

**MINUTES of the meeting of Council held at Council Chamber -
Brockington on Friday 7 February 2014 at 10.00 am**

Present: Councillor LO Barnett (Chairman)
Councillor ACR Chappell (Vice Chairman)

Councillors: PA Andrews, AM Atkinson, CNH Attwood, CM Bartrum,
PL Bettington, AJM Blackshaw, WLS Bowen, H Bramer, AN Bridges,
EMK Chave, MJK Cooper, PGH Cutter, BA Durkin, PJ Edwards, DW Greenow,
KS Guthrie, EPJ Harvey, MAF Hubbard, JA Hyde, JG Jarvis, AW Johnson,
Brig P Jones CBE, JLV Kenyon, JF Knipe, JG Lester, MD Lloyd-Hayes,
RI Matthews, RL Mayo, PJ McCaull, SM Michael, JW Millar, PM Morgan,
NP Nenadich, C Nicholls, FM Norman, J Norris, CA North, RJ Phillips,
GJ Powell, AJW Powers, R Preece, PD Price, SJ Robertson, P Rone, A Seldon,
J Stone, GR Swinford, GA Vaughan-Powell and DB Wilcox

In attendance: Councillors

Officers:

62. PRAYERS

The Reverend Prebendary Councillor Carl Attwood led the Council in prayer.

63. APOLOGIES FOR ABSENCE

Apologies for absence were received from:

Councillor Hardwick	Councillor Hope
Councillor Hunt	Councillor James
Councillor Sinclair-Knipe	Councillor Taylor
Councillor Watts	

64. DECLARATIONS OF INTEREST

7. BUDGET 2014/15 AND MEDIUM TERM FINANCIAL STRATEGY.
Councillor ACR Chappell, Non-Pecuniary, Volunteer for Herefordshire Courtyard Theatre.

7. BUDGET 2014/15 AND MEDIUM TERM FINANCIAL STRATEGY.
Councillor BA Durkin, Non-Pecuniary, Member of Herefordshire Citizens Advice Bureau.

7. BUDGET 2014/15 AND MEDIUM TERM FINANCIAL STRATEGY.
Councillor DB Wilcox, Disclosable Pecuniary, Wife employee of Herefordshire Association of Local Councils.

7. BUDGET 2014/15 AND MEDIUM TERM FINANCIAL STRATEGY.
Councillor DB Wilcox, Non-Pecuniary, Wife Chairman of Herefordshire Voluntary Organisation Support Service.

7. BUDGET 2014/15 AND MEDIUM TERM FINANCIAL STRATEGY.
Councillor FM Norman, Non-Pecuniary, Supporter for a variety of voluntary organisations.

7. BUDGET 2014/15 AND MEDIUM TERM FINANCIAL STRATEGY.
Councillor KS Guthrie, Non-Pecuniary, Member of Herefordshire Vision Link.

7. BUDGET 2014/15 AND MEDIUM TERM FINANCIAL STRATEGY.
Councillor MAF Hubbard, Non-Pecuniary, Member of various voluntary organisations in county.

7. BUDGET 2014/15 AND MEDIUM TERM FINANCIAL STRATEGY.
Councillor MD Lloyd-Hayes, Non-Pecuniary, Member of Herefordshire Courtyard Theatre.

7. BUDGET 2014/15 AND MEDIUM TERM FINANCIAL STRATEGY.
Councillor NP Nenadich, Non-Pecuniary, Trustee for Herefordshire Courtyard Theatre.

7. BUDGET 2014/15 AND MEDIUM TERM FINANCIAL STRATEGY.
Councillor RJ Phillips, Non-Disclosable Pecuniary, School Governor and involved with various voluntary organisations.

7. BUDGET 2014/15 AND MEDIUM TERM FINANCIAL STRATEGY.
Councillor SJ Robertson, Non-Pecuniary, Supporter for a variety of voluntary organisations.

7. BUDGET 2014/15 AND MEDIUM TERM FINANCIAL STRATEGY.
Councillor WLS Bowen, Non-Pecuniary, Member of Equity.

8. PAY POLICY STATEMENT 2014.
Councillor RJ Phillips, Non-Pecuniary, Member of LGA Workforce Board and NJC Employers.

65. MINUTES

66. QUESTIONS FROM MEMBERS OF THE PUBLIC

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

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

A copy of the Member questions and written answers, together with the supplementary questions and answers asked at the meeting is attached to the Minutes at Appendix 2.

68. BUDGET 2014/15 AND MEDIUM TERM FINANCIAL STRATEGY

Prior to the commencement of the debate The Solicitor to the Council summarised the order of debate and informed Members of the Government requirement, coming into being on 25 February 2014, to have a named vote for the budget report, and that good practice indicated that councils should fulfil this requirement if meeting prior to that date.

The Solicitor to the Council reminded Members that there were three amendments for Council to debate and a time frame of 15 minutes would be allocated for each amendment. This would be followed by the final debate on the substantive motion.

