

MINUTES of the meeting of Council held at The Shirehall, St Peter's Square, Hereford. on Friday 5 March 2010 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, H Bramer, ACR Chappell, ME Cooper, PGH Cutter, SPA Daniels, H Davies, 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, Brig P Jones CBE, MD Lloyd-Hayes, G Lucas, RI Matthews, PJ McCaull, PM Morgan, AT Oliver, JE Pemberton, RJ Phillips, GA Powell, PD Price, SJ Robertson, A Seldon, RH Smith, RV Stockton, AP Taylor, DC Taylor, AM Toon, NL Vaughan, WJ Walling, PJ Watts, DB Wilcox and JD Woodward

In attendance: Councillors

73. PRAYERS

Canon Andrew Piper, Preceptor of Hereford Cathedral, led the Council in prayer.

74. APOLOGIES FOR ABSENCE

Apologies were received from Councillors DJ Benjamin, R Mills, JK Swinburne.

75. DECLARATIONS OF INTEREST

There were none.

76. MINUTES

RESOLVED: That the minutes of the meeting held on 5 February 2010 be approved as a correct record and signed by the Chairman.

77. CHAIRMAN'S ANNOUNCEMENTS

The Chairman reported the death of former Councillor Nigel Davies. The Council stood in silence as a mark of respect.

Councillor Davis started his service as a Hereford and Worcester County Councillor in May 1985 when he was elected to the Dore and Bredwardine Division and served until May 1993. Councillor Davies was elected to Herefordshire Council in May 2003 and stood down in 2007. He was a highly regarded local community leader serving in many capacities within his community for many years. In later years he suffered from ill health but continued his public work and was a true example to all.

Councillor Davies was a very committed Councillor and with his farming background his main interests revolved around rural matters including being a member of the Agriculture Sub Committee whilst serving as a Hereford and Worcester County Councillor and being involved

in the Smallholdings Selection Panel during his elected time as a Herefordshire County Councillor.

Members were informed that the meeting would be the last meeting of Council attended by Annie Faulder, the Interim Deputy Chief Executive and Sharon Menghini, the Director of Children's Services. Thanks were expressed to both for their services to the Council and the Chairman wished them well in their future ventures.

A petition had been received from Holmer Parish Council Residents regarding improvements and speeding in Attwood Land / Church Way and had been presented to the Chairman from Councillor SJ Robertson. The petition was presented to the Cabinet Member Highways and Transportation.

78. QUESTIONS FROM MEMBERS OF THE PUBLIC

Copies of all public questions received by the deadline, with written answers, were distributed prior to the commencement of the meeting. Supplementary questions were asked by Mr P McKay. A copy of the public questions and written answers together with the supplementary question and answer are attached to the minutes as Appendix 1.

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

Following a request for the written questions to be made available more than 15 minutes prior to the start of the meeting, the Chairman advised Council that this request would be put to the Constitutional Review Working Group for consideration.

80. NOTICES OF MOTION UNDER STANDING ORDERS

The Chairman moved urgency on the notice of motion received on The Personal Care at Home Bill which was moved and seconded.

In seeking the support of Council to the notice of motion the Cabinet Member for Adult Social Care, Health and Wellbeing stated that:

- Whilst she fully supported the provision of care to the vulnerable in the community, especially those dealing with chronic or life threatening diseases, there were concerns that the Bill was raising people's expectations.
- Prominent people had stated that the Bill was flawed and, as it was due to be enacted for October 2010, this would be a difficult situation for the government of the day to deal with. National politicians needed to be more engaged and aware of the consequences of the Bill's impact on individuals and local authorities.
- Local Authorities would have to find in excess of a further 4% of savings to deliver such provision of care.
- The county had an increasing aging profile which was significantly higher than both the regional and national averages.
- Home care costs had increased between 2006-2009 by 9%, and costs associated with Learning Disabilities and Residential care by 30%.
- The Council would experience further funding pressures in future years, therefore working in partnership was vital.

In debate Members expressed their support for the motion and specifically raised the following points.

