

Minutes of the meeting of Cabinet held at The Shire Hall, St. Peter's Square, Hereford, HR1 2HX on Thursday 30 January 2020 at 6.00 pm

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

Councillors Pauline Crockett, Gemma Davies, John Harrington, Liz Harvey, Trish Marsh and Ange Tyler

Cabinet support members in attendance Councillors John Hardwick and Peter Jinman

Group leaders in attendance Councillors Alan Seldon and Jonathan Lester

Scrutiny chairpersons in attendance Councillors Jonathan Lester

Other councillors in attendance: Councillors Graham Andrews, Sebastian Bowen, Elizabeth Foxton, Jeremy Milln, Roger Phillips and Nigel Shaw

Officers in attendance: Chief executive, Director for economy and place, Director for children and families, Solicitor to the council, Chief finance officer and Director for adults and communities

117. APOLOGIES FOR ABSENCE

There were no apologies from members of the cabinet.

118. DECLARATIONS OF INTEREST

None.

119. MINUTES

Resolved: That the minutes of the meeting held on 19 December 2019 be approved as a correct record and signed by the Chairperson.

120. QUESTIONS FROM MEMBERS OF THE PUBLIC (Pages 9 - 10)

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

121. QUESTIONS FROM COUNCILLORS (Pages 11 - 12)

Questions received and responses given are attached as appendix 2 to the minutes.

122. BUILDING MAINTENANCE, SMALL WORKS AND CLEANING SERVICES FOR HEREFORDSHIRE COUNCIL

The cabinet member commissioning, procurement and assets introduced the report and summarised the background to the decision, stating that she did not believe that outsourcing should be the go-to option. She explained that the proposed new contract would be of sufficient length to allow more options for the future of the service to be explored. A correction to the length of the contract had been published which would push the end of the contract beyond the purdah period for the next Council elections in 2023. The contract would include measures to reduce the use of products containing phosphates.

The strategic property services manager highlighted key points of the report. In particular that:

- The contract would follow the current model with one contract for maintenance and cleaning, this had been found to deliver benefits as there was only one management structure;
- Market testing had established that there was interest in bidding for the contract;
- Lessons learned from the operation of the current contract would be incorporated into the new contract;
- In recognition of the climate emergency declared by the council new key performance measures would be included in the contract to assess such things as use of fuel and use of local labour to reduce travel distances.

In discussion of the report cabinet members noted:

- The council wanted to encourage local companies to bid for contracts and would be working to make the tendering processes as easy as possible for local companies to access;
- In seeking to avoid the use of phosphate chemicals, care should be taken in the substitute products used and all substances used should be evaluated.

Group leaders were invited to give the views of their group. Concerns were expressed about the performance of the current contractor and it was hoped that the new contract would see improvements. In response it was noted that key performance dashboards would be introduced to monitor the delivery of the contract.

It was agreed that:

(a) a property maintenance and cleaning service contract be procured for two years and nine months from 1 September 2020 – 30 June 2023 with provision for a one year extension; and

(b) the director of economy and place be authorised, following consultation with the cabinet member for assets, contracts and procurement, to award a contract to the successful provider for each or both services following tender evaluation, with a contract value of up to £12m per annum.

123. USE OF RESERVE FUNDING TO SUPPORT HEREFORD TRANSPORT AND SOUTH WYE TRANSPORT PACKAGE REVIEW

The cabinet member finance and corporate services introduced the report. She explained that the review of the transport packages needed to be properly resourced so that it delivered the evidence required. The financial resilience reserve stood at £10m and it was considered that use of £360k from the reserve was affordable and appropriate.

The cabinet member infrastructure and transport explained the reasons for the review of the strategy that had been inherited from the previous administration and noted that only £91k would be spent on a peer review of the work done to date on the transport packages. The £360k to be funded from the reserve would consider alternative transport options. All three elements of the review would be completed by 31 July 2020 and would include wide ranging consultation. Input from scrutiny would be welcomed.

It was noted that introducing 20mph limits in residential areas would not form part of the options considered under this review but that this could be progressed alongside.

