

Minutes of the meeting of Cabinet held at Herefordshire Council Offices, Plough Lane, Hereford, HR4 0LE on Thursday 5 October 2023 at 2.30 pm

Cabinet Members Physically Present and voting:

**Councillor Jonathan Lester, Leader of the Council (Chairperson)
Councillor Elissa Swinglehurst, Deputy Leader of the Council (Vice-Chairperson)**

Councillors Graham Biggs, Harry Bramer, Carol Gandy, Philip Price and Pete Stoddart

Cabinet Members in remote attendance

Cabinet members attending the meeting remotely, e.g. through video conferencing facilities, may not vote on any decisions taken.

Cabinet support members in attendance

Group leaders / representatives in attendance

Councillors Liz Harvey, Ellie Chowns and Bob Matthews

Scrutiny chairpersons in attendance

Councillors Louis Stark, Ellie Chowns, Liz Harvey

Other councillors in attendance:

Officers in attendance:

Chief Executive, Monitoring Officer, Corporate Director Children and Young People, Corporate Director - Economy and Environment, Head of Strategic finance and deputy s.151 officer, Head of Environment Climate Emergency and Waste Services, Waste Transformation Lead.

30. APOLOGIES FOR ABSENCE

Apologies were received from Councillor Durkin, Councillor Ivan Powell, Councillor Nick Mason, Councillor Dan Hurcomb, Councillor Pauline Crockett and Councillor Terry James.

31. DECLARATIONS OF INTEREST

None.

32. MINUTES

Resolved: That the minutes of the meeting held on 28 September 2023 will be considered at the Cabinet meeting on 26 October 2023.

33. QUESTIONS FROM MEMBERS OF THE PUBLIC (Pages 7 - 8)

Questions received and responses given are attached as appendix 1 to the minutes.

34. QUESTIONS FROM COUNCILLORS (Pages 9 - 12)

Questions received and responses given are attached as appendix 2 to the minutes.

35. REPORTS FROM SCRUTINY COMMITTEES

The Chairperson of the Environment and Sustainability Scrutiny Committee presented recommendations on Flood Risk and River Water Pollution arising from the committee meeting of 25 September 2023. Six recommendations were put forward for consideration by the Cabinet. One is regarding the Flood Risk management strategy action plan and five are on the River Water Pollution.

The Cabinet member for Environment thanked the committee for their work in forming the recommendations.

It was unanimously agreed that the recommendations on the Flood Risk and River Water Pollution reports for Herefordshire, made by the Environment and Sustainability Scrutiny Committee at its meeting on 25 September 2023 will be noted, and that an Executive Response to the scrutiny recommendations be prepared for consideration by Cabinet within two months.

36. CAPITAL PROGRAMME REVIEW AND UPDATE

Cabinet Members considered a report setting out the revised budget for 2023/24 to recommend to Council.

The Cabinet member for Finance and Corporate Services introduced the report and highlighted:

Investments in the market towns, rural areas, deterioration and condition of the roads.

It will continue to deliver on the ambition of the Council to achieve net zero by 2030 and investment of over £20m in active travel and renewables to support this in the 2024/25 budget.

Delivery of the current Capital Programme 2023/24 is progressing well. The demonstration centre at Hillside is due to be completed this year and the program of property investment and maintenance of schools are all on target to complete during 2023 and 2024.

Six schools have benefited from installation of solar PV and retrofitting of fuel C households is ongoing. EV infrastructure is being rolled out and continued investment in wetlands.

A number of changes are proposed due to no funds being assigned to them, these are:

The passenger transport plan, Masters House phase two and the Herefordshire retrofit hub. Confirmed that should appropriate grants be made available then these projects will be reviewed.

