

**Minutes of the meeting of General scrutiny committee held at Council Chamber, The Shire Hall, St Peter's Square, Hereford, HR1 2HX on Tuesday 5 February 2019 at 10.15 am**

**Present:** Councillor WLS Bowen (Chairperson)  
Councillor BA Baker (Vice-Chairperson)

**Councillors:** JM Bartlett, AW Johnson and A Warmington

**In attendance:** Councillors J Hardwick, EPJ Harvey, AJW Powers, PD Price (Cabinet Member), A Seldon, NE Shaw (Cabinet Member) and EJ Swinglehurst

**Officers:** C Baird -Director for Children and Families, R Ball – Acting Director Economy and Place, A Lovegrove – Chief Finance Officer, S Vickers, Director for Adults and Communities and J Coleman – Statutory Scrutiny Officer/Democratic Services Manager.

**34. APOLOGIES FOR ABSENCE**

Apologies were received from Councillors SP Anderson, and SD Williams.

**35. NAMED SUBSTITUTES**

None.

**36. DECLARATIONS OF INTEREST**

None.

**37. MINUTES**

**RESOLVED:** That the minutes of the meeting held on 30 November 2018 be approved as a correct record.

**38. QUESTIONS FROM MEMBERS OF THE PUBLIC**

None.

**39. QUESTIONS FROM MEMBERS OF THE COUNCIL**

One question had been received. The questioner was advised that the committee would be scrutinising the evidence and rationale for the proposed alternative budget and would ensure that the issue was explored during the debate.

**40. ALTERNATIVE BUDGET PROPOSAL 2019-20**

The committee considered an alternative budget developed by the It's Our County Group (IOC).

**Presentation by IOC**

Councillors EPJ Harvey and AJW Powers (the proposers) presented the alternative budget. A copy of the presentation is appended.

The proposal *“proposed investments in improving the resilience and sustainability of communities and council services and changes in spending priority in 2019/20 whilst retaining the base budgets of the directorates at the levels already proposed by the Administration.”*

The proposed investments were funded by £2m from various sources as set out in paragraph 2.3 of the alternative budget proposal. These sums were as yet unallocated for specific purposes in the budget published by the Administration but had been earmarked to support rural service delivery.

### **Response to question from member of the Council**

In response to the question that had been submitted by Councillor Shaw, under the procedure for questions from members of the council, the proposers commented on the budget proposal for improved signage informing A49 traffic of route options via the A417 from Leominster to the M50 at Ledbury and M5 at Worcester. The intention was that this would redirect southbound traffic on the A49 so that it was not routed through Hereford City. This would be a simple and cost-effective way of reducing some of the through traffic on the A49. There had been investment in improving the A417 and it was not considered that the additional traffic would have a significant negative impact on settlements along the A417.

A Member commented that recent traffic modelling undertaken in Leominster had found that the north-south A49 corridor carried the most traffic in the vicinity. There was merit in exploring the proposal.

It was observed that the alternative route was longer than the A49 route and haulage firms would have to balance the additional mileage against the time spent in slower traffic on the A49 through Hereford. Another member was critical of the proposal questioning the suitability of the A417 for HGVs noting the number of traffic lights and roundabouts and maintaining that there would be an adverse impact on settlements adjoining the A417.

### **Statement by Chief Finance Officer**

A statement by the Chief Finance Officer on the robustness of the alternative budget was included within the agenda papers.

He commented that he considered that the proposed budget was balanced and could be delivered. Although this could not be guaranteed, he considered the proposed budget and medium term financial strategy explained the intentions for the next financial year and the direction of travel.

### **Discussion of the Alternative Budget Proposals**

In discussion of the proposals the following principal points were made, along with the responses by the proposers of the alternative budget:

- It was observed that about half of the additional £2m that the alternative budget proposed to allocate was a one off grant.
- Clarification was sought on the points of difference between the alternative budget and that of the administration.

Response: The proposers commented that there was a total of £2m unallocated within the administration’s current budget with no published plan as to how that sum would be used. Some of the investments proposed in the published alternative budget sought to deal with immediate issues (eg improved signage informing A49 traffic of route options

via the A417). Some investment was also identified to provide departments with the time and resource, in conjunction with subject experts, to work on improvement in and transformation of services by implementing best practice (eg school transport, change to the models of service delivery to children and families and the digital strategy for adult social care.)

