

SUPPLEMENT TO THE AGENDA FOR

Ordinary Council

Friday 19 July 2013

2.00 pm

Council Chamber - Brockington

**Supplement – 24 May Extraordinary Council Minute,
Agenda Item 4 Recorded Vote**

HEREFORDSHIRE COUNCIL

MINUTES of the meeting of Council held at Shire Hall, Hereford on Friday 24 May 2013 at 2.30 pm

Present: Councillor LO Barnett (Chairman)
Councillor ACR Chappell (Vice Chairman)

Councillors: PA Andrews, AM Atkinson, CNH Attwood, CM Bartrum, PL Bettington, AJM Blackshaw, WLS Bowen, H Bramer, AN Bridges, EMK Chave, MJK Cooper, PGH Cutter, BA Durkin, PJ Edwards, DW Greenow, KS Guthrie, RB Hamilton, J Hardwick, EPJ Harvey, AJ Hempton-Smith, JW Hope MBE, MAF Hubbard, RC Hunt, JA Hyde, TM James, JG Jarvis, AW Johnson, Brig P Jones CBE, JLV Kenyon, JF Knipe, JG Lester, MD Lloyd-Hayes, RI Matthews, RL Mayo, PJ McCaull, SM Michael, JW Millar, PM Morgan, C Nicholls, FM Norman, RJ Phillips, GJ Powell, AJW Powers, R Preece, PD Price, SJ Robertson, P Rone, A Seldon, P Sinclair-Knipe, GR Swinford, DC Taylor, GA Vaughan-Powell, PJ Watts and DB Wilcox

In attendance: Councillors

Officers:

12. APOLOGIES FOR ABSENCE

Apologies were received from Councillors: NP Nenadich and J Stone.

13. DECLARATIONS OF INTEREST

Cllr R J Phillips declared a non-pecuniary interest in item 5 as he is involved with the NJC board.

14. CHAIRMAN'S ANNOUNCEMENTS

The Chairman of the Council welcomed all to the Extraordinary Meeting of Council and explained the order of speaking that was proposed in respect of item 4, which was agreed.

The Chairman also told Council that three petitions had been received, each concerning matters relating to agenda item 4, Service Budget Reductions and Future Financial Planning. The Chairman explained that under the normal rules of the petitions code, petitions would not be received at extraordinary meetings, however, in view of the fact that the subject matter related to agenda item 4, she proposed a motion that Council rules be suspended in that respect, which was accepted unanimously. Whilst the first petition from 38 Degrees in respect of potential library closures exceeded seven thousand signatures and thus entitled the petitioner a right to address Council, the two petitions from Unison did not. Taking into account the subject matter of the petitions and the right of 38 Degrees to speak, the Chairman proposed a motion that a representative from Unison be also allowed to speak, suspending Council rules to allow this. Council accepted this unanimously.

Mr Perkins, on behalf of 38 degrees addressed Council, stating:

- When peoples' hopes and dreams were reduced, then so was their wellbeing.
- The 'books on prescription' scheme won an award last year.
- People out of work often don't have broadband at home so need libraries to access the internet.
- Cuts to libraries have been quoted as indicative of a culture in decline.

- The petition covered museums too and the boost to tourism they represented.

Steve Akers, on behalf of Unison addressed Council stating:

- The union recognised that this situation was not entirely of the Council's making, suffering a 50% cut in Rate Support Grant.
- Sought clarification on recommendation (c) of item 4 as to the proposed speed of any cuts.
- The current proposal represented a quick fix.
- The union was seeking to work with the Council as to alternative ways forward including an element of preserving redundancy rights for those at risk.
- The Council should listen to its greatest asset, its staff for ideas for efficiency and doing things right.

15. SERVICE BUDGET REDUCTIONS AND FUTURE FINANCIAL PLANNING

Councillor AW Johnson, the Leader of the Council, presented the report. Councillor MAF Hubbard asked if Councillor Johnson was willing to remove recommendation (b) from the recommendations and he confirmed that he was. Council agreed the alteration to the recommendation. Accordingly, recommendation (c) became recommendation (b) and so on.

