

MINUTES of the meeting of COUNCIL held at The Shirehall, St Peter's Square, Hereford on Friday 6 March 2009 at 10.30 am

Present: Councillor J Stone (Chairman)
Councillor JB Williams (Vice Chairman)

Councillors: PA Andrews, WU Attfield, LO Barnett, CM Bartrum, AJM Blackshaw, WLS Bowen, ACR Chappell, ME Cooper, PGH Cutter, GFM Dawe, BA Durkin, PJ Edwards, MJ Fishley, JP French, JHR Goodwin, AE Gray, DW Greenow, KG Grumbley, KS Guthrie, JW Hope MBE, MAF Hubbard, B Hunt, RC Hunt, TW Hunt, JA Hyde, TM James, JG Jarvis, P Jones CBE, MD Lloyd-Hayes, G Lucas, RI Matthews, PJ McCaull, R Mills, PM Morgan, AT Oliver, JE Pemberton, RJ Phillips, GA Powell, PD Price, SJ Robertson, A Seldon, RH Smith, RV Stockton, JK Swinburne, AP Taylor, DC Taylor, AM Toon, NL Vaughan, WJ Walling, PJ Watts, DB Wilcox and JD Woodward

39. PRAYERS

The Very Reverend Michael Tavinor, Dean of Hereford, led the Council in prayer.

40. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors: H Bramer, DJ Benjamin, SPA Daniels and H Davies.

41. DECLARATIONS OF INTEREST

Councillor ACR Chappell declared a personal interest in Agenda 6, 3.1 as a governor at the Hereford Academy.

42. MINUTES

RESOLVED: That the minutes of the meeting held on 17 February 2009 be approved as a correct record subject to the following amendments to Minute 28 - Formal Questions From Councillors to the Cabinet Members and Chairmen under Standing Orders and Minute 29 – Notices of Motion under Standing Orders.

Minute 28 - Councillor RI Matthews' supplementary question to read:

“The Member expressed disappointment in the answer provided as he stated that the suspension of Section 106 requirements for commercial development on Council industrial estates only, did not provide a level playing field for the construction industry generally. Section 106 requirements are having a detrimental effect on local small builders and builders' merchants alike, causing a number to either close down or put off large numbers of staff. It was requested that the Cabinet Member also consider removing these requirements from small housing developments, as was recommended by forward-planning officers some months ago.”

Minute 29, which immediately follows the announcement on an adjournment.

“Prior to the adjournment, Councillor PJ Edwards, as Chairman of the Strategic Monitoring Committee, presented the Chairman of Council and the deputy Leader with copies of letters regarding concerns relating to smallholding sales from individual and county bodies representing the agricultural industry. At the commencement of the debate on the Notice of Motion on Smallholdings, Councillors: PJ Edwards, DW Greenow and RJ Phillips left the room.”

43. CHAIRMAN'S ANNOUNCEMENTS

The Chairman informed Council of the tea party he attended, which was hosted by the Mayor of Hereford City, to welcome visitors from the Bangladesh Ministry of Education along with two head teachers in relation to the Connection Classrooms Programme. He stated this was a new initiative managed by the British Council to foster cultural understanding and relationships between the UK and Bangladesh, Afghanistan and Pakistan. The Herefordshire schools involved were: Llangrove Primary, St Joseph's RC Primary, St Mary's CE Primary at Fownhope and Wigmore.

Council and members of the public were reminded of the Civic Service to be held on 15 March at the Cathedral followed by afternoon tea at the Town Hall.

The Chairman brought to Council's attention the structure of how the discussion and debate would be carried out on the matter of the Revenue Budget and Council Tax for 2009/10.

44. QUESTIONS FROM MEMBERS OF THE PUBLIC

Copies of all public questions, received by the deadline, with the written answers were distributed prior to the commencement of the Council meeting. Following on from the adoption of changes to questions from members of the public each member of the public who has lodged a written question is permitted to ask one supplementary question, should they wish to do so. No supplementary questions were asked.

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

There were no written questions received from Councillors.

The Cabinet Member ICT Education and Achievement referred to the supplementary question at 2.2 of the Minutes of 17 February, asked by Councillor AT Oliver, and advised that he would contact the Councillor direct regarding the answer provided in the Minutes.

46. NOTICES OF MOTION UNDER STANDING ORDERS

There were no Notices of Motion.

