

**MINUTES of the meeting of Council held at The Shire Hall, St Peter's Square, Hereford HR1 2HX on Friday 6 February 2015 at 10.00 am**

**Present:** Councillor J Stone (Chairman)  
Councillor R Preece (Vice Chairman)

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

**54. APOLOGIES FOR ABSENCE**

Apologies were received from Councillors AM Atkinson, J Hardwick, JF Knipe, PJ McCaull, GR Swinford and DC Taylor.

**55. DECLARATIONS OF INTEREST**

**Agenda item 6: Budget and Medium Term Financial Strategy**

Councillor BA Durkin declared a non-pecuniary interest as a trustee of the Citizens Advice Bureau.

Councillor RJ Phillips declared a non-pecuniary interest as a Director on the Enterprise Zone Board.

**Agenda item 7: Pay Policy Statement**

Councillor RJ Phillips declared a non-pecuniary interest as a member of the Employers' side of the National Joint Council.

**56. MINUTES**

**RESOLVED:** That the Minutes of the meeting held on 12 December 2014 be confirmed as a correct record and signed by the Chairman.

**57. QUESTIONS FROM MEMBERS OF THE PUBLIC**

A copy of the public questions and written answers, together with a supplementary question asked at the meeting and its answer, is attached to the Minutes at Appendix 1.

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

The Chairman reported that no questions had been submitted by Councillors.

**59. BUDGET AND MEDIUM TERM FINANCIAL STRATEGY**

Council was asked to approve the draft medium term financial strategy for 2015/16 to 2016/17 and the 2015/16 revenue budget as recommended by Cabinet on 22 January.

The Assistant Director, Governance reminded Members that he had issued a procedure note on the conduct of the debate on the budget. He added that if any amendments were approved it would be open to the Leader to move the suspension of standing orders to remove the need for the budget, as amended, to be referred back to Cabinet before formal adoption by Council.

The Chief Financial Officer commented that if the recommendations as published were to be adopted the Council would set a balanced budget. Three amendments had so far been received and if any or all of these were adopted Council would still be able to set a balanced budget.

He added that approval of any of the amendments moved a budget allocation from one budget head to another; it did not change policy or authorise the activity which the budget amendment sought to support. That was the function of Cabinet which would receive reports on those items before making a decision to implement any change in policy.

The Leader presented the budget report. He informed Council that the Government had announced the final budget settlement for 2015/16. Following lobbying from local government additional funding had been made available nationally in recognition of the pressures in funding Adult Social Care. Herefordshire's allocation amounted to £220,000. As this announcement had been received after Cabinet had made its recommendations to Council he proposed that the additional funding of £220,000 be added to Adult Social Care Reserves.

He welcomed the fact that the Council was on target to deliver within the overall 2014/15 budget in what had been a difficult year. He congratulated Councillors and officers on the approach that had been followed in making some difficult decisions. He noted that the outlook for 2015/16 was even harder.

He proposed the budget as set out in the report as amended. Councillor PM Morgan seconded the motion.

In accordance with the budget procedure other political group leaders were invited to speak in turn.

Councillor RI Matthews spoke as leader of the Independent Group. He expressed a number of reservations about the budget, in particular about what he considered to be excessive borrowing and the sale of assets.

Councillor Powers spoke as leader of the It's our County Group. He expressed his thanks for the early involvement of political groups in developing the protocols and procedures for debating the budget which he had found beneficial. He indicated that he would reserve his comments on the budget to his closing remarks.

Councillor TM James spoke as leader of the Liberal Democrat Group. He expressed his dissatisfaction with the provisions in the current governance arrangements relating to the

respective roles of Council and the executive in determining policy and the adverse effect this had on the budget debate.

Councillor FM Norman spoke as leader of the Green Group. She expressed concerns about the sale of assets, the level of capital spending and borrowing and hoped that these aspects would be revisited by a new administration.

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

**Amendment 1 - proposed by Councillor WLS Bowen, seconded by Councillor ARC Chappell: That general reserves be reduced by £125k and used instead to part fund the second phase of feasibility work in respect of the establishment of a rail link to Rotherwas, should initial feasibility work demonstrate the demand for such a link.**

Councillor Bowen proposed the amendment clarifying that it had been revised following its original publication and now provided for the cost of the proposal to be funded from reserves. He observed that a study to establish the likely level of demand for a rail link had been approved. If that identified sufficient demand it would be timely to have funds allocated to proceed to the next stage. Network Rail was shortly to re-signal the Marches line and this would provide an opportunity to include a rail spur into Rotherwas and the enterprise zone. The provision of a railway would bring benefits and reduce car journeys. If the demand study proved that the scheme was unviable the earmarked sum for further work could be retained within the general reserve.