In presenting the report, Councillor Johnson made the following points:

- The Council is facing the worst financial challenge it has had in its fifteen year history.
- To manage this budget needs a change of pace, it can be viewed as 'Root and Branch II' it is just the pace that has picked up.
- Nothing upsets people more than a change of pace, but there is nothing suggested in this review that would not have to be looked at in any event. Though actually seeing this in practice is discomfoting.
- There are no real alternatives and this is why no alternative budget proposal has been put forward.
- The expectation of cuts in the comprehensive spending review from government will certainly be 10% if not more. By 2015 the Council will have had to find £54m in cuts over the previous 5 years.
- The correct net budget total set in February 2013 was correct, despite the £3.8m accounting error. This, together with the anticipated reductions in the comprehensive spending review means the Council has to set these savings for future years.
- Reference to the budget being 'flawed' was incorrect. The budget was agreed over some fifty stages and was examined by six Overview and Scrutiny task and finish groups.
- There is a common public misconception that Council Tax pays for all the Council's services where in reality only 24% comes from this source. The largest part comes from the central government grant. The Council will have lost one third of this grant over the last three years and 50% by 2015.
- No decision to close libraries or museums has been made and the report makes it clear that we are starting the process of consultation with stakeholders with the results to be presented in a report to Cabinet in September. It would be madness to set about damaging that which is held dear, but a decision to keep some services would be at the expense of

others. We need to discuss how we can use declining resources to protect services as these pressures are unavoidable.

Councillor AW Johnson proposed the recommendations, seconded by Councillor PGH Cutter.

Councillor RB Hamilton then proposed an amendment to the recommendations as follows:

To add:

- (d) As part of the budget setting process for 2014/15 that Cabinet engages fully with all Members, Overview & Scrutiny Committees, Parish Councils, Business, the Third Sector, Residents of Herefordshire and local media to ensure a good, consistent understanding of the Councils financial position and its priorities including its income and expenditure, revenue and capital position; to enable an effective dialogue that ensures that the Council has a good understanding of peoples priorities and those that are valued by the wider community.**

- (e) That the Cabinet as part of the process described in (d) considers holding a public referendum so that local residents have the opportunity to indicate their views regarding the level of Council Tax necessary to meet the cost of those services that meet statutory obligations, support vulnerable people and are of value to the wider community.**

The proposed amendment was seconded by Councillor MAF Hubbard.

Councillor RB Hamilton then spoke to the amendment stating:

- He originally raised these ideas some two years ago and since then, his views in this regard had strengthened, bearing in mind the unprecedented challenges faced.
- It was necessary to explain a complex situation to all constituents which would not be an easy task. Cllr Hamilton believed that the Council was not yet getting the message across with the clarity needed. An example of this was the difference in funding for the old market development and the 16,500 new homes proposed.
- 1000 new homes at band 'd', by way of example, would bring in £1.2m of new funding into the Council's baseline.
- Currently the Council did not have sufficient income to maintain the current level of services.
- In doing so the Council had already declared its commitment to meeting statutory obligations and supporting vulnerable people as a baseline.
- The proposed amendment was aimed at next year's budget setting exercise and Members should set aside party political differences to achieve a sound financial future.

In the discussion that followed the following points were made:

- That the report represented a consolidated piece of work that could form a sound basis for discussion. The proposals went a long way to engaging and taking peoples' views
- Not following the proposals was unthinkable, bearing in mind the scale of the cuts to meet the budget.
- Previous warnings about the budget being undeliverable had been ignored.

