

MINUTES of the meeting of COUNCIL held at The Assembly Hall, The Shirehall, Hereford on Friday, 10th March, 2006 at 10.30 a.m.

Present: Councillor J.W. Edwards (Chairman)
Councillor J. Stone (Vice Chairman)

Councillors: Mrs. P.A. Andrews, B.F. Ashton, Mrs. W.U. Attfield, Mrs. L.O. Barnett, W.L.S. Bowen, H. Bramer, R.B.A. Burke, A.C.R. Chappell, M.R. Cunningham, Mrs. S.P.A. Daniels, P.J. Dauncey, N.J.J. Davies, Mrs. C.J. Davis, G.W. Davis, P.J. Edwards, D.J. Fleet, Mrs. J.P. French, J.H.R. Goodwin, Mrs. A.E. Gray, K.G. Grumbley, J.G.S. Guthrie, P.E. Harling, J.W. Hope MBE, B. Hunt, T.W. Hunt, Mrs. J.A. Hyde, T.M. James, Brig. P. Jones CBE, Mrs. R.F. Lincoln, Mrs. M.D. Lloyd-Hayes, G. Lucas, R.M. Manning, R.I. Matthews, J.C. Mayson, R. Mills, R.J. Phillips, Ms. G.A. Powell, R. Preece, Mrs. S.J. Robertson, D.W. Rule MBE, Miss F. Short, R.V. Stockton, D.C. Taylor, Mrs E.A. Taylor, J.P. Thomas, W.J.S. Thomas, Ms. A.M. Toon, P.G. Turpin, W.J. Walling, D.B. Wilcox, A.L. Williams, J.B. Williams and R.M. Wilson

69. PRAYERS

In the absence of the Dean of Hereford, the Very Reverend Peter Hayes led the Council in prayer.

70. APOLOGIES FOR ABSENCE

Apologies were received from Councillors Mrs. E.M. Bew, J.W. Newman, Mrs. J.E. Pemberton.

71. DECLARATIONS OF INTEREST

There were no declarations of interest made.

72. MINUTES

The Chairman advised that the list of attendees would be amended to include Councillor Mrs. E.A. Taylor, and apologised to her for the omission.

RESOLVED: That, subject to that amendment, the minutes of the meeting held on 10th February, 2006 be approved as a correct record and signed by the Chairman.

73. CHAIRMAN'S ANNOUNCEMENTS

The Chairman reminded Members that the Civic Service would be held on Sunday, 19th March at 3.30 pm in the Cathedral and that the Dean of Hereford, the Very Reverend Michael Tavinor would be in attendance.

The Chief Executive announced that the Council has received the Inspector's report on the Unitary Development Plan and that there would be a confidential briefing for Members at the conclusion of the Council meeting.

74. QUESTIONS FROM MEMBERS OF THE PUBLIC

Under the Constitution a member of the public can ask a Cabinet Member or Chairman of a Committee any question relevant to a matter in relation to which the Council has powers or duties, or which affects the County, as long as a copy of the question is deposited with the Head of Legal and Democratic Services more than six clear working days before the meeting. No such questions had been received.

75. QUESTIONS TO THE CABINET MEMBERS AND CHAIRMEN UNDER STANDING ORDERS

Councillors may ask questions of Cabinet Members and Chairmen of Committees so long as a copy of the question is deposited with the Head of Legal and Democratic Services at least 24 hours prior to the meeting. A list of questions, set out in the order in which they had been received, was circulated at the beginning of the meeting.

Councillor D.J. Fleet had submitted two questions. The Chairman ruled that the second of these could be dealt with at Item 1.2 of the Cabinet Report to Council - Revenue Budget 2006/07 (see Minute No 77).

Question asked by Councillor D.J. Fleet.

"Is the refurbishment of Eign Gate now complete? If so when will Members be informed of the final total cost of the works together with the cost of street lights, furniture etc."

Councillor Wilcox, Cabinet Member (Highways and Transportation) replied that the Eign Gate refurbishment scheme was substantially complete. He said that although final accounts for the scheme were yet to be confirmed, the current costs were £662,427, against a capital budget allocation of £680,000. He did not expect that the final costs would be significantly different and would arrange for Councillor Fleet to have the details as soon as possible.

In response to a further question from Councillor Fleet, Councillor Wilcox said he was unaware that the lighting columns were lit for 24 hours a day and would investigate the matter with a view to them being lit during periods of darkness only.

