

## **Minutes of the meeting of Cabinet held at Herefordshire Council Offices, Plough Lane, Hereford, HR4 0LE on Thursday 25 January 2024 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 Harry Bramer, Barry Durkin, Carol Gandy, Ivan Powell, Philip Price and Pete Stoddart

**Cabinet Members in remote attendance** None

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

Cabinet support members in attendance Councillors Dan Hurcomb

Group leaders / representatives in attendance Councillors Liz Harvey, Ellie Chowns and Bob Matthews

Scrutiny chairpersons in attendance Councillors Toni Fagan and Louis Stark

Other councillors in attendance:

Officers in attendance: Chief Executive, Director of Resources and Assurance, Corporate Director, Children and Young People, Corporate Director - Economy and Environment, Director of Governance and Law and Corporate Director Community Wellbeing

### **76. APOLOGIES FOR ABSENCE**

There were no apologies from members of the cabinet.

Apologies were received from Councillors James.

### **77. DECLARATIONS OF INTEREST**

None.

### **78. MINUTES**

**Resolved:** That the minutes of the meeting held on 14 and 21 December 2023 be approved as a correct record and signed by the Chairperson.

### **79. QUESTIONS FROM MEMBERS OF THE PUBLIC (Pages 9 - 12)**

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

### **80. QUESTIONS FROM COUNCILLORS (Pages 13 - 14)**

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

### **81. REPORTS FROM SCRUTINY COMMITTEES**

### *2024-25 Budget Recommendations from Scrutiny Management Board*

The chairperson for the Scrutiny Management Board (SMB) confirmed the meeting on 10 and 16 January 2024 was to consider the scrutiny of the 2024/25 Budget. The principle points were presented by the chair of the SMB regarding the reality of the balance of the Council's budget. Three recommendations were made in respect of savings, firstly that it was not reasonable to rely on Children's directorate to deliver £2.5m of savings without evidence of savings or an alternative source of savings being identified. Secondly, detail was requested regarding how £450k of savings can be achieved from Balfour Beatty Living Places. Thirdly, performance monitoring should take place for areas affected by MERS. Two recommendations were made in respect of income, firstly that detail of income was provided for all directorates. Secondly, provide evidence that the income targets for planning services were realistic. The SMB also made two further recommendations; that a forecast was provided of which ear marked reserves will fund the £13.8m overspend in Children's and Young People Directorate. Also, that investment to provide targeted support for hard up households is made clearer in the budget papers for Council.

The Leader thanked the committee for their work in forming the recommendations, it was noted that Cabinet will give them due consideration and provide information requested for full council.

### *Children and Young People directorate budget task and finish group*

The chairperson of the Children and Young People Scrutiny Committee (CYPSC) confirmed the meeting took place on 23 January 2024 regarding the budget task and finish group. The committee noted numerous factors within the report were driving the overspend in Children's and Young People Directorate. The recommendation proposed that the £2.5m savings within Children and Young people directorate should be assured from elsewhere within the budget.

The Leader thanked the committee for their work in forming the recommendations.

## **82. 2024/25 BUDGET, MEDIUM TERM FINANCIAL AND TREASURY MANAGEMENT STRATEGY - REVENUE**

### **Opening remark by the Leader**

Regarding the Budget and the local settlement, clarification was only received on 24 January in respect of the additional funding received and this will be discussed today along with the amendment to the recommendation.

The Cabinet member for finance and corporate services introduced the report. It highlighted that the revised budget for 2024/25 was now £210m. It was confirmed that; the central government settlement was better than expected at £2.5m; the Rural Services Delivery Grant was increased to £945,000 and the Social Care Grant for adults and children was increased to £1.835m. The additional funds will be used to cancel the planned car parking increase; provide funding towards strategic housing activities; provide funding towards the Leominster heritage action zone; to remove the planned reduction in Library opening hours; to support Economy and Environment directorate by resourcing a funding officer; to provide funding for the community and volunteer sector; to allocate funding to Parish Councils for the lengthsmen scheme; to provide funding towards Herefordshire footpaths; to provide funding to address drainage works across the road network; add money to the financial resilience reserve and the new social care resilience reserve.

It was noted that each directorate has its own pressures and savings plan to deliver the directorate savings of £11.6m.

The Medium Term Financial Strategy sets out the Council's budget for 24/25 and the financial plan until 27/28. Noted there was only a £1.9m funding gap over the medium term financial period.

Cabinet members discussed the report and it was noted to be a positive opportunity to allocate money to be used locally for the right of way footpaths, lengthsman scheme and drainage. Also, that the investment in the Children's directorate will result in improved outcomes for children and families.