A review took place of existing projects to free up funding these were;

- Removal of £2m funding for super hubs based on officer's advice that community hubs are being reviewed and investment at this time would not be appropriate.
- Removal of the development partnership activities budget which frees up £10.2m of corporate borrowing and reserves.
- The 'my account' budget of £0.4m was underspent in phase one and no projects have come forward for phase two, the budget will be re-allocated.
- The BT Fastershire project is coming to an end and will release £5m of corporate borrowing. It will be replaced by project 'gigabit' which is fully funded and run by PD UK.

£17.6m of funding has been made available and can be re-allocated. Combined with £14.2m of unallocated capital receipts, which has been unallocated for 4 years, allows £31.8m to be made available.

New projects were proposed to be added to the capital programme review;

- The Southern Link Road (SLR) for £12.3m to address congestion of A49.
- £3m for the proposal to relocate the library to the Shirehall to fund improvement works to enable the historic building to be opened.
- £0.1m to conduct the necessary works to create a care leavers base in the Shirehall annex.
- £10m to improve the road network to resurface the Highways network. This is in addition to the £2.558m pothole fund and £4.85 highway investment.
- The Cabinet member set out that they will improve the economy of Herefordshire by working with local partners and businesses. Confirmed these projects will have no effect on the capital or revenue budgets.
- Employment land and incubation space. Made up using £7.2m of existing funding and an additional £4.8m from the capital receipt balance.

The local government financial settlement allowed local authorities to use capital receipts to fund transformational expenditure, this permits authorities to use the proceeds from asset sales to fund the revenue cost of projects. Proposed to use this flexibly to fund up to £1.6m of qualifying transformation expenditure in 2023/24 to generate efficiencies, ongoing savings and reduction in the cost of the service delivery.

Cabinet Members had no questions regarding the report.

Group leaders gave the views of their groups. Concerns were expressed regarding previous overspend in handling of capital projects. It was expressed the need for funding through appropriate channels, detailed full costings for projects and expectation of scrutiny throughout. View that the changes to the Capital Programme are being brought in too quickly and business cases are required, which should be published to support transparency. It was noted that business cases and funding are required before being added to the Capital Programme.

Some concerns were raised regarding the funding proposed for the Shirehall in the Capital Programme Review due to the outstanding business case. Some views expressed support in light of the potential opportunities for that area of town and the Shirehall. It was also raised that other options should be considered alongside the SLR and more funding was needed to improve the county's roads.

Recommendations were put forward of:

1. The £2m for Superhub funding be reinstated
2. No funding to the SLR until a full business case was developed
3. Publish the decision making process, the survey, prioritisation list and enable input from Parish Councils regarding the road re-surfacing budget
4. Fund Retrofit hub through capital receipts.

In response to points made it was noted that:

- It was important that money is put forward for the SLR to enable us to see how it can develop.
- The Cabinet have full faith in officers in advising Cabinet.
- Members of the public have requested more investment in the road infrastructure and the funding allocated will be a positive investment.
- The Shirehall is an asset for Herefordshire.
- The £2m removal from the Superhub budget was a decision following a review of the talk community hubs. Prior to the view, expressions of interest were requested by organisations if they wished to become a Superhub. However, that was just the first step and a full process would have been carried out before moving forward with the applications. The Superhub project is not dismissed and

will be looked at again once a better understanding is obtained as to what is being delivered and what the residents need.

- Noted that the majority of the Capital Programme remains unchanged, it still includes £5m of expenditure on biodiversity, investment in solar PV installation and the retrofitting project. These projects continue from the previous administration and are positive points which should not to be overlooked.
- The South Wye Link Road was cancelled by the last administration and a proper bypass is needed. The SLR is a necessary part of dealing with infrastructure and the traffic coming into Hereford. Therefore money is required in the Capital Programme to enable this to be developed.
- Noted that more houses will be built in Herefordshire and therefore the necessary infrastructure is required to support that housing.