- One of the proposals involved building social housing through the Council's development partnership with ownership being retained by the council generating income. It had been questioned how this would work financially, noting the capital cost of construction and the ongoing maintenance cost.

Response: Not all tenants took up opportunity to buy their property after three years as currently permitted. The council would be able to benefit from capital growth in the value of the property. The Government had also indicated that it was considering greater freedoms for local authorities for council owned housing.

- Clarification was sought on the intentions in relation to changes to the current priorities of the development partnership with Keepmoat following reference in the alternative MTFS at section 2: *"We propose to focus investment in sustainable and resilient local infrastructure by applying current and emerging best practice in planning, design and engineering. We also propose to use public property and public money to increase, rather than to deplete, the council's asset base."*

Response: The intention was to draw on the lessons learned from the partnership between Sheffield City Council and Keepmoat and other similar partnerships that were at a more advanced stage than the council's current partnership. Some examples were provided.

In relation to best practice in design and quality of build there were too many instances of developers claiming that their proposed developments were unviable when trying to meet the council's targets for affordable housing. The development partnership should be able to meet these targets with a recognition that affordability encompassed affordability of occupation in addition to the purchase price and this was linked to design and build quality.

- Points were raised about the proposed investment in the core strategy, the western bypass, consideration of an eastern bypass and the exploration of light rail and tram systems for the City.

Response: The proposed investment in the review of the Core Strategy would enable a start on that review to be made as soon as possible. It was important that this happened as there were many issues that needed to be addressed.

In terms of transport the proposal was to prioritise sustainable and active travel measures for the City that the council's consultants had identified as being deliverable irrespective of whether the western bypass was built. One of the aims was to act now to address the immediate transport problems the city faced.

Paragraph 3.11 of the proposal noted that: *"Following the implementation of these schemes, city traffic conditions will be evaluated to inform the need and business case for any further road infrastructure improvements around the city."*

This was consistent with the implementation hierarchy in the Local Transport Plan.

In terms of an eastern crossing it was proposed to commence the work needed to identify and save a land corridor to retain the option for an eastern city river crossing to be built in the future. This did not have to entail a relief road or bypass but most

businesses and residents in the City recognised the need for another crossing irrespective of the proposed western bypass.

In relation to trams there was a new generation of light trams and trackless systems were being tested. There was an indication that there would be government funding for such systems in small cities. This would have an immediate effect on quality of travel in the city.

- The proposals included a lot of small projects. About half the source of funding was one-off. It was asked what assurance could be given that these proposals would bring benefit within a year and deliver benefit into the future. Examples given included: investment in engagement with rail operators, investment in solar and water power and woodland management and waste/biomass.

Response: These matters were linked to the proposal to bring forward commencement of the review of the core strategy. The evidence base for the core strategy identified potential to explore these issues. Examples were provided of the potential benefits it might be possible to reap. The proposal was to explore opportunities for implementing different approaches that could feed into the review of the core strategy.

There was no guarantee that the proposals, which involved modest sums, would yield benefit for future years. However, if there was evidence forthcoming that the proposals had further potential additional resources could be allocated to them. If schemes did not begin to yield benefits closing them down would not have incurred great costs. It was recognised that the proposed sums were only to facilitate exploratory work.

- Clarification was requested as to what the material changes in policy direction and priority were that the alternative MTFS referred to at the penultimate paragraph in the purple shaded text box on page 2.

Response: The direction was defined in the alternative budget proposal and alternative MTFS.

- Although recognising that the proposed alternative budget could not look more than one year ahead, it must be the case that in the absence of significant additional funding some current priorities must be changed in future years and this should be clearly stated.

Response: It was considered that cuts in preventative services had been too great. One proposal was to restore expenditure in those areas. Reference was made to the considerable reduction in demand for services achieved through the Hertfordshire family centred support model. Exploring different ways of delivering services required a strategic approach and investment. Accelerating the delivery of affordable housing using publicly owned assets was another example of a difference in approach.

- Rather than being a complete change of direction the alternative budget seemed to be aligned to a number of existing plans: core strategy, local transport plans, the carbon reduction plan, sustainable modes of travel to school strategy and local flood risk management strategy. None of the proposals appeared unusual in this context. Rather they reflected the need to take the implementation of those policies seriously.

There would be benefit in IOC providing clarity where there was alignment with existing policies and in all members acquainting themselves with these policies.

- A member expressed support for the proposed progression of active travel measures and the support for preventative work in reducing service demand, but had reservations about expenditure on some of the proposals. A strong economy and a

healthy population required a strong and healthy environment and the infrastructure to support that.

