support economic growth and connectivity (including broadband, local infrastructure, transport and economic development).

Finalise and implement plans that strengthen and diversify the economy of Herefordshire.

Make the best use of existing land and identify new opportunities to enable existing businesses to stay and expand, and for new businesses to locate to the area

Make Herefordshire more attractive to younger age groups for a more balanced age profile, improving local access to skills training so that everyone can benefit from economic prosperity.

Continue to work with further and higher education and we will support the development of a new university for Hereford, identifying buildings for teaching and student accommodation.

Measures

- Overall satisfaction with the condition of highways.
- Reduce the number of people killed and seriously injured in road traffic collisions.
- Less traffic congestion; increased levels of cycling; and improved bus punctuality.
- Reduction in residual waste per household.
- Reduction in the Council's energy consumption and carbon footprint
- Greater number of premises with the potential to access superfast broadband services.
- Higher median workplace based earnings with a reduced gap between Herefordshire and the West Midlands; and a higher overall employment rate.
- Increased number of businesses supported to meet their potential.
- Fewer 16-19 year olds not in education, employment or training.
- Improve processing rates for planning applications.
- Increase the net new business rates received.
- Increase the number of jobs created through targeted interventions (such as the Enterprise Zone).



Have good quality housing to meet everyone's needs.

Support the improvement in quality of our natural and built environment, bringing about quality development to enable sustainable growth, addressing the need for better business space, affordable homes and student accommodation across the county.

Improve the county's energy efficiency and reduce the carbon footprint.

Ensure that the infrastructure is in place to prevent and improve community resilience to flooding.

Continue to work with the LEP and government with a focus on: employment creation and business support; skills; health transformation; transport; broadband; property and finance; and governance.


Have vibrant town centres with shops, restaurants and leisure facilities that keep people spending locally.

Secure better services, quality of life and value for money

We will continue to directly deliver services where we are the best organisation to do so, as well as arranging for others to deliver services on our behalf. We will make our online services simpler, ensuring they cover the things people contact us about most.

The outcomes we want to achieve are to get the maximum benefit from public money; achieve cost savings through the use of shared services, outsourcing opportunities and a reduction in the use of consultants; delivery of value for money services; with a modern diverse workforce.

In the next four years we will:



Secure the highest possible levels of efficiency savings and value for money to maximise investment in front-line services and minimise council tax increases.

Ensure our essential assets, including schools, other buildings, roads and ICT, are in the right condition for the long-term, cost-effective delivery of services.

Review management of our assets in order to generate on-going revenue savings, focusing on reducing the cost of ownership of the operational property estate by rationalising the estate and by improving the quality of the buildings that are retained.

Apply appropriate regulatory controls.

Design services and policies that support positive engagement and interaction with residents, including the use of information technology, to improve customer experience and ability to access a range of services on-line.

Further improve commissioning and procurement to deliver greater revenue efficiencies and savings.

Measures:

- Increase in self-serve web transactions.
- Improved collection rates for Council Tax and Business Rates.
- Reduce sickness absence and cost of workforce.
- Improve the processing of housing benefit claims.
- Increase the number of new council tax registrations.
- Reduce the gross internal area of buildings in operational use and their average running cost
- Reduce the maintenance backlog of our estate.
- Spend within the council's overall budget.
- Achieve £32 million savings during the period 2016-20.



Recruit, retain and motivate high quality staff, ensuring that they are trained and developed so as to maximise their ability and performance.

Be open, transparent and accountable about our performance.

Work in partnership to make better use of resources, including sharing premise costs through co-location of services and local solutions for community used facilities such as libraries.

Financial Strategy

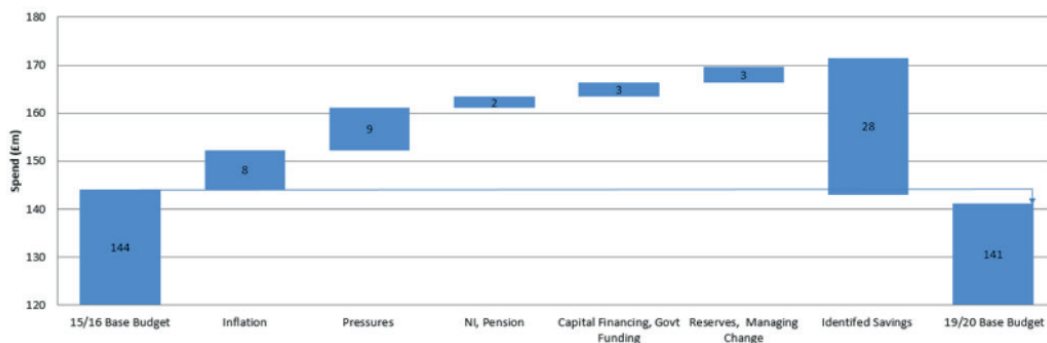
The Medium Term Financial Strategy (MTFS) is a key part of the council’s integrated corporate, service and financial planning cycle, which ensures that this plan has been developed in the context of available resources.