Councillor Chappell seconded the amendment. He commented on the timeliness of the development, if demand were proven, and the benefits it would bring to the County's competitiveness.

In discussion the following principal points were made:

- The local rail company had indicated support for the proposal and that there was capacity within the timetable to provide the rail link.
- The proposal would be forward looking having a number of benefits in both the short and longer term, including job creation, and would be sustainable reducing car traffic, congestion and carbon emissions.
- It was suggested that the proposed allocation was a comparatively modest sum. Allocating the sum would demonstrate commitment to rail partners. A contrary view was expressed, also noting that, as stated on the published amendment, an outline business case would cost a further £125k and detailed design and a full business case a further £400k.
- The demand for the link was questioned.
- The proposal to fund further work from reserves was flawed.
- The Chief Financial Officer confirmed that the proposed sum would be allocated from the general reserve.
- It was premature to debate the amendment. The outcome of the demand study should be awaited.
- Consideration should be given to developing a transport hub.
- None of the stakeholder group of businesses at Rotherwas had expressed any support for the proposed rail link.

- The Cabinet Member – Infrastructure commented that he was happy to explore the project if the demand study which had already been authorised suggested that it would be viable. There might be potential to consider rail transport in connection with the university project, and that light rail for example might be an option. However, these matters should be considered once the outcome of the demand study was known. He added that Network Rail had estimated that a rail link might cost £16 million.
- The Leader commented that further resources should not be allocated until the outcome of the study of passenger demand was known. In his view the length of the proposed line at one and a half miles was too short to be viable. In addition to Network Rail's estimate of the cost of a railway line account also needed to be taken of loss of employment land and rental income at the enterprise zone that the development would entail.

A named vote was held. The amendment was carried with 26 votes in favour of it, 24 against it and 1 abstention.

For (26) Councillors CNH Attwood, JG Bartlett, CM Bartrum, WLS Bowen, AN Bridges, ACR Chappell, EMK Chave, PJ Edwards, KS Guthrie, EPJ Harvey, MAF Hubbard, TM James, JLV Kenyon, MD Lloyd-Hayes, RI Matthews, SM Michael, C Nicholls, FM Norman, J Norris, CA North, AJW Powers, R Preece, SJ Robertson, A Seldon, GA Vaughan-Powell and TL Widdows.

Against (24) Councillors PL Bettington, AJM Blackshaw, H Bramer, MJK Cooper, PGH Cutter, BA Durkin, DW Greenow, JW Hope, MBE, JA Hyde, JG Jarvis, AW Johnson, Brig P Jones CBE, JG Lester, RL Mayo, JW Millar, PM Morgan, NP Nenadich, RJ Phillips, GJ Powell, PD Price, P Rone, P Sinclair-Knipe, J Stone, and DB Wilcox.

Abstention (1) Councillor PA Andrews

**Amendment 2 - proposed by Councillor EPJ Harvey, seconded by Councillor JM Bartlett: That £220k be removed from the public realm grass cutting budget and used instead to fund the following increases: £75k to provide match funding for parish councils undertaking open space grass cutting, £75 to further defer implementation of the “change to nearest school” transport policy and introduction of post-16 special education needs transport charges until September 2016, and £70k to increase to £114k the pilot local area co-ordination grant scheme.**

Councillor Harvey proposed the motion. She commented that if the matched funding offer to Parish Councils were to be taken up in full this would reduce the proposed increase to the grass cutting budget spent through the Balfour Beatty Contract by £70k. The balance of the £220k would support children living in the County going to schools in the County and also support community led projects supporting adults wellbeing. She noted that the budget setting timetable did not neatly fit with the setting of parish precepts and the exercise of parental choice in respect of school places. Further work needed to be undertaken on the detailed implementation. However, with robust contract monitoring it was considered that a £330k increase in the budget for grass-cutting should be sufficient and that the package of proposals as a whole offered considerable benefits.

Councillor Bartlett seconded the motion. She commented that the amendment provided an opportunity to build community capacity and support third sector groups in delivering a devolved care service in response to the Care Act.

