

Minutes of the meeting of Cabinet held as Online meeting on Thursday 23 July 2020 at 2.00 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 Peter Jinman and Jenny Bartlett

Group leaders /
representatives in
attendance

Councillors Jonathan Lester, John Hardwick, Alan Seldon, Bob Matthews and Trish Marsh

Scrutiny chairpersons in
attendance

Councillors Elissa Swinglehurst, Carole Gandy and Jonathan Lester

Officers in attendance:

Chief executive, Director for economy and place, Solicitor to the council, Chief finance officer, Director for adults and communities and Assistant Director Education Development and Skills

158. APOLOGIES FOR ABSENCE

There were no apologies from members of the cabinet.

159. DECLARATIONS OF INTEREST

Councillor Hardwick for item 6 – declared an interest as a resident of Fownhope although the matter under consideration did not affect him to any greater extent than others in that ward.

160. MINUTES

Resolved: That the minutes of the meeting held on 25 June 2020 be approved as a correct record and signed by the Chairperson.

161. QUESTIONS FROM MEMBERS OF THE PUBLIC (Pages 9 - 12)

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

162. QUESTIONS FROM COUNCILLORS (Pages 13 - 14)

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

163. ALLOCATION OF POTHOLE AND CHALLENGE FUND 2020/2021 GRANT FOR HIGHWAY MAINTENANCE AND REALLOCATION OF CAPITAL PROGRAMME BUDGETS FOR PRIORITY FLOOD WORKS

The cabinet member infrastructure and transport introduced the report. He explained the impact of the flooding experienced in the county and the scale of repairs needed. The council needed to identify how the remaining high priority flood repair schemes totalling approximately £4m were to be funded. An allocation of £7.674m had been made to Herefordshire from the Pothole and Challenge Fund. The government had confirmed that the council could use this funding to address the flood damage. Efforts to secure additional funding from the government had so far been unsuccessful.

The cabinet member felt that as the Pothole and Challenge Fund monies were originally intended to address other improvements to the road network it was unfair that the council should now be expected to use some of this money to undertake repairs from the extraordinary flooding that had occurred. The cabinet member proposed that the £7.674m be added to the capital programme and allocated for the original purpose and that the council be asked to agree adjustments to the capital programme to find the funds needed to address the priority flood repairs.

In discussing the options for allocating funding cabinet members noted the following points:

- It was very disappointing that additional funding had not been made available by the government and both Herefordshire MPs had been asked to pursue this as a matter of urgency;
- The Pothole and Challenge Fund allocation should be spent as intended on the road network for the whole county;
- Lack of investment in the wider road network would deter visitors, impact on economic recovery and there may be further flooding to deal with in the autumn / winter 2020;
- When presenting the budget in February it had been highlighted that the council had not exhausted its capacity to borrow so that it had capacity to deliver on additional projects in the county plan;
- The current capital programme had been approved by council less than six months ago and the projects currently on the programme were intended to deliver on the adopted county plan;
- There were no easy options to reallocate funding from other projects on the capital programme;
- The cabinet should make a recommendation to council on how to fund the repair works, it was then open to council to debate this and agree a way forward;
- Borrowing the additional funds required was proposed as the least worst option as it would not prevent the council making the capital investments it wanted to.

Group leaders were invited to put comments and queries from their respective groups, it was noted that:

- Full discussion would take place at the council meeting;
- The logic of the proposals was understood;
- There was reluctance to see monies taken away from other projects;
- The allocation of funds from the Pothole and Challenge Fund had been communicated to the council before the flood damage occurred, but the details had only been announced after the flooding took place and with the caveat that it could be used for flood repair;
- There might yet be further funding from government so it was right to have the option to readjust allocations if this happened;
- The government had recently announced significant funding for flood defences so there might be an opportunity to restate the county's case;
- The savings on the Hillside project were welcomed;
- The ultimate source of all the funding options was the tax payer and the council should take care to rigidly monitor the scheme;
- Roadside landowners should be made to fulfil their responsibilities to maintain drains and other infrastructure to reduce highway flooding;
- Managed decline of the road network could not be allowed to continue.