Question asked by Councillor W.J. Walling

"In the light of the considerable amount of disquiet that has been expressed by very many members of the public to me and my colleagues concerning the proposals for the refurbishment of High Town, disquiet which I and my colleagues share would this Council please consider deferring the much reduced and disappointing plans for the refurbishment until next year, leaving the Widemarsh Pedestrianisation scheme time to settle and avoiding all the highly disruptive stop-start refurbishment work, which will be caused by the Mayfair and the Three Choirs Festival?"

Councillor Wilcox advised that future uncertainties regarding local authority funding made it imperative for this refurbishment work to be done by the end of the 2006/2007 financial year, or the opportunity to fund the work may be lost. High Street was now open and would stay open until after the May Fair, when work would start in High Town. The scheme would be done in five stages to minimise disruption but still allow the work to proceed as quickly as possible. The work in High Town would stop for the Three Choirs Festival, when the works compounds would be removed, and continue afterwards until expected completion in mid November.

In response to another question about the wisdom of continuing with this work during the Three Choirs Festival and the effect that would have on the image of the County and on the Council, Councillor Wilcox stated that a considerable amount of funding would be lost if the works were not carried out during the proposed period. He said he was conscious of the effect of works on the A49, and the Victoria Footbridge, but these works could not, safely, be put off any longer. He restated the intention to minimise any inconvenience during the Three Choirs Festival itself.

Question asked by Councillor Mrs. M.D. Lloyd-Hayes

"Due to the proposed temporary closure of the Victoria Footbridge, has the Council investigated the erection of a Bailey/Temporary Bridge across the River Wye to accommodate the hundreds of people who cross the bridge on a daily basis?"

Councillor Wilcox stated that the refurbishment of Victoria Footbridge was a complex engineering operation requiring closure of the bridge during the whole of the summer (May to October).

He said that the feasibility of providing a temporary alternative during the works had been investigated but, quite apart from the fact that a suitable site would have been difficult to find, the costs involved would have been in the region of £250,000. This would have had a significant impact on the funding for the Council's bridge maintenance programme across the County.

Councillor Mrs. Lloyd-Hayes said that her investigations had led her to believe that a temporary bridge could be provided for £56,000 and she would be willing to approach businesses south of the river for contributions in return for advertising, to off-set the costs.

Councillor Wilcox said that the works required would have to comply with Environment Agency regulations and although £56,000 may be the initial sum quoted for a basic crossing, it was not a realistic figure for the whole scheme.

Question asked by Councillor W.L.S. Bowen

"Can the Council be informed as to the recreational activity that is to be permitted and encouraged on those parts of the River Wye that flow through Herefordshire and perhaps, in particular, through the City of Hereford?"

Councillor Wilcox replied that, in relation to 'permitting' proposals for recreational activities on those parts of the River Wye running through Herefordshire, the Council's regulatory powers included certain boat licensing and those that fall within the category of 'development requiring planning permission'. Where they fall within that category proposals would be considered in the light of policies set out in relevant Local Plans and the Unitary Development Plan, other material planning considerations and the Habitats Regulations 1994. He advised that if a use resulted in a 'statutory nuisance' then the Council had powers to take action against this.

The Council's current policy was contained in the Unitary Development Plan. The Council was developing a policy in relation to the use of River Wye which includes recreational and leisure activities, being mindful that it can only seek to influence other bodies and organisations who may wish to undertake such activities.

Question asked by Councillor W.L.S. Bowen

"Are there any plans to make use of the flow of the river for the generation of electric (or any other) power? Are there any plans for the commercial use of the river that

would also respect the environmental integrity of the river?"

Councillor P.J. Edwards said that the Council was not aware of any firm proposals for using the flow of the River Wye to generate electricity, but was aware that a number of groups were looking at opportunities for utilising weirs or traditional water mills for this purpose. He was not aware of any specific plans or proposals for commercial uses that combined with measures to respect the environmental integrity of the river.

In response to a further question Councillor Edwards said harnessing the flow of the River Wye may not be practical but he would be happy to discuss best practice with neighbouring authorities.

The Chairman spoke of the Environment Agency's efforts to assist migratory fish and the effect this might have on the ability of the River Wye to generate power.

76. NOTICES OF MOTION UNDER STANDING ORDERS

There were no Notices of Motion.

