

MINUTES of the meeting of Cabinet held at The Council Chamber, Brockington, 35 Hafod Road, Hereford on Thursday 17 January 2013 at 2.00 pm

Present: Councillor JG Jarvis (Chairman)

Councillors: H Bramer, RB Hamilton, AW Johnson, PM Morgan, GJ Powell and PD Price

In attendance: Councillors AM Atkinson, JA Hyde, P Rone, WLS Bowen, MAF Hubbard, RI Matthews, A Seldon, PJ McCaull, C Nicholls, AJW Powers, and SJ Robertson

54. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors RJ Phillips, NP Nenadich, LO Barnett and TM James.

55. DECLARATIONS OF INTEREST

There were no declarations of interest made.

56. MINUTES

RESOLVED: That the Minutes of the meeting held on 13 December 2012 be approved as a correct record and signed by the Chairman.

57. MEDIUM TERM FINANCIAL STRATEGY 2013-2016

The Cabinet Member Financial Management presented the report of the Chief Officer Finance and Commercial, which provided information on the provisional local government finance settlement, and sought Cabinet's views on the draft medium term financial strategy (MTFS) and the current planning assumptions and emerging proposals in the budget for 2013/14. During the ensuing discussion, the following key points were made:

- To date, Central Government had given no clear indication about future funding levels for 2014/15; therefore it was still unknown precisely what financial options might be available, and what caps might be imposed ahead of levels being set for that period. It was possible that some changes might still be required to the draft strategy in order to accommodate any changes between the provisional and the final financial settlement.
- The proposed 1.9% Council Tax increase would be considered by Council in February 2013. The proposed increase would cover the base budget funding, and was deemed necessary primarily in order to assist funding Adult Social Care, in response to increasing demographic pressures in this service area. The Leader confirmed that this figure also presented an optimum level of increase without triggering a referendum under the provisions of the Localism Act 2011.
- It was noted that work was in progress to engage further with communities, so that continuous improvements could be made to the levels of response to the annual Herefordshire Quality of Life Survey.
- The Chief Officer Finance and Commercial confirmed that the borrowing levels were set in the Treasury Management Strategy, approved annually by Council. The current

levels of borrowing were well within the prescribed limits, and the details were set out on Page 67 of the agenda.

The Chairman of the General Overview and Scrutiny Committee reported on the Committee's recommendations on the MTFS, as follows:

- The Committee urged Cabinet to increase the lobbying of MPs and the government, to highlight how the 'sparsity' issue adversely affected the Council's budgetary position. The Chairman gave examples of the effect of 'sparsity' in relation to service areas such as adult social care, due to Herefordshire's significantly above average older population, and highways maintenance, due to the large rural road network and recent months of poor weather, and said that more emphasis needed to be placed upon the additional pressures faced by Herefordshire in respect of such issues. The Cabinet Member Financial management and the Deputy Leader confirmed that Members of Parliament had been lobbied on such issues, and also on the challenges facing the Authority in relation to the impact of changes to specific funds, such as the Local Benefit Scheme, and Education and Early Years, and on service areas such as Highways and Public Transport.
- Cabinet was requested to ensure that the predicted savings identified through the Root and Branch reviews were delivered, to ensure that the Council's budget was robust and deliverable. The Leader confirmed that the reviews had been thorough and comprehensive, and had identified approximately £9.1m savings to date. Monitoring was in place in order to provide the assurance being sought, and the coordinated approach meant that savings were identified across the service areas, and could be looked at collectively to ensure that any cuts were being made in the most effective and balanced way.
- The scope to restructure the Council's existing borrowing portfolio, and in particular the LOBO loans, be reviewed - the point being that this type of loan was high-interest, and would benefit from restructuring. The Leader stated that borrowing would be monitored robustly.