Group leaders were invited to express the views of their group. It was stated that:

- There was anger from some residents and business about the delay and concern that a bypass would not be delivered;

- If there were options to relieve congestion more quickly than constructing new roads then these would be welcomed by most businesses;
- There had already been considerable expenditure on assessing the southern link road project and Hereford transport package to determine that it was the right thing to do;
- The delay had resulted in the grant funding for the southern link road being lost and the prospect of £3.8m being clawed back by the LEP would spend all of the proposed council tax increase for 2020/21;
- The southern link road was an important project which would connect to the Hereford enterprise zone and open up land that was needed for growth;
- The packages put together by the previous administration included active travel measures and it was believed that the review would demonstrate the need for the planned bypass.

In response to points raised cabinet members noted that issues with the governance of the procurement exercise in relation to the south wye transport package meant that the council could not be assured that value for money could be delivered. These problems had been inherited and caused unfortunate delays. In addition, the council had declared a climate emergency in March 2019 and this needed to be taken into account. The cabinet sought to deliver the aims and objectives that had been inherited with alternative schemes.

It was agreed that:

- (a) Cabinet approves the amendment of the financial resilience reserve reducing by £360k to fund the costs to complete the review work associated with the Hereford Transport and South Wye Transport Package.**

124. CORPORATE PLAN 2020-24

The leader of the council introduced the report and invited the assistant director people and performance to set out the approach that had been taken to producing the new corporate plan. Cabinet members noted that:

- Workshops had been held to understand the ambitions for the new plan and to pull together the various strands;
- Three key areas had been identified – environment, community and economy – along with common themes across these areas of sustainability, connectivity and wellbeing;
- A one page plan had been developed and then tested through public and stakeholder events including parish councils, the business sector and specific public groups;
- The plan had been amended to reflect the feedback received and then a second phase of consultation was undertaken which included budget proposals;
- The same five priority areas had been highlighted in the face to face and online consultation, although in a slightly different order;
- All three scrutiny committees had considered the draft plan and all the recommendations had been included in the latest version.

The leader thanked the assistant director and all officers who had worked on the draft plan. He noted that the design work had been done in house and included photographs taken by students from the Herefordshire College of Arts. He also thanked the scrutiny committees for their input which he felt had resulted in an improved plan.

In commending the draft plan to cabinet, the leader stated that this was a county plan designed to deliver for the people of the county not for the council itself. He believed in community and that the council must work with communities to understand their needs and involve them in its work. He believed in the prosperity of socially responsible

businesses and improved connectivity between the council and business. It was for the cabinet to behave in the ways set out in the plan by working in partnership, using resources wisely, respecting each other and listening to each other.

While it was recognised that many strands of the plan were interwoven, cabinet members were invited to highlight key activities and projects within their portfolio areas. These included:

Finance and Corporate Services

- Improving connectivity, sustainability and wellbeing of the county;
- Responding to climate change;
- Delivering more affordable housing;
- More balanced investment in sustainable development

Housing, regulatory services and community safety

- Delivering housing for Herefordshire that recognised the challenges for residents in finding a suitable and genuinely affordable home;
- Roll out of the talk community programme;

Commissioning, Procurement and Assets

- Developing the way in which the council deals with waste collection and disposal taking account of changing legislation, the needs of residents and the environment;
- Supporting cultural services in adding social value, for example through contact with vulnerable members of society and developing tourism opportunities;
- Developing community wealth building, keeping money in the local economy as far as possible and making it easy for local businesses to enter supply chains;
- Working with communities to see where they can take on council assets if they can run them better;
- Working with anchor organisations to establish a core set of values.

Infrastructure and transport

- Increased emphasis on protecting the environment and tackling climate change, building the climate emergency declared under the previous administration;
- Completing the transport review to consider options to relieve congestion in the shorter and medium term;
- Encouraging young people to come and to stay in Herefordshire;
- Developing the tourism industry within the county

Children and Families

- Continuing to support improvement in outcomes in primary schools and improving Key Stage 4 results;
- Continuing to invest in and develop school buildings;
- Continued investment in supporting care provision, building on the achievement of the previous plan;
- Developing an edge of care offer linked to whole family support;
- Delivering high quality children's social care, working with the new Children and Young People safeguarding partnership.