In discussion the following principal points were made:

- It was suggested that there was scope for the Balfour Beatty contract to be managed more efficiently providing room to support the measures set out in the amendment.
- The Cabinet Member Transport and Roads commented that the increase in the grass cutting budget of £400k had been considered the appropriate sum to ensure criticisms of the service in 2014 would not be repeated. He was also concerned that Parish Councils would not be ready to take on the work and would not have precepted in order to be able to finance the work.
- Parish Councils did not have the resources to undertake the grass cutting service as was being proposed.
- Parish Councils needed a greater lead in time if they were to take responsibility for running services.
- The lengthsman scheme did not provide for grass cutting of amenity areas.
- Parish Councils did have the flexibility to vire funds and the proposed grass cutting policy would provide an opportunity for local choices to be made, whilst taking account of road safety necessities, about the extent of grass cutting. Local arrangements might also prove more efficient and cost-effective.
- There were no proposals nationally to restore funding to local government. The Council would no longer be able to provide services as it had previously done. The proposals within the amendment represented a start in engaging with communities and building capacity.
- If implemented the Council's change to the home to school transport policy and to introduce post 16 SEN charges would have a significant financial impact on families.
- The Cabinet Member – Young People and Children's Wellbeing commented that the proposal in relation to home to school transport was impractical. Parents had been notified of the revised policy and expressed their preference for schools in that knowledge. He was concerned that the Council ran the risk of legal challenge if the course proposed in the amendment were to be followed. The amendment also failed to take account of the £0.5m savings in future years the changes in home to school transport policy would require.
- The Leader of the Council commented that the proposals for the grass cutting service had some merit. He also agreed that there would need to be a transition to Parish Councils and communities undertaking more for themselves. However, Parish Councils needed time to prepare to undertake such a responsibilities and they would not be ready to deliver a grass cutting service in time for the current year. He endorsed the Cabinet Member's comments in relation to home to school transport. Additional resources had been provided in the budget for adult social care.

A named vote was held. The amendment was lost with 25 votes in favour of it and 26 votes against it.

For (25) Councillors PA Andrews, CNH Attwood, JG Bartlett, CM Bartrum, WLS Bowen, AN Bridges, ACR Chappell, EMK Chave, PJ Edwards, EPJ Harvey, MAF Hubbard, TM James, JLV Kenyon, MD Lloyd-Hayes, RI Matthews, SM Michael, C Nicholls, FM Norman, J Norris, CA North, AJW Powers, SJ Robertson, A Seldon, GA Vaughan-Powell and TL Widdows.

Against (26) Councillors PL Bettington, AJM Blackshaw, H Bramer, MJK Cooper, PGH Cutter, BA Durkin, DW Greenow, KS Guthrie, JW Hope, MBE, JA Hyde, JG Jarvis, AW Johnson, Brig P Jones CBE, JG Lester, RL Mayo, JW Millar, PM Morgan, NP Nenadich, RJ Phillips, GJ Powell, R Preece, PD Price, P Rone, P Sinclair-Knipe, J Stone, and DB Wilcox.

**Amendment 3 – proposed by Councillor TM James and seconded by Councillor SJ Robertson: That reserves be reduced by £50k and used instead to provide one-off transition funding of up to £50k to Herefordshire Citizens Advice Bureau.**

Councillor James proposed the motion. He commented that the proposal was designed to provide transitional funding, if needed, as a different model for providing advice was introduced in response to the Care Act. The independent advice provided by the Citizens Advice Bureau (CAB) was valued and any shortfall in advice as a new model was introduced would have an adverse impact of the vulnerable.

Councillor Robertson seconded the motion. She praised the quality of independent advice provided by the CAB's trained staff. Council support was a catalyst for securing other funding and transitional funding would be important to the CAB.

In discussion the following principal points were made:

- A number of Members complimented the CAB on its work and noted that the funding was intended to provide one-off transition funding.
- It was noted that a tendering process for the provision of the new advice service was underway and a number of organisations would submit bids. Clarification was sought as to whether in these circumstances it was lawful to provide funding to the CAB alone, noting that it was one of the tenderers for that contract. The Assistant Director, Governance commented that, if the amendment were to be approved, an executive decision would be needed to authorise the actual allocation and at that stage the report would identify any relevant legal implications.
- The Cabinet Member – Health and Wellbeing commented that the Council was not the sole funder of the CAB. The CAB had a 3 year contract with the Council which expired on 31 March 2015. The CAB had been informed two years ago and had also received subsequent confirmation that the contract would end. A sum had been made available nationally in May 2013 to fund advice services and many CAB's had benefitted from this fund. He recognised the CAB's good work noting that the Council would continue to provide the CAB with accommodation and utilities to the value of £75k per annum. As had been mentioned a tender process was underway for advice services at an estimated value of £50k. The CAB was one of the bidders. The council no longer paid grants to organisations. The CAB had received transition funding from the lottery fund not all of which been spent. It was not appropriate to allocate funding to one organisation while a tendering process was underway.
- The Leader endorsed the comments of the Cabinet Member. He acknowledged the worth of the CAB but noted that a number of other organisations were equally valuable. He did not think it appropriate to consider this issue whilst a tendering process was underway, noting that the matter could be reviewed at a later date if necessary.