Response. Documents had been cross referenced in the main. It did not appear that it would be helpful to include material from those documents in the papers before the committee and due to be submitted to council. The documentation before the committee was a budget statement. It did include detail on environmental and other matters. A degree of familiarity with the council's policy documents on the part of members had been assumed.

The sum required to bring forward the start date of the core strategy had been provided by officers.

The Assistant Director – Economy and Place confirmed that the proposed sum would enable a start of the core strategy review to be brought forward to earlier in the year. The funding was for one year and the review would take longer than that involving additional cost.

The Chairperson of the Children and Young People Scrutiny Committee read the recommendations on the alternative budget of that Committee and those of the Adults and Wellbeing Scrutiny Committee to the meeting.

*(The meeting adjourned between noon and 12:15 pm)*

- It was asked with reference to paragraph 3.32-3.36 of the alternative budget proposal in relation to car parking what current activity would have to cease if the proposal were implemented.

Response. The proposal would not have a financial impact on the budget. It proposed a discussion about the allocation of the revenue generated from car parking with the city and town councils about local public realm priorities and that the agreed distribution of resources was then publicised by signage, to show how that money was being reinvested in supporting services directly related to transport and people movement as required by law. The intention would be for parish councils to have the opportunity to share in future additional income for example for matched funding in relation to such things as the lengthsman scheme. The process of holding such discussions would in itself have a benefit in changing the perception of the authority and generate increased shared ownership and responsibility for the public realm.

- It was proposed that the committee should welcome the support for a progressive procurement policy outlined in paragraphs 3.48-3.53. It was suggested that amongst other things this would be a means of managing contract inflation.
- In relation to teenage respite provision it was suggested that in addition to discussions with Worcestershire and Gloucestershire, as proposed at paragraph 4.13 of the alternative budget proposal, consideration should be given to discussions with additional neighbouring local authorities namely Shropshire and Telford and Wrekin.

Response: The view was that it was more cost efficient to locate the facility in an area that was accessible to more than one bordering authority. Discussions with Shropshire and Worcestershire could theoretically take place about a facility in the north east of the county. However, better transport links already existed to authorities in the south east of the county. Discussions with Worcestershire and Gloucestershire therefore seemed more logical. Consideration could, however, be given to discussions with other areas.

- The proposal to fund improvements in working relationships with parish councils, as set out at paragraphs 3.54-3.56 of the report was welcomed.

- It was noted and welcomed as stated at paragraph 3.21 that the new university had indicated that it would be keen to provide research support to the council's exploration of future engineering solutions to people transit systems in the city.

The Director for Children and Families and the Director for Adults and Communities were asked if there were proposals within the alternative budget that were not currently being pursued or were worthy of development.

The Director for Children and Families commented that a number of the suggestions raised were being considered but in slightly different ways. He referenced support for early help and preventative work, but noted that the service was not currently looking at placing social workers in schools. That was worth looking into. At the moment, however, the focus was on retaining and recruiting to the core social work teams and he would wish to ensure those arrangements were secure before considering such a deployment. There were no plans specifically at the moment for arts and creative projects. Teenage respite provision had been discussed but the focus was more on supporting teenagers with various needs that would not be described as also having severe and profound disabilities. Hertfordshire's family centred support model was not being pursued at the moment. The intention was to build on recent improvement work undertaken and see how that could evolve.

The Director for Adults and Communities commented that overall the alternative budget recognised the pressures on the provision of social care and no change was proposed to base budgets. The council had a leadership role in fostering relationships with parish councils and partners and this work was ongoing. The role of communities was recognised and the steps that could be taken in pursuing a preventative agenda. The service was already working on these aspects. The service was also working on a technology enabled care strategy and a digital strategy as recommended. The wellbeing hubs were also reflected in the proposal. With the establishment of the adult and communities directorate one area to be explored and developed was creative and cultural projects.

### **Closing Statement**

The proposers were invited to make a closing statement. They thanked the committee and thanked officers for their work in supporting the development of the alternative budget proposals.

It was observed that there had only been one previous instance of the authority considering an alternative budget and it had been a learning experience for all involved.

The Chairperson thanked and congratulated the proposers.

(The meeting adjourned between 12.50 and 12.57 pm)

The proposed recommendations were read to the meeting.