77. CABINET

Before calling on the Leader of the Council, to present the report of Cabinet, the Chairman advised that the Revenue Budget and Council Tax for 2006/07 would be debated at page 17 of the agenda. If any Member wished to move an amendment, they should do so once the Leader had proposed the Council Tax and Budget. Once the Council had agreed the whole of the Cabinet report, it would move to item 10 of the agenda to set the Council Tax and Revenue Budget for 2006/07, formally, in accordance with the legislation.

Councillor Fleet was reminded that his question about the Service Level Agreement with Hereford City Council would be dealt with under this item

The Leader of the Council, Councillor R.J. Phillips, presented the report of the meetings of Cabinet held on 23rd February, 2006

In relation to Item 1.1 Corporate Plan 2006/09 - Councillor Phillips reminded Council that the Corporate Plan covers a three year period and sets out the Council's intentions for its contribution to the Herefordshire Plan and its own organisational improvement. It includes performance measures and targets for 2006 to 2009, actions to achieve them, associated risks and their mitigation and the resources to be allocated.

In relation to Item 1.2 - Revenue Budget 2006/07 - Councillor Phillips presented the Corporate Management Board's proposals for the Revenue Budget for 2006/07. The proposals had been endorsed by the Budget Panel, consisting of the Group Leaders and Union representatives; and by the Strategic Monitoring Committee and Cabinet. He reminded Council that the Government had introduced a new approach to calculating Formula Grant allocations known as the "Four Block Model" that deals in cash grant rather than assumptions about spending. He said that the new system was less transparent than the previous system and thought it would be unsustainable beyond two years. He was concerned that the new system shifted the council tax burden from urban to rural authorities and felt that central government needed to carry out a spending review to address the situation.

He spoke of the devolved budgets for schools (4.3% in 2006/07 and 4% in 2007/08)

which would be useful for medium term financial planning but was concerned about a rise in the non-schools budget of only 2.4% which would not meet the previously agreed salary increase of 2.9% or the expected strain on pension costs over the next two years. He said that the predicted rise in fuel and vehicle running costs would have a serious impact on providing services in Herefordshire.

He spoke of the rising demand for essential services, such as safeguarding children, care of the elderly, the disabled, those with learning difficulties and the mentally ill.

He said that the proposed increase in Council Tax was 4.7%, which was below the Government's recommended maximum level of 5% and was comparable to other local authorities and with the Fire and Police Authorities (4.9%). However, he understood that this would still be a burden for the large numbers of people in Herefordshire who were on a low or fixed income.

He reminded Council that despite Herefordshire's budget being 8% below the average for all Unitary authorities in the Country it had achieved a good CPA score for value for money and use of resources. He confirmed that the Council had achieved £3 million efficiency savings last year and had pledged to realise another £1.65 million next year.

He proposed that the overspends in the Social Care budget and in the Property budget be written off. He said that the biggest challenge for the County continued to be in Social Care, and that this was the same across the country with many other authorities having large overspends on the Social Care Budget. Nationally, there has been a shift, over the past few years, of patients from NHS to local government services. There were many reasons for this, but Herefordshire was likely to be particularly hard hit due to a rapidly increasing older generation. There would also be continuing pressures on the learning disabilities budget, as parents and carers grew older and Primary Care Trust contracts were reduced or withdrawn. He asked the Scrutiny Committees to consider recent trends in provision of services as a model for future delivery.

Councillor D.W. Rule, MBE, Deputy Leader of the Council, spoke in support of the proposals and said the Council had a duty to provide services in the most cost-effective way possible.

Councillor T.M. James, Leader of the Liberal Democrat Group, said that the Council had a painful, but not difficult, decision to make on the level of council tax because of the restrictions imposed by central government. He said that he had abstained from voting the previous year because of concerns over the level of the social care budget particularly in those areas which did eventually overspend such as care of the elderly and for children. He said that council tax was a bad tax that fell on those least able to pay and that central government needed to think about how vital local services could be better funded.

Councillor R.I. Matthews, Leader of the Independent Group fully supported the proposals but was concerned about the impact of a 4.7% increase on those least able to pay. He said the Council should be making every effort to save money where possible and provide good value for money.

Councillor Phillips agreed with the comments and said that central government needed to engage with local authorities on the best way of providing funding for local services.

Councillor Phillips, then responded to the following question previously submitted as a written question by Councillor D.J. Fleet

"Has the assessment been made yet on the impact to future services provided in the City resulting from the change to Hereford City SLA. If so what services are affected and to what extent?"