Environment, Economy and Skills

- Tackling the impact of climate change on businesses and aiming for zero carbon working with a coalition of partners;
- Continuing to support the Hereford Enterprise Zone while also investing in Ross Enterprise Park and the other market towns;

- Renewing support for tourism by rolling out a countywide business improvement district with the active participation of private enterprise and support from town councils.

Health and Adult Wellbeing

- A changing approach to social care with family, friends and communities adding to the support for individuals;
- Taking a proactive approach to digital connectivity and making use of tech enabled solutions;
- Working alongside NHS partners, including integration of services where this made sense.

The chairman of the general scrutiny committee noted that the committee had reviewed the draft plan on two occasions. He thanked the members of the committee for their work and noted that all recommendations had been listened to. He urged the cabinet to support communities rather than seek to build new ones.

Group leaders were invited to express the views of their group. Points raised included:

- Support for endeavours to increase the amount of affordable housing but concern regarding the cost of borrowing to deliver council owned housing and whether this would give the best rate of return for the investment;
- Many businesses would link connectivity to measures to reduce congestion;
- Action on fuel poverty was welcomed;
- Anything that helped communities in Herefordshire to thrive would be welcomed;
- Consideration of fixes for congestion in the city on a short term basis could deliver improvements;
- The public would want to see delivery of projects.

In concluding the debate the following amendments were proposed:

The addition of the following wording to reflect support for farming communities: “We are proud of our rich rural heritage and will work in partnership with our farming community and land managers to promote sustainable stewardship of the County’s farmland, soils and woods.” *(Proposed by cabinet member environment, economy and skills, seconded by cabinet member infrastructure and transport.)*

The addition of reference to the public rights of way, bridges and street lights maintained by the council alongside 2000 miles of road. *(Proposed by cabinet member infrastructure and transport, seconded by cabinet member environment, economy and skills.)*

The addition of images to break up the text of the introduction by the leader of the council and the background information on the county. *(Proposed by cabinet member commissioning, procurement and assets)*

Typographical corrections throughout the document to ensure consistency such as referring to the County Plan. *(Proposed by cabinet member health and adult wellbeing).*

It was agreed that:

- (a) The draft corporate plan 2020-24, as set out at appendix A, be recommended to Council;**
- (b) Authority be delegated to the Assistant Director People and Performance, in consultation with the Leader of the Council, to make any amendments necessary arising from the discussions at Cabinet, prior to consideration by council specifically:**

- i. **An additional sentence to be inserted committing the council to working with the farming community to promote sustainable stewardship of the County's farmland, soils and woods;**
- ii. **Reference to maintenance of public rights of way, bridges and street lighting to be inserted alongside maintenance of roads;**
- iii. **Additional photographs to be inserted to break up the large blocks of text in the introduction from the leader of the council and the background information on the county;**
- iv. **Typographical corrections to ensure consistency through the document.**

125. 2020/21 COUNCIL TAX REDUCTION SCHEME

The leader of the council introduced the report and it was confirmed that no significant changes to the scheme were proposed.

Cabinet members noted the importance of the scheme and the links to challenges identified in the corporate plan such as low wages and levels of fuel poverty. The chief finance officer explained that the council worked with a number of agencies to support households in distress. Discussions had taken place with the citizens' advice bureau and it had been established that the council met the standards for and would look to sign up to the CAB protocol on council tax.

Group leaders expressed support for the scheme. The potential impact of the roll out of Universal Credit was raised. It was felt that the current scheme had worked reasonably well but the risk of people falling through the cracks was noted.

It was agreed that:

(a) The council tax reduction scheme for 2020/21, with the same parameters as the existing scheme, be recommended to Council for approval.

126. CAPITAL PROGRAMME 2020/21 ONWARDS AND CAPITAL STRATEGY

The cabinet member finance and corporate services introduced the report. She stated that a number of new items were proposed to be added to the programme that had been inherited and that the programme would be kept under review. New items included:

- Rolling out of super hubs;
- Investment in schools, care home and extra care services;
- Delivery of employment land and incubation space in the market towns;
- Match funding toward the heritage action zone in Leominster;
- Investment in the passenger transport fleet and commercial fleet.