### **RESOLVED: That**

- 1. This committee notes the recommendations from the Children and Young People and Adults and Wellbeing scrutiny committees (see below).**
- 2. The committee welcomes the progressive procurement proposals set out in the alternative budget.**
- 3. The committee notes the proposals in paragraph 4.13 of the alternative budget proposal and recommends that additional neighbouring local authorities are considered, namely Shropshire and Telford and Wrekin.**

4. **The committee would welcome added clarity from It's Our County in connection to the alternative budget by naming the existing council plans that it is aligned to, including, the local transport plans, the carbon management plan, sustainable modes of travel to school strategy and local flood risk management strategy.**
5. **The committee would welcome added clarity from It's Our County in defining the activities associated with some of the investment proposals, where they are able to do so, to provide confidence that they represent value for money.**
6. **The committee recommends that It's our County welcomes the suggestion to invite parish councils to engage in a debate around how local priorities and spend are set. And, that It's Our County note the offer to utilise the parish summits as a mechanism for doing this.**
7. **The committee shares the concerns of the other scrutiny committees over the short term nature of the funding which does not extend beyond 2019/20. This presents difficulties in determining, with certainty, the outcomes that can be delivered.**

**Recommendations from Adults and Wellbeing Scrutiny:**

1. The committee recommended an amendment to section 5.3 (p.16) of the alternative budget to include 'wider areas, including parishes' after the reference to market towns.
2. With reference to the alternative budget proposals for the council to own its own housing stock the committee recommended that this be removed. Due to legislation permitting right to buy after three years of ownership this proposal would be unsustainable.
3. The committee has welcomed the emphasis on prevention for adults and the wider additional detail offered by 'It's Our County'. The committee recommends that 'It's Our County' updates the alternative budget to present this additional evidence.
4. The committee notes the lack of funding identified for beyond 2019/20 in the alternative budget. The committee, therefore, recommends that this short term funding arrangement creates significant difficulties in determining the outcomes that can be delivered.

**Recommendations from Children's and Young People Scrutiny Committee**

1. The committee notes the cabinet members welcoming of the ideas coming forward in the alternative budget and the commitment to exploring these ideas further with officers
2. The committee welcomes the emphasis on the family centred approach to supporting vulnerable children and families. The committee recommends that the 'It's Our County' group updates the alternative budget to present additional evidence relating to the family centred approach,
3. However, the committee has some concern over the short term nature of the funding, which does not extend beyond 2019/20.

4.

**41. DATE OF NEXT MEETING**

Wednesday 6 March 2019 at 10.15 am.

**Appendix - Presentation on alternative budget proposal**

The meeting ended at 1.00 pm

**Chairman**





# **It's Our County Shadow Budget 2019-20**

General Overview Scrutiny Committee  
5 February 2019



# Budget Overview - 1

- **Themes:** Prosperity + Wellbeing + **Sustainability**
- **Principles & Priorities**
  - Apply a sympathetic and sensitive approach
  - Community and communication is key
  - Provide leadership on sustainability issues
  - Work more effectively with parishes and local partners



# Budget Overview - 2

- **Revenue:**

- Work **within the proposed funding envelope** of the Administration's draft budget
- **Prudent but reprioritised work programme** representing wide stakeholder consultation
- **Support aspects of the Administration's budget** which work with the strengths of Herefordshire
- Follow **best practice** and use **sound evidence** for decisions
- 2019-20 – **no changes to Directorate base budgets**
- MTFS shows our revised priorities and policy direction/pace

- **Capital:**

- Work **within the proposed funding envelope** of the Administration's draft budget
- **Prudent but reprioritised work programme** representing wide stakeholder consultation



# Income Sources

<b>Additional Income 2019-20</b>	<b>£000</b>
RSD Grant	1,008
Business Rates	493
Council Tax Base	343
New Homes Bonus	147
RSG	4
ASC Grant	5
<b>Total</b>	<b>2,000</b>



# Investments

	Economy & Place
<b>Investments</b>	
Strategic planning resource	250
Eastern city river crossing	100
Traffic planning resource	50
Signage to direct traffic	100
Travel planning resource	100
Extend school modelling	100
Rail operators options	50
Solar & waste power	25
Woodland mgt	25
Renewable energy	15
Urban waste	35
Parish councils	50
<b>Total additional spend</b>	<b>900</b>
<b>Shadow Budget</b>	<b>43,101</b>

## Economy & Place

Section 3 of Budget Report

- Plan for whole-county sustainability
- Implement Progressive Procurement practices
- Increase affordable housing
- Grow council income
- Maximise operation of transport infrastructure
- Build community capability