The MTFS presents the financial position showing how the council intends to maintain financial stability, deliver efficiencies, and support investment in priority services, whilst demonstrating value for money and maintaining service quality.

All local authorities are reducing services as the Government continues to significantly reduce the funding it provides to local government across England. We are at the six year point of a 10 year ‘austerity period’ in which the council needs to make savings totalling £87 million. The council is on schedule to have matched up to those challenges, delivering savings of £59m by the end of 2015/16.

The demand for services continue to grow with the council providing care for more people, particularly in essential areas such as children’s safeguarding and adult social care.

The anticipated reduction in funding compounded by additional service pressures have resulted in a funding gap of £28 million for the period 2016/17 to 2019/20 with savings of £10.9 million needed in 2016/17.



Value for Money

Using cost benchmarking data we are able to focus on areas where spend varies from other authorities with similar characteristics and challenges such as providing adult social care services to a sparsely dispersed aging population. National benchmarking data is currently available to 2014/15. This shows that overall Herefordshire Council is ranked third against its thirteen statistical comparator neighbours; this is the same position as was reported in 2013/14 and an improvement of three places compared to the sixth position reported in 2012/13.

Herefordshire's external auditors, Grant Thornton annually review the financial resilience, value for money and statement of accounts of the council. They do this by looking at key indicators of financial performance, its approach to strategic financial planning, its approach to financial governance and its approach to financial control. For 2014/15 they rated all areas as green.

The national financial context

2015 Comprehensive Spending Review

The 2015 Comprehensive Spending Review set out the overall spending for the public sector and how the Government will remove the budget deficit by 2019/20 which includes significant reductions in public spending.

These are challenging times, but the council is continuing to meet those challenges whilst building bold and ambitious plans for the future.

The local financial context

Council finances are influenced significantly by the national economy and government policy on the share of public spending for local government and how that is then distributed to individual councils.

Herefordshire is not a well-resourced council. Government grant systems attempt to make allowance for the additional cost and complexity of delivering services in a sparsely populated area but Herefordshire suffers, where its sparse population is more evenly distributed throughout the county.

Herefordshire Council has consistently argued that the costs associated with delivering services in rural areas are not adequately reflected in the current formulae. The Rural Services Network (SPARSE), a body representing rural councils in England, established that an urban area on average receives 50 per cent greater central government assistance than a rural area. Government has confirmed additional rural grant funding will be distributed to bridge this funding gap.

The 2015/16 budget figures show that:

- a) The Government Funding Allocation per dwelling is £675, 24 per cent below the national average of £885; and
- b) Dedicated Schools (DSG) Grant per pupil is £4,447, 4 per cent below the average for education authorities of £4,612.

Funding

Local authorities will be almost entirely funded locally through council tax and business rates from 2019/20; from 2016/17 funding from central government will reduce annually. A four year indicative settlement has been shared and this has been used to determine the funding levels and savings required. The council tax referendum threshold has been held at 2 per cent per annum. In addition Herefordshire can levy an additional precept of 2 per cent to fund social care costs. To fund increasing demographic pressures Herefordshire is therefore able to increase council tax by up to 4 per cent per annum over the period. The actual annual increase will be determined each year.

Local Government Settlement 2016/17

The local government settlement was announced on 17 December 2015. The settlement showed steeper front loaded revenue support grant reductions in support of the government's aim to reduce the budget deficit to zero by 2019/20 whilst protecting health budgets. Individual grants are yet to be confirmed for both revenue and capital spend. The final settlement will be shared in February 2016.

Council Tax

The MTFs includes a council tax increase of 1.9 per cent per annum alongside a 2 per cent precept to replace additional lost central government funding in 2016/17. The council has had to deal with very significant reductions in government funding coupled with increases in demand. Over the past four years Herefordshire has delivered budget reductions of over £50 million with another £10.9 million in 2015/16 on a net budget of £142 million.

As a direct result of how the government grant allocation system works Herefordshire, and other rural authorities, do not receive the same level of grant as some other councils, particularly London boroughs, despite the fact that in many instances our geography means some services, such as road maintenance and social care cost more to deliver. Rural authorities also have less ability to benefit from additional incentives offered by government such as business rate localisation.

Herefordshire Council has managed the challenge facing the public sector through focusing its resources on the services most essential to ensure the health and wellbeing of the county's residents, in particular the most vulnerable, and to promote economic growth. We have increased council tax and intend to do so again to continue this work, having already significantly reduced 'back office' operating costs and non-essential service delivery.

Capital Programme

The council's capital programme will invest £177 million between 2016/17 and 2019/20 in driving economic growth in the county to support the delivery of more jobs and homes. The programme will focus on key infrastructure such as broadband, roads and schools all of which will deliver the conditions required to enable the provision of new

housing and for businesses to thrive, to help them create new and better paid jobs for the county's residents.

Funding of the programme will be through grants, capital receipts, borrowing and revenue saving. All schemes funded by borrowing are included in the Treasury Management Strategy and Prudential Borrowing Indicators within the MTFs.