- The eyes of the parties not in power would be firmly fixed on what was best for the County.
- That a referendum would cost in excess of £100k which could translate into the loss of a particular service or job. Therefore, was it really necessary in order to agree a modest increase in Council Tax.
- The Council was currently only considering whether to hold a referendum and if it was held the Council must listen and take note.
- A referendum, if held, would potentially present a mandate to make the necessary reductions.
- Is there a need for a referendum if the Council can communicate more effectively with the public in future?
- The Council needs to be more progressive in how it communicates with its residents. Once it has engaged the public it can move on with them.
- Libraries represent a modest percentage of the Council's budget in proportion to benefit.
- The more vulnerable in society are less able to orchestrate and campaign than those seeking to safeguard arts and cultural services.
- That the third sector are under-appreciated and have a potentially important role to play in helping maintain services under threat.
- That the Council was not closing libraries in the Market Towns and the City. Consideration should be given to sharing a village library building with another service.
- By way of perspective a 1p Council Tax rise would give the Council an extra £80k. A twelve and a half pence rise would give just under £1m.
- Definition was needed on what is a mandatory service, what is a core or essential service, what should be considered areas of family responsibility and what is Council responsibility?
- Is commissioning the right way forward?
- Consider enhancing what we have such as the art college and the outstanding landscape.
- £90m investment in the old market equates to £90k per job as approximately 1000 jobs are expected to result from the development.
- In response to a question it was stated that investment in the Old Market had not come from the Council, but from outside.
- Tourism is earning the County as much in income as agriculture and this should be supported.
- A proper debate is needed to see what sort of county is wanted in the next 20 years.

Councillor RJ Phillips suggested that the proposed amended Motion be revised to include Council Staff among the list of consultees in recommendation (d). Councillor RB Hamilton agreed to this amendment.

A vote was held as to whether to agree the amendment to the recommendations in the report. The results of this vote are contained in Appendix 1 to the minutes.

RESOLVED: to allow the amendment, including "Council staff" among the consultees in recommendation (d).

Council then discussed the report and recommendations during which the following points were raised:

Regarding Libraries and culture

- Libraries do much more than lend books and their services include IT facilities, language services and provide accommodation for local groups and careful thought needs to be given as to the impact on these.
- For those libraries not in the market towns, individual consideration needs to be given as to their future and any solutions on a case by case basis.
- A lot of cultural services run by the Council are already supported by the voluntary sector.
- Arts and culture contribute to the health and wellbeing of the County.
- For every £1 invested in culture £4 is returned, in the case of the Courtyard for every £1 invested £37 is returned.
- A huge amount of visitors and money is generated from the County's ambience and countryside and this side of our culture should not be overlooked. Cutting cultural services flies in the face of economic development.
- 60% of the people surveyed said no cuts should be made to cultural services.

Regarding public amenities

- Closing of public amenities is turning the clock back and making unfavourable impact in the national press.
- Consideration is being given to others taking over the running of these facilities
- Only 4 out of 25 facilities are shut at present and to date there has been a good take up of the community toilet scheme. Such schemes are already in place in Merton, Surrey, Cardiff and elsewhere

Regarding council staff:

- It should be recognised that trained staff in posts often cannot be replaced.
- Volunteers should not be exploited who are often not able to replace qualified staff.
- A recent Department of Culture, Media and Sport report warns local Authorities to keep enough qualified staff to develop a service rather than just maintain it.
- A recent British Medical Association report confirms that where cuts are made this often increases stress in staff who remain.
- Council staff are on very short notice periods in comparison to other organisations.

In relation to social care:

- There will always be a risk of overspend in adult social care as it is in the nature of the County demographic with this risk only ceasing each time that budget concludes for the year.
- The choice is a difficult one but the Council must continue to look after vulnerable people.
- There are over 300 safeguarding calls per month and over 1600 children in the safeguarding system.

In general discussion:

- It was suggested that crucial decisions as to services need to be brought back to Council as consultations appear not to be heeded. However it was felt that nothing would get done if everything were brought back to Council.
- That overview and scrutiny must now play a vital role.
- The Council has sold assets and spent money to effectively create shop assistants.
- Projects such as the Yazor Brook scheme, the 'Connect2' bridge and the aborted IT project show a history of mismanagement in the County.

