

Minutes of the meeting of General scrutiny committee held at Council Chamber, The Shire Hall, St Peter's Square, Hereford, HR1 2HX on Monday 20 January 2020 at 10.15 am

Present: Councillor Jonathan Lester (chairperson)
Councillor Tracy Bowes (vice-chairperson)

Councillors: Barry Durkin, Jennie Hewitt, Bernard Hunt, Paul Symonds and William Wilding

In attendance: Councillors Jenny Bartlett, Sebastian Bowen, Gemma Davies (Cabinet Member), John Harrington (Cabinet Member), Liz Harvey (Cabinet Member), David Hitchiner (Cabinet Member), Trish Marsh (Cabinet Member), Nigel Shaw and Elissa Swinglehurst

Officers: C Baird – Director for Children and Families, R Ball – Director for Economy and Place (DEP), B Boswell – Energy and Active Travel Manager (EATM), A Lovegrove – Chief Finance Officer (CFO), K Morris – Strategic Capital Finance Manager, J Rushgrove – Head of Corporate Finance, P Smith – Assistant Director All Ages Commissioning, D Vickers – Assistant Director People and Performance.

36. APOLOGIES FOR ABSENCE

None.

37. NAMED SUBSTITUTES

None.

38. DECLARATIONS OF INTEREST

None.

39. MINUTES

RESOLVED: That the minutes of the meeting held on 29 November 2019 be approved as a correct record.

40. QUESTIONS FROM MEMBERS OF THE PUBLIC

None.

41. QUESTIONS FROM MEMBERS OF THE COUNCIL

A copy of the question and answer received is appended.

42. REVIEW OF BUDGET AND CORPORATE PLAN PROPOSALS FOR 2020/21

The Committee's views were sought on the budget proposals for 2020/21 and the draft corporate plan following the conclusion of consultation and the announcement of the provisional financial settlement.

The Assistant Director People and Performance and the Chief Finance Officer gave a presentation. A copy of the presentation was attached at appendix 7 to the report.

In discussion the following principal points were made (page number references are to pages in the agenda papers/Corporate Plan (CP) as numbered):

Corporate Plan

- (p49/CP15) It was requested that explicit reference be made to protecting and enhancing community based health services and that an appropriate success measure should be included at CP17 along the lines of numbers of people accessing services outside Hereford.

The CMFCS observed that health service partners had responsibility for this issue but the council would seek to use the influence it had. The Plan did have an emphasis on community centric services noting the development of the Talk Community initiative and community hubs encompassing all aspects of wellbeing including access to health services.

- (p43/CP7) The following points were made in relation to the "till receipt" showing how the council spent revenue:
- It was suggested that there were a number of areas where expenditure appeared to be lower than in 2019/20 such as roads and bridges and care of public spaces and libraries, records and customer services and looking after children.

The CMFCS commented that what was shown on the till receipt did not represent the full picture of expenditure. There were, for example a number of capital projects involving investment in the public realm which would not feature on the till receipt except as revenue expenditure on debt and interest repayments. She provided a number of examples.

A member proposed that If the till receipt did not represent the complete picture this should be made clear in the accompanying text.

The CMCPA commented that it was proposed that savings of some £250k that had been planned in libraries, records and customer services would not proceed. She would clarify if the till receipt would need be adjusted to reflect this proposal if it were agreed.

The CFO commented that the till receipt was a summary of a range of services. It covered revenue spend only and did not include capital expenditure.

The CMEES commented that some categories had been modified from the previous financial year so comparing the two till receipts was not necessarily comparing like with like.

- (P51/CP17) With regard to the proposed success measures it was proposed that there should be a specific reference to market towns and focusing resources to improve infrastructure and community resilience.

The CMFCS commented that p19 of the Plan stated that the Council wanted to emphasise the critical role the market towns and villages play in the county's economy. P20 referred to supporting investment programmes across all the market towns. A suggested indicator for success in strengthening market towns and communities would be welcome.

- (p41/CP7) The CFO acknowledged that the paragraph referring to the receipt from the sale of smallholdings and the cost of building up to 1,000 affordable homes needed to be clarified, both to explain the level of receipt and the cost of building the proposed number of homes.
- (p52/53CP18/19) It was suggested the wording 'spend more local' and 'sweat our assets' be revised, the term "better use of assets" being preferred.
- (p43/CP9) It was asked if the expenditure on rural roll out of broadband identified in the till receipt was sufficient to meet local and national targets.

The CMFCS commented that the council was continuing to invest in the roll out. Fibre broadband had been rolled out as far as it could through the original contract and BT programme. The majority of households had already benefitted. Contracts were now having to be let to deliver the fibre network to individual premises in more rural areas who had not yet been reached. The complexity of identifying the need to be met had meant it was taking time to draw up these contracts. Information was provided on both the Fastershire and Council websites. An update on current and planned coverage would be provided to members of the committee.

The CMECS added that progress was good in national comparison terms. She noted that council funding was complemented by government funding and the investment represented good value.

- A member proposed that the corporate plan include a specific element on what farmers are doing to contribute to addressing the climate change emergency.