Group leaders gave the views of their groups. The additional funding announced was welcomed. Concern was expressed regarding underfunding of public services and when progress will be made with improving the A49 and transport links to the motorway. It was noted that there should be close monitoring over the use of contractors at the Council and caution taken with MERS. The cancellation of car parking charges was welcomed. It was queried what percentage of people fund their own care and what the impact will be due to the asylum seekers moving from the Three Counties Hotel and from the Talbot hotel. It was asked that high school transport costs for families transporting children from Credenhill to Weobley are addressed. Clarification was sought as to where funding monies have been allocated in the Budget report regarding targeted support for hard up households.

In response to the queries it was noted that local government funding is tight and extra monies are welcomed. Regarding the A49 the Cabinet member advised the bypass will come to Cabinet in February. It was confirmed that monitoring of Council spending will be closely monitored with Cabinet portfolio holders conducting a monthly review of all expenditure and the £500 moratorium will continue next year. The request for MERS to be managed sensitively is acknowledged and it is noted that recommendation four from the SMB includes a request that monitoring of performance in respect of MERS is undertaken. Confirmed 65-70% of people are self-funders for their care and there are others who pay towards their care. In respect of asylum seekers the Council are required to accommodate 0.1% of the local child population under the National Transfer Scheme which is equivalent to 36 children. The Home Office accommodate families at the Talbot Hotel in Leominster and includes children but they are not unaccompanied asylum children. Confirmed they will be collectively relocated by the Home Office when the Talbot Hotel closes at the end of February 2024. The Home Office also commission the Three Counties Hotel for single male adults but occasionally one will come forward who will say they are under the age of 18, the Council then have a duty to accommodate them as unaccompanied asylum seeking children. The Council have 38 unaccompanied asylum seeking children and 71 unaccompanied seeking children who have now reached the age of 18 and the Council continue to support them as care leavers. Confirmed that the Cabinet member is aware of the school transport issue concerning Credenhill and acknowledged the seriousness of the issue.

**It was unanimously resolved that:**

**That Cabinet recommend to Council for approval:**

- a) the council tax base of 71,999.97 Band D equivalents in 2024/25;**
- b) an increase in core council tax for 2024/25 of 2.99%;**
- c) an additional precept in respect of adult social care costs of 2% applied to council tax in 2024/25 resulting in a total council tax increase of 4.99%, increasing the band D charge from £1,786.61 to £1,875.76 for Herefordshire Council in 2024/25;**

- d) the balanced 2024/25 revenue budget proposal totalling £207.7 million, subject to any amendments approved at the meeting, specifically the net spending limits for each directorate as at appendix C;
- e) delegates to the section 151 officer the power to make necessary changes to the budget arising from any variations in central government funding allocations via general reserves;
- f) *amended to:*  
the allocation of additional funding of £2.5 million announced in the Local Government Settlement in December 2023 to support strategic housing (£1.0 million), to reverse planned parking charge increases (£400k), an allocation of £300k to the Leominster Heritage Action Zone, removal of proposed savings in Community Wellbeing to reduce library hours (£55k), £56k to provide funding officer resource to identify external funding opportunities, £200k of funding to support the community and voluntary sector across Herefordshire and a £500k transfer to the Financial Resilience Reserve.
- g) the Medium Term Financial Strategy (MTFS) 2024/25 to 2027/28 at appendix A be approved;
- h) the Treasury Management Strategy at appendix D be approved; and
- i) the responses to scrutiny committee recommendations to follow in a supplementary paper to be approved.
- New recommendation added:*
- j) following the announcement by Government on 24 January of additional measures for local authorities, the allocation of £1,835k additional Social Care Grant to a Social Care Resilience Reserve and £945k increase in Rural Services Grant to provide additional funding for the lengthsman scheme (£250k), additional funding for drainage works across the county (£445k) and improvements to Public Rights of Way (£250k).

### 83. 2024/25 CAPITAL INVESTMENT BUDGET AND CAPITAL STRATEGY UPDATE

The Cabinet member for finance and corporate services introduced the report. It highlighted there was one further addition from the Department of Transport of a grant for £3.36m over a two year period to address pot holes. It was confirmed that inclusion of a project in the capital programme is not approval to proceed, each project will be subject to its own governance, a full business case will be presented for approval where required and in full compliance with the Council's contract procedure rules. The additional projects and further detail were set out for Community and Economy. Confirmed that the Capital Strategy will be updated in line with the County Plan 2024-2028 and the Delivery Plan with the aim to benefit the community, with a community impact assessment to be included in the decision report for any new capital scheme commencing.