- The Council, unlike many other Local Authorities at present has no reserves.
- The report as presented does not permit traceability of changes to the lines of saving since the budget report in February.
- The 'risks' identified in paragraph 15 of the report do not include social risk. What is proposed is a risk to the County and its future. Without leisure, the environment and tourism young people born here will move away. A wider identification of risk is needed.
- MP's should be lobbied to make an effort on the County's behalf to secure better funding.
- A full day meeting should be held with the local MP's to help solve some of the issues faced.
- It was felt that opportunities to make money from waste and local energy production were being missed.

The Leader of the Council then spoke confirming that he considered the debate had been in the main constructive and noted how much was agreed upon. The Leader then addressed the points made in the discussion.

- It would take a 10% rise in Council Tax to make up the £8.3M deficit.
- There had been an erosion in public trust, but the current problems had not been created by the current administration.
- Bill Wiggin MP had already secured £ ¾ M funding to reflect Herefordshire's rurality.
- The contribution to the Council's budget through Council tax was virtually identical to the money spent annually on the vulnerable.
- A seminar has been arranged for Members to better understand the budget issues

Group Leaders then spoke, during which they stated:

- The Council should make representations to the relevant ministers.
- The Members must work together at this difficult time.
- Lack of reserves in the Council does not permit the flexibility of other councils.
- The report represents an overall set of figures with vague proposals only.

The motion was put to the vote and the vote was as shown in Appendix 1 to the minutes.

RESOLVED THAT:

- (a) Following the completion of the budget review the necessary steps are taken to deliver a balanced budget in 2013/14;**
- (b) Confirmation that any movement of budget to reflect these changes will be progressed in accordance with the constitution requirements as and when individual elements are approved following any necessary consultation;**
- (c) Equality Impact Assessments will be undertaken on proposals as necessary;**
- (d) As part of the budget setting process for 2014/15 that Cabinet engages fully with all Members, Overview & Scrutiny Committees, Council Staff, Parish Councils, Business, the Third Sector, Residents of Herefordshire and local media to ensure a good, consistent understanding of the Councils financial position and its priorities**

including its income and expenditure, revenue and capital position; to enable an effective dialogue that ensures that the Council has a good understanding of peoples' priorities and those that are valued by the wider community; and

- (e) The Cabinet as part of the process described in (d) considers holding a public referendum so that local residents have the opportunity to indicate their views regarding the level of Council Tax necessary to meet the cost of those services that meet statutory obligations, support vulnerable people and are of value to the wider community.

16. DETERMINATION OF TERMS AND CONDITIONS OF STAFF

The Leader of the Council presented the report and proposed the recommendations. Councillor RJ Phillips seconded the recommendation, subject to the deletion of recommendation (b), which Council accepted. Council confirmed that it was content to vote on this item on the voices.

RESOLVED UNANIMOUSLY THAT:

an additional power number 7 be inserted in the Constitution, in the specific delegations to the Chief Executive, to read "To determine the terms and conditions of employment of staff in accordance with the Employment Procedure Rules (part 4 paragraph 4.9.6)".

The meeting ended at 5.35 pm

CHAIRMAN

HEREFORDSHIRE COUNCIL

Notice of Motion

Amendment to recommendation

Ag. It. 4.

NAMED VOTE LIST OF Members present at the time of voting

24 MAY 2013 – EXTRAORDINARY COUNCIL

I shall call out the names of all Members present and request that they clearly state whether they are for or against, or are abstaining from voting.