47. CABINET

The Leader of the Council, Councillor RJ Phillips, presented the report of the meeting of Cabinet held on 19 February 2009, which set this year's Financial Strategy and Revenue Budget. He stated that due to the international financial situation the draft Financial Strategy of last year had had to be revised. He added that the speed of the turnaround due to the international financial situation had been

remarkable and that the Council were living in challenging and interesting times. In referring to the Government's three year settlement for local authorities he stated that it gave the authority the opportunity to plan the budget for services and was to be welcomed.

The Leader referred to:

- The Council's targets for efficiency savings which he believed were achievable.
- The need for financial discipline and thanked the Director of Resources for the seminar he had provided for Members explaining the budget in the current financial situation.
- In referring to reductions in interest rates on savings, and the effect this had had on families with family members in residential care, he anticipated that there would be a reduction in care fees obtained for those in residential care; and it was anticipated there would be an increase in the number of those in residential care falling into the category that would be paid for from the Council tax.
- The environmental landfill tax and refuse collection contract, adding that the administration was keen to see weekly collections continue along with kerbside collection of recyclables for 90% of the County.
- National focus on safe guarding children and vulnerable adults along with the Criminal Records Bureau (CRB) checks to be carried out.
- Recognising the impact the economic downturn was having on the number of families being made homeless and how the capital budget had been used to address some of the issues by providing a mortgage rescue scheme to assist families in being able to stay in their own homes.
- The Local Government Association looking nationally to see what could be done to support shops and that Rotherwas Futures, backed by Advantage West Midlands, was encouraging and assisting businesses to move to the area.
- Additional support for smallholdings with funding of £500k per year for the next three years to spend on the smallholdings estate.
- £1m to be taken from reserves to support projects such as the Merchant House at Ledbury and the Market House at Ross-on-Wye and the impact these and other projects would have on the budget.

The Leader advised that he had met with the Education Minister to discuss poorly funded educational services in the County, highlighting the high quality education provided and the extra cost on services due to the county covering a large rural area. He recommended the report to Council and believed the budget was practical and met some of the risks, also recognising the strategy for the next three years needed to be one of caution whilst looking after the vulnerable members of the community. The Cabinet Member Corporate and Customer Services and Acting Cabinet Member for Resources seconded the recommendations outlined in the report.

Councillor RI Matthews stated he appreciated the difficult situation the country was in and the impact this had on residents in the county. He referred to Risk Management and services that were currently supported through specific grants and the impact there could be should those grants no longer be available if there were to be a change in priorities. He also referred to the capital receipts and the additional funding from the smallholdings sale. Councillor Matthews supported the recommendation for a 3.9% increase in Council tax.

Councillor PJ Edwards added that he felt now was the right time to borrow and fund projects, but referred again to the rise in cost to a Band D Council tax rate. He hoped that any future new development of the livestock market would be kept within

£5m.

Councillor TM James reminded Council of his reasons for abstaining on the budget strategy five years previously, which related to the Social Care budget and the Connects Project with the proposed savings of £12m. He felt the 3.9% Council tax rise was not sustainable and could not continue year on year. He felt the Council could be putting itself in the position of making cuts in services next year and therefore, did not support the proposed budget.

Councillor ACR Chappell stated he felt the government had failed to recognise the needs of rural counties. He supported the Council tax rise but reminded Council of the need for the authority to protect the most vulnerable and those either on low wages or unemployed.

Councillor AM Toon spoke on Local Area Agreements and the government funding received, requesting that a report be provided on the amount received and where funds had been allocated. The Councillor referred to the Hereford Academy costs, the efficiency savings all councils were making and the Herefordshire Connects project with regard to its scrutiny. Councillor Toon added that she did not support the budget proposals.

Councillor MD Lloyd-Hayes asked a question on the future lease of the offices at Plough Lane and referred to the number of young people in Hereford City compared to Leominster and the lack of youth services provided for young in the north of the City.

Councillor AT Oliver asked a question on the preferred bidder for the building of the new Hereford Academy, who was also the preferred bidder for the building of the livestock market, and questioned whether it was acceptable to have one company dealing with both projects. He asked what the estimated rental would be for the new stalls for the Hereford Open Market and what the expected revenue would be. It was stated that it was inappropriate to give any details on the open market at present.