There were no comments from Cabinet members.

Group leaders gave the views of their groups. Concern was expressed regarding borrowing for capital projects when interest rates are high and the impact on council tax payers in the future; ensuring that sensible value for money policies are implemented to nurture growth for local businesses; the governance regarding the road programs being reinserted into the Capital programme and ensuring that they are part of the Council's policy framework.

In response to the queries it was noted that the Council has lower levels of borrowing than other authorities and to achieve goals, which cannot be achieved solely from the revenue budget, financial mechanisms are in place to enable this. It was confirmed that any help was welcomed to ensure the Council achieves best value for money and it is obligatory on all Councillors to do so. In regard to allocation of capital for the Southern Link Road it was confirmed that on 8 December (2023) there was a resolution to allocate monies to the project.

**It was unanimously resolved that:**

**That Cabinet recommends the following to Council**

- I. To approve the revised capital programme for 2024/25 attached at appendix C; and**
- II. Approve the capital strategy at appendix D.**

**84. 2024/25 COUNCIL TAX REDUCTION SCHEME**

The Cabinet member for finance and corporate services introduced the report. It was highlighted that charges can be reduced if certain requirements are met for working age individuals and pensioners. It was confirmed that the pensioner council tax reduction scheme is set nationally but the working age council tax reduction scheme is set locally by Hereford Council.

Cabinet members had no comments.

Group leaders gave the views of their groups. The continuation of the council tax reduction scheme was welcomed by all but clarification was sought regarding when change of circumstances are notified to the Council.

In response to the queries it was noted that the majority of households do inform the Council of their change in circumstances.

**It was unanimously resolved that;**

- a) The Council Tax Reduction Scheme for 2024/25, with the same parameters as the existing scheme, be recommended to Council for approval.**

**85. PROCUREMENT OF NEW WASTE COLLECTION SERVICE - UPDATE**

The Cabinet member for community services and assets introduced the report and highlighted that on completion of the procurement process a new contract will be awarded. Confirmed the new contract includes options and flexibility for the Council to phase the introduction of the new collection model and each element will be subject to a business case and a subsequent decision. It was noted that the new contract will commence on 1 September 2024 with an initial term of 8 years with the option to extend by a further 12 years. It will commence on the current collection model, meaning there will be no immediate changes for residents or businesses. In respect of the optional chargeable garden waste service the public consultation responses will be reviewed to support the business case for a subsequent decision. Noted that further information is awaited from the Government's waste reforms regarding the introduction of the food waste service.

There were no comments from Cabinet members.

Group leaders gave the views of their groups. There was support for the new waste collection service but concern was expressed regarding Herefordshire's low recycling rates and if fly tipping will increase if the contract is too rigid. More information should be

provided to businesses and residents regarding what is recyclable in the interim. Clarification was sought regarding the Council's current recycling rate and how it is going to be improved, what is the time frame for implementing the enhanced service and what protection does the Council have when new legal obligations are set when the Council is already committed to a contract.

In response to the queries it was noted fly tipping will be monitored and despite how the waste contract is handled, the Council will try and remove fly tipping from the County. It was acknowledged that the Council will encourage households to recycle and has the ambition to increase the information provided. It was confirmed that the current recycling rate is 39.5% as of November 2023 and it was noted that not all Councils are the same, for example Herefordshire Council's food waste goes to energy from waste not landfill but not all Councils do this at this point. Clarified that enhanced elements of the waste contract cannot be brought forward as the Council is awaiting confirmation of the new obligations from Government. Confirmed that anticipated future changes are built into the contract and are benchmarked to avoid unfair price increases by the provider.

**It was unanimously resolved that;**

- a) Authority is delegated to the Corporate Director for Economy and Environment in consultation with the Cabinet Member Community Services and Assets, Cabinet Member for Environment and the Director of Resources and Assurance to award the contract to the preferred bidder for the new 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 and conclusion of the procurement process);**
- b) Authority is delegated to the Corporate Director for Economy and Environment in consultation with the Cabinet Member Community Services and Assets, Cabinet Member for Environment and the Director of Resources and Assurance to authorise expenditure for the essential depot improvements, service enhancement and new receptacles essential for the standard service, within the approved £5.8m capital budget for the standard collection service within the new contract;**
- c) To delegate authority to the Corporate Director for Economy and Environment to place the order with the preferred bidder for the new vehicle fleet prior to the contract award with the preferred bidder in order to meet the vehicle lead in times and ensure the new vehicles are available for the new Contract Commencement Date;**
- d) To authorise the expenditure up to the value of £250,000 from the Waste Revenue Reserve to fund mobilisation;**
- e) Cabinet approves the extension of the existing Waste Collection contract with FCC Environment from 2 June 2024 to 31 August 2024 to ensure alignment with the start of the new waste collection contract on 1 September 2024; and**
- f) Delegate all operational decisions in order to implement the above recommendations to the Corporate Director for Economy and Environment.**