- The Bill should be good news for those people not experiencing good health, however organisations such as Age UK have commented that it would be essential that councils were properly funded to provide care in order that there was not an incentive for local authorities to push older people into care homes or claim that their needs were not critical enough to warrant free care at home.

- As the costs of care provision are unknown, it was unlikely that efficiency savings alone would be able to meet the costs. It was imperative to adequately fund such support from the start.
- Home care could be provided at a relatively low cost, but only when well resourced and commissioned.
- Examples were given for the costs of home care provision and medication as well as the types of conditions which require prolonged care support (e.g dementia).
- Whilst recognising the implementation of the Bill would have a national impact, due to its demography and sparsely populated area, the effect would be significant for Herefordshire.
- There were many pockets of poverty within the county, with individuals reliant on state provision. Others who appeared affluent had been hit hard by the economic climate with those in receipt of private pensions having seen their income severely reduced and who now existed on low incomes.
- The experience of Scotland, which had introduced free care provision, was shared with council. This included a 36% increase in costs within three years from £129million to £257million. The projections for English local government based on such figures would be from £580 million to £1.73billion in five years.
- The only means by which local government could part fund the requirements would be by either increasing council tax or reducing services. In Scotland's experience, local government reduced elements of discretionary care received e.g shopping etc by 24%. Such support was vital to prolong independence.

The following addendum was proposed to run on from the end of the notice of motion: *'and the LGA and local authorities in similar positions to put pressure on the Government to find a long standing solution to the financing of the Personal Care at Home Bill'*.

The notice of motion to read:

This Council welcomes the general principle of the Government's proposal in the Personal Care at Home Bill to offer free care at home to people with the highest needs, but this Council is dismayed that the Government will only fund a limited part of the costs and expect local authorities to fund the rest (in excess of £250 million if Government figures are correct). All local authorities will be under increased pressure with the age profile rising, particularly with the increases in dementia cases. Herefordshire contrasts greatly from the whole of the West Midlands having 4.5% more older people than the West Midlands, and 5% higher than the average for England. The net average cost of dementia care packages is £17,700 p.a. This Council asks the Leader to communicate to the Secretary of State our Council's grave concern of having yet another unfunded mandate imposed on local authorities, and the LGA and local authorities in similar positions to put pressure on the Government to find a long standing solution to the financing of the Personal Care at Home Bill'.

The notice of motion with its addendum was voted upon and was carried unanimously.

81. LEADER'S REPORT

The Leader of the Council, Councillor RJ Phillips, presented his report which provided an overview of the Executive's activity since the previous Council meeting held in November 2009. A correction was provided to paragraph 13 of the report; the figure £650million should have read £280million.

Members were informed by the Leader that the aligned joint corporate property strategy was being used by the Audit Commission as an example of good practice. Such initiatives not only demonstrated the commitment to the partnership, but were in line with Total Place, which sought to make efficient and effective use of public sector monies.

The West Midlands Leaders Board had agreed to lobby for the West Midlands to be the first region to undertake a Total Place approach.

Responding to questions raised in relation to the Herefordshire and Worcestershire Waste Disposal Contract, the Cabinet Member Environment and Strategic Housing stated that the Council would be underwriting expenditure incurred by Mercia Waste should the proposed development not be successful; such costs would equate to 25% of the total (75% being underwritten by Worcestershire). Whilst the liability was recognised as a risk it was smaller than other risks identified in the project. Developing an Energy from Waste plant on Rotherwas, whilst technically a possibility, would not prove as viable due to the amount of waste produced by the county (currently circa 55k tonnes) which would increase the cost per unit. The Hartlebury site had been considered to be the most appropriate to deal with the collective waste for both counties of around 200k tonnes. It was acknowledged by the Leader that further debates would need to be held in relation to the energy from waste issue.

The Cabinet Member Economic Development and Community Services, in response to a question posed on the need to urgently address issues of connectivity and the unacceptable levels of 'not spots' in the county, emphasised the importance of broadband both economically and socially in growing sustainable communities. Members were advised that a variety of options and methods which would increase connectivity and capacity were being considered

The Leader informed Council that the Government criterion for the future funding for schools was expected to be published in advance of the pre-election period; the authority (together with other Councils) had been lobbying for the criterion to include the number of children per hectare, however this would not be known until publication of the criterion.