It was unanimously resolved that:

- a) To approve the revised capital programme for 2023/24 attached at appendix C;**
- b) The Chief Finance Officer be authorised, following consultation with the Cabinet Member Finance and Corporate Services to make in year amendments to the final value included for the investment project from Wye Valley Trust (WVT). Also the investment project from Hereford and Worcester Group Training Association (HWGTA), based on the final approved business case;**
- c) Approve the Flexible Use of Capital Receipts of up to £1.6m in 23/24, to support transformation to generate ongoing revenue savings and reduce service delivery costs in future years; and**
- d) The Chief Finance Officer be authorised, following consultation with the Cabinet Member Finance and Corporate Services to make in year amendments to the final value included for the relocation of the library to the Shirehall (if this is the chosen option) based on the final approved business case and utilise the grant award from Stronger Towns Board.**

37. PROCUREMENT OF NEW WASTE CONTRACT

Cabinet members considered a report that seeks to update on the procurement of the new waste collection service. This follows the adoption of the council's new Waste Management Strategy in July 2021 and the subsequent Cabinet decision to adopt a new waste collection model in November 2021.

The Cabinet member for Community Services and Assets introduced the report, the principal points were raised.

That the current contract expires on 31 August 2024 and £8m was set out in the Medium Term Financial Strategy (MTFS) for the new service.

The new contract is due to start 1 September 2024 and since the procurement process commenced there have been significant cost escalations and new burdens to deliver the requirements within the Environment Act.

Highlighted that the report seeks to continue procurement for a new waste collection contract under the existing collection model to enable the phased introduction of the new waste collection service. This enables the Council to award a new contract and future proof the same.

Cabinet members discussed the report and it was noted that:

The current service is very good, there is 1% to landfill and that waste goes to an energy/waste plant. Recycling could be increased but a phased approach is required.

Noted other waste scheme are running such as repair cafes, reusable nappy schemes and recycling for flats.

Group leaders gave the views of their groups. It was positively noted that the administration remained committed to the long term vision for the new recycling and waste collection model. The phased implementation was noted as positive and the best way forward. Whilst disappointment was expressed that the weekly food waste cannot be implemented straight away, it was acknowledged this was due to the change in the amount of financial support from central government alongside disappointment that the Environment Act is delayed. It was queried how recycling rates can be increased in the interim however it was highlighted that Herefordshire recycling rates are lower as the rates don't reflect green waste. Noted that clarity is needed regarding costs of purchasing the new refuse vehicles, if green waste collection will be included in the recycling figures from contractors and how the Council can maximise recyclability of business waste.

In response to queries it was noted that:

- Recycling rates are a movable feast. Green waste collection would improve Herefordshire rates.
- The procurement process has been designed to provide the standard service and allow transition to the new service. Therefore some of the new vehicle fleet would come into effect now and when the additional aspects of the waste collection service start, the next phase of vehicles would come forward. It has been designed so the vehicle fleet will accommodate that.
- To support recycling rates for businesses, the commercial service is offered and if there are concerns regarding their waste and the contracts support is offered. It would be appropriate to have a more detailed discussion outside of this meeting.
- Confirmed there is no indication when the Environment Act will be implemented

It was unanimously resolved that;

- a) Cabinet approves the delivery of the Waste Management Strategy objectives and environmental improvements, by continuing the procurement process for the provision of a waste collection service under the existing collection model, within the proposed 2024/25 annual revenue budget, for an initial term of 8 years, including options to extend by up to a further 12 years (following budget approval);**
- b) Cabinet approves a phased implementation of the new collection model and that the procurement process should include a mechanism within the contract to enable the services to transition to: i. a three weekly, twin stream recycling service, ii. introduce a weekly food waste collection service and: iii. introduce a non-mandatory, seasonable, two weekly, chargeable garden waste service;**
- c) Cabinet confirms that the remaining aspects of the future collection service, as set out in b), are introduced at the appropriate time, subject to funding, legal responsibilities and approved business case(s);**
- d) Approval to spend up to £12.29m to purchase the new waste collection fleet, in consultation with the Director of Resources and Assurance;**