Taking account of the points raised, the cabinet member infrastructure and transport proposed an amendment to recommendation (e) in the report to state that extended borrowing would be the proposed source of funding for the priority flood repairs. This

was seconded by the cabinet member finance and corporate services. The revised amendment was unanimously supported.

It was agreed that:

- (a) Cabinet recommend to Council that the £7.674m (Pothole and Challenge Fund 2020/21 grant allocation) be added to the capital programme as a new programme;**
- (b) Subject to the decision taken at Council in regard to the Pothole and Challenge Fund 2020/21 grant allocation, authorisation be given to commit this funding to deliver highway maintenance works in the current financial year, as detailed in paragraph 23 of this report;**
- (c) The director of economy and place be authorised to agree, through the contract governance arrangements, adjustment to the programme and budget allocation in the public realm services contract annual plan to include programmes of work funded by the Pothole and Challenge Fund in 2020/21;**
- (d) Cabinet recommend to Council that the £4.027m (Priority Flood Repair Works) be added to the capital programme as a new programme;**
- (e) Cabinet recommends to Council that priority flood repair works totalling £4.027m, as set out in paragraph 24 of this report, are funded through the use of extended borrowing (Option 1);**
- (f) subject to the decision taken at Council confirming the changes to the capital programme, the director of economy and place be authorised to procure the priority flood repair works; and**
- (g) In the event that new funds are made available by Government specifically to address the priority flood repair works, then those funds would be added to the Priority Flood Repair Works programme.**

164. BETTER WAYS OF WORKING REVISED IMPLEMENTATION

The cabinet member commissioning, procurement and assets introduced the item. She highlighted that the proposed changes had resulted from the council's response to the coronavirus epidemic. The staff survey carried out had a high response rate and showed positive feedback from staff regarding the new working arrangements that had been adopted. Increased remote working allowed the council to look at its property portfolio to see what savings could be made at a time when it would be facing financial pressures. The cabinet member noted an addition to recommendation (f) in the report whereby Ross-on-Wye town council would also be consulted regarding the reconfiguration and improvement works at the Ryefield Centre.

The assistant director corporate support explained that a decision on the future occupation of Elgar House needed to be taken now if the break clause was to be exercised. She set out the arrangement that would be in place for those staff members who needed access to an office and the options if social distancing measures were reduced. There would continue to be some services, particularly around social care, that would need to work from an office base and this had been taken into consideration. The capacity of the multi-agency offices in Leominster and Ross-on-Wye would be increased which would benefit the market towns and help reduce staff travel.

In discussing the report cabinet members noted that:

- Staff had responded positively and with flexibility to the changes in working practices;
- There might be unexpected and unintended consequences which the council should try to anticipate and be ready to respond to;

- Staff had reported better work-life balance as a result of increased home working;
- The council would need to make sure that staff working from home were given appropriate support to do so in a healthy way e.g. making sure appropriate equipment was used and regular screen breaks taken.

Group leaders were asked for the views and queries of their respective groups. It was noted that:

- The council workforce was very flexible and it was appropriate to consider the future of buildings that might not be needed any more;
- There was some concern that the response to the virus and expiring of leases was driving the changes and that the benefits of having staff under the same roof would be lost;
- Spaces such as the canteen in Plough Lane had been useful for making informal connections and it was hoped that these opportunities would not be lost;
- Moving to more remote and home working could have a positive impact for those with limited access to transport, disabilities or care responsibilities;
- Only 52% had responded to the staff survey, although this was a good rate compared with previous surveys it still meant that only just over half of staff had responded.

In response to queries raised it was explained that the decisions taken by cabinet in February had already set a lot in train and that the council had already taken steps to facilitate remote working such as replacing desk tops with laptops to aid flexible working and improving networks. This had allowed the council to move more quickly when the virus restrictions had been put in place. The changes had pushed teams to try new ways of working and had opened up opportunities.