Members acknowledged the quality of the work being undertaken as part of the Local Development Framework consultation and commended the efforts and commitment of the team. Council Members were thanked for their support and responses to the consultation process.

Responding to a question which sought clarification as to the opportunity given to Hereford City residents to formally consider and sign up to the growth agenda and the deep concerns expressed that decisions relating to the city would be determined by those not living in the city, the Leader outlined some serious underlying issues that needed to be addressed which underpinned the options for growth. These included the average wage levels being sub £20,000, with the average house price being £200,000. The agenda for growth included employment, infrastructure and increased standard of living. The Leader posed the question that should these options not be acceptable, what could be the alternatives?

The Cabinet Member Highways and Transportation, in response to a question raised, advised Council that the Widemash Street and Maylord Street refurbishment scheme was the first part of the design strategy as presented by Bill Hamilton Baillie. A commitment had been given to keep businesses informed of developments and a further newsletter would be issued soon. Shoppers were being encouraged to continue to visit and purchase from businesses on the Street. The project was scheduled to last 40 weeks and would be due for completion for the end of October/early November, in time for the Christmas shopping period.

The Leader informed Council of the development of the West Midlands Leaders Board (WMLB), which included all of the region's 33 local authority Leaders, which had been established to reflect the changes within the regional governance landscape. Executive Groups would be set up to support and advise the WMLB on specific areas (Transport

and Planning currently proposed) with task and finish groups formed as appropriate. Sub regional groupings had been established, though it was emphasised that discussions and decisions needed to be held at the appropriate level. Whilst nationally the number of private sector jobs increased during 1998-2005, there had been a 2% decrease in the West Midlands. The region needed to work together to rebuild a successful regional economy and support such initiatives as the advancement of the carbon agenda in the motor vehicle industries. The Leader acknowledged comments raised by a Member in attendance regarding the need to create and incubate businesses and encourage entrepreneurship (as well as ensure growth and prosperity) by making available appropriate support and affordable business accommodation in the right locations.

RESOLVED: That the Leader's reports be noted.

82. BUDGET AND COUNCIL TAX

FINANCIAL STRATEGY 2010-2013 (INCLUDING BUDGET 2010/11)

Members were reminded that any debate on the Budget and Council Tax would be held during consideration of agenda item 10(a) Financial Strategy 2010-2013 (including Budget 2010/11) and that there would be no further debate under agenda item 10(b) Council Tax Resolution 2010/11.

The three year financial strategy for 2010/2013, which included the 2010/11 budget previously approved at Council on 5 February 2010, was proposed and seconded.

Several Members stated that they would not support the Cabinet's recommendations, the reasons included:

- Vital information remained lacking (including capital projects, superannuation funds, and seven areas of specific grants) which undermined the budget through omissions and assumptions.
- The MTFs as the framework within which cash resources follow corporate priorities had not appeared to allocate budget to take account of the major consultation on Placeshaping and Local transport Planning.
- In recognising the challenges ahead, many parish councils had increased their precepts in order to progress agreed actions.
- Any increase in council tax would be a strain on household finances; the council should look to deliver additional efficiencies especially as an additional 89-100 staff (costing in excess of £1million) had been recruited in the last year. Further concerns were raised in relation to capital assets, a reduction in reserves to 50% and proposed borrowing increase to £169million by 2010.
- The proposed council tax rise of 2.54% was still too high; potential sources of savings could be cutting the cost of the cattle market, and rationalisation of buses to faith schools.
- The £6million savings initially proposed from the original connects project would now deliver £1million. This did not demonstrate good value for money to the public.

Several Members supported the Cabinet's recommendations and the following statements were made:

- Those Members who would not support the recommendations were challenged as to why no alternative budget had been prepared and proposed. This course of action had been undertaken during a previous administration. All Members had the opportunity to discuss alternative costing with officers and Cabinet Members following the February 2010 Council meeting.

