

Minutes of the meeting of Cabinet held as online meeting on Thursday 28 January 2021 at 6.00 pm

Present: Councillor David Hitchiner, Leader of the Council (Chairperson)
Councillor Felicity Norman, Deputy Leader of the Council (Vice-Chairperson)

Councillors Ellie Chowns, Pauline Crockett, Gemma Davies, John Harrington, Liz Harvey and Ange Tyler

Cabinet support members in attendance Councillors Jenny Bartlett, John Hardwick and Peter Jinman

Group leaders / representatives in attendance Councillors Terry James, Jonathan Lester, Bob Matthews, Toni Fagan and William Wilding

Scrutiny chairpersons in attendance Councillors Elissa Swinglehurst, Carole Gandy and Jonathan Lester

Officers in attendance: Director for economy and place, Director for children and families, Solicitor to the council, Chief finance officer, Interim Head of Legal Services, Strategic Capital Finance Manager, Head of corporate finance and Assistant director all ages commissioning

59. APOLOGIES FOR ABSENCE

There were no apologies from members of the cabinet.

60. DECLARATIONS OF INTEREST

Cllr Norman registered a schedule 2 interest in item 9 – 2021/22 capital investment budget and capital strategy update - as a trustee of Leominster Area Regeneration Company (LARC). She did not vote on this item and left the meeting whilst it was discussed.

61. MINUTES

Resolved: That the minutes of the meeting held on 17 December 2020 be approved as a correct record and signed by the Chairperson.

62. QUESTIONS FROM MEMBERS OF THE PUBLIC (Pages 7 - 12)

Questions received and responses given are attached as appendix 1 to the minutes.

63. QUESTIONS FROM COUNCILLORS

There were no questions from councillors.

64. HEREFORDSHIRE MARKET POSITION STATEMENT 2020-2025 FOR ADULTS AND COMMUNITIES

This item was deferred to the next meeting.

65. RECOMMENDATION FOR POTENTIAL SITES TO PROGRESS AFFORDABLE HOUSING DELIVERY IN HEREFORDSHIRE

This item was taken at the end of the meeting with the consent of the chairperson.

The cabinet member housing, regulatory services and community safety introduced the report. She highlighted the need for sustainable, affordable high quality homes which

was recognised in the county plan. The report sought approval to commission a number of high level feasibility studies on council owned land and selected third party sites. The cabinet member stressed that at this stage only a short review of each site would be conducted to understand if it was worth taking forward for future consideration. The results of the studies would be brought back to cabinet in June or July.

The cabinet member housing, regulatory services and community safety highlighted that a corrected list of sites had been published and apologised for the inclusion of the fire station site in error.

The head of economic development summarised the work to date and the type of studies that would be carried out to identify opportunities and constraints on each site. It was noted that some of the sites might have alternative uses and these would not be ruled out by the feasibility work.

In discussion of the report cabinet members noted that:

- once the initial feasibility work had been completed, it would be open to the council to progress some, all or none of the sites;
- infrastructure requirements would be identified as part of the process;
- a consultant had been appointed to advise on delivery of net zero carbon housing;
- concerns previously raised regarding the suitability of some of the sites would be taken into account;
- the impact of the pandemic on projections of population growth, employment levels and the economy would need to be considered.

Group leaders were invited to present the views and queries of their respective groups. The principle of provision of affordable homes was generally supported although not all groups felt that the council should be delivering these directly. It was noted that:

- loss of the car parking at the bus station could have a negative impact, in particular for staff at the hospital;
- the ambition to deliver net zero carbon homes was supported but care should be taken on the spend on consultancy work;
- other amenities could be provided on these sites alongside or instead of affordable housing;
- expectations needed to be managed as sites could take some time to bring forward;
- attention was drawn to the links between housing and infrastructure projects and the role the council should play in facilitating housing delivery;
- there were concerns about the long term burden on the council's finances of owning affordable housing.

It was resolved that:

- (a) Cabinet agrees to proceed with the outline feasibility work for net zero carbon affordable housing at the initial selected council owned sites and any other suitable sites in third party ownership that may be available across the county. The sites will be prioritised to meet the demands based on market needs analysis**

66. 2021/22 COUNCIL TAX REDUCTION SCHEME

The cabinet member finance and corporate services introduced the report. She highlighted that the existing policy had been first approved in 2015 and approved each year since as part of setting the budget. Arrangements for pensioners were set nationally while reductions for working age claimants were set by the council. The cabinet member summarised proposed changes to the discounts for working age claimants in light of the

pressure on households from the coronavirus pandemic and additional funding from central government. The council proposed to add further one off monies from the new homes bonus.