RESOLVED: that

- (i) **The draft medium term financial strategy be noted;**
- (ii) **The assessment of the provisional local government finance settlement announced on 19 December 2012 – and the impact on Herefordshire – be noted; and**
- (iii) **A strict cash limit approach to budget management for future years, be endorsed.**

58. BUDGET MONITORING REPORT 2012/13

The Cabinet Member Financial Management presented the Head of Corporate Finance's report in respect of the financial position for both Revenue and Capital to 30th November 2012, including the Treasury Management position. Members noted the key areas of budgetary pressure, the forecast position, and the undertaking to deliver further savings for 2012/13.

RESOLVED: that

- (i) **The report and the forecast position be noted;**

(ii) The Leadership Team's undertaking to deliver a further level of savings for 2012/13, with the objective of achieving a balanced budget, be noted; and

(iii) The Treasury Management report at Appendix C to the report be noted.

59. UPDATE ON THE IMPLEMENTATION OF THE PUBLIC HEALTH TRANSITION PLAN

Members received an update report on the implementation of the Public Health Transition Plan. The report provided assurance that the transition plan for the safe transfer of the public health function - including staff and contract commitments – from Herefordshire Primary Care Trust to Herefordshire Council, was on course for April 2013. The following key points were made in discussion:

- The Director of Public Health confirmed that the allocation of a ring-fenced public health grant – awarded to support Herefordshire Council in carrying out its new public health functions – would be higher than the previous indication of approximately £6.5m. The actual figures would be approximately £7.7m for 2013/14, and £7.9m in 2014/15.
- In response to a question, the Director of Public Health confirmed that the transfer of public health responsibility to the Council presented a significant opportunity, in that it put public health within the democratic process, and would enable greater collaboration and integration between services.
- Also in response to a question, she confirmed that the financial responsibility of Transfer of Undertakings (Protection of Employment) (TUPE) lay entirely with in the public health grant, and she did not therefore envisage that it would impact on other budgets. The process of business reconciliation was currently underway, and this would provide a robust figure for the various commitments. In terms of risk management, she assured Members that there was a significant and detailed programme of planning and support behind the transfer, and this would help to mitigate any potential risks.

RESOLVED: that

- (i) Cabinet notes the transition plan for the safe transfer of the public health function, including its staff and contract commitments, from Herefordshire Primary Care Trust to Herefordshire Council in April 2013, is on course, and that the director of Public Health is given delegated authority to implement additional guidance on the transition as it is published;**
- (ii) The novation of public health contracts to the Council, as confirmed nationally for 2013/14, be approved; and**
- (iii) The TUPE process for the public health staff, as mapped nationally from the PCT to the Council, be approved.**

60. PETITION - CHARGES ON ETNAM STREET CAR PARK, LEOMINSTER

Members considered a report on the background and context of a recent petition, submitted by the group "Friends of Leominster Town", about the introduction of charges on Etnam Street car park in Leominster.

The Cabinet Member Education and Infrastructure said that the necessity for car park charging had been set out clearly in the 2012/13 budget, was a county-wide issue, and had been weighed against the current economic climate of austerity to produce an

overall reduction in potential car park income, with required savings being made through service reductions in other budget areas. He said that responses to the Council's consultation in Leominster had initially been low, and had only gained momentum over the past few weeks. Public opinion in Leominster had been mixed, with many requests for parking charges to be abolished, and other requests for a solution to an increased amount of parking in residential areas. He emphasised the importance of using similar measures throughout the county so that the system was fair.

The Cabinet Member Education and Infrastructure noted that Leominster Town Council had put forward a proposal which might potentially offer a compromise that could be worked on. He also noted the observations presented at the meeting by Councillor P McCaull, Local Ward Member for Leominster South. He said that he would review the proposal, and once the Council's overall budget process had been completed, he would work to provide a viable solution for the car park.

RESOLVED: that, subject to completion of the budget process, the Cabinet Member Education and infrastructure reviews the proposal for car parking submitted by Leominster Town Council, and assists in the provision of a satisfactory solution in respect of charges for Etnam Street car park, Leominster.

The meeting ended at 3.21 pm

CHAIRMAN