

Report of Cllr Elissa Swinglehurst January 2025

Representing the parishes of Llangarron, Sellack, Bridstow, Peterstow, Marstow and Welsh Newton and Llanrothal since 2015.

Happy New Year to everyone!

The setting of the budget pulled us back to work before the New Year as we had to figure out what to do in the light of the budget settlement that had been announced just before Christmas. The setting of the council budget requires a series of judgement calls as to expected income and expenditure – given the ever moving context of inflation, demand, funding and policy changes this requires a great deal of work and as the ‘known unknowns’ become known we have to incorporate the figures into our calculations.

For example, in 22/23 we received a total of £7.6m from government in the form of the Rural Services Delivery Grant/service grant. The RSDG is a way in which the government has recognised the additional expense of providing services in a rural county. In 22/23 it was £7.6m, in 23/24 it was £6.6m and in 24/25 it was £7.1m. This year it is NIL because the government wanted to redistribute the funding. Herefordshire has received £369,000 of the redistributed funding which is to support Children’s services. This left us with an unforeseen budget shortfall which we had to deal with.

We are always faced with choices – we could raid our reserves but that wouldn’t be a sustainable solution and we need to build those reserves back up. So we are going to have to find additional savings and additional income.

One of the things that the RSDG paid for was the **enhanced** lengthsman scheme, drainage scheme and PROW improvements scheme. In recognition of the importance of these schemes a decision was made to continue to fund at the higher level for this year by finding the money elsewhere. However, this may not be possible indefinitely so my advice to parish councils is make hay and be aware in your next budget setting that funding for these schemes is not guaranteed for 26/27. The Lengthsman scheme will continue to be funded.

I had really hoped that this year would be the year we didn’t need to increase council tax by the full amount. Each percentage point added to council tax is £1.4m for local services – with the reduction in the RSDG, compounded by the indirect impact of NI increases and the rising demand for services it is likely that we will have to give up on that ambition for now. Some authorities have made different decisions in the past and not increased their council tax base – they are now in extreme difficulty and have a substantial budget deficit that they are struggling to meet. To give you some idea of the impact of rising demand/inflation/pay settlement and NI on the budget we have increased pressures within adult social care (Community Wellbeing) of over £15m this year; across all of the council this is around £26m of increased costs but we had managed this pressure to get to a balanced budget. Unfortunately the loss of funding in the RSDG has left us with no other option than to pass some of this cost on to the hard pressed tax payers of Herefordshire.

According to a recent report by the Rural Services Network the ‘redistribution’ of funding has widened the gap between urban and rural areas. Urban areas now benefit from 41% more funding per capita than rural areas [Rural Financial Crisis Deepens: RSN Analysis Exposes Stark Funding Inequities in Provisional Local Government Finance Settlement - Rural Services Network](#) . Of the redistributed money 3.8% has been retained by rural areas.

People often remark that they should see better roads or less litter or better drainage because they pay their council tax. Rural areas in particular can really struggle to see where they get value for money. Speaking personally – I live somewhere with no street lighting, I don't use the schools, I don't use trading standards or planning or any of the other council services – I do get my bin emptied but that's about it. However this is to misunderstand the council and what the council tax gets spent on.

Broadly speaking the council in 2025/26 looks to receive £146m from council tax; the community and wellbeing directorate (which mainly delivers adult social care) has a budget need of £91m and the Children's Services directorate has a budget need of nearly £60m. The needs and the cost of care are rising in both areas, made worse by the change to NI and living wage. Basic maths will tell you that our entire council tax receipts is wiped out by these two directorates before a single pothole has been filled. Adult social care and children's services are statutory functions of the council and they are what is known as 'demand led' – in other words we have to spend according to what is needed 'come what may'.

There are various other 'drips and drabs' of grants but the only other substantial source of income is the business rates which adds £47m. Herefordshire has over 2000 miles of road and many miles of drainage infrastructure to maintain so there is never going to be enough money to do it all to the standard we would wish to see. The council also provides waste, environmental services, planning services, enforcement, trading standards etc etc. The total proposed revenue budget is £232m.

Since taking over, the Conservative administration has insisted that the council reduce its core expenditure – staffing levels have been reduced where appropriate and every department has to account for any spend over £500. This has been really tough, but we have managed to get to a point where the budget was balanced with a proposal for 3.99% increase in council tax. Sadly the loss of the rural services delivery grant just before Christmas has destroyed that hope. £6.9m of savings are proposed but this is not enough to cover off the loss of grant and the increase in needs and cost.

As always there has been a period of consultation and the council scrutiny committees will be able to examine it in detail. There is always the hope that a consensus can be reached and as a minority administration we can only get a budget through if supported, or at least not opposed, by the other parties so some form of agreement is necessary. The decision will be taken at full council on the 7th February.

Devolution

[Devolution – Herefordshire Council](#)

Those of you who keep a close eye on local government will have heard about the government's proposals on devolution and may be concerned about the impact in Herefordshire.

This is an early stage of the process but some things are quite clear

There is no option to refuse this process as, in the end, if we do not take the initiative we will find ourselves being 'done unto'.

Devolution is not necessarily a bad thing and if done well it could bring benefits for Herefordshire.

We are trying to arrive at a political consensus so we can speak up for Herefordshire with a single voice.

This process will be moving ahead in stages throughout the year and so we will know more in the future but at the moment we are considering all options.

There have been some very inflammatory remarks in the press about the proposals being 'dictatorial' but – just to give a sense of how this might work in reality – Andy Street, when he was Mayor of Birmingham, was able to raise many millions of inward investment but he was in no way connected with the financial meltdown of Birmingham city council.

Planning changes and NDPs

There has been concern raised by parishes in respect of the changes to planning policy in the NPPF. We are still processing these at the council and considering what it means for the timetable to adoption of our local plan. It looks as if the options appraisal stage will have to be re run so, almost entirely, back to the drawing board. I'm trying to remain positive about this and see it as an opportunity to incorporate responses to the previous reg 18 consultation in the way the plan is shaped.

As you will probably be aware as soon as the NPPF was agreed the new housing targets for the county changed to 27,260 and so we are no longer in a position to deliver a five year housing land supply. It is my expectation that this will remain the case for the foreseeable future. The recent Housing land supply number has been calculated at 3.06 years. The inevitable consequence of this will be more appeals where the planning authority has refused a marginal site.

Where NDPs are under 5 years old and especially where the area has delivered housing in the previous period to meet targets we believe that they still carry weight and can be considered as part of the policy context for decision making.

Winter Pressures update.

Our local hospital services have been under extraordinary pressure recently, so much so that last week our colleagues at Wye Valley Trust declared a critical incident due to ongoing pressure on services and increasing numbers of patients being admitted with flu. Thanks to the outstanding efforts of staff and services across the whole system the crisis has now passed.

Public Realm

The tender documentation for the new public realm services contract has been issued, starting the process to find a new partner for this significant area of work. Public realm services are vital to everyone who lives and works in the county as they include the maintenance of roads, roadsides, green areas and public spaces, street cleaning, highway drainage, street lighting and highway winter safety services. They help ensure the spaces we live, work and travel in are safe and clean.

Our vision is that all of these essential services are 'fit for the future', continually improve and maximise opportunities and resources. The service model will be different to the current arrangements - with the contractor proving core services and a number of technical services brought in-house to the council.

A Cabinet decision on the chosen public realm service provider is expected to be made in November 2025. The current contract with BBLP living places ends on 31 May 2026, and the new contract will start on 1 June 2026.