Budget

- The CFO clarified that the council received Rural Service Delivery Grant in recognition of the county's rurality. The grant was used to support services across the board according to need and was not accounted for separately from other expenditure. It would require additional resource to account for expenditure by ward.
- The CFO confirmed that information requested by Councillor Symonds in relation to a number of capital schemes and a breakdown of savings required in the Economy and Place Directorate was in preparation.
- (p74) A timeline was requested for the Peterchurch Primary School capital project emphasising the need for the works to be progressed and the negative impact on educational outcomes of a poor building environment. The CMCPA commented that the need for the project was recognised and a business case was in place. The local ward member was welcome to attend meetings with the cabinet member on the project. The views of the local community on what school facilities were required would also be sought.
- A view was expressed that one of the principal causes of congestion in the city was transporting children to school. In addition to car transport a lot of schools were using service buses. This was costly and in addition children were having to stand. It was asked whether there was a plan in the budget to address this issue.

The CMIT commented that nothing had specifically been identified in the revenue budget for school transport. The intention was to seek to encourage schools to refresh school travel plans. He confirmed that whilst the focus had to date tended to be on city schools, current work sought to engage more widely. In seeking to apply for capital funding for a county bus service consideration was being given to how to incorporate school transport within this project. He did consider that there was scope to look more strategically at transport options across the county.

The DEP referred to the provision in the capital programme for a passenger transport fleet. The council also continued to benefit from the national access fund which supported Destination Hereford and active travel promotion with schools to support walking, cycling and bus use. There were also a number of elements in the capital programme that could fund additional infrastructure such as cycle parking at schools, creating the potential to offer incentives to schools that complemented the active travel measures in providing safer routes to schools along the highway network.

The EATM added that Sustrans, a leader in active travel nationally, were delivering a programme in schools amongst other things supporting them to rewrite and own their travel plans. He outlined a range of other active travel activities being undertaken in schools.

It was suggested that support for schools in updating their travel plans warranted further consideration.

- (p64/73) It was asked if a portion of the £5.5m identified for Hereford city centre improvements could be allocated to the market towns.

The CMFCS commented that the sum had been part of the plans of the previous administration and was earmarked for a number of specific projects that were already in train. It would be preferable to identify additional funding for the market towns rather than disrupt these planned projects. Market Towns were being encouraged to contribute to the development of public realm and infrastructure delivery plans. This should identify priority programmes for grant allocations and capital investment with evidence to support the need for them.

It was requested that the CFO provide a breakdown of the \$5.5m allocation.

- It was proposed that cabinet consider providing a specific capital allocation for market towns to be able to bid for public realm improvements.
- (p65) It was confirmed that the provision for Business Improvement District Development related to the county as a whole, excluding Hereford City because it already had a BID.
- It was requested that specific resources were identified and included to support the proposed work of the task and finish group the Committee had established to carry out a waste management strategic review.

The CMCPA acknowledged this request. The DEP commented that a replacement for the former Head of Service in this area was in the process of being appointed. It would be important to ensure the procurement of new contracts for waste collection and waste disposal as a whole was resourced.

- (p102) The current forecast showed the council's underlying need to borrow was expected to increase by £55.9m. It was questioned whether this was prudent. The CFO commented that the table showed the maximum the council could borrow to deliver the committed capital investment programme but cashflow was such that he did not expect that it would be necessary to borrow that amount. Using surplus cash rather than borrowing minimised the cost of borrowing. The council had not changed its approach in this regard. The capital programme was a rolling programme. The borrowing requirement reflected decisions previously taken. The particular question before the Committee was the addition of some £88m to the capital programme. He confirmed that borrowing was not for revenue expenditure.
- The CFO explained why the proposed purchase of electric buses was included in the capital programme but the proposal to build affordable housing was not.
- It was questioned how the cost of a bypass compared over the long term with the provision of an electric bus fleet, having regard to the comparative lifespans, costs of upkeep, other running costs and replacement. The CFO commented that such an analysis had not been conducted and would be quite difficult to carry out.

- (p66) A sum of 70k was identified against a heading: climate change. The amount was questioned. It was also asked why there was no reference to a plan for addressing phosphate levels in the Lugg catchment.

The CMECS commented that the heading related specifically to natural flood management measures. Several projects were underway in relation to addressing the climate emergency with budget headings including solar panels, energy efficiency, warm homes, lighting and the corporate fleet.

The CMIT added in relation to phosphate levels that the council had a limited role. It did not control the water courses. The Environment Agency and other agencies had the principal responsibility. The council could expedite some of the actions that needed to be taken. Reference was made to the investment in reed beds linking to the management of wetlands.

It was suggested that action being taken should be clearly set out for the benefit of the public.

It was also suggested that there should be a separate line in the MTFs on what was being proposed to address climate change.

- The DEC commented that as referenced in the answer to the question submitted by a member of the Council (minute no 41 refers) the provisional local government funding settlement included funding of £2.2m in relation to new homes bonus. If necessary, this would be available to assist in bringing forward appropriate measures to address the phosphate issues to support the delivery of new homes.
- He explained the role of the Nutrient Management Board and its Technical Advisory Group in seeking to improve protection of the river catchments and some of the work being undertaken. A business case identifying the necessary improvements was being prepared. The Marches LEP had also been approached for funding.
- It was questioned whether a contingency fund could be provided to meet any recommendations arising from the work of the Committee's task and finish group on the climate emergency.