In discussion of the report cabinet members noted that:

- Claimants would also be signposted to other forms of support under the principle of 'no wrong door';
- Support was focussed on those affected the most;
- The council had also agreed a council tax discount for council foster carers;
- It would be important to advertise the support available to residents and make this as easy to understand as possible;
- Final checks would need to be made on the document to address typographical errors.

Group leaders welcomed the proposals. In response to a query raised it was noted that a local assistance fund was also in place and could provide support for households who were just outside the criteria for the council tax reduction scheme.

The chairman of the general scrutiny committee highlighted that the committee had queried if the funds allocated would be sufficient to meet demand on the scheme. The cabinet member finance and corporate services responded that the additional £800k allocated from the new homes bonus was intended as a precaution. In the event that even this additional funding was inadequate then it was likely all councils would be in the same situation and a case would need to be made to central government for additional support. The Section 151 officer confirmed that information was regularly fed back to central government on the council's financial position and cabinet would receive regular updates.

It was resolved that:

The council tax reduction scheme for 2021/22, with increased discounts compared to the existing scheme, be recommended to Council for approval.

67. 2021/22 CAPITAL INVESTMENT BUDGET AND CAPITAL STRATEGY UPDATE

The cabinet member finance and corporate services introduced the report. She highlighted the changes to the programme since it was approved by the Council in February 2020 and the projects that were proposed to be added to the programme.

Cabinet members noted that:

- All funding requests were felt to be manageable within current borrowing limits in the medium term financial strategy;
- The council retained approximately £10.6m in the capital receipts reserve;
- It was anticipated that the income streams generated would cover the revenue costs of developing affordable housing including any borrowing costs;
- A detailed and robust approach to project and programme management had been introduced over the previous 18 months, recognising the importance of delivering to time and on budget;
- Feedback from councillors and the public consultation had been taken on board;
- Equality impact assessments should be undertaken at the earliest possible stage.

The chairpersons of the scrutiny committees provided feedback from discussions at each of the committees. A comment was raised regarding potential alternative uses for the shire hall in light of the costs of repair work to the building.

Group leaders were invited to present views and queries from their groups. Support for economic development was welcomed and the importance of good project management

recognised. It was suggested that the council should ensure it had projects ready to be able to bid for any grants that became available. The emphasis on the ecological and climate emergency and partnership was highlighted and it was also noted that delivery of affordable housing would help people to stay in the county.

It was resolved that:

the following be recommended to Council

(a) To approve the proposed capital programme from 2021/22 attached at appendix C; and

(b) approve the capital strategy document at appendix D.

68. 2021/22 BUDGET SETTING

The cabinet member finance and corporate services introduced the report. The unexpected challenges presented by 2020 were highlighted and it was noted that the pandemic had resulted in an uplift to service delivery costs and a loss of income to the council. Government support had been received which meant that with a council tax increase of 4.99% operational savings of just over £11m were required. Details of proposed savings were set out in the report and were felt to be challenging but deliverable.

Cabinet members noted that:

- the priorities had been influenced by public and stakeholder consultation;
- responses to the recommendations made by the scrutiny committees were set out in the report;
- difficult choices had had to be made and a great deal of work had gone into the final budget proposals;
- the Section 151 officer was satisfied that the position set out in the report represented a legal, balanced budget;
- there was continued pressure on adult social care services;
- the 'till receipt' showed how much was spent on those essential services that most residents would not see;
- support from central government to meet mounting pressures was important.

The pressures in the children and families directorate were discussed and the improvement work that was taking place was recognised. The cabinet member children and families reported that 9 out of 10 councils were expecting to overspend on their children's services departments.

The chairpersons of the scrutiny committees commented on the points raised and recommendations made by their respective committees.

The adults and wellbeing scrutiny committee had met for a second time to consider alternative savings proposals for the adults' directorate and were satisfied with the principle of the proposed changes.

The children and young people scrutiny committee recognised the progress achieved over the previous couple of years. The chair of the committee highlighted that the information given at the scrutiny meeting regarding the recruitment of foster carers was confusing and had it been made clear that the figure of 30 per year included replacements for the average 13 carers who left each year the recommendation put forward might not have been made. The director for children and families apologies for any lack of clarity and undertook to provide a written response which could be shared with the members of the scrutiny committee.