The meeting ended at 4.25 pm

Chairperson

## PUBLIC QUESTIONS TO CABINET – 25 January 2024

**Question 1****Herefordshire Construction Industry Group, Hereford****To: Councillor Swinglehurst, cabinet member for environment**

Herefordshire Council recently stated that new homes are responsible for around 0.023% of the phosphorous load in the Wye.

It is estimated (by HC) that local housing providers will need access to around 800kg of phosphorus mitigation, in order to meet the councils next decade of housing obligations.

Welsh Water will have removed more than 14,000 kg of phosphorus per annum by 2025, part of the 23,000kg they will have removed across the wider Wye Catchment.

Does the cabinet think that it is sensible or fair to maintain a housing moratorium in the Lugg - or to expect expensive and elusive mitigation - from a sector whose nutrient contribution is negligible, and more than covered by the water company?

**Response**

The Council acknowledges that point source pollution from development is only a small percentage of the overall source of pollution. However the **Habitats Regulations** require the Council, by law, to undertake an assessment to demonstrate with scientific certainty that no plan or project will add further nutrient pollution to the river.

The Council has both sought legal advice on this requirement and lobbied in central government. As this legislative requirement still stands we have developed strategic mitigation in the form of the wetlands, Luston is already operating, in order to be able to trade Phosphate credits to mitigate the nutrient load of development. Our intention is to continue with developing further sites and to introduce Package Treatment Plants at a number of locations that will further help to mitigate phosphate pollution.

**Supplementary question**

Thank you. Unfortunately this doesn't answer the question.

Credits remain elusive and glacial.

We worry that Herefordshire Council controls all aspects of mitigation – what is done, who gets credits, when and how much they cost.

Powys and Monmouthshire CC plan to use Welsh Water's upgrades as mitigation. Following amendment NC77 to the Levelling Up and Regeneration Act 2023 all other English counties will do the same.

As an English county with a Welsh operator Herefordshire is excluded – so is significantly disadvantaged, despite new housing needing so little mitigation.

Could HC seek legal and Govt. advice regarding Welsh Water mitigation capacity?

Would HC meet with HCILG to discuss the situation in more detail so we can better understand and help one another?

We desperately need urgent support and presumably the council needs the money, homes and jobs HCILG generate?

## **Supplementary response**

Thank you for the question. I am really sorry that they feel the credit allocation process is glacial. The planning team are working hard to deliver mitigation for schemes that have been on hold for the longest on a first in first out basis. Close to 600 houses have been released so far. As soon as we're able to commence the project planning for the additional mitigation measures outlined in our original response then I'm assured we will have sufficient mitigation in place for development beyond 2030. With respect to the approach adopted by our neighbours in Wales. Our understanding is that funding has been secured by Monmouthshire Council in addition to the requirements of AMP 8 to upgrade wastewater treatment works at two sites in Monmouth and Llanfoist and this enabled further development linked to these works to be permitted. In Herefordshire we've launched the environment advice service which allows developers to propose their own private mitigation scheme and this would then be included as part of the development agreements which means that council is not going to be the sole provider of credit allocations going forward. Herefordshire Council recognises that the Levelling-up and Regeneration Act (2023) seeks to address the issue of growth through applying further funding to upgrade wastewater treatment works across the country but Herefordshire is at a particular disadvantage in this respect. We drew this to the attention of Therese Coffey the former Environment Minister during her visit to the county and an action plan specific to the River Wye was proposed. In light of the change of Minister the Council will be making further representations to government to once again highlight this issue. I am of course more than happy to meet with Ms Albright and the Construction Industry Lobby Group to further discuss this issue.

## **Question 2**

**Mr David Stephenson, Ledbury**

**To: Councillor Stoddart, cabinet member for finance and corporate services**

How can Herefordshire Council justify the proposition of yet another 4.99% Council Tax increase, at a time when many hard working families are already struggling. While at the same time approving large pay rises and bonuses for it's top bosses?

At what point will Herefordshire Council realise and understand that continuously passing it's shortfalls in funding, via maximum Council tax increases to it's residents, is callous, unfair, and most importantly unsustainable to the residents of Herefordshire?