# Consultation Feedback

Cabinet – 31-01-19

- Our proposals better align with public priorities for council spending
- Our Shadow Budget gives councillors clarity to how £2m of public money is to be spent in 2019-20

Chart 1a: Proportion of broad themes emerged from comments to Q2a

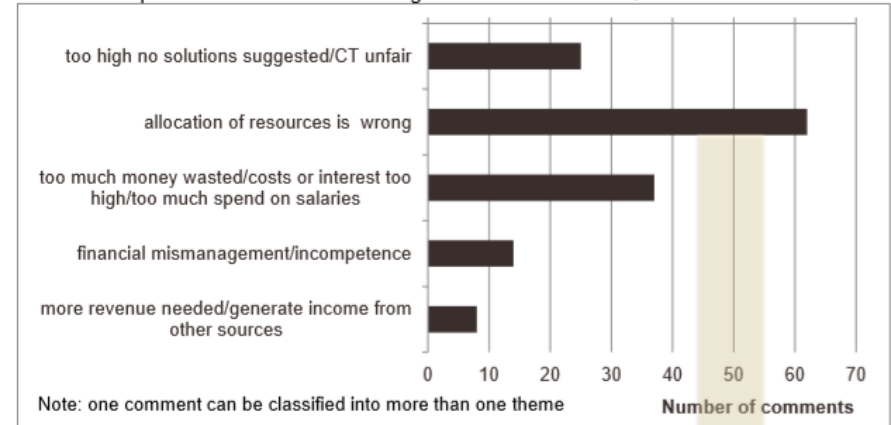
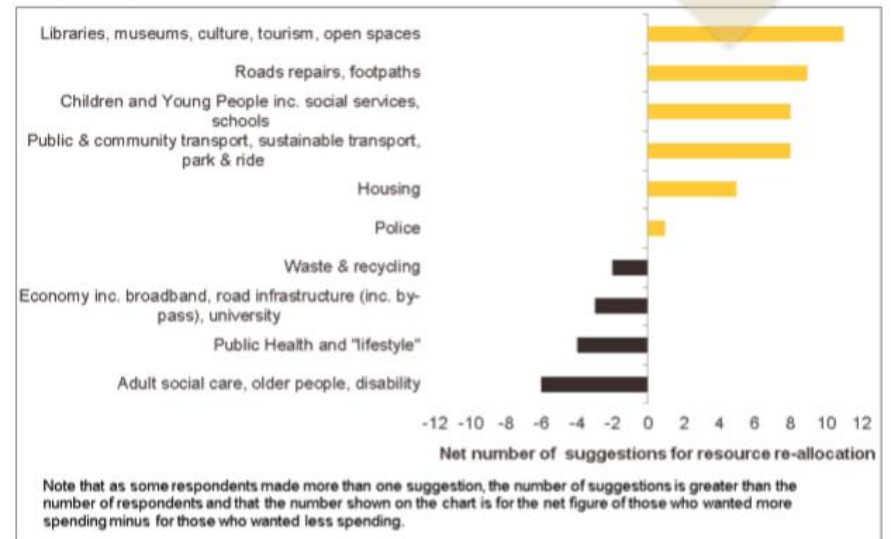


Chart 1b: suggestions for resource reallocation



The logo for ioc (Infrastructure and Organisations Centre) features the letters 'i', 'o', and 'c' in a stylized font. The 'i' is purple, the 'o' is green, and the 'c' is purple. A small green leaf-like shape is integrated into the 'o'.

# **ioc MTFS - 1**

## **Changes in Policy and Pace:**

- Accelerate revision of Core Strategy to deliver achievable housing growth alongside local employment
- Increase and expand delivery of affordable housing
- Rebalance investment in economic growth aligned to county strengths
- Reprioritise infrastructure investment to enable sustainable growth and new council income streams

The logo for ioc (Innovation, Opportunity, and Community) features the letters 'i', 'o', and 'c' in a stylized font. The 'i' is purple, the 'o' is green, and the 'c' is purple. A small green leaf-like shape is integrated into the 'o'.

# **ioc MTFS - 2**

## **Changes in Policy and Pace:**

- Redirect investment priorities for the Keepmoat development partnership
- Grow greater community capability underpinned by enabling investment in preventative interventions
- Actively support growth in the visitor, engineering, knowledge and creative sector's of the county economy
- Increase joint and partnership working across all areas of the council's operation