It was agreed that:

- (a) based on an increase of home working, notice is served to terminate the lease of Elgar House by activating break clause making a base budget saving of £205k and disposing of the Old Priory in Leominster creating a base budget saving of £90k;**
- (b) Disposal of other sites in Hereford when operationally appropriate covering 1a, 8 and 10 St Owen's Street and Union Street offices creating a combined base budget saving of £100k with delegated authority to assistant director, technical services in consultation with the cabinet member for commissioning, procurement and assets;**
- (c) the timescale to serve notice on Nelson House is delegated to assistant director, technical services in consultation with the cabinet member for commissioning, procurement and assets;**
- (d) base budget of £60k is realigned from property services site running costs to cover annual revenue expenditure associated with the new model of working at Plough Lane;**
- (e) the Ryefield Centre in Ross on Wye is retained as a council base in the south of the county; and**
- (f) revised approved capital spend for BWOW of up to £850k based on:**
 - **reconfiguration and improvement works at the Ryefield Centre up to the value of £500k in consultation with the cabinet member for commissioning, procurement and assets and Ross-on-Wye Town Council;**
 - **allocation of up to £350k to deliver the better ways of working project through delegated authority to the assistant director corporate support in**

consultation with the cabinet member for commissioning, procurement and assets.

165. HERITAGE ACTION ZONE - LEOMINSTER

The cabinet member environment, economy and skills introduced the report and welcomed the collaboration between the council, Leominster town council and the local community. It was hoped that this model would be built on going forward. It was noted that this was the first report to be brought to cabinet with an explicit section on climate and ecological impact.

The cabinet member summarised how the project would progress and highlighted a correction to paragraphs 48 and 49 which should both start with 'we will'.

The cabinet member children and families commented that as a resident, town councillors and ward member in Leominster she was pleased to see this project coming forward.

In discussion of the report cabinet members noted that:

- The match funding was proportionate from each grant that businesses made so the figure set out in the report was a conservative estimate, while there was some concern whether businesses in the area would invest in the current economic climate other funds had shown sustained level of interest;
- The programme would have to be condensed to meet the March 2024 deadline for expenditure, officers were confident that the projects in year 1 could be delivered and then the remaining grant schemes could be re-profiled into years 2 and 3;
- The council would look at including conditions on the use of local labour.

Group leaders were invited to set out the views and queries of their group. It was noted that:

- Ward members reported that businesses in Leominster were looking to invest;
- The outcome of the project should be reviewed with a view to learning lessons that could be applied to other market towns.

It was agreed that:

- (a) The council enters into a funding agreement with The Historic Buildings and Monuments Commission for England (HBMCE) to deliver the Heritage Action Zone Programme in Leominster as per the Delivery Plan with an anticipated total budget of £3.6m from the capital programme (£1.8 of which is match funded) and £1.8m from HBMCE;**
- (b) The Director of Economy and Place, in consultation with Section 151 Officer, be authorised to take all operational decisions necessary to secure the funding agreement between the Herefordshire Council and The Historic Buildings and Monuments Commission for England;**
- (c) The Director of Economy and Place be authorised to sign all sub grant agreements (for the building grants) to grant recipients and take day to day operational decisions, including any variations to any sub grant agreements;**
- (d) The Director for Economy and Place, in consultation with Section 151 Officer, and approved by Cabinet Member for Economy, Environment and skills and Cabinet Member for Infrastructure and Transport, be authorised to sign any programme changes which may include identifying new projects in light of Covid19;**

- (e) **Section 151 Officer agrees that the Council provide forward funding grant payments to grant recipients up to a cumulative maximum of £500k over any quarterly period, pending drawn down of funds from the Historic Buildings and Monuments Commission for England.**

166. HEREFORDSHIRE MULTI - AGENCY PROTOCOL FOR CHILDREN AND YOUNG PEOPLE WITH DISABILITIES AND COMPLEX NEEDS - PREPARING FOR ADULTHOOD

The cabinet member children and families introduced the report and explained that the council wanted to ensure that young people with disabilities and complex needs had the maximum choice over their futures.

In discussing the report cabinet members raised the following key points:

- The protocol was an important document and this approach was a step forward in dealing with families differently;
- A smooth transition to adulthood was important;
- The equality and diversity statement was commended;
- The protocol would be kept under review;
- The children and adult teams worked closely together to produce this protocol and work was continuing to align processes beneath this protocol.