A named vote was held and the amendment was carried with 23 votes in favour of it, 18 votes against it and 9 abstentions.

For (23) Councillors PA Andrews, CNH Attwood, JG Bartlett, CM Bartrum, WLS Bowen, AN Bridges, ACR Chappell, EMK Chave, PGH Cutter, PJ Edwards, DW Greenow, MAF

Hubbard, TM James, JLV Kenyon, RI Matthews, RL Mayo, NP Nenadich, C Nicholls, FM Norman, CA North, AJW Powers, SJ Robertson, and GA Vaughan-Powell.

Against (18) Councillors, PL Bettington, H Bramer, MJK Cooper, KS Guthrie, EPJ Harvey, JA Hyde, JG Jarvis, AW Johnson, JW Millar, PM Morgan, RJ Phillips, GJ Powell, R Preece, PD Price, P Rone, P Sinclair-Knipe, TL Widdows and DB Wilcox.

Abstentions (9) AJM Blackshaw, BA Durkin, JW Hope MBE, Brig P Jones CBE, JG Lester, SM Michael, J Norris, A Seldon, and J Stone.

The Leader moved the suspension of standing orders to remove the need for the budget, as amended, to be referred back to Cabinet before formal adoption by Council. The procedural motion was carried.

In accordance with the budget procedure political group leaders were invited to make their closing remarks.

Councillor Norman summed up commenting that the amendments had improved matters. She continued to have concerns about capital spending.

Councillor James had no further comments.

Councillor Powers commented that all budget lines would be subject to change depending on the outcome of the forthcoming election. He expressed the view that there was evidence that a Council Tax referendum might result in people voting to pay more council tax to retain certain services. It would be his wish to review the policy framework which currently constrained options.

Councillor Matthews reiterated his concern about the level of borrowing.

The Leader closed the debate noting the financial pressures that lay ahead and expressing his thanks to Councillors and Officers for their contribution during his leadership.

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

The motion was carried with 33 votes in favour of it, 3 votes against it and 12 abstentions.

For (33) Councillors PA Andrews, CNH Attwood, CM Bartrum, PL Bettington, AJM Blackshaw, WLS Bowen, H Bramer, AN Bridges, ACR Chappell, MJK Cooper, PGH Cutter, BA Durkin, PJ Edwards, DW Greenow, JW Hope, MBE, JA Hyde, TM James, JG Jarvis, AW Johnson, Brig P Jones CBE, JG Lester, RL Mayo, JW Millar, PM Morgan, NP Nenadich, RJ Phillips, GJ Powell, R Preece, PD Price, P Rone, P Sinclair-Knipe, J Stone, and DB Wilcox.

Against (3) Councillors JLV Kenyon, A Seldon and TL Widdows.

Abstentions (12) Councillors JG Bartlett, EMK Chave, EPJ Harvey, RI Matthews, SM Michael, C Nicholls, FM Norman, J Norris, CA North AJW Powers, SJ Robertson, and GA Vaughan-Powell.

**RESOLVED:**

**That (a) the revenue budget as set out in appendix 2 to the report be approved, subject to the following amendments:**

- i. additional funding of £220,000 from funding made available nationally in recognition of the pressures in funding Adult Social Care being added to Adult Social Care Reserves;
  - ii. general reserves being reduced by £125k to part fund the second phase of feasibility work in respect of the establishment of a rail link to Rotherwas, should initial feasibility work demonstrate the demand for such a link (subject to approval of this policy by the executive); and
  - iii. general reserves being reduced by £50k and used instead to provide one-off transition funding of up to £50k to Herefordshire Citizens Advice Bureau link (subject to approval of this policy by the executive);
- (b) a council tax increase of 1.9% in 2015/16 be approved, therefore rejecting the 2015/16 council tax freeze grant, this will result in a band D council tax level of £1,275.10;
  - (c) the medium term financial strategy shown in appendix 3 to the report be approved;
  - (d) the treasury management strategy for 2015/16 shown in appendix 4 to the report be approved; and
  - (e) it be noted that the council was projected to spend within its budget for the 2014/15 financial year.