The CMFCS commented that there was headroom within the budget to undertake additional projects where there was a business case for them.

- The section on the environment in the corporate plan referenced a range of matters including river systems and flood management. The moratorium on building in the Lugg catchment was a significant issue and the sooner a credible nutrient management plan was in place the sooner this could be lifted. The Council had the ability through planning policy to consider water management, flood management, pollution and waste management as part of the update of the core strategy.

The website held information on the nutrient management planning process. There was a role for ward members in communicating with the public, the farming community and the business community on the issues to help to address them.

- It was requested that greater clarity be provided on the funding sources for capital investment as set out at paragraph 23 of the report.

RESOLVED: That

(a) in relation to the draft corporate plan:

- I. **reference be included to protecting and enhancing our local health care services with the inclusion of key performance indicators to underpin this commitment;**
- II. **the presentation of the till receipt as at p7 of the Plan be reviewed to ensure it is an accurate representation of the actual spend;**
- III. **the plan explains where the council is paying less than it did in the previous financial year;**

- IV. the plan at p15 includes success measures – to consider additional focus on resources to improve infrastructure and community resilience in market towns;
- V. that the committee receives a briefing note on the progress on broadband roll out;
- VI. the corporate plan is reworded on page 7 to reflect that the figure of £46m is revised to ensure it reflects the compensation paid to the tenants; and it is made clear that £46m is not enough to fund 1000 new homes and that further borrowing is being proposed of up to a further £100m;
- VII. the corporate plan is reworded on page 18 – to say ‘spend more locally’ and on page 19 – rather than say ‘sweat our assets’ the committee recommends this is changed to say ‘better use of our assets; and
- VIII. that the corporate plan includes a specific element on what farmers are doing to contribute to the climate change emergency.

(b) in relation to the 2020/21 budget:

- I. that the executive respond to the proposal that schools are better supported in updating their travel plans;
- II. the cabinet considers providing a specific capital allocation for market towns to be able to bid for public realm improvements;
- III. the MTFs includes a separate line on what is being proposed for climate change;
- IV. that specific resources are identified and included to support the proposed work on the waste task and finish group;
- V. greater clarity be provided on the funding sources for capital investment as set out at paragraph 23 of the report; and
- VI. the following recommendations of the Adults and Wellbeing and Children and young People Scrutiny Committee be considered:

Adults and Wellbeing Scrutiny Committee – 13 January 2020

- 1. To inform the detailed business cases for the key areas of capital investment and to provide assurance that they are sustainable and represent value for money, the executive be asked to arrange an all members’ seminar to explore the options appraisals.
- 2. That the options appraisal for public housing also consider the potential to support key workers with their accommodation needs.
- 3. There is further clarification and detail provided on the proposed shared social care pooled budget between the adults and children’s directorates when it is available.

Children and Young People Scrutiny Committee – 14 January 2020

- 1 That the committee supports the additional areas of investment identified in the budget.

43. WORK PROGRAMME

The Committee considered its work programme.

RESOLVED: That

- (a) the draft work programme as set out at appendix 1 to the report be approved; and
- (b) a task and finish group on the climate emergency be established to undertake the work outlined in the draft scoping statement (Appendix 2 to

the report) membership comprising Cllrs Fagan, Hewitt, Swinglehurst and Wilding (Chairperson).

44. DATE OF NEXT MEETING

Monday 23 March 2020 at 10.15 am.

Appendix - Members Questions and Answers

The meeting ended at 12.25 pm

Chairperson

MEMBER QUESTIONS TO GENERAL SCRUTINY COMMITTEE – 20 January 2020

Question 1

Councillor Nigel Shaw – Bromyard Bringsty

I was surprised to not see specific reference to the current phosphate problem that affects North Herefordshire. I am advised that the lack of development coming forward is now affecting family building companies in the region. Certainly it will have an effect on the authority's five year land supply and thence a knock on effect on any planning weight given to all Neighbourhood Development plans in the county. Such a moratorium on development is affecting business investment and may even impact our deadline for favourable conservation status, with an attendant fine on the authority. All contrary to the Corporate Plan.

The scrutiny committee might enquire why, given the immediacy and the gravity of the situation, the authority has not seen prudent a line in the capital investment plan and additional funding in the revenue budget to urgently address these matters?

Response

The administration is fully aware of the current phosphate problem preventing development proposals coming forward and work is underway to explore with the relevant statutory agencies how best to overcome the issue. Paragraphs 18 and 19 of the Budget report on the agenda for the committee highlights that the provisional local government funding settlement included funding of £2.2m in relation to new homes bonus. It is proposed in the report that this funding is treated as one-off funding and is earmarked to facilitate the delivery of houses in support of delivering the core strategy. If necessary, this would be available to assist in bringing forward appropriate measure to address the phosphate issues.

Supplementary Comment

Councillor Shaw urged the Committee to establish what the timescale would be for the implementation of a plan to address the issue.

