

SUPPLEMENT TO THE AGENDA FOR

Council

Friday 4 March 2016

10.00 am

**Council Chamber, The Shire Hall, St Peter's Square, Hereford,
HR1 2HX**

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3. MINUTES	3 - 12
To approve and sign the updated draft Minutes of the meeting held on 5 February 2016.	

MINUTES of the meeting of Council held at Council Chamber, The Shire Hall, St Peter's Square, Hereford, HR1 2HX on Friday 5 February 2016 at 10.00 am

Present: Councillor DB Wilcox (Chairman)
Councillor PJ McCaull (Vice Chairman)

Councillors: PA Andrews, BA Baker, JM Bartlett, WLS Bowen, TL Bowes, H Bramer, CR Butler, ACR Chappell, MJK Cooper, PE Crockett, PGH Cutter, BA Durkin, PJ Edwards, CA Gandy, DW Greenow, KS Guthrie, J Hardwick, DG Harlow, EPJ Harvey, EL Holton, JA Hyde, TM James, AW Johnson, JF Johnson, JLV Kenyon, JG Lester, MD Lloyd-Hayes, MN Mansell, RI Matthews, RL Mayo, MT McEvelly, SM Michael, PM Morgan, PD Newman OBE, FM Norman, RJ Phillips, GJ Powell, AJW Powers, PD Price, P Rone, NE Shaw, WC Skelton, J Stone, D Summers, EJ Swinglehurst, LC Tawn and SD Williams

48. APOLOGIES FOR ABSENCE

Apologies were received from Councillors, A Seldon, A Warmington, CA North and AR Round.

49. DECLARATIONS OF INTEREST

There were no declarations of interest.

50. MINUTES

Councillor AJW Powers requested a correction to minute no 45 – for the appointment of vice chairman of the general overview and scrutiny committee, councillor AJW Powers was proposed by councillor EPJ Harvey.

RESOLVED: That the minutes of the meeting held on the 18 December 2015 as amended be confirmed as a correct record and signed by the chairman.

51. CHAIRMAN'S ANNOUNCEMENTS

Council noted the chairman's announcements as printed in the agenda papers.

The chairman highlighted the Herefordshire community champions and urged all councillors to support the scheme.

The chairman also drew member's attention to the cathedral service on 11 June 2016 which is being held to celebrate the Queen's birthday and asked all councillors and community leaders to give their support to the occasion.

The chairman proposed to vary the order of business and bring forward item seven, the 2016/17 budget and medium term financial strategy, in advance of agenda item 6. This was agreed by council.

52. FORMAL QUESTIONS FROM COUNCILLORS TO THE CABINET MEMBERS AND CHAIRMEN UNDER STANDING ORDERS

A copy of the member questions and written answers, together with supplementary questions asked at the meeting and their answers, is attached to the minutes at Appendix 1.

53. 2016/17 BUDGET AND MEDIUM TERM FINANCIAL STRATEGY (MTFS)

The chairman drew member's attention to the published supplement providing guidance on the conduct of the debate on the budget; Council agreed the guidance would be followed, apart from section B11, which was deleted.

The deputy leader presented the budget report. She informed council that since 2010 the council has saved £59m while keeping council tax rises below 2% per annum and balancing the budget. She welcomed the following elements included in the chancellor's autumn statement:

- support to secure launch funding to create a new university in Hereford
- provision of £250m nationally over the next five years to tackle potholes
- the introduction of a national funding formula for schools, high needs and early years.

She noted that funding reductions from central government would continue and that funding was expected to fall from the current level of £26m to less than £1m in 2020. The sparsity grant of £1.3m in 2016/17 was welcomed and the Sparse group was thanked.

The latest monitoring report indicated that the council would deliver on its budget in 2015/16, the third year in succession. It was particularly pleasing that Adult and Wellbeing were predicting spending within their budget for the second year in succession after previous difficulties. She congratulated officers on the performance.

It was explained that as part of the council's medium term financial strategy it was proposed to increase council tax by 3.9% in 2016/17. This included an additional 2.0% (£1.7m) to protect Adult Care Services and would mean a rise of around £4 a month for a band D property. It was noted that most other councils are planning similar rises in council tax.

She proposed the budget, as amended, as set out in the report. Councillor A W Johnson seconded the motion.

The leader of the It's Our County group (IOC) made the following observations:

- due to financial pressures there remained little scope for the IOC to make the fundamental changes they would wish to pursue;
- the fact that only minor amendments were being proposed did not necessarily indicate the group supported the remainder of the budget;
- believed the administration had made poor choices while overlooking good ones.

The leader of the Independent group made the following observations:

- he believed that this was a risky budget as there was much uncertainty in the future;
- in a few years' time the authority will have disposed of their assets, however, if not careful, borrowing and debt levels will remain the same;
- although the authority had made savings over the last decade, those savings had been wasted due to poor decisions taken by the administration;
- increases in council tax and car parking charges would leave less in people's pocket.

