

Members' questions at Council – 15 July 2016

Question from Councillor WLS Bowen

Property maintenance.

Question 1

In respect of recent works carried out:

- a) Who was in charge of the initial works to the Shirehall and the Union Street Building?
- b) What was the total cost of these works, in both cases?
- c) Who signed off these works as satisfactory?
- d) How much has it cost to repair the faulty damp proofing in the Union Street Building?
- e) How much will it cost to repair the damage to the Members' rooms, meeting rooms and offices in the Shirehall?
- f) Will all these costs be covered by insurance?
- g) If not, will the original designers and contractors for these works be held responsible for these disasters and will they pay for the renovations?
- h) Can we be assured that, as far as is possible, the problems plaguing the Shirehall and the Union Street building are now solved and that we can take back the various facilities in the sure and certain hope that all problems have been satisfactorily resolved?

Answer from Councillor H Bramer cabinet member contract and assets

- a) Works were commissioned by the council's property services function and overseen by the then service delivery partner.
- b) I refer to the answers provided to Councillor Bowen in September 2014
- c) See a) above
- d) There was no faulty damp proofing. Remedial work to address dry rot which had not been identified as present at the time of the phase 1 works has cost £39k
- e) Remedial work to the ceiling in the lower ground floor is underway and therefore final costs are not available but are estimated at £112k
- f) No.
- g) No; the remedial work has not been identified as a fault of the contractor.
- h) Councillor Bowen is a vocal advocate for the preservation and use of historic listed buildings within the county and will be aware that such properties come with higher than average maintenance requirements. The council has in place appropriate processes for assessing maintenance requirements of its property holdings, and an annual budget for maintenance is in place.

Supplementary Question

Did the service delivery partner do an effective job in undertaking the works?

Answer from Councillor H Bramer cabinet member contract and assets

Yes. They were asked to restore a two hundred year old listed building and to deal with the issues that were associated with it.

Question from Councillor J Bartlett

Impact of 'Brexit' on LEP funding.

Question 2

According to the Marches Local Enterprise Partnership website <http://www.marcheslep.org.uk/?s=ESIF+Strategy> it has been awarded some £95 million of EU funding for projects being developed and delivered between 2014 and 2020.

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These projects are set out in the draft Marches Local Enterprise Partnership 'European Structural and Investment Fund (ESIF) Strategy 2014 – 2020' published 7th October 2013.

Given the result of the referendum will the LEP still get the full £95 million originally awarded and when will we know and if not will Herefordshire Council need to underwrite schemes, or will it become liable for any outstanding costs of projects started with money allocated from this fund if ESIF money is withheld?

From where will the LEP make up any shortfall in the £95 million ESIF funding to finance the completion of the projects set out under the Five Strategic Activities headings in the above strategy?

Answer from Councillor A Johnson cabinet member corporate strategy and finance

At a national level the managing authorities (DCLG, DWP, and DEFRA) of the EU funding, along with other relevant government departments, are discussing the impact of the referendum on the national ESIF programme, and we await the outcome of those discussions. There are no indications at this stage that committed funding will be withdrawn.

It is important to note that the Marches local enterprise partnership (LEP) does not hold the ESIF funds, this is a responsibility of the managing authorities. Additionally the Marches ESIF strategy does not detail specific projects that will receive funding, rather the five strategic activities within the strategy outline the type and nature of activity that could be supported. Consequently the £95m is an allocation of finance to be spent within the LEP area rather than an explicit commitment to spend on specific projects by the LEP or its partners.

Equally it is unclear what national funding streams will be developed in the coming months and years. The council will continue to pursue all available funding streams and prioritise allocation of that funding in accordance with its relevant strategies and plans to ensure the needs of the county are met going forward.

Supplementary Question

With a shift to a low carbon economy and social inclusion, would the removal of EU money affect the statutory activities which underpinned the core strategy and were part of the Marches LEP push to create jobs in these areas?

Answer from Councillor A Johnson cabinet member corporate strategy and finance

The current understanding was that funding commitments that had already been made would be honoured. National negotiations that would be undertaken would undoubtedly mean that funding should be returned from Brussels.

Question from Councillor RI Matthews

Asset management.

Question 3

It would appear that this present administration are more than eager to sell off the county's valuable assets, while not always obtaining the best return for the taxpayer because of the present uncertainty in the property market generally.

Can the leader of the council assure members that any funds raised from these sales will be prudently managed, and that every effort will be made to reduce the council's excessive debt and at the same time make some effort to strengthen our dwindling reserves?

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The council's medium term financial strategy approved by Council in February 2016 includes the realisation of capital receipts to repay council debt reducing the annual debt repayment costs. Any assets retained by the council are held for the benefit of the public. It is the duty of the council to secure best consideration for any property disposals, unless there are clear and compelling reasons to do otherwise. To suggest that we do not do so is unacceptable; if Councillor Matthews is suggesting that we should do nothing until there is certainty in the property market, a simple look at recent history would indicate he would have us do nothing for a longer time that I would be prepared to wait.

I equally refute the suggestions that the council is imprudent in its management of resources, and that the council's debt is excessive. It may have escaped Councillor Matthew's notice that not only have we been investing capital resources that we secure from a range of sources in a number of schemes which benefit the community, whether those be school buildings, leisure facilities, road improvements, economic development projects or other similar investments from which the county can grow and prosper, we have also managed to increase the level of usable revenue reserves held by £2m during 2015/16, as well as delivering a balanced budget year on year through very challenging times.

Supplementary Question

How will the council manage when there are no assets left to dispose of?

Answer from Councillor A Johnson cabinet member corporate strategy and finance

The council had a responsibility to manage publicly owned assets and ensure the best possible return was made from them. Without accepting that the position would be reached, if there were no further assets which could be used to raise revenue, then the council would stop spending money, which was the approach that any responsible local authority would undertake.