#### **60. PAY POLICY STATEMENT**

Council was asked to approve the 2015 pay policy statement for publication; to approve the salary package for the director of adults and wellbeing in accordance with the provisions of the Localism Act 2011.

#### **RESOLVED:**

- That
- (a) the pay policy statement summarising existing council policies (at Appendix A to the report) be approved; and
  - (b) the director of adults and wellbeing salary of £120,000 be approved.

The meeting ended at 1.07 pm

**CHAIRMAN**



## Public questions to Council – 6 February 2015

**Question from Mrs V Wegg-Prosser, Breinton**

Question 1

**Medium term financial strategy and South Wye transport package**

Regarding the approved capital investment programme within the MTFs, please advise why the South Wye transport package is so called when its costings are only related to the building of the Southern Link Road.

**Answer from Councillor PD Price, cabinet member infrastructure**

Answer to question 1

The budget allocation within the medium term financial strategy is correctly identified as being for the South Wye transport package. It will be used, alongside other transport funding, to fund a package of transport measures in the South Wye area. The largest element of this package is of course the southern link road. However, the package also includes complementary sustainable transport measures which will be delivered in conjunction with the southern link road.

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**Question from Dr N Geeson, Hereford**

Question 2

**Medium term financial strategy and biological records**

Regarding Appendix 1 of the MTFs papers for Council, please provide information as to where the hosting costs of the Herefordshire Biological Records Centre are listed in the Savings Proposal. This was allocated for the period 2015/16 to 2016/17 against some anticipated self-sustaining new funding streams, with the provision for reduced service provision, if necessary, as per Cl. 11.12 of Herefordshire Council's Annual Monitoring Report (2013-14):

*P56 "11.12 The council's Planning Service is reliant on biodiversity and geodiversity data collected, managed and supplied by the Herefordshire Biological Records Centre (HBRC). The council has withdrawn direct funding for the HBRC but is continuing to cover the hosting costs. The aspiration is for the HBRC to become financially self-sustaining; it is in a process of expanding existing and developing new funding streams to this end. Should full cost recovery not be achievable, the outcome would be reduced service provision which would impact significantly on the supply and updating of environmental data to the Planning Service and to strategic biodiversity work by other organisations."*

Surely the Council needs to pin-point finance for ongoing biological record-keeping for the County? Otherwise it will not have up-to-date information to assess planning applications, it will not be able to make accurate Strategic Environmental Assessments and Habitat Regulations Assessments, and it will not conform with the NPPF.

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More specifically, there are other actions referred to in the Annual Monitoring Report (2013-14) that will depend on ongoing provision of up-to-date biological information, e.g. for the Green Infrastructure Strategy (CI 11.16), for funding management plans for local wildlife sites, (CL 11.17) and for monitoring Priority Species. (CI 11.13). How will these actions be continued and funded?

**Answer from Councillor PD Price, cabinet member infrastructure**

Answer to question 1

The savings made in respect of the Herefordshire Biological Records Centre (HBRC) were secured in 2013 as part of the re-design of the planning, regulatory, conservation and archaeological services. These savings were accounted for in the financial year 2013/2014 which is why they are not shown in the directorate savings plans for 2015/16 and beyond.

The saving delivered as part of that review related to the council ceasing to pay an annual contribution of £20K to the running costs; it was projected that income from funding streams would replace this funding. Income generation is on track with projections in the HBRC's business plan. The council is continuing to pay for the hosting costs of the HBRC. This includes office accommodation, IT support, personnel, accountancy and corporate services. The council has also invested in building the Herefordshire Archive and Records Centre, which provides bespoke facilities for the HBRC officers and volunteers. These enhanced facilities will enable the HBRC to grow and develop. The HBRC moved into HARC this January.

The HBRC will continue to provide data to support strategy, project and policy development, making use of relevant funding streams wherever possible.

**Supplementary Question**

With reference again to the annual monitoring report, if full cost recovery is not achievable and service provision is reduced, how can the Council ensure that there will be accurate, complete and up to date data sets that are needed to support the Council's environmental policies and Neighbourhood Plans and to properly assess planning applications?

**Answer by Councillor Price**

Reductions in costs had to be made. Efficiencies had been achieved. The service would meet its commitments and if it appeared that it was not doing so a review would take place to ensure that a satisfactory level of service was provided, recognising the importance of a reliable Planning Service.