The general scrutiny committee had expressed doubts that reducing the hours at the waste facilities was feasible as there were reports that the booking system had deterred some people from using the facilities. The cabinet member commissioning, procurement and assets commented that a great deal of positive feedback had been received from residents and staff regarding the booking system.

Group leaders were invited to present the views and queries from their respective groups. It was noted that:

- these were difficult times to be creating a budget;
- there was no current freeze on recruitment but managers were asked to consider all options when a vacancy arose;
- details of the precepts to be set by the police and fire authorities had not been received but would be available by the March Council meeting when the council tax would be set;
- final details of the local government settlement would be received some time after the 4 February, there was no suggestion of additional funds being made available at the time of the meeting;
- there was concern about the impact of parking charges on businesses and the local economy;
- recognition of the climate and ecological emergency was important;
- alternative ways of communicating the details of council spending to residents were suggested.

The level of increase in council tax was challenged by some groups with a suggestion that this was difficult to justify alongside the proposed use of reserves to cancel and decapitalise major road projects. This was refuted as the money to be decapitalised had already been spent and the movement of reserves was not new money.

It was resolved that:

(a) the following be recommended to Council;

- a. the council tax base of 68,355.22 Band D equivalents;**
- b. an increase in core council tax in 2021/22 of 1.99%;**
- c. an additional precept in respect of adult social care costs of 3% applied to council tax in 2021/22 resulting in a total council tax increase of 4.99%, increasing the band D charge from £1,573.77 to £1,652.30 for Herefordshire Council in 2021/22;**
- d. the balanced 2021/22 revenue budget proposal totalling £161.0m, subject to any amendments approved at the meeting, specifically the net spending limits for each directorate as at appendix C;**
- e. delegation to the section 151 officer of the power to make necessary changes to the budget arising from any variations in central government funding allocations via general reserves;**
- f. the medium term financial strategy (MTFS) 2021-24 at appendix A be approved; and**
- g. the treasury management strategy at appendix D be approved.**
- h. that the growth bid to fund a Armed Forces Covenant Support Officer, attached at appendix H be approved.**

(b) the responses to scrutiny committee's recommendations as provided in paragraph 50 be approved.

The meeting ended at 8.24 pm

Chairperson

PUBLIC QUESTIONS TO CABINET – 28 January 2021**Question 1****Ms G Bradbury, Garway Hill****To: cabinet member, environment, economy and skills**

In 2016 Phase 1 of the Fastershire fibre roll out to Garway Hill terminated short leaving approximately 12 properties unconnected. These homeowners have been waiting since then, struggling with speeds of under 2 MBPS making it difficult to work from home or stream any media. We now hear Gigaclear have been awarded the contract but will not start work till Q3 2021 at the earliest. Why have Gigaclear been awarded the contract to build duplicate and parallel infrastructure up from the Forest of Dean, further delaying our connection to a fibre network and why are you not contracting BT Openreach (or any other provider) to extend their existing fibre network already on the hill, and already paid for, to connect the remaining houses. Surely this would be cheaper?

Response

Thank you for the question. The delivery of subsidised broadband infrastructure is a complex area and one where technical, legal, commercial and procurement considerations often combine to make what appear to be pragmatic solutions in one specific area look counter intuitive.

The original BT contract delivered a number of properties in your area but not all. Its coverage was heavily influenced by the existing infrastructure footprint meaning that in some instances one neighbour became connected while the other was not. More often than not this would have been a consequence of 2 separate elements of the Openreach network serving each property. Extending that network some times by a few meters would have involved a total upgrade of that secondary element of infrastructure and Openreach in this instance would have determined that this could not be done given the available public subsidy.

Gigaclear were contracted to reach more of the areas that BT couldn't the first time round. This resulted from an open procurement exercise and they were the best value tender.

The overbuild occurs because Gigaclear and Openreach are two entirely separate networks therefore to get to the hardest to reach extremities that Openreach have not reached, the new network has to go past some of the same areas to reach out further. Those that benefit twice as it were are not funded by the council but it does make the premises we do fund cheaper as it improves the financial viability of the contract for the provider (and therefore reduces the cost to Fastershire) by creating a larger market for them to sell their Full Fibre services to. As a result they're more prepared to invest more of their own funding.