Councillor JD Woodward also referred to the provision of a youth centre in Leominster and although supported it, felt that the same needed to be provided in the city and was disappointed that no provision had been made in the budget. Councillor Woodward referred to the homeless and the rent deposit scheme and whether that had ceased.

Councillor JP French, Acting Cabinet Member Resources, paid tribute to the Director of Resources and his management team for their work on the budget. Regarding efficiency savings in relation to the Hereford Connects project, she advised that the figures were correct. In referring to the point made on the merging of the PCT and the Council, she advised that this was incorrect and that it was a deep partnership, adding that efficiency savings would be achieved, but the budget was still challenging.

Councillor DB Wilcox, Cabinet Member Highways and Transportation, referred to subsidies for bus services and advised the Council currently spends £2.3m of which one and a quarter came from external sources with concessionary fares receiving £543k grant, leaving a significant sum for the Council to provide and putting substantial pressure on the budget. The Cabinet Member reminded Council of the forthcoming seminar on the future of bus services on 21 March. With regard to youth services for north of the river Wye the Cabinet Member advised that discussions were taking place with the relevant Cabinet Member and officers.

Councillors: A Seldon and RH Smith both supported the budget proposals.

Councillor SJ Robertson spoke of the impact of the downturn in the national economy on local businesses and whether a reduction in business rates could be made to provide relief for businesses.

In response to a question on homelessness and the possibility of a rise in the number of families homeless, the Cabinet Member Social Care Adults advised Council that as at 24 February there were no families in bed and breakfast accommodation, adding that she supported the budget.

The Leader stated the importance of safe stewardship of the budget in difficult times, adding that future potential capacity had been built into the budget. With regard to the question on business rates he stated there needed to be a national initiative from central government. With reference to the lease on the Plough Lane offices he stated there were continuing talks with the owner and referring to the issue of CRB checks he stated the matter was being investigated. The Leader also paid tribute to staff in the Resources Directorate for their work on the budget proposals.

RESOLVED: That the report from the meeting of Cabinet held on 19 February 2009 be received.

48. COUNCIL TAX RESOLUTION 2009/10

Following the debate on the Council tax the Leader proposed the budget as outlined in the report. Following the vote the budget was approved with 47 votes for and 6 against.

RESOLVED

THAT:

- 1) **In respect of the Council's 2009/10 Budget:**
 - a) **a council tax of £1,175.24 be levied (at Band D);**
 - b) **service areas contain expenditure within "cash limits" i.e. outturn budgets with no further allowance for pay or price inflation beyond that already provided;**
- 2) **in respect of council tax for 2009/10 the following amounts be approved by Council for the year 2009/10 in accordance with Sections 32 to 36 of the Local Government Finance Act 1992;**
 - a) **£325,731,480** **being the estimated aggregate expenditure of the Council in accordance with Section 32(2)(a) to (e) of the Act;**
 - b) **£185,624,124** **being the estimated aggregate income of the Council for the items set out in Section 32(3)(a) to (c) of the Act;**
 - c) **£140,107,356** **being the amount by which the aggregate at (a) above exceeds the aggregate at (b) calculated by the**

Council in accordance with Section 32(4) of the Act, as its total net budget requirement for the year;

- d) £55,378,780 being the aggregate of the sums which the Council estimated will be payable for the year into its general fund in respect of redistributed non-domestic rates, revenue support grant, additional grant or relevant special grant, increased by the transfer from the Collection Fund;
 - e) £1,209.34 being the amount at (c) above less the amount at (d) above all divided by the amount of the Council Tax base calculated by the Council, in accordance with Section 33(1) of the Act, as the basic amount of its Council Tax for the year;
 - f) £2,389,356 being the aggregate amount of all special items referred to in Section 34(1) of the Act;
 - g) £1,175.24 being the amount at (e) above less the result given by dividing the amount at (f) above by the amount of the Council Tax base calculated by the Council, in accordance with Section 34(2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no special item relates;
 - h) that the precepting authority details incorporated in Annex 1 (i-v), relating to Special Items, West Mercia Police and Hereford and Worcester Combined Fire and Rescue Authority be approved in accordance with Sections 30(2), 34(3), 36(1) and Section 40 of the Local Government Finance Act 1992; and
- 3) pursuant to the requirements of the Local Government (Functions and Responsibility) (England) Regulations 2000, any decisions on the application of reserves and balances as required from time to time during the financial year be taken by Cabinet.

The meeting ended at 12.00 pm
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CHAIRMAN