During the four years of the county plan a total of £415m investment was planned, of which around 25% might be funded from prudential borrowing. The council would seek to create new income streams. The proposed programme was prudent and affordable, with headroom for further projects to be brought forward if needed.

Group leaders were invited to express the views of their group. Changes to the Section 106 agreement regime were welcomed as they would release funds into communities. Additional funding for road maintenance was welcomed as the road network was something that everyone used.

It was agreed that:

the following be recommended to Council:

(a) the proposed capital programme from 2020/21 attached at appendix 3; and

(b) the capital strategy document at appendix 4.

127. SETTING THE 2020/21 BUDGET AND UPDATING THE MEDIUM TERM FINANCIAL STRATEGY AND TREASURY MANAGEMENT STRATEGY

The cabinet member finance and corporate services introduced the report. Key highlights were noted as:

- The proposed budget took into account the local government financial settlement, revenue support grant funding of £0.6m and new homes bonus grant of £2.2m;
- It was proposed that the new homes bonus one off funding be used to assist in the delivery of housing, including addressing the phosphate issues that were holding back housing development;
- Herefordshire had risen to the challenge of reducing central grants in recent years coupled with rising demands and costs in adult and children's social care, which now comprised around 80% of the council's total budget;
- A balanced budget had been achieved with a proposed 2% council tax increase ring fenced for adult social care and a further 1.9% for other services;
- The total council tax increase of 3.9% was reluctantly recommended in order to maintain the council's statutory services and continue non-statutory services which were valued, the increase would equate to £1.14 per week on a band D property;
- The council tax reduction scheme would support those households who were struggling and some residents such as care leavers would pay no council tax at all.

Cabinet members thanked officers for their work in preparing the budget documents. In discussion of the report it was noted that a more detailed breakdown of the budget by directorate at appendix 3 would be included in the report to council so that it could be more readily matched to the bill receipt presentation.

The following amendments were proposed:

Allocation of £200k from the public health ring fenced grant as the council's contribution towards the Hereford Cycling Circuit. Councillor Kenyon was commended for championing this project which would increase participation for cycle users including use of adaptive cycles and have benefits for both physical and mental health. With the addition of this funding, the project had only a small gap left to close to achieve full funding. The chief finance officer confirmed that he had discussed the allocation with the director of public health and the director for adults and wellbeing and that he was content with the proposed amendment. *(Proposed by cabinet member health and adult wellbeing, seconded by cabinet member commissioning, procurement and assets.)*

To create a new earmarked reserve for climate change action. It was noted that the action plan had not yet been published but was close to coming forward. It was recognised that having a reserve in place would allow the council to fund initiatives to take forward actions identified in the plan. The chief finance officer confirmed that he was content with this proposal. *(Proposed by cabinet member finance and corporate services, seconded by cabinet member environment, economy and skills.)*

Group leaders were invited to express the views of their group. Points noted included:

- Additional funding for children's services and for vulnerable adults was welcomed;

- Concern that the additional income from the council tax increase would be used up in paying for the review of the transport packages and covering the cost of recoupment of fund by the LEP;
- Concern that many care providers were experiencing difficulties and that future lack of accommodation capacity might increase the number of people being sent out of the county, investment in this areas was welcomed;
- The allocation of funding to the cycle track development was welcomed as it was felt that the track would be of great benefit.

It was agreed that:

That:

- (a) the following be recommended to Council;**
 - a. the council tax base of 69,756.19 Band D equivalents;**
 - b. an increase in core council tax in 2020/21 of 1.9%;**
 - c. an additional precept in respect of adult social care costs of 2% applied to council tax in 2020/21 resulting in a total council tax increase of 3.9%, increasing the band D charge from £1,514.70 to £1,573.77 for Herefordshire Council in 2020/21;**
 - d. the balanced 2020/21 revenue budget proposal totalling £157.1m, subject to any amendments approved at the meeting, specifically the net spending limits for each directorate as at appendix 3;**
 - 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) 2020-24 at appendix 1 be approved; and**
 - g. the treasury management strategy at appendix 4 be approved.**
- (b) the responses to scrutiny committee's recommendations as provided in paragraph 63 be approved;**
- (c) up to £200k of the public health grant be ring fenced as the council contribution toward the provision of the Hereford City Cycle Track; and**
- (d) a new earmarked reserve be created to support activities related to climate change.**

