

MINUTES of the meeting of General Overview & Scrutiny Committee held at The Council Chamber, Brockington, 35 Hafod Road, Hereford on Monday 13 January 2014 at 12.00 pm

Present: Councillor A Seldon (Chairman)
Councillor EPJ Harvey (Vice-Chairman)

Councillors: EMK Chave, PGH Cutter, BA Durkin, JW Hope MBE, TM James, Brig P Jones CBE, RL Mayo, R Preece, GR Swinford and DB Wilcox

In attendance: Councillors PL Bettington, WLS Bowen, MJK Cooper, JG Jarvis, JLV Kenyon, PM Morgan (Cabinet Member, Corporate Services), GJ Powell (Cabinet Member, Health and Wellbeing), PD Price (Cabinet Member, Infrastructure), J Stone, GA Vaughan-Powell

Officers: A Brookes (Executive Manager), G Dean (Scrutiny Officer), G Hughes (Director for Economy, Communities and Corporate), B Norman (Solicitor to the Council), P Robinson (Chief Financial Officer), DJ Penrose (Governance Services) and H Lavelle (Governance Services)

56. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors DW Greenow and RC Hunt.

57. NAMED SUBSTITUTES (IF ANY)

Councillor PGH Cutter for Councillor DW Greenow.

58. DECLARATIONS OF INTEREST

Councillor BA Durkin declared a disclosable non-pecuniary interest as a trustee of Herefordshire Citizens Advice Bureaux and Councillor DB Wilcox declared a disclosable pecuniary interest as his spouse is the Chief Executive of the Herefordshire Association of Local Councils (HALC).

59. QUESTIONS FROM THE PUBLIC

There were no questions from the public.

60. BUDGET 2014/15 AND MEDIUM TERM FINANCIAL STRATEGY

(Councillors BA Durkin and DB Wilcox declared an interest, and Councillor Wilcox left the meeting)

The Committee noted a report on the Budget for 2014/15 and Medium Term Financial Strategy. In the ensuing discussion, the following points were raised:

- That there were no plans to close town libraries in the next financial year. That the mosaic data in the report showed that the highest usage of libraries was by the elderly and the young.
- A Member pointed out that the draft savings proposals on page 33 of the report stated that discretionary rate relief for charities would only be provided for those that were

locally based. This would impact those charities that were local, such as the Haven, but had branches elsewhere in the country. It was agreed to recommend that an additional line should be included in the draft savings proposals so that mandatory relief top up should be available to those locally based charities that provided benefits for the community of Herefordshire.

- A Member said that the impact of the reduction of subsidies to cultural services partners would be considerably greater on the services and the community than the money that was saved. He asked that the Task and Finish Group report on Cultural Services should be taken into consideration when this decision was taken to Cabinet. The Director for Economy, Communities and Corporate said that he would discuss the report with the Cabinet Member (Contracts & Assets).
- That the library in Belmont was part of a larger community centre, and to withdraw funding from it could cause the community centre to close. The Director for Economy, Communities and Corporate reassured the Member that the report did not propose closure of the library, but more work would be undertaken with the parish council and the South Wye Community Council to consider the matter.
- Concern was expressed over the withdrawal of funding from the Citizens Advice Bureaux (CAB), and a Member questioned whether there had been sufficient analysis of the impact this would have on Herefordshire. The Director for Economy, Communities and Corporate replied that there was no intention to move to a zero funding basis for the CAB in the coming year, and that the Council wanted to work with the organisation in order to ensure that funding should continue.
- Concern was expressed over the devolution of services to the community, and it was agreed that full and proper consultation should take place on this matter at the earliest opportunity.
- That energy from landfill waste had been considered as part of the waste solution for the County, but that there was insufficient gas being generated to make this a commercial option for the County. The expected lifetime of the Energy from Waste plant was 26 years.
- That the reduction in capital spend on the road infrastructure repairs was sustainable. The capital programme included an additional £20m (£15m in 2014/15 and £5m in 2015/16) to be spent on road improvements which would reduce the need to spend on road maintenance. Spending would be funded by prudential borrowing, with the repayments funded by Local Transport Plan (LTP) capital grant and the commensurate savings in the roads revenue maintenance budget.
- That the treasury management strategy set out the council's borrowing and investment strategy for 2014/15 and included the Prudential Indicators for the budget proposals. The forecast for low interest rates for the foreseeable future meant that the council would continue its strategy to use short-term loans as the cheapest source of finance available both in the short and medium/long term. The anticipated sale of assets supports the policy of borrowing in the short-term.

In reply to a question, it was stated that the assets that would be sold were industrial, retail, commercial units, as well as county farms, to a total of £100m. It was expected to be able to realise £60m over the next three years.

In reply to a question, the Cabinet Member (Infrastructure) said that the Council had borrowings of over £200m, and the investment priorities were pooled in order to get the

best value for money. Any asset sales over the next two years would be subject to Cabinet or Cabinet Member approval.

In reply to a Member's suggestion that the increase in borrowing was to fund the Energy from Waste Plant, a project that Members had been assured would fund itself, the Cabinet Member said that there were no loans for individual assets.

In reply to a comment, the Cabinet Member went on to say that appendix 2 of the report outlined the Council's projected borrowing over the next 25 years. There was a spike in borrowing over the next two years, but as asset sales took place, together with the reduction of funding to new infrastructure, borrowing would be reduced.

A Member questioned whether it would be possible to obtain best value for the assets that it was intended to sell, given the present economic climate. If the Council was forced to sell, then he requested that more information be provided as to what was being sold off. The Cabinet Member concurred, but pointed out that the Council's asset base increasing with the incumbent costs associated with this. The statutory requirements for the council's work lay in Adult and Children's Social Care and, as a result, the asset base had to be reviewed.

RESOLVED:

That:

- a) **An equality impact assessment for funding for the Citizen's Advice Bureau be reviewed prior to submission at Council;**
- b) **A robust budget monitoring system be put in place, and that exception monitoring reports be submitted to the appropriate Scrutiny Committee where there are deviations from budget of more or less than 5%. This can be submitted electronically for distribution;**
- c) **The words 'are not national organisations' should be removed from the draft savings proposals for discretionary business rate relief from April 2014 for charities that are locally based;**
- d) **The Task and Finish Group Report on Cultural Services should be considered as part of the report to Council on the budget for the service;**
- e) **There should be a clear articulation of the statutory regulations for the provision of library services in Herefordshire;**
- f) **Effective consultation is undertaken with Parish Councils at the earliest opportunity, prior to the commencement of the devolution of services to the parishes; and**
- g) **A clear communication is sent out to the general public about the consequences of the changes proposed in the budget.**

61. DATE OF NEXT MEETING

It was noted that there would be an extraordinary meeting of the Committee on Wednesday 15 January 2014 for the call-in of the Cabinet decision concerning 'Changes to Herefordshire Schools and Post 16 Transport Policy'.

The meeting ended at 2.15 pm

CHAIRMAN