

Much Birch Parish council

Ward member report, February 2016

NDP

Much Birch – No NA designated – meeting arranged in February

Much Birch have not designated a neighbourhood area so are not producing a neighbourhood plan as far as H.C.C are concerned. The options are as follows:

- Produce a neighbourhood plan - this will devolve the plan making powers to the parish council. The local community can produce locally specific policies and proposals. Technical advice and support is available from the Neighbourhood Planning team. Grants and support is still available for any parishes who wish to produce a neighbourhood plan. I know that Sam Banks from HC has arranged a meeting to talk to the parish council.
- Be included within the Rural Area Site Allocation DPD – this document will be produce by Herefordshire Council and consultation will be undertaken with the parish council and local community in line with the Statement of Community Involvement.

Detailed work on the Rural Area Site Allocation DPD will commence in the summer. The Rural Area Site Allocation DPD will contain settlement boundaries and site allocations to assist the delivery of Policy RA2 and RA3 of the Core Strategy. It will not contain any other development management policies or protection policy, this will default to the policies within the Core Strategy. Therefore for those parishes undertaking a neighbourhood plan the opportunity exists to devise additional local policies and proposals for their area.

2016-17 Budget and Medium Term Financial Strategy (MTFS)

Update for MBPC. The following were recommended to Council:

- approval of a 1.9% increase in council tax in 2016-17;**
- approval of an additional 2.0% increase in council tax in 2016-17. This will result in a total council tax increase of 3.9% increasing a total band D charge from £1,275.10 to £1,324.83 for Herefordshire Council in 2016/17;**
- approval of the draft 2016-17 revenue budget (at appendix 1 to this report);**
- approval of the draft medium term financial strategy (MTFS) which incorporates the capital programme approved by Council on 18 December (at appendix 2 to this report);**
- approval of the draft treasury management strategy (TMS) (at appendix 3 to this report); and**
- in the event of final central government funding allocations being above or below the provisional settlement level any variation is managed by an adjustment to general reserves.**

Background

Central government has reiterated its commitment to achieve a budget surplus by 2020, as a result of this Herefordshire Council is having to address challenging financial conditions, entering year seven of a ten year 'austerity period'. The council is on schedule to meet these challenges, delivering savings of £59m by the end of 2015/16.

Whilst focused on delivering services to residents it has been necessary to reduce the size of the council, demonstrate efficiency and ensure good use of resources by:

- Reducing the workforce.
- Rationalising buildings we owned in order to centralise in fewer business centres.
- Making stronger connections across public sector organisations – making resources go further.
- Reducing wasted expenditure on paper, and shifting as a first choice to digital, in our offices.

Council will be asked to approve the 2016-17 budget on 5 February 2016. It will also approve the medium term financial strategy and the corporate plan to 2019-20.

Autumn statement

The Chancellors autumn statement on 25 November included the following specific announcements that impact Herefordshire:

- Support (as yet unquantified) to secure launch funding to create a new university in Hereford, focused on engineering, in 2016.
- Provision of £250m nationally over the next five years to tackle potholes, details awaited.
- The introduction of a national funding formula for schools, high needs and early years; detailed consultation will be launched in 2016 and the new formulae will be implemented from 2017/18.
- Better care fund to increase nationally by £1,500m by 2019-20, starting in 2017/18. This will include increased disabled facilities grant funding and will be funded by reform to the existing new homes bonus scheme. Consultation on the method of redistributing new homes bonus grant funding has begun.
- The introduction of a new apprenticeship levy at 0.5% of employer wage bill from 2017/18, £200k for Herefordshire plus a further £200k for schools.
- Reductions to the education support grant by 75%, 10% in 2016/17. Herefordshire receives £1.5m. The local authority role in running schools is expected to be reduced and a number of statutory duties will be removed. However, Herefordshire has already reduced or removed a number of activities covered by the current non-ring fenced grant. Consultation on the policy and funding proposals will start in 2016.
- The public health grant will remain ring-fenced until 2017/18 but there will be a real terms cut of 3.9% per annum.
- Higher costs for rural areas to be recognised by quadrupling the current sparsity grant by 2020.

Provisional funding settlement

The provisional local government settlement 2016/17 – 2019/20 was announced on 17 December 2015 and included additional reductions in revenue support grant (RSG). It was subsequently updated by the department for communities and local government (DCLG) on 23 December 2015 and for Herefordshire:

- Reduces RSG by £25.9m (98%) in 2015/16 to just £0.6m in 2019/20.
- A standalone sparsity grant of £1.3m in 2016/17 rising to £4.1m in 2019/20.
- Care act funding (£1.7m in 2015/16) is no longer a grant but included in the reducing RSG.

RSG reductions have been higher than expected in Herefordshire, due to government re-distribution of overall grant to metropolitan and London authorities.

The rural delivery services grant has been removed from the revenue support grant (£1m in 2015/16) and allocated as specific grant funding (£1.3m in 2016/17) in recognition of the additional costs incurred when providing services in sparse areas such as Herefordshire.

Other grant allocations are expected to be announced in January including the better care fund, public health, independent living fund and capital grants.

The settlement confirmed the council tax referendum threshold at 2%.