Group leaders were invited to express the views and queries of their group. The following points were noted:

- The importance of the protocol was recognised;
- Typographical corrections were needed for the final version of the protocol;
- It was suggested that the first paragraph under decision-making on page 9 of the policy could be better worded;
- It was suggested that the sections on resource panels and quality and monitoring on page 11 should better set out what was going to happen;
- The employment rate was very low and support to improve this was welcomed.

The chair of the children and young people scrutiny committee stated that employment, training and further education was always a challenge for this group of young people and would be made more so with the impact of Covid-19. It was particularly important for this group to have access to leisure and social activities with their peer groups although that might be difficult to deliver for the foreseeable future.

It was agreed to:

- (a) **Approve the Herefordshire Multi - Agency Protocol for Children and Young People with Disabilities and Complex Needs - Preparing for Adulthood;**
- (b) **Delegate the responsibility for reviewing and technical updating of the Protocol to the Head of Additional Needs.**

167. JOHN KYRLE HIGH SCHOOL AND SIXTH FORM: NEW PERMANENT ACCOMMODATION

The cabinet member commissioning, procurement and assets introduced the report. The assistant director education development and skills summarised the key points:

- The extension would be funded by grant monies from the Department for Education;
- There was a predicted growth in demand for secondary school places in Ross-on-Wye, as the only secondary school in the town John Kyrle High School was the logical choice to provide additional places;
- The extension would allow the school to provide an additional 30 places per year group starting in September 2021;

- It was proposed that the school would manage the build and manage the risk of any overspend, the council would pay grant monies on receipt of invoices to ensure appropriate expenditure;
- The grant was subject to the project obtaining planning permission.

In discussing the report cabinet members highlighted the importance of aiming for the highest environmental standards in buildings supported by the council and hoped that future projects would learn from this extension.

Group leaders expressed support for the proposal in light of housing growth in the area and the high standards at the school. The high environmental specification was welcomed as it was noted schools represented a large part of the council's carbon emissions.

It was agreed that:

- (a) Subject to securing planning consent, a grant of £2,300,900 be awarded to John Kyrle High School and Sixth Form to fund an extension to the John Kyrle High School & Sixth Form Centre to enable its permanent expansion from seven forms of entry (210 pupils per year group) to eight forms of entry (240 pupils per year group); and**
- (b) The grant being made subject to a requirement that the build be designed and completed with the objective of obtaining a BREEAM excellent or Passivhaus certification. £260k of the grant being allocated is specifically for this purpose.**

The meeting ended at 4.22 pm

Chairperson

PUBLIC QUESTIONS TO CABINET – 23 July 2020

Question 1

Mr T Pincham, Hereford

To: cabinet member, environment, economy and skills

With reference to point 9, "Capital Outturn" in the End of 2019/20 corporate budget and performance report considered by cabinet at its meeting of 25 June, noting that various development projects have been delayed due to COVID-19, is now the time to actually speed up key projects to stimulate much needed economic activity locally e.g. football ground development?

Response

Over the last few months since the outbreak began the council along with other public partners have been focussed on the response phase of the outbreak, ensuring that communities are safe, that those shielded or self-isolating had the support that they need, and that businesses received the national grant funds to sustain them during the lockdown period. During this period the majority of construction projects (private and public) paused work on site, and as did the development of new activity until the impact of Covid 19 were better understood. As the restrictions imposed by Government were lifted, the construction industry was able to restart with appropriate measures in place to operate safely. I'm pleased to say that the Council current key projects that are on site, the Shell Store, Cyber Centre and Station Approach student accommodation are all now progressing well to completion. All these projects are contributing to supporting the economy. As we move into the recovery phase, I agree that the right capital projects will have a role in supporting the economy. We will be looking at what projects are still right to take forward at this time and whether they could be accelerated to meet the priorities of our County Plan, improve the quality of life for local residents and enable the development of sustainable higher value employment opportunities for the future.

Supplementary Question

I note the Cabinet was originally due to approve the £14.375m investment for student and / or key worker accommodation, a community room and spectator provision located on Blackfriars Street at Hereford Football Club. However, the cabinet meeting of 31st March was obviously cancelled due to COVID-19 - so a decision to approve was postponed.

All three elements of this specific project have the potential to provide significant economic and social value to the city centre.