The Leader of the Council moved the Budget report. Councillor Morgan, Deputy Leader, seconded the budget report and made the following points.

- The Council had gone through a rigorous process to provide a sound budget, delivering the priorities and services for Herefordshire for the present and the future.
- The budget supported the economy by investing in projects for improving roads, creating jobs and building new homes.
- Consultation on the budget had been carried out and provided broad agreement on the direction of travel and the requirement for the Council to be more efficient.
- This was a priority led budget based on the needs of the County.

The Leader of the Council made the following points:

- Government funding for Herefordshire was well below the national average.
- A programme of public consultation had been carried out and a cross party working group had looked at the public responses. Members on the working group were thanked for their hard work.
- Each Cabinet Member and director had gone through the details of the budget with the Leader and Chief Finance Officer to ensure they were deliverable.
- The priority was to support the vulnerable and invest in homes and jobs for the future of the County.
- Herefordshire had a new retail centre and successful cattle market.
- New link road proposal would provide new homes.
- New businesses looking to sign up for available space at Rotherwas.
- This was a sound budget that would build reserves and set out a capital programme and investment plan. No alternative budget had been proposed.
- He recommended the budget to Council.

Copies of the three proposed budget amendments were circulated to Council prior to the commencement of the meeting.

AMENDMENT ONE

Councillor Bowen, Independent Group Leader, rose to move the first amendment, to:

Re-prioritise the transport modelling work on the further section of the outer relief road to the west of the city and use the one-off saving of £112k to re-instate the element of the budget for providing free home to school transport based upon nearest in county or catchment school planned for the academic year September 2014 and to re-instate the element of the budget for free transport for post 16 year olds with SEN planned for the academic year September 2014.

To continue to work for integrated commissioning of all public transport and create a transition fund to enable schools to develop responses to the changes.

Councillor Bowen stated he believed it to be a sensible proposal for school transport which gave a breathing space for school transport to get on a better footing and he recommended the amendment to Council.

Councillor Stone seconded the amendment and stated that he welcomed the fact that concerns had been raised before Christmas which meant the pressure would be taken off before the GCSE exam time. However, he believed this proposal was even better as it was important to encourage young people to stay on for sixth form college. Councillor

Stone also thanked Councillor Millar for the thorough consultation that had been carried out.

Councillor Swinford stated he supported the amendment but requested clarity on the figures in the amendment. Councillor Millar, Cabinet Member Young People and Children's Wellbeing advised that savings of £50k were anticipated, based on the figures known of the number of children in school.

Several Members from all political groups rose to support the amendment. It was emphasised that this was only a transition fund. Councillor Phillips reminded Council of the 1940 Act that states children could walk to school on rural roads, which in today's society was not appropriate, and urged Council to lobby their MP on the matter.

Council unanimously approved the amendment with no objections or abstentions.

AMENDMENT TWO

Councillor Powers, It's Our County! Group Leader, rose to move the second amendment to:

Re-prioritise the transport modelling work on the further sections of the outer relief road to the west of the city and use the one-off saving of £58k to re-instate the element of the budget for providing Arts Commission Grants for 2014/15.

To plan for adjustment to their funding and to mitigate the impact on their activities through collaborative working capability between this Council, its partners and stakeholders in education, the arts and government.

Councillor Powers stated that the money the Council puts in for arts grants was small but crucial to many organisations as it provided leverage to release grant funding from other organisations. Councillor Nenadich rose to second the amendment stating that although there were many hard choices before Council he supported this amendment.

Members from all political groups rose to support the amendment stating rural services particularly art groups, drama, flicks in the sticks support for young people etc., were important for rural areas and obtaining Council funding was key to releasing further funding from other organisations. It was emphasised that there was no automatic right that organisations that had previously received grant funding from the Council would be given grant funding this time round.

Council unanimously approved the amendment with no objections or abstentions.

AMENDMENT THREE

Councillor Harvey rose to move the third amendment for:

A reduction in the continued development of the A49/A465 link road to the south of the city and use the one-off saving of £100k to establish a small grant fund.

To support the feasibility/start-up of community based services to deliver the Council's strategic objectives.

Councillor Harvey made the following points:

- Accepted that the proposal would not necessarily have unanimity with all Members.
- Propose small grant funds be made available for start up of community based services to deliver strategic objectives.
- Number of projects in the budget which were seen as essential for the future of the County, but believed some investment needed to be made in providing support for new ways of working to deliver services the Council would no longer deliver.
- Asked Council to support the amendment to assist local groups.

Councillor Robertson rose to second the amendment, stating the voluntary sector was the life blood of the community and that it was important to work with them to deliver new services.