The fact that they are unrelated to BT means they are not bound by the Openreach architecture hence they can reach to premises like yours. It's important also to note that due to state aid regulations and therefore by law, we could not mandate in any public procurement the use of a pre-existing infrastructure.

Question 2**Mr T Pincham, Hereford****To: cabinet member, environment, economy and skills**

Can the Cabinet Member explicitly and specifically set out, as a result of splitting the Development Partnership activities - and diverting additional funds from this to affordable housing

- what the implications of this are for investment during 2021/22 with regard to Development of Transport Hub at Station Approach and Hereford FC development and ancillary student accommodation on Blackfriars Street.

Response

The Development and Regeneration Partnership (DRP) was procured in 2017 to support the council in delivering both housing and regeneration projects from the outset. In the paper that is due to be considered at the cabinet meeting on the 28th January, it is recommended that £20m of the existing overarching DRP budget (£40.6m) is allocated specifically for affordable housing. As it was always the intention the DRP budget supported affordable housing there is no overall change to the funding allocated, with the remaining DRP funds available to support other regeneration or housing projects, such as the possible development of the Blackfriars St end of the Hereford Football Club, subject to further detailed proposals and cabinet decisions.

The development of the Transport Hub at Station Approach is part of the Hereford City Centre Transport Package and is not being brought forward as part of the DRP programme.

Supplementary question

The previous Conservative administration committed to maintaining a four-sided ground should the Council proceed with any re-development. Will the Cabinet Member today re-affirm this commitment to the many Bulls extremely worried at the prospect of Hereford FC losing the required ground standards needed to return to professional football in League 2?

Noting the council wants 115 units located on Blackfriars Street, will the Cabinet Member also personally commit to learning from the development at Leyton Orient FC which saw the development of a 116 unit affordable housing development and a 1300 seat stand?

Response

The cabinet member agreed to provide a more detailed written response but confirmed that she was keen to support the football club and committed to look into the Leyton Orient example.

Written response

Any future development of the Blackfriars St site would be in consultation and agreement with Hereford Football Club, and considerate to their future needs. Any development would be subject to a full business case and cabinet decision.

We are always happy to look at and learn from examples of developments in other locations. Thank you for flagging the Leyton Orient FC example which we will review in considering the future development of the site.

Question 3

Ms M Albright, Hereford

To: cabinet member, housing, regulatory services and community safety

Much of the Affordable/Council housing appears to be focused upon Hereford and the market towns and on large developments.

Would the council be open to exploring a range of other Affordable Housing provisions - specifically Affordable Self/Custom Build?

This type of Affordable Housing is particularly well suited to smaller, rural communities and is not catered for through any conventional social housing streams currently. It is a policy that works well in Shropshire and has the potential to provide a wide range of sustainable and architecturally interesting rural dwellings that are needs led and protected as Affordable in perpetuity. It also privately funded so has no impact upon council or RP funding.

Self-building my own home as a young Herefordian 20 years ago was a life changing opportunity - one which I passionately believe can have a positive impact upon rural communities and individuals across Herefordshire.

Response

Much of the affordable housing being delivered at present is mainly focussed on market towns and larger developments, this is because the council currently do not have a 5 year housing land supply and an unprecedented amount of developments have come forward in the aforementioned locations. There will always be a bigger demand for affordable housing in the market towns as opposed to rural locations, however, developments are still taking place in rural areas. The delivery of affordable housing is always needs led and where gaps in delivery are identified our preferred partners are encouraged to meet those needs through new delivery. A key priority for the Council is the delivery of affordable housing of all types and tenures to meet the County's identified housing need.

The council are extremely flexible with tenures and build types and always looking for opportunities to try new initiatives. The feasibility study to explore Council owned sites offers potential developments to start building, the Council is keen to engage with third parties to explore all house building opportunities that can be qualified through Community Led Housing, self-build and custom build developments. The Council will endeavour to engage with communities as sites are identified, designed and developed.

A new Supplementary Planning Document, Affordable Housing has recently been out for consultation and is due for publication in March. I believe you provided comments on this document. You will recall a section has specifically been incorporated in to the document on Custom and Self build, the extract is below.

Self and Custom Build

3.0 Self-build and custom-build housing: is defined in the NPPF as "Housing built by an individual, a group of individuals, or persons working with or for them, to be occupied by that individual. Such housing can be either market or affordable housing. A legal definition, for the purpose of applying the Self- build and Custom Housebuilding Act 2015 (as amended), is contained in section 1(A1) and (A2) of that Act."