The leader of the Liberal Democrat group made the following observations:

- the respective roles of council and the executive in determining policy meant that debate on the budget at Council would have little impact on the way in which that money would be spent;
- he remained concerned about the level of debt the council maintained;
- the level of council tax precept was too much for hardworking people and had been imposed as a direct result of government cuts.

The leader of the Green group made the following observations:

- while welcoming the extra 2% council tax, there remained frustration that the authority had to do more with less;
- although the authority has to provide services for the vulnerable there were many others who would be overlooked.

A member raised a point of order on the submission of amendments to the Director of Resources. The Chairman confirmed the constitution made provision for amendments to be made at a Council meeting by any member without notice.

Council then considered in turn the amendments that had been submitted and published in advance of the meeting.

Amendment 1 - proposed by Councillor EPJ Harvey, seconded by Councillor JM Bartlett: That £60,000 be removed from the energy cost budget to support cultural services.

Councillor Harvey proposed the amendment and sought confirmation from the section 151 officer that the funds highlighted in the amendment are the same funds as referred to in the conservative group amendment. It was confirmed that the funds referred to are the same.

In proposing the amendment councillor Harvey stated she believed that the proposed investment would contribute to social cohesion and the growth of the local economy. She added that the city of culture bid was second only to the university in terms of importance to the county and that the passing of the amendment would attract further funding to the sector.

In seconding the amendment Councillor Bartlett acknowledged that finances were tight but that the proposal would offer an opportunity to underpin arts and culture within the county. She added that the amendment was about leverage that would allow the sector to seek further funding.

In responding to the proposed amendment, the deputy leader acknowledged that arts and culture were important but given the financial situation it would not be appropriate to raise any expectation of on-going funding from the council and, therefore, she could not support the amendment.

In discussion the following principal points were made.

- Tourism, arts and culture attract a large number of visitors to the county with obvious benefits to the local economy.
- The sector is largely run by the voluntary sector and is important for young people in the development of social skills.
- The council has been instrumental in developing a range of leisure facilities such as in Ross on Wye where there was a good portfolio of leisure facilities.
- The successful application for grants by the sector was often dependent on match funding from the local authority.

A named vote was held. The amendment was lost with 20 votes in favour, 29 against and no abstentions.

For (20) Councillors PA Andrews, JM Bartlett, WLS Bowen, TL Bowes , ACR Chappell, PE Crockett, PJ Edwards, J Hardwick, EPJ Harvey, TM James, J Kenyon, MD Lloyd-Hayes, MN Mansell, RI Mathews, P McCaull, SM Michael, FG Norman, AJW Powers, D Summers, LC Tawn.

Against (29) Councillors BA Baker, H Bramer, CR Butler, MJK Cooper, PGH Cutter, BA Durkin, CA Gandy, DW Greenow, KS Guthrie, DG Harlow, EL Holton, JA Hyde, JF Johnson, AW Johnson, JG Lester, RL Mayo, MT McEvelly, PM Morgan, PD Newman, RJ Phillips, GJ Powell, PD Price, P Rone, NE Shaw, WC Skelton, J Stone, EJ Swinglehurst, DB Wilcox, SD Williams.

Amendment 2 – proposed by Councillor SM Michael, seconded by Councillor MN Mansell: That £200,000 one off funding towards Hereford relief road costs be removed and used instead to fund the transition of Supported Housing and Young Peoples Project (SHYPP)

In proposing the amendment Councillor Michael noted that SHYPP was not just about accommodation but support and providing a vital bridge in the transition to adult life. There was evidence that some landlords were reluctant to offer tenancies to young people unless there was support in place. The service was vital in providing the necessary skills needed to by young people to manage their lives in an independent manner. The funding would be seen as an investment in the county.

In seconding the amendment Councillor Mansell commented that it would be a disaster for SHYPP and its users if funding was cut. The service should be invested in rather than abandoned and any cuts could result in an increase in homeless people on the streets of Hereford.

In discussion the following principle points were made:

- The deputy leader commented that the council was committed to supporting the most vulnerable children and young people in the county and recognised the importance of housing related support for young people. This could be evidenced by the children and young people’s plan which was approved by council in September 2015. Although the council was committed to supporting the vulnerable, every effort must be made to ensure value for money was realised not just in term of SHYPP but for all services that the council commissioned. She confirmed that the council was fully engaging with SHYPP, the department for work and pensions, service users and other providers to ensure that there is a full understanding of the impact that reductions and changes might bring. It was noted that senior staff from SHYPP were actively engaged with the authority on this matter and a final decision on the shape of future SHYPP contracts would be made by the relevant cabinet member on 29 February.
- The cabinet member – young people and children’s wellbeing commented that he was pleased that ongoing discussions with SHYPP were taking place, adding that there was pressure on the council to review all commissioned service in place.
- There was general recognition that all members wanted the best outcome for service users of SHYPP.
- It would be welcomed if all charities could be supported, but the pressure on services can and does restrict the assistance that can be made available.