The following points were made in discussion:

- Organisations such as Friends of the Castle Green were willing to take on responsibilities that were once those of the Council, but support was needed for these organisations and care should be taken in ensuring they were sustainable.
- Councillor Edwards sought clarity regarding the link road and its funding. He proposed that the first line of the amendment be removed. The Leader stated the authority could not afford to delay the road and stated he would outline his point in his response at the end of the debate.
- The IOC Group Leader, stated he believed the amendment was fully justified and appropriate. Other Members also spoke in support of taking away funding for the link road.
- Councillor Bridges stated that he would second Councillor Edwards' proposed amendment.
- The Leader stated that he could not support the removal of the first line of the amendment and therefore could not support this amendment.
- The Chief Financial Officer reminded Council of the need to have a balanced budget and therefore any budget amendment must be clear where any alternative funding came from. He added that Cabinet could use any in year efficiencies to re-instate the budget if they desired.
- Councillor Harvey stated that whilst the budget set out the principle, the detail could be dealt with later.
- The Leader reminded Council that support was being provided for the voluntary sector, everything had been cut back to the bone and the link road was a critical development for the County. He added that he understood the comments of Councillor Harvey, but for the future of the County he could not support the amendment.

A named vote was taken on the third amendment. The amendment was lost with:

For	17
Against	31
Abstentions	02

BUDGET REPORT

The following points were made regarding the budget:

- Councillor Bowen, Independent Group Leader sought assurances on the adequacy of the social care budget. He stated many Members had received letters from the public over their concerns on the waste contract. That the authority was about to borrow £9m for leisure facilities and looking to sell off assets in the County. He added the administration must look to the longer term.
- Councillor Powers, It's Our County! Group Leader, stated the priorities should be for level borrowing and reserves. He added that he agreed the picture looked more positive in social care and commended the Cabinet Member and Director. He supported the enterprise zone but added that there were other areas of the County needing economic development. He said there was good evidence that the road build would do nothing to reduce traffic problems or create jobs.
- Some Members stated that they appreciated the financial difficulties, but felt the budget was undeliverable and that the level of borrowing was too high.
- There was broad support for the budget, but it was felt that there were many people in the County on minimum wage who could not afford 1.9% Council Tax.
- Concern was raised on the number of consultancy contracts. Also concern over the cattle market which it was believed gave a return of less than 1%. In referring to the adequacy of Council reserves assurance was sought from the Chief Finance Officer.
- Concern was raised that back bench Members were not being kept fully informed.
- It was asked if there were sufficient funds to address the wellbeing needs of children, vulnerable adults and children centres. It was stated that Children's Services had been remodelled to accommodate those in need and likewise Adult Social Care would be targeting support.
- Discussion was held on gaining European funding and support for young people in the County to encourage young people to stay in the County.
- In response to a question on Council reserves the Leader advised that the last report on reserves was encouraging and it was intended to have future reserves of between £10-15m.
- In response to a question on the £20m extra investment on roads Councillor Price, Cabinet Member Infrastructure stated that £15m would be spent in the coming financial year. He added that there were 15 authorities seeking to apply for government funding through the Bellwin fund.
- In response to a question on the social care budget Councillor Powell, Cabinet Member Health and Wellbeing reassured Council that there were now a variety of providers rather than solely Wye Valley Trust and costs were being managed much better.
- In response to a question on whether adequate reserves were held in line with the Local Government Act 2003, the Chief Finance Officer gave Council his independent assurance that the budget was reasonable and the Council had adequate reserves.

At this point the Chairman informed Council they had been debating for three hours, the maximum time allowed under the Constitution - paragraph 4.1.7.2, and asked Council if it wished to continue debating or move immediately to the vote. Council agreed to move to the vote.

The Solicitor to the Council referred Council to paragraphs 4.3.2.9 to 4.3.2.15 of the Constitution under the Council's budget and policy framework procedural rules which requires the budget amendments to be referred back to Cabinet for consideration. Council agreed to suspend standing orders on this point to enable the budget to come into immediate effect without further reference to Cabinet.

A named vote was taken on the Council's Budget 2014/15 and Medium Term Financial Strategy to include Amendments 1 and 2. The budget was approved with:

For	27
Against	19
Abstentions	05

RESOLVED

THAT:

- a) the revenue budget 2014/15 set out in Appendix 1 to the report be approved;
- b) a Council tax increase of 1.9% equating to a band D council tax of £1,251.32 be approved on the assumption that no referendum is required and therefore rejecting the 2014/15 Council tax freeze grant;
- c) the medium term financial strategy for 2014/15 to 2016/17, including the capital programme shown in Appendix 3 to the report be approved;
- d) the Treasury Management Strategy for 2014/15 attached as Appendix 4 to the report be approved;
- e) the transport modelling work on the further sections of the outer relief road to the west of the City be re-prioritised; and
- f) the element of the budget providing free home to school transport based upon nearest in County or catchment school planned for the academic year September 2014 be re-instated;

69. PAY POLICY STATEMENT 2014

Council approved the Pay Policy Statement 2014.

RESOLVED That: the pay policy statement summarising existing Council policies at Appendix A to the report be approved for publishing by 31 March 2014.

The meeting ended at 1.15 pm

CHAIRMAN