3.1 "Self and custom build housing is an important element of the Government's housing strategy because it can contribute towards housing delivery and economic growth. The Government therefore wants to see an increase in the number of available plots for self and custom building. The Core Strategy was close to adoption when the Self and Custom Build Housing Act was passed. Therefore it does not include any policies on this matter although there are textual references to it. It intends to address this matter in the update of the Core Strategy. Nevertheless the council recognises that self-build housing provides individuals and groups the opportunity to gain lower cost home ownership with it being subsidised. However there is potential for formal affordable self-build housing to be delivered as community self-build schemes. These involve groups of local people in housing need, building homes for themselves usually as part of a Community Land Trust or Community Led Housing Group. In these cases the assets remain in the ownership of the local community group as affordable homes.

3.2 The council encourages the inclusion of a suitable number of self or custom build plots that will contribute to affordable housing supply within housing developments or as stand-alone applications in line with policies in the Core Strategy. These may be delivered in partnership with the council, registered housing providers or a community land trust. In all cases the Council will need to be satisfied that there is demand for this and that any proposals for affordable self and custom build housing meets this definition before it grants outline or full permission. The scheme proposal should meet the requirements of this SPD. Any planning permission will then be subject to conditions and/or obligations to ensure it meets this definition and that the plots are made available to those that are eligible for affordable housing. All affordable self and custom self-build plots granted on a rural exception site under Core Strategy Policy H2 "Rural exception site" will be secured as affordable housing in perpetuity in the same way as other types of affordable housing.

3.3 Where affordable self/custom build housing is proposed, the affordable housing model should be submitted to and approved by the LPA prior to the submission of a planning application and it should be detailed in the Affordable Housing Statement accompanying the planning application.

3.4 The Council maintains a register of those seeking to self or custom build. A profile of those registered can be viewed as part of the Authority Monitoring Reports⁷

In addition to the self-build register, the first affordable self-build scheme has recently completed in Leominster. The development was a collaboration between Stonewater Housing Association and the Council providing self-build accommodation for veterans. This opportunity gave a number of homeless veterans a focus, enabled new skills, to some employment and ultimately provided an affordable home for them at the end of the build. The development has been a huge success and further developments will be encouraged to replicate this model.

Supplementary question

Thank you for your detailed response. I'm reassured by your commitment to both rural Affordable Housing and Self/Custom Build.

However my question specifically relates to Affordable Self Build opportunities that are not linked to RPs, Housing Associations, Land Trusts or Council owned land. In other words - self build projects that are facilitated (and paid for) by families and individuals, but where the home is protected as Affordable in perpetuity by discounted end value, local occupancy restrictions and possibly size limitations.

Are Herefordshire Council able to confirm that they are open to the concept of a specific Affordable Self Build policy that can be delivered by individuals in rural communities without a HA, CLT or council land?

I would be very happy to share my experience of Affordable Self Build to help shape a policy for Herefordshire if needed, and hopefully enable many more local people to build their own home and strengthen our fabulous rural communities.

Response

The cabinet member confirmed that the council had looked at the Shropshire policy and she could not see that the council would be averse to considering this type of building, subject to housing need in communities and the case for building in open countryside. She offered to provide a further written response.

Written Response

Herefordshire Council are very flexible with tenures and support the tenure of Low Cost Market (LCM), often referred to as Discounted Market (DM) in other Local Authorities and within the National Planning Policy Framework. Herefordshire Council prefer LCM as the discount is calculated on the housing market for the development area not an average discounted figure for the County. This tenure works well when private developers have an obligation to deliver a small number of affordable dwellings on site but it works equally well when an applicant wants to build their own property often in a rural area. We have a small number of applicants who have chosen this route for delivery. The land has been classed as an exception site for planning purposes therefore evidence of need has been qualified and on approval of planning permission a Section 106 (legal covenant) has been necessary to protect the development and discount in perpetuity. The details of LCM are available in the Supplementary Planning Document 2008, annual Technical Data. When the Affordable Housing Supplementary Planning Document is adopted the Technical Data will sit under this document.

Self Build is a recognised initiative supported by Herefordshire Council, as per the previous response we have advised that we currently do not have a policy within the Core Strategy as this was close to adoption however, there are textual references to it. It is intended to address this matter in the update of the Core Strategy.