- Herefordshire Council was underfunded at a time when service demand and delivery was growing. Given the situation 2.54% was an acceptable increase when compared with other local and police authorities.
- The proposed council tax of 2.9% considered in February 2010 had been reduced to 2.54%. No service delivery would be affected and additional funding would be given to services which support the most vulnerable in the community. This was the lowest council tax rise in the county's history.
- The budget was balanced and this was confirmed in the signed statutory statement by the Council's Chief Finance Officer.
- Whilst it was appreciated that difficult times would be ahead, it was essential for the Council to work within a three year strategy.
- It was prudent to review capital programmes, their timescales and project spend to ensure the best outcomes for both the Council and public.
- The borrowing requirements outlined in the budget were sound and were well within the criteria set by CIPFA guidance.
- Reducing spend required more efficient working or the cutting of non statutory functions, Members would need to make harder decisions in future years.
- Officers were thanked for their work in producing a balanced budget.

In responding to the comments raised in discussion, the Leader stated:

- That the pension fund valuation would be addressed during 2010/11
- The importance of retaining flexibility with capital projects funding to ensure best results (e.g match funding), especially given the certainty of a cut in public funding. Serious consideration would need to be given to the consequences of a possible cut in the Area Based Grant
- The budget proposed was as fair as possible with levels of borrowing well within the scope of CIPFS guidance.
- That should Members not support the budget, it could be assumed that they did not support projects such as school buildings, children centres etc. The purchasing of Plough Lane, associated land and access for £4million was a great deal with the borrowing payments lower than the rent previously paid.
- That there was a need to prepare for future years in order to consider increases and changes in service delivery such as the number of intensive home care clients had increased by 25% in recent years; the number of children with Child Protection Plans had doubled in the last year.
- Savings of £4.5million had been budgeted for and additional funding would be available for highways, children's services and adult services; the previous debate acknowledged potential future strain.
- Budget in future years will be tougher and difficult decisions would need to be made by elected members. The budget for 2010/11 set out a programme for difficult times ahead.

A vote was taken and the recommendations carried.

REOLVED that the Council approve:

- (a) The Medium Term Financial Strategy (MTFS) shown in Appendix A of the report, which includes the 2010/11 budget at section 7 of the MTFS and the 2010/11 to 2012/13 revenue overview summarised in the Finance Resource Model (FRM);**
- (b) A council tax increase of 2.54%;**
- (c) The Treasury Management Strategy in Appendix B of the report, including:**

- the Prudential Indicators detailed in Appendix 1 of the Treasury Management Strategy, which includes the draft Capital Programme,
- the council's Minimum Revenue Provision Policy for 2010/11,
- and formal adoption of the revised Treasury Management Policy Statement as per Appendix 4 of the Treasury Management Strategy.

The Council was requested to set the council tax amounts for each category of dwelling in Herefordshire for 2010/11 and to calculate the Council's budget requirements.

A vote was taken and the recommendations carried.

- (1) In respect of the Council's 2010/11 Budget a council tax of £1,205.09 be levied (at Band D);**

And

- (2) in respect of council tax for 2010/11 that the following amounts be approved by the Council for the year 2010/11 in accordance with Sections 32 to 36 of the Local Government Finance Act 1992:**

- (a) £347,362,467 being the estimated aggregate expenditure of the Council in accordance with Section 32(2)(a) to (e) of the Act;**
- (b) £202,029,904 being the estimated aggregate income of the Council for the items set out in Section 32(3)(a) to (c) of the Act;**
- (c) £145,332,563 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) £57,583,866 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) £1,240.26 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) £ 2,488,463 being the aggregate amount of all special items referred to in Section 34(1) of the Act;**
- (g) £1,205.09 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 Authority be approved in accordance with Sections 30(2), 34(3), 36(1) and Section 40 of the Local Government Finance Act 1992.

(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.

83. SUSTAINABLE COMMUNITIES STRATEGY - REFRESH

The Leader presented the report on the Sustainable Community Strategy which sought approval of the revised Strategy.