While I appreciate that Councils have encountered wide spread cuts from central Government. The answer simply cannot be year upon year, to effectively pass these cuts onto the residents of Herefordshire, that you are supposedly elected to represent. This knee jerk reaction is quite frankly laziness or down right incompetence by those managing finance within the Council.

## **Response**

Despite significant financial challenges, linked to rising inflation and unprecedented increases in demand for adult and children's social care, the Council has achieved a balanced budget position for 2024/25.

The £207.7 million budget for 2024/25 includes demand and cost pressures of £43.3 million. The proposed increase in council tax is one of the measures, along with delivery of £19.5 million in savings and efficiencies across council services, to balance the budget and secure the delivery of key services in the future.

The Council relies on income from Council Tax, alongside other funding sources from Government, to deliver services across the county. The Council recognises the challenging financial climate and its impact on individuals and we continue to provide support to households



in hardship. In addition, the Council Tax Reduction Scheme continues to provide support to those most in need with more than 11,000 households expected to receive 100% discount on their council tax through this scheme – paying no council tax at all. The scheme provides support to eligible households regardless of their council tax banding. The 2024/25 budget includes additional sources of income generation and transformation activity to further limit the pressure on local tax raising and to manage our financial challenges internally as much as possible

### **Question 3**

**Hannah Currie, Hereford**

**To: Councillor Powell, cabinet member for children and young people**

The 2024/25 Budget, Medium Term Financial and Treasury Management Strategy – Revenue report (Agenda No. 7) mentions the Herefordshire Children's Services Improvement Plan.

It is concerning that the Improvement Plan on the council's website is dated 19<sup>th</sup> December 2022 when a newer version (dated 7<sup>th</sup> June 2023) was presented six months ago to the Children and Young People Scrutiny Committee meeting on 18<sup>th</sup> July 2023.

Given two Nolan Principles are Openness and Accountability. Can the cabinet please confirm what is the date of the most recent version of the Herefordshire Children's Services Improvement Plan and will it be linked to the webpage:

<https://www.herefordshire.gov.uk/social-care-support/childrens-services-improvements>

by 31<sup>st</sup> January 2024?

### **Response**

Thank you for your question. You quite rightly point out that the improvement plan was signed off and published in December 2022 which was the date that it was submitted to Ofsted, following the inspection in July 2022.

The Improvement Board receives regular updates, rather than substantive changes to the Improvement Plan (which has not changed significantly in the past 12 months).

In response to your question though we will publish the most recent version of the document that was presented to the Improvement Board (November 2023), incorporating the progress update on our website before 31<sup>st</sup> January.

You might also like to know that we plan to refresh the Improvement Plan in the Spring this year.

### **Question 4**

**Christina Price, Hereford**

**To: Councillor Durkin, cabinet member for roads and regulatory services**

In view of the obvious dangers of potholes with poor road stability for road users why does the Council continue to throw multiples of money at LED and 5G installations which the people of Herefordshire have neither requested nor been made aware of unresearched dangers ?

Why are our roads disregarded when it applies to our safety?

### **Response**

In answer to the question, we would advise Ms Price that the Council completed a county wide scheme to introduce LED street lighting across the county prior to 2020, so has not been investing in this area recently, other than where maintenance is required. With regard to 5G installations, this is not something that the Council has delivered nor does it form a part of our investment strategy at this time.

In terms of Ms Price's comments about road defects, we would always encourage her to report any issues online via our My Herefordshire portal so that we can arrange for them to be looked at. Our network is managed in line with the Council's Highways Maintenance Plan, this provides the Council with clear guidance as to how defects on the network are categorised and repairs instructed. The Plan also sets out the minimum standards for our highways safety inspections, these are used to satisfy our statutory obligations contained with the Highways Act 1980.

On an annual basis, we would note that considerable investment is made into Herefordshire's highway network. By the end of the 2023/24 financial year, £25.7 million will have been invested across the county's public realm in terms of maintenance and improvement work, from filling potholes and resurfacing roads, to sweeping our streets and cutting grass, through to keeping our network moving in extreme weather conditions by sending out our fleet of gritters. Supplementing additional central government funding, more local investment is being made by the Council in 2024/25 and which will see total additional spend of £16.8 million on our highway network should the budget be approved in February. It is anticipated that at least £11m of investment will be made in carriageway works, ranging from surface dressing to full resurfacing.

**COUNCILLOR QUESTIONS TO CABINET – 25 January 2024**

No questions from Councillors were submitted.