Councillor Phillips replied that there had been a series of discussions through the course of the current financial year about the extent of the Service Level Agreement for grounds maintenance within the Hereford City area. The Council was eventually advised that the City Council would seek to reduce their contribution to the Service Level Agreement by £80,000 for the financial year 2006/07. That advice came too late for the Council to review the specification for the forthcoming year, although no funding was included to meet inflationary or budget overspend pressures. He said there would be no adverse impact on this year's Three Choirs Festival. This will need to be examined in future years, but it was hoped there would be minimal impact on the Three Choirs Festival.

Councillor Fleet said the City Council needed to know where the money was being spent. He was grateful that there would be no impact on the city during the forthcoming year and that works on parks and gardens, the refurbishment of High Town and repairs to the Victoria Bridge and works at Green Street would be continuing. He advised that the money may still be available if the grants criteria could be met.

Councillor Phillips said that the Council would continue to have frank discussions with the City Council on this matter.

In relation to Item 1.3 - Proposals for 2006/07 Capital Programme - The Leader stated that the council's Capital Strategy needs to be integrated with the Medium Term Financial Plan and consequently the Corporate Plan. He highlighted some of the schemes that the Council was already committed to, and recommended a number of new schemes: the Museum Resource and Learning Centre phase 3, redevelopment of Pembridge Travellers' site, improvements to public toilet facilities, Disability Discrimination Act compliance work and the replacement of schools at Hunderton. A number of other schemes were identified should any of the proposed schemes be delayed. He advised that the capital programme would be monitored with reports back to Cabinet and Strategic Monitoring Committee on a regular basis throughout the year.

In relation to Item 4.i(i) - Joint Area Review - Improvement Plan - In response to a query the Leader confirmed that a report was expected from the relevant Minister by mid-March, but that work had already started on implementing improvements.

RESOLVED: That the reports from the meetings of Cabinet held on 23rd February, 2006 be received and the recommendations set out below be adopted:

- That (a) the Corporate Plan 2006/09 be approved, subject to any changes being made to reflect the new Herefordshire Plan, (depending on its timing) the Local Area Agreement with Government and budget decisions;
- (b) the budget strategy as outlined in the report (paragraphs 1 - 3 of the report refer) be confirmed;
- (c) the Council's responsibilities under Sections 25 - 29 of the Local Government and Finance Act 2003 as outlined in the report

(paragraphs 4 - 9 of the report refer) be noted;

- (d) the position on financial standing and risk as outlined in the report (paragraphs 10 - 13 of the report refer) be endorsed;
- (e) the financial context to the preparation of the budget strategy and detailed budget plans for 2006/07 (paragraphs 14 - 33 of the report refer) be noted;
- (f) the assumptions for funding the revenue budget outlined in the report (paragraphs 34 - 36 of the report refer) be noted;
- (g) the revenue budget proposals for 2006/07 be approved for Council Tax setting purposes, (paragraphs 37 - 40 of the report refer);
- (h) the efficiency plans outlined in the report (paragraphs 41 - 43 of the report refer) be approved;
- (i) the need to develop a robust Service Improvement Programme and deliver the benefits as part of the medium-term financial strategy of using reserves flexibly to deliver a soft landing in planned spending (paragraphs 44 - 46 of the report refer) be endorsed;
- (j) the Supported Capital Expenditure (Revenue) awarded for Children's Services, Transport and Housing provisionally be ringfenced to those areas;
- (k) a minimum level of Prudential Borrowing of £5,843,000 for 2006/07 be approved as set out below:

PRUDENTIAL BORROWING REQUIREMENTS				
	Total	2006/07	2007/08	2008/09
	£'000	£'000	£'000	£'000
2006/07 Bids Recommended by CSG	6,063	3,105	2,258	700
Allocations agreed in 2004/05 to be funded	1,863	813	1,050	
Allocations agreed in 2005/06 to be funded	3,850	2,050	1,800	
Non-earmarked SCE(R) able to fund SSP bids	(250)	(125)	(125)	
Net Prudential Borrowing Required	11,526	5,843	4,983	700
Indicated level of Prudential Borrowing Available	(15,000)	(5,000)	(5,000)	(5,000)
Additional Requirement / (Capacity)	(3,374)	843	(17)	(4,300)

- (l) £5,000,000 Prudential Borrowing be approved for each year 2007/08 and 2008/09 to enable commitments from previous years Prudential Borrowing allocations to be funded and to enable future bids to be considered; and
- (m) the capital strategy permits the ability to re-profile schemes should slippage occur in projects funded by Prudential Borrowing. This flexibility is retained to ensure projects can be brought forward should any Prudential Borrowing become available through slippage.