The following points were made by Council:

- The Strategy was central to the Herefordshire Partnership.
- It was important to have common goals with the partner organisations.
- To reduce production costs it was felt a full colour document was unnecessary. Consideration should also be given to the document availability on line.
- Bullet points on page 123 of the Strategy refer to groups working together. Members requested clear indications in the Strategy of where groups were working together and evidence of where group working had been successful.
- A Member voiced concern over the percentage of new housing proposed and the effect this might have on the look of the county.
- It was felt the phrase 'everyone matters' instead of 'everyone is someone' gave a better sense of inclusion.
- Under Healthier Communities the percentage of children classed as obese is quoted. It was requested that reference should be made to where the information came from and that headteachers should also be informed of these figures.

The Leader emphasised the importance of all partner organisations being committed to the partnership, maintaining targets and partners being held to account if targets were not met in order to improve the quality of life and the economy of the county.

RESOLVED That: the revised Sustainable Community Strategy be approved.

84. CONSTITUTIONAL UPDATE

COUNCIL CONSTITUTION

Members were requested to note the completion of the Constitution as required by Council at its meeting on 13 November 2009.

The comments raised by Members regarding the contents page and index were noted and would be progressed through the Constitutional Review Working Group (CRWG). Members were advised that the CRWG continued to meet and were progressing further

work. The dates of future CRWG meetings, once confirmed, would be circulated to all Members for information.

RESOLVED that Council

- (a) **Note that Herefordshire Council's constitution was complete and was publically available on the authority's website, in libraries and in infoshops.**

THE APPROVAL OF THE ANNUAL STATEMENT OF ACCOUNTS

Council was asked to consider and agree the approach for approving the annual statement of accounts.

RESOLVED that Council:

- (a) **the function of approving the statement of accounts is delegated to the Audit and Governance Committee to receive, review and approve them before the 30 June statutory deadline;**
- (b) **following approval from the Audit and Governance Committee the statement of accounts is then referred to the Council for formal receipt and noting; and**
- (c) **the Assistant Chief Executive Legal and Democratic (Monitoring Officer) be instructed to make appropriate changes to the Constitution to give effect to recommendations (a) and (b) above and publish the amendments.**

85. WEST MERCIA POLICE AUTHORITY

Councillor B Hunt presented the report of the West Mercia Police Authority held on 15 December 2009. Council members were informed of the proposals for change which would reshape the internal organisation of the West Mercia Police to free up more time to focus on issues such as frontline policing. Shift patterns would be changed to ensure increased police counter cover and the provision of 24 hour police cover in rural areas. The changes would be monitored closely by the authority's representatives through the Community Policing Board. Emphasis was also given to West Mercia being assessed as having good performance in relation to the Policing Pledge.

Councillor B Hunt provided assurance that all police stations in the county would have counter service seven days a week.

Specific praise was offered to the Police by a member for their approach in handling an issue within the ward.

RESOLVED: That the report of the meeting of the West Mercia Police Authority held on 15 December 2009 be received.

86. HEREFORD & WORCESTER FIRE AND RESCUE AUTHORITY

Councillor Brig. P Jones CBE presented the report of the meeting of the Hereford & Worcester Fire and Rescue Authority which was held on 18 December 2009.

Council was additionally informed that:

- Paul Hayden, Chief Fire Officer/Chief Executive had notified the Authority of his intention to retire from the Service on 12 May 2010, and the Appointments Committee had recommended the appointment of Mark Yates to this position.
- The Queen's Fire Service Medal had been awarded to Paul Hayden in the New Years Honours List
- Hereford & Worcester Fire and Rescue Service was to receive additional funding to help support rescue teams that can deal with major incidents such as extreme weather, building collapses or terrorism.

Responding to a question asked about the fact that 54 fire crews responding to 999 calls had been delayed in reaching their destinations due to complications with their satellite navigation equipment, and the fact that this information was only made public following a freedom of information request, Councillor Brig. P Jones stated that he would look into the issues and would provide a response. Members were reminded that the Fire and Rescue service was in the middle of a transition to regional control.

RESOLVED: That the report of the meeting of the Hereford & Worcester Fire and Rescue Authority which was held on 18 December 2009 be received.

The meeting ended at 1.25 pm

CHAIRMAN