As such, may I ask when the council will now proceed with a technical design and full planning submission as originally planned for discussion by the Cabinet in March?

Response

I thank the questioner for their enthusiasm for this project. Clearly in light of the coronavirus crisis we do need to review our capital programme - that's work that's going on as we speak - and it is clearly of central importance to us as to the questioner to ensure that our capital investments deliver maximum economic and social value to the community and so that is the basis for doing this review and we will make decisions on specific projects as soon as possible.

Question 2

Mrs B John, Leominster

To: cabinet member, infrastructure and transport

I was delighted when the Department for Transport announced funding to help local authorities like ours implement Emergency Active Travel measures, and know that many councillors are very enthusiastic about implementing them. However, like me, I expect they were really disappointed to hear that the scheme put forward by the Council did not secure the full provisional allocation of £40,000 in phase 1. Herefordshire is one of just fifteen councils awarded around 50% or less of the provisional allocation.

In order for the Council to ensure they receive at least 100% of the indicative funding of £160,000, provisionally allocated to Herefordshire in phase 2, they will need to act on the feedback on why their first bid was only partially successful. What was the feedback from Government which the Council received on the bid for tranche 1?

Response

We were very disappointed that government did not award the full indicative allocation of £40,000 funding for the first phase of Emergency Active Travel Measures. The Council's application set out a range of measures that would facilitate active travel and support social distancing in Hereford City and the five market towns in Herefordshire but it would seem it was felt our measures were not sufficient to receive the full first tranche allocation. Other authorities that did better proposed setting aside more road space and implementing more road closures, something more difficult to do in our market towns and City where we often only have one lane of traffic in each direction, unlike bigger urban areas like London or Manchester. The initial feedback we got was short and vague and we have requested further detailed feedback on our bid to help inform the development of our bid for the second allocation later in the summer and will do all we can to achieve the full allocation of funds for Tranche 2.

Supplementary Question

I think it's a very good idea for the council to challenge the vague and cursory feedback received on the last bid. I understand that it is hard to compare Herefordshire with a large city like Manchester, however I understand Shropshire Council received its full allocation. I suggest Herefordshire Council liaises with the transport team in Shropshire Council to see what they submitted and to find out what they can learn from them for the next bid.

When will Herefordshire Council publish the more detailed feedback from central government for tranche 1 please?

Response

The minute we have that advice we'll publish it, we simply haven't had it and we've been chasing it which is very disappointing but the minute we have it we will share it and we have asked I think for about the third time now. In relation to the other points about Shropshire that's a very interesting one and I will make sure that we do liaise with Shropshire and I've also asked that we liaise with other organisations such as Sustrans and cycling organisations to make sure that we get the very, very best advice so we can get the very greatest allocation for the second tranche.

Question 3

Ms K Jamieson, Ross on Wye

To: cabinet member, commissioning, procurement and assets

I see from the agenda that John Kyrle is to be allocated a grant for a new science block. I am delighted to see the grant being made subject to a requirement that the build be designed and

completed with the objective of obtaining a BREEAM excellent or Passivhaus certification. £260k of the grant being allocated is specifically for this purpose.'

The wording in the report recommendation part b however is somewhat unclear as it says 'with the objective of obtaining this certification' rather than 'obtaining' and this is repeated several times in the report. Would the Council confirm that, as the management of the project is being handed over to the school, that the council will be checking that the building does indeed achieve the BREEAM or Passivhaus certification?

Response

Thank you for your question Ms Jamieson. You will have seen that Herefordshire Council recently released its new Carbon Management Plan and that we are fully committed to becoming carbon neutral by 2030. Schools are a key area of this plan, where we aim to reduce emissions by 40% over the next five years. To this end, Cabinet were unanimous in stipulating that as a condition of the grant, the extension at John Kyrle High school must meet BREEAM excellent or Passivhaus certification.

Since Cabinets condition to include sustainability features within this build, a significant amount of work has been undertaken by officers, the school and contractor to embed this ethos and alter design with BREEAM excellent the chosen method of sustainability. The contractor has confirmed that the extension itself will meet the standards of BREEAM excellent and it is extremely likely the overall project will achieve BREEAM Excellent certification, however this can only be confirmed once a BREEAM Pre Assessment has been conducted during the pre-design stage. The wording within the report is reflective for this reason.