PUBLIC QUESTIONS TO CABINET – 30 January 2020**Question 1****Mr R Palgrave, How Caple****To: leader of the council**

I asked at the 8 March 2019 meeting if Council would bring to the attention of the Ministry of Housing, Communities and Local Government and Herefordshire MPs the Council's concern about climate change and the outcome of the Council's climate emergency vote that day. I also asked if Council would request help in developing its climate action plans. My point was that without central government support, Herefordshire Council cannot make sufficient progress on this most important issue. In response, the Leader said that climate change is a national and global issue going beyond the county boundaries, and agreed that we need to call on others to help. He went on to say that he knew that our MPs will be happy to help us address the issues I raised. What response has Council had from our MPs and from MHCLG?

Response

I note that the questioner highlights comments made by the previous Leader of the Council in March 2019. In responding to the climate emergency, the support of our MPs and central Government departments such as MHCLG will be important. Whilst I am not aware of any specific response being received, our national government has also declared a climate emergency and is supporting action by local authorities to address the climate emergency. In developing our action plans, officers will be following all appropriate government guidance including that provided by MHCLG. As Leader, I can assure you that the new administration takes the climate emergency very seriously and is committed to developing clear actions to achieve net zero by 2030/31. I will therefore be personally writing to our MPs and the Secretary of State for MHCLG to ask them to confirm what practical support they are able to provide to enable us to deliver our plans.

COUNCILLOR QUESTIONS TO CABINET – 30 January 2020**Question 1****Councillor William Wilding, Penyard Ward****To: cabinet member, environment, economy and skills**

Of the 285 councils to declare a climate emergency, only 35 seem to have published 'Action Plans'. Could you tell me when Herefordshire intend to publish a plan, and if the General Scrutiny Task and Finish Group on the Climate Emergency can see whatever plan has so far been prepared?

Response

The Council intends to publish its new Carbon Management Plan in April this year. This document will set out the Council's plan to reduce its own carbon emissions over the next 5 years and will set out an interim target on our journey to carbon neutrality by 2030/31.

The Council is also leading the development of a new countywide strategy and action plan which is being developed in partnership by a new carbon reduction steering group. We are currently planning a stakeholder engagement event in March to invite partners to further support the development of this strategy which it is anticipated would be published later this year.

I would also welcome the support of the new climate emergency task and finish group which I understand is currently supporting the development of these plans.

Question 2**Councillor Nigel Shaw, Bromyard Bringsty Ward****To: leader of the council**

The Marches LEP Board minutes for 26th November 2019 state that the Leader announced that he was giving an "in principle" agreement from Herefordshire Council to underwrite phase 2 of NMiTE and that he would take this offer to the Cabinet for approval on 19th December. This is now the second Cabinet meeting since the November LEP meeting and no such agenda item has yet been tabled. Following the comments made by Jesse Norman, Conservative MP for South Herefordshire in the House this week, will the Leader confirm that he has changed his mind and will not now be kowtowing to the LEP in that he will now not be asking this Council to further underwrite the LEP's funding to NMiTE by a further £5m?

Response

The Council is involved in high level discussions with Government, NMiTE and the Marches LEP and, with the support of our local MP, I am hopeful that the arrangements for releasing the funding of Phase 2 to NMiTE can be agreed in the very near future. I will update Members on this as soon as I am able.

Supplementary Question

All are in favour of NMiTE, the new university or college as I understand we are now to call them. To persuade the LEP that the council is fully behind the project the council has lent £300k on favourable terms, bought them the old National College for the Blind campus to share with the arts college at a cost of £6m, is building student accommodation in Station Approach which the council have underwritten and have underwritten the first LEP grant to the tune of £850k. I think

what the people of Herefordshire want to know is whether you are minded to increase further the council's risk on what the treasury calls a 'novel and contentious project' in further offering the LEP council guarantees to underwrite the next £5.7m of funding, an action that Jesse Norman seems to think is unnecessary.

Response

Negotiations are continuing. They are of a commercial and confidential nature. We had discussions this afternoon, are moving towards a conclusion and hopefully quite soon we will be able to announce something concrete on this.