- The costs to support a homeless person can be between £24k and £30k and therefore it would be short sighted of the administration to end support.
- The leader of the council commented that this administration would continue to support SHYPP service users, however it was important to ensure that value for money was realised. He welcomed the positive, ongoing discussions and hoped that SHYPP would continue their excellent work.
- The amendment was about stopping the Hereford relief road rather than supporting vulnerable people.

A named vote was held. The amendment was lost with 10 votes in favour, 35 against and 3 abstentions.

For (10) Councillors JM Bartlett, TL Bowes, EPJ Harvey, MN Mansell, RI Mathews, SM Michael, FM Norman, AJW Powers, D Summers, LC Tawn.

Against (35) Councillors PA Andrews, BA Baker, H Bramer, CR Butler, ACR Chappell, MJK Cooper, PE Crockett, P Cutter, BA Durkin, PJ Edwards, CA Gandy, DW Greenow, KS Guthrie, J Hardwick, DG Harlow, EL Holton, JA Hyde, TM James, JF Johnson, AW Johnson, JG Lester, RL Mayo, MT McEvelly, PM Morgan, PD Newman, RJ Phillips, GJ Powell, PD Price, P Rone, NE Shaw, WC Skelton, J Stone, EJ Swinglehurst, DB Wilcox, SD Williams.

Abstentions (3) Councillors WLS Bowen, J Kenyon, PJ McCaull.

Amendment 3: proposed by Councillor EJ Swinglehurst, seconded by Councillor MT McEvelly:

That £60k be removed from the energy cost budget to provide one-off funding for community groups or schemes to support feasibility studies to facilitate identification of self-financing delivery models for library, museum and heritage services.

In proposing the amendment Councillor Swinglehurst commented that the administration had already invested in a number of cultural projects and this amendment would go some way to help cultural services become independently sustainable. She added that the proposal was for one off funding and that beneficiaries would not have to provide match funding.

Councillor McEvelly seconded the amendment and did not offer any further comment.

In discussion the following principle points were made:

- The deputy leader commented that the amendment was different to the first amendment proposed and is not about providing ongoing funding that the administration can not commit to and therefore one off funding is more appropriate.
- Since the closure of Hereford library, Belmont library has experienced a significant increase in users and if supported the amendment should benefit the county as a whole and not just Hereford City.
- The administration had to offer a level of support if they wish the voluntary sector to provide services and thrive. It was not acceptable to cut them adrift and leave them to manage by themselves.

- Too much was expected from volunteers, there should not be the assumption that the sector can manage without support.

A named vote was held. The amendment was carried with 47 votes in favour, none against, and 1 abstention.

For (47) Councillor's BA Baker, JG Bartlett, WLS Bowen, TL Bowes, H Bramer, CR Butler, ACR Chappell, MJK Cooper, P Crockett, PGH Cutter, BA Durkin, PJ Edwards, CA Gandy, DW Greenow, KS Guthrie, J Hardwick, DG Harlow, EPJ Harvey, EL Holton, JA Hyde, TM James, AW Johnson, JF Johnson, J Kenyon, JG Lester, M Mansell, RI Matthews, RL Mayo, P McCaull, MT McEvelly, S Michael, PM Morgan, PD Newman, FG Norman, RJ Phillips, GJ Powell, A Powers, PD Price, P Rone, NE Shaw, WC Skelton, J Stone, EJ Swinglehurst, LC Tawn, DB Wilcox and SD Williams.

Abstention (1) Councillor PA Andrews.

A member requested some clarity regarding the contents of a letter received by Ross on Wye town council relating to parish councils and the council tax reduction scheme. The cabinet member economy and corporate services replied that, given the number of issues within that letter he was unable to respond in detail but would provide a copy of his response to the town council to all members.

In debating the substantive motion as amended, the following principal points were made:

- Great strides had been made in reducing staff costs with the acceptance that there was still much to do.
- Although funding for the lengthman scheme would reduce it did not mean that the scheme would stop.
- Concern was expressed that the council tax reduction scheme consultation had not given sufficient time for parishes to respond.
- Concern was raised regarding the pension scheme deficit and the volatile nature of the financial markets.

In seconding the motion the leader thanked both the director of resources and group leaders for their collaboration in finalising the budget. He added that the only way to generate sufficient revenue was by growing the economy.

The deputy leader closed the debate noting the financial pressures that lay ahead and expressing her thanks to councillors and officers for their contribution to the setting of the budget.