- e) **Delegate all operational decisions in order to implement the above recommendations to the Corporate Director for Economy and Environment, in consultation with the Director of Resources and Assurance;**
- f) **Delegates, to the Corporate Director for Economy and Environment, in consultation with the Director of Resources and Assurance the authority to negotiate and enter into a deed of variation to the Waste Disposal contract to accommodate the above recommendations as required; and**
- g) **The decision to award the contract to the successful bidder will be subject to a final decision of Cabinet**

The meeting ended at 16:05

Chairperson

PUBLIC QUESTIONS TO CABINET – 5 October 2023

Question 1**Mrs E Morawiecka – Breinton, Hereford****To: Cabinet member, infrastructure and transport**

Regarding reopening of Pontrilas station Councillor Price said "I would be unwilling to saddle the council with the additional financial risk that building a new station would present at this time," despite the support of Transport for Wales, and the local MP.

Worcester Parkway station opened February 2020 and is already performing way ahead of schedule with 544,270 journeys made from the station between April 2022 and March 2023 – the kind of volume not expected to be achieved for at least another eleven years.

The last transport project Councillor Price oversaw cost taxpayers 25% more than budget and failed to deliver the Hereford Transport Hub.

Where is the evidence to justify allocating £12.3million on a new road scheme will offer better value for money, have lower financial risk, and comply with Council Policy on Climate, than opening the Pontrilas station?

Response

The reopening of Pontrilas station is a priority for this Council, and my role as Cabinet Member for Infrastructure and Transport, working with my colleagues, is to facilitate discussions with all local, regional and national stakeholders, including Midlands Connect, the Department for Transport and Network Rail, to make the case for this station, benefitting not only the rural areas of the Golden Valley but to the wider county and the region, by improving connectivity within the County and beyond.

I have already met with representatives from Midlands Connect, and set out our ambitions for improving infrastructure across the County, and beyond. With the formation of the new Marches Forward Partnership, which brings together the Leaders of Herefordshire, Monmouthshire, Powys and Shropshire, we will take every step to explore and promote the project as a priority for future cross-border working

A proposal was submitted to Government to reopen Pontrilas station, as part of the Restoring Your Railway programme, and the response received has provided a number of issues that need further consideration, and I will continue to work with partners to strengthen that case. The original outline business case was very clear on the benefits the reopening of the station would bring, including better access to jobs and health care provision, as documented in the outline business case, including -

- enhance the catchment of Herefordshire Colleges
- 'level up' the local economy
- reduce road traffic in the city of Hereford
- reduce car-parking pressure at Hereford and Abergavenny stations;
- address the decarbonisation agenda by reducing the car mileage associated with accessing long-distance rail services, or driving all the way to one's destination

During a review of the Capital Programme, we have identified an opportunity to invest in essential infrastructure in the County, and the allocation of £12.3m will enable us to develop the necessary business cases, and review this in line with the 2021 South Wye Transport Package report

The council will consider every opportunity to promote a choice of travel for the residents in Herefordshire. Pontrilas offers the potential to improve our transport infrastructure, now and in the longer term.

Supplementary question

“Thank you, it is excellent to hear that Pontrilas Railway station is a priority for the Council, especially as the new station is likely to cost much less than the £12.3 million that Cabinet today is recommending be allocated for developing a business case for a new road.

Worcester Parkway Station had an outline Benefit Cost Ratio (BCR) of 3.54. With 3 times the number of passengers using Worcester Parkway than forecast, the actual BCR achieved is even higher. Opening Pontrilas station is likely to have a BCR of 3 or higher, whilst meeting so many other Council policy objectives, including tackling climate change and transferring heavy freight from road to rail.

In comparison, the Southern Link Road was estimated to have a BCR of 2.0, based on 2014 cost estimates. The Treasury Green Book recommends that when comparing alternative capital projects those with the highest BCR should be progressed ahead of those with lower BCRs.