- (n) the Prudential Indicators detailed in Appendix 3 of the report , which include the projected Capital Programme, be endorsed;
- (o) the Treasury Management Strategy in Appendix 4 of the report be endorsed;
- (p) the borrowing limits outlined in Appendix 4 of the report be approved;
- (q) the Treasury Management Policy Statement at Appendix 5 of the report be approved;
- (r) the Local Transport Plan 2006/07 to 2010/11 be approved for submission to Government with any subsequent editorial changes being delegated to officers, subject to the approval of the Director of Environment following consultation with the Cabinet Member (Highways and Transportation); and
- (s) further representations be made to Government regarding the adverse impact on the Council's future level of funding for integrated transport improvements resulting from the adoption of the new formulaic allocation of Integrated Transport block funding.

78. COUNCIL TAX AND REVENUE BUDGET RESOLUTION 2006/07

Following the resolution at Minute 77 above, it was **unanimously** formally **RESOLVED:**

THAT

- (1) In respect of the Council's 2006/07 Budget:
 - (a) a council tax of £1,043.80 be levied (at Band D);
 - (b) service areas contain expenditure within "cash limits" i.e. outturn budgets with no further allowance for pay or price inflation beyond that already provided; and
- (2) in respect of council tax for 2006/07 that the following amounts be approved by the Council for the year 2006/07 in accordance with Sections 32 to 36 of the Local Government Finance Act 1992:
 - (a) £303,922,929 being the estimated aggregate expenditure of the Council in accordance with Section 32(2)(a) to (e) of the Act;
 - (b) £183,637,000 being the estimated aggregate income of the Council for the items set out in Section 32(3)(a) to (c) of the Act;
 - (c) £120,285,929 being the amount by which the aggregate at (a) above exceeds the aggregate at (b) calculated by the Council in accordance with Section 32(4) of the Act, as its total net budget

requirement for the year;

- (d) £47,041,744 being the aggregate of the sums which the Council estimated will be payable for the year into its general fund in respect of redistributed non-domestic rates, revenue support grant, additional grant or relevant special grant, increased by the transfer from the Collection Fund;
- (e) £1,073.12 being the amount at (c) above less the amount at (d) above all divided by the amount of the Council Tax base calculated by the Council, in accordance with Section 33(1) of the Act, as the basic amount of its Council Tax for the year;
- (f) £2,000,929 being the aggregate amount of all special items referred to in Section 34(1) of the Act;
- (g) £1,043.80 being the amount at (e) above less the result given by dividing the amount at (f) above by the amount of the Council Tax base calculated by the Council, in accordance with Section 34(2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no special item relates;
- (h) that the precepting authority details incorporated in Annex 1 (i-v), relating to Special Items, West Mercia Police and Hereford & Worcester Fire and Rescue Authority be approved in accordance with Sections 30(2), 34(3), 36(1) and Section 40 of the Local Government Finance Act 1992.

- (3) Pursuant to the requirements of the Local Government (Functions and Responsibility) (England) Regulations 2000, any decisions on the application of reserves and balances as required from time to time during the financial year be taken by Cabinet.

79. WEST MERCIA POLICE AUTHORITY

Councillor B. Hunt presented the report of the West Mercia Police Authority held on 14th February, 2006.

Police Restructuring - The Leader informed Council that all the Councils within the West Mercia region were opposed to a single Regional Force and supported the retention of the West Mercia Constabulary. He said it was important to ensure effective service delivery at the local level.

Capital Programme - Councillor Hunt agreed to respond in writing to a request for details of the Capital Programme.

Ambulance Service - Councillor Hunt referred to the consultations for restructuring of the Ambulance Service and the proposal for a sub-regional structure to be coterminous with the West Mercia Police Authority Area and queried whether this was part of the Government's overall strategy for regional government.

RESOLVED: That the report of the meeting of the West Mercia Police Authority held on 14th February, 2006 be received.

80. HEREFORD & WORCESTER FIRE AND RESCUE AUTHORITY

Councillor G.W. Davis presented the report of the meetings of the Hereford and Worcester Fire and Rescue Authority which were held on 15th December, 2005 and 15th February, 2006.

RESOLVED: That the report of the meetings of the Hereford and Worcester Fire and Rescue Authority which were held on 15th December, 2005 and 15th February, 2006 be received.

The meeting ended at 11.45 a.m.

CHAIRMAN