A named vote was then held on the original motion proposing the budget as amended.

The motion was carried with 37 votes in favour, 4 votes against and 8 abstentions.

For (37) Councillors PA Andrews, BA Baker, WLS Bowen, H Bramer, CR Butler, ACR Chappell, MJK Cooper, PGH Cutter, BA Durkin, CA Gandy, DW Greenow, KS Guthrie, DG Harlow, EL Holton, JA Hyde, TM James, AW Johnson, JF Johnson, J Kenyon, JG Lester, M Lloyd-Hayes, M Mansell, RL Mayo, P McCaull, MT McEvelly, PM Morgan, PD Newman, RJ Phillips, GJ Powell, PD Price, P Rone, NE Shaw, WC Skelton, J Stone, EJ Swinglehurst, DB Wilcox and SD Williams.

Against (4) Councillors EJP Harvey, FG Norman, A Powers, D Summers.

Abstentions (8) Councillors JM Bartlett, TL Bowes, PE Crockett, PJ Edwards, J Hardwick, RI Mathews, SM Michael, LC Tawn.

Resolved:

That

- i. a 1.9% increase in council tax in 2016-17 be approved;
- ii. an additional 2.0% increase in council tax in 2016-17 be approved. 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;
- iii. the draft 2016-17 revenue budget (at appendix 1 to this report) be approved subject to the following amendment;

£60k being removed from the energy cost budget to provide one-off funding for community groups or schemes to support feasibility studies to facilitate identification of self-financing delivery models for library, museum and heritage services.

- iv. the draft medium term financial strategy (MTFS) which incorporates the capital programme approved by Council on 18 December (at appendix 2 to this report) be approved;
- v. the draft treasury management strategy (TMS) (at appendix 3 to this report) be approved;
- vi. the council tax reduction scheme funding passed to parish councils is withdrawn in 2016/17 and for five parishes: Bromyard and Winslow Town; Kentchurch; Kington Town; Ledbury Town; and Leominster Town councils, where the impact of withdrawal would result in an increase in the annual council tax charge of 0.4% or more in any one year the withdrawal be phased over a period of up to three years be approved;

and

- vii. in the event of final central government funding allocations being above or below the provisional settlement level that any variation be managed by an adjustment to general reserves be approved.

The deputy leader moved the suspension of standing orders to remove the need for the budget as amended, to be referred back to cabinet before the formal adoption by council. The procedural motion was carried.

54. CORPORATE PLAN 2016/2020

Council was asked to approve the council's corporate plan 2016/20, following recommendation by cabinet on 21 January.

In proposing the motion to approve the plan, the deputy leader of the council noted that the corporate plan along with the medium term financial strategy provided the policy framework within which decisions will be taken and resources allocated. The corporate plan builds on existing plans and priorities and acknowledged the outcome of budget consultation that ran throughout the summer. She added that the priorities remained substantially the same, being:

- enabling residents to live safe, healthy and independent lives
- keeping children and young people safe and giving them a great start in life
- supporting the growth of our economy; and
- securing better services, quality of life and value for money

Councillor AW Johnston seconded the motion and it was put to the vote.

RESOLVED: That the draft corporate plan 2016-2020, as set out at appendix A to the report, be approved.

Council agreed that the meeting should continue beyond three hours.

55. PAY POLICY STATEMENT

Council was asked to approve the 2016 pay policy statement for publication; following Council's resolution to consider how to introduce the living wage.

The vice chairman of the employment panel presented the report and moved to the recommendation.

In discussion the following principal points were made:

- Very few authorities can afford to implement the living wage foundation living wage (nlwflw).
- By reducing the highest wages paid by the authority the nlwflw could be paid.
- The council need to pay the market rate to attract the best staff
- The proposals were fully discussed at employment panel meetings.

RESOLVED:

That

- a) the pay policy statement summarising existing council policies (at appendix A be approved;**
- (b) authority be delegated to the monitoring officer, following consultation with the chief executive, to make in year technical updates to the statement to reflect changes to post holder details or approved changes to local or national pay policy; and**
- (c) no further action be taken in response to Council's resolution to consider how to introduce the Living Wage Foundation living wage, following the introduction of the statutory national living wage effective April 2016.**

56. DATES OF FUTURE MEETINGS

RESOLVED: That the dates for ordinary meeting of Council for 2016/17 be approved:

(note; meetings on 4 March 2016 and 20 May 2016 –previously agreed)

15 July 2016

30 September 2016
16 December 2016
3 February 2017
3 March 2017
19 May 2017

All meetings will start at 10:00am except for the annual meetings in May
which will start at 10:30am

The meeting ended at 1.15 pm

The meeting ended at 1.15 pm

CHAIRMAN