With Pontrilas Station a priority of this Council, would the Cabinet member please explain the evidence which justifies the recommendation for £12.3 million to be allocated not to the Pontrilas station project, but to developing a new road project, which offers a lower return, poorer value for money to the taxpayer and none of the benefits you have mentioned?”

Supplementary Response

Thank you for your supplementary question. The BCRs are of different projects and further work is required to confirm the BCR for the Pontrilas site and our role as a Council is to support the partners that will ultimately deliver that scheme. We will work with Network Rail and transport for Wales to help form and develop a business case.

Question 2

Victoria Wegg-Prosser, Breinton, Hereford

To: Cabinet member, infrastructure and transport

Councillor Price assured Cabinet (28.9.23) that ‘due process’ will be followed as regards the SLR and the Western bypass which he proposes to revive. ‘Due process’ in 2020 revealed these projects to be inadequately costed, in conflict with climate emergency targets, and likely to achieve minimum traffic reduction in the City of Hereford. Cabinet is now being asked to endorse the transfer of £12.3MN Current Capital funds away from critical programmes such as Partnership Activities, Fastershire and Super Hubs to the SLR proposals, all three weeks in advance of the ‘due process’ of deliberating a Key Decision for the SLR. Is this an example of Councillor Price following ‘due process’?

Response

I can confirm that due process will of course be followed, and the allocation of £12.3m budget for the Southern Link Road will ensure the Council has allocated funds to commence the Strategic Outline Business Case.

The report on the Cabinet agenda – Capital Programme Review and Update sets out the rationale for changes to specific projects and programmes, and how these funds would be reallocated. Subject to the decision of Cabinet, and approval by full Council, governance and decision making requirements will be followed before any spend commences against these budgets.

No supplementary question

COUNCILLOR QUESTIONS TO CABINET – 5 October**Question 1****Councillor Hitchiner, Stoney Street****To: Cabinet Member, Transport and Infrastructure**

Am I to take it that Cllr Price is asking the Cabinet to start a journey to gain approval to spend up to £12.3m on a project before it is known whether or not that project has a business case in support, and whether, even with a good business case, finance may not be available to complete it?

There is no obvious rush which requires a decision to be made in this extremely risky.

Can he please follow the example of the previous administration and make decisions based on a current business plan and up to date evidence rather than take the huge risks which this proposal represents?

Response

Subject to the decision of Cabinet, and the support of Full Council to approve the proposed changes to the Capital Programme, we will of course ensure the necessary business cases are presented as part of the decision making process. The proposal to allocate £12.3m is part of that process to ensure we are able to deliver on those commitments.

Supplementary question

The Cabinet report states the £12.3m budget is to enable land negotiations to comment and initial works to start all before a business case is developed. In his reply Councillor Price does not categorically say that initial work's will not start until a business case has been approved. I will be disappointed if Cabinet members accept the report which allowed such work to start. Several Cabinet members were portfolio holders during the last administration when Blueschool street fiasco occurred. Secondly there was the inner Link Road which not only built a costly road, it also failed to deliver the transport hub. Thirdly, the failed procurement process for the SRR in 2018/19 which Councillor Price should accept some responsibility. Fourthly, the poor value for money for the BBLP contract. Lessons are contained in the internal audit reports copies of which I suggest Cabinet members read so they can learn from their previous mistakes. The administration I headed spent a lot of effort on putting in place procedures so there would not be a repeat. The last conservative administration do not have a good record, and the ability to spend £12.3m before a full business case is developed does not fill me with confidence. Would Cabinet amend the proposal today so that it clearly states that no money will be spent on works on the ground until a full business case is accepted by Council and the money to complete the project is available and guaranteed? That would surely be a better practice. We do not want another HS2 type disaster in Herefordshire.

Supplementary Response

Thank you for your question. I will dispute the facts that some of the contents you say, and I am absolutely categorical about the inner relief road, that was not overspent, it was within budget. With the change to the current funding in the capital budget, that money is put into the capital budget so that we can do the necessary work to get the business case brought forward for the delivery of what is a priority for the Council and that is to build the South Wye relief road and we do it with the process. Your administration will be involved in the process just the same as we have been, ever since this Council has been formed. My answer at this moment in time, is that

money is there to ensure the processes go forward and are suitably funded. We will not be building that road until we have secured the funding for it.