Councillor	FOR	AGAINST	ABSTAIN	Councillor	FOR	AGAINST	ABSTAIN
Barnett Olwyn	✓			Jones CBE, Brig Peter	✓		
Andrews Polly	✓			Kenyon Jim	✓		
Atkinson Andrew	✓			Knipe Jim	✓		
Attwood Carl	✓			Lester Jonathan	✓		
Bartrum Christopher	✓			Lloyd-Hayes Marcelle	✓		
Bettington Phill	✓			Matthews Bob	✓		
Blackshaw Adrian	Apols			Mayo RL	✓		
Bowen Sebastian	✓			McCauli Peter	✓		
Bramer Harry	✓			Michael Sharon	✓		
Bridges Adrian	✓			Millar Jeremy	✓		
Chappell Chris	✓			Morgan Patricia	✓		
Chave Liz	✓			Nenadich Nick	Apols		
Cooper Mark	✓			Nicholls Charles	✓		
Cutter Phillip	✓			Norman Felicity	✓		
Durkin Barry	✓			Phillips Roger	✓		
Edwards Phil		✓		Powell Glenda	✓		
Greenow Dave	✓			Powell Graham	✓		
Guthrie Kema	✓			Powers Anthony	✓		
Hamilton Russell B	✓			Preece Bob	✓		
Hardwick John	✓			Price Philip	✓		
Harvey Liz	✓			Robertson Sally	✓		
Hempton-Smith Alexander	✓			Rone Paul	✓		
Hope MBE, John	✓			Seldon Alan	✓		
Hubbard Mark	✓			Sinclair-Knipe Peter	✓		
Hunt Roger	✓			Stone John	Apols		
Hyde Jenny	✓			Swinford Gary	✓		
James Terry	✓			Taylor David	✓		
Jarvis John	✓			Watts Peter	✓		
Johnson Tony	✓			Wilcox Brian	✓		

TOTALS	FOR	54	AGAINST	1	ABSTAIN	0
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Uganda Item 4

Substantive Motion

HEREFORDSHIRE COUNCIL

NAMED VOTE LIST of Members present at the time of voting

24 MAY 2013 – EXTRAORDINARY COUNCIL

I shall call out the names of all Members present and request that they clearly state whether they are for or against, or are abstaining from voting.

Councillor	FOR	AGAINST	ABSTAIN	Councillor	FOR	AGAINST	ABSTAIN
Barnett Olwyn	✓			Jones CBE, Brig Peter	✓		
Andrews Polly			✓	Kenyon Jim		✓	
Atkinson Andrew	✓			Knipe Jim			✓
Attwood Carl	✓			Lester Jonathan	✓		
Bartrum Christopher		✓		Lloyd-Hayes Marcelle	✓		
Bettington Phill	✓			Matthews Bob			✓
Blackshaw Adrian	✓			Mayo RL	✓		
Bowen Sebastian	✓			McCaull Peter			✓
Bramer Harry	✓			Michael Sharon			✓
Bridges Adrian			✓	Millar Jeremy	✓		
Chappell Chris			✓	Morgan Patricia	✓		
Chave Liz			✓	Nenadich Nick	Apols		
Cooper Mark	✓			Nicholls Charles	✓		
Cutter Phillip	✓			Norman Felicity			✓
Durkin Barry	✓			Phillips Roger	✓		
Edwards Phil				Powell Glenda			✓
Greenow Dave	✓			Powell Graham	✓		
Guthrie Kema	✓			Powers Anthony	✓		
Hamilton Russell B	✓			Preece Bob	✓		
Hardwick John			✓	Price Philip	✓		
Harvey Liz	✓			Robertson Sally			✓
Hempton-Smith Alexander	✓			Rone Paul	✓		
Hope MBE, John	✓			Seldon Alan			✓
Hubbard Mark	✓			Sinclair-Knipe Peter	✓		
Hunt Roger	✓			Stone John	Apols		
Hyde Jenny	✓			Swinford Gary			✓
James Terry			✓	Taylor David	✓		
Jarvis John	✓			Watts Peter	✓		
Johnson Tony	✓			Wilcox Brian	✓		
TOTALS	FOR	38	AGAINST	2	ABSTAIN	15	