Please be assured that although we are awarding a grant to the school, who will project manage the extension, they will still be accountable to Herefordshire council and funds will only be released on receipt of approved invoices. Officers have been and will continue to work closely with the school, meeting regularly with them and the contractor to make sure a number of obligations are being met, such as, achieving value for money, quality standards and that sustainability is at the forefront throughout both the design and build stage.

COUNCILLOR QUESTIONS TO CABINET – 23 July 2020

Question 1

Councillor Paul Symonds, Ross East Ward

To: leader of the council

In light of the proposed decision regarding the core strategy review, including community infrastructure levy, will the Leader please provide all Members with a proposed project plan for this showing when a report on adoption of CIL will be submitted for scrutiny.

Response

The report referenced by Cllr Symonds, which is currently in preparation, is due for a decision by the end of September and will include a recommendation regarding the preparation of a CIL alongside the Core Strategy Update. It will include a project timetable for the process required to develop, consider and adopt a CIL alongside the Core Strategy Update and this will be available for members to review as soon as the report is published. We will ensure that there are appropriate opportunities for scrutiny during the preparation of both the Core Strategy update and CIL, at key stages during the Core Strategy update process.

Supplementary Question

I take it then, that in the 12 months since this Council requested Cabinet to bring forward proposals for adopting Community Infrastructure Levy no work has been done to make this happen. Can the Leader therefore advise why this request has been ignored, or provide evidence of any work undertaken?

Whilst flooding and Coronavirus have been huge challenges, there were at least 6 months prior to these in which work could have been done to update previous draft proposals for Members' consideration. Whilst there were floods last year too of course, I don't imagine that led to the immediate disbandment of the strategic planning team.

A cynical person might think that the intention is to delay any decision until Herefordshire Council ensures it has captured all the income from planned major developments through s106, rendering adoption of CIL an academic exercise of little actual financial benefit to Town and Parish Councils.

Response

My belief Councillor Symonds is that this is a genuine delay - we have had exceptional circumstances. We are very open to either having a CIL or saying the current arrangement, we have no preconceived idea about which it should be so the process does need to be gone through correctly. There is a timetable in the answer which has been given and that will be followed through.

Question 2

Councillor Nigel Shaw, Bromyard Bringsty Ward

To: cabinet member, commissioning, procurement and assets

I would appreciate, in order to understand the financial rationale, a little more information in respect of Maylord Shopping Centre. Could such information as any rents outstanding from the

last quarter day (Jun 24th) and the business rate valuation for all units and empty units be made available?

Response

Thank you for your question Cllr Shaw.

We have 54 units in which the rateable value ranges from £6,000 to £94,500.

The question of arrears is somewhat complicated in that the previous owners invoiced the tenants for the June quarter rent, some of who made payment. The council's management company, Montagu Evans, is liaising with both the previous owner and the respective tenants to resolve this as soon as possible.

Given the complexities and potentially commercially sensitive information, I am happy to arrange a briefing for you, with officers, to go through the areas you have questioned including a full list of the rateable values for the premises within the Maylord purchase.

Supplementary Question

Thank you for your answer. I am concerned that the Council does not have an accurate grasp on the finances of its new purchase. I would welcome the opportunity to discuss the economics of the centre further with officers. I would also welcome an opportunity to speak with the new centre manager who I understand has been in place only since March.

To attempt to make a commercial success of this acquisition will likely need an investment of several million pounds. I hope that the administration recognise that and I look forward to seeing a costed business plan being published soon.

Prior to this quarter rent arrears stood at over £1/4 million and service charge arrears at over £60k, the main debt being from the immediate previous quarter. Has the new managing agent been given instructions to minimise the landlords shortfalls through a business rates minimisation program and by vigorously chasing rent and service charge debts?

Response

Written response provided:

As per my original response, I am happy to arrange a more detailed briefing with officers to brief you on the details you have requested. I can confirm that our agents Montague Evans are instructed to minimise landlord shortfalls and actively pursue the payment of rent and service charges due. I would also be happy to introduce you to the staff managing the site on the Council's behalf.