Question 2

Councillor Toni Fagan, Birch Ward

To: Cabinet member, Adults, Health and Wellbeing

The removal of Talk Community hub funding from the Capital Programme is a blow to many community groups. Volunteers are on their knees trying to support their communities whilst the state of our community infrastructure crumbles. Since the pandemic most grants have been revenue based to enable the roll-out of additional support and services – meanwhile roofs leak and buildings fall into disrepair – diverting precious voluntary time and energy into trying to keep structures functional for the communities they serve.

Could you please tell me:

1. How many expressions of interest there were for the Hubs Capital Grant Scheme ?
2. The percentage of those expressions of interest which related to the key aims of the Herefordshire Wellbeing Strategy: a) The best start in life for children and b) Good mental wellbeing?

Response

Talk Community remains a key strand of the council's work to support individuals and communities to help themselves and help each other. There are 75 hubs across the county of various sizes based within communities. When this capital money was allocated by the previous administration to create Super Hubs, expressions of interest (EOIs) were invited from all local organisations, not just Talk Community Hubs, to deliver a broader range of integrated and co-located services close to local communities, such as health, counselling, midwifery, health visiting, mental health services and physiotherapy and possibly confidential meetings/clinics.

43 EOIs were submitted in total, far more than would be capable of being funded from the capital allocation. In all cases, I recognise the significant amount of work that people have put into developing their EOIs and I understand the disappointment.

Whilst a few organisations submitted an EOI focusing mainly on repair to their buildings with no added value, it is important to be clear that the money was never intended to be used to cover the costs of existing activities at Talk Community Hubs or to pay for the maintenance or repair of the premises in which they operated. It was, as the title states, to potentially create Super Hubs across the county.

We want to be absolutely sure that any funding will bring a real benefit to communities and that is why we are undertaking a wider, strategic review of the Talk Community approach. The recommendation to take the funding out of the coming year's Capital Programme does not mean that we are dismissing the idea of Super Hubs and I can assure members and those organisations who made their submissions that once we have a better understanding of what is being delivered, how many people it is reaching, where the gaps are etc. we will look again at the Super Hub proposal.

In response to the final part of the question, I can confirm that the EOI did not specifically ask applicants to address the key aims of the Herefordshire Joint Health and Wellbeing Strategy. However, 20% of applicants stated they would provide services for 0-5 year olds with 51% of applications stating they would provide mental health support services.

Supplementary question

The expressions of interest show that, despite not even being asked to meet the key aims of the Wellbeing Strategy – the best start in life and mental wellbeing (themes emerging out of our crisis with children and the impact of covid on our communities) – Community groups are well primed and willing to deliver these aims – with some capital investment.

The Community Paradigm intends to empower our community sector to strengthen the fabric of our society, providing Universal Care and making it resilient to future shocks. I would suggest you are literally throwing the baby out with the bathwater because the papers say that Super Hub funding is not in line with current priorities.

Can you confirm that strengthening our beleaguered but vital Third Sector, during a crisis in children and families and mental health following the pandemic, is no longer a priority? If it is- what alternative action will we see to support this sector?

Supplementary Response

Thankyou Councillor Fagan. My original response confirms that we are committed in supporting residents and communities, and the community and voluntary sector is integral to that work. The recently approved health and wellbeing strategy identifies a best start in life and good mental health as key priorities to the county. As chair of the health and wellbeing board, I'll be ensuring that those priorities are actively address for the benefit of individuals and communities. The super hubs proposal has not been dismissed but the wider strategic review of talk community that I referred to in my original response is key to us developing a better understanding of what is being delivered and where there may be gaps in order to ensure that any future funding will bring real benefits to the county and the residents of the county.

