

DRAFT

Minutes of the meeting of Cabinet held at Herefordshire Council Offices, Plough Lane, Hereford, HR4 0LE on Thursday 28 November 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 Graham Biggs, Harry Bramer, Barry Durkin, Carole Gandy, Ivan Powell and Philip Price
Cabinet Members in remote attendance	None
	<i>Cabinet members attending the meeting remotely, e.g. through video conferencing facilities, may not vote on any decisions taken.</i>

Cabinet support members in attendance Councillors Dan Hurcomb and Nick Mason

Group leaders / representatives in attendance Councillors Clare Davies, Liz Harvey, Terry James and Diana Toynbee

Scrutiny chairpersons in attendance Councillors Pauline Crockett, Ben Proctor and Louis Stark

Officers in attendance: R Cook, A Deans, H Hall, Luenne Featherstone, C Porter, R Sanders, Rosie Thomas-Easton and P Walker, S Gregory (Secretary),

28. APOLOGIES FOR ABSENCE

There were apologies from Councillors Stoddart, O'Driscoll and Fagan.

29. DECLARATIONS OF INTEREST

None.

30. MINUTES

Resolved: **That the minutes of the meeting held on 26 September 2024 be approved as a correct record and signed by the Chairperson.**

31. QUESTIONS FROM MEMBERS OF THE PUBLIC (Pages 11 - 12)

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

32. QUESTIONS FROM COUNCILLORS (Pages 13 - 14)

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

33. REPORTS FROM SCRUTINY COMMITTEES

There were no reports from scrutiny committees for consideration at this meeting.

34. ADDITION OF CAPITAL BUDGET TO DELIVER IT CAPITAL PROGRAMME

The cabinet member for environment introduced the report and councillor Mason expanded on the report in Councillor Stoddart's absence who was noted on sick leave.

It was discussed that the decision to invest in the technology needed would produce improved outcomes with optimised efficiency. It was explained that it is a move of existing capital expenditure that was intended to be taken in the subsequent year. Instead it would be brought forward into this year to progress the Council's essential transformation work.

The £368,000 helps ensure the Council is cyber secure and can provide a level of support for residents in terms of improving communications.

There were no comments from cabinet members.

Group leaders gave the views of their groups.

The report was welcomed and it was noted that investment in technology and IT would be beneficial. It was queried if there were any other projects that could be brought forward given £5.5m of the capital programme wouldn't be spent or was associated with projects delivering under budget or not continuing. Caution was also expressed whether improved technology would improve the service for residents.

In response to the query, it was confirmed that these were the two urgent IT projects that needed to be brought forward. It was clarified that if too many projects were in progress it could be detrimental to do all at once.

Councillor Swinglehurst proposed the recommendations, and it was unanimously resolved that the following be recommended to Council

- a) **To approve the addition of £368,000 in this year's capital programme, to deliver Wide Area Network (WAN) replacement project and Telephony Contact Centre project, funded from underspends in the capital programme.**

That: Cabinet

- b) **Delegates to the Director of Strategy and Transformation the spend, subject to Council approval, up to £368,000 to deliver the projects as part of the IT Capital Programme.**

35. Q2 2024/25 BUDGET REPORT

The cabinet member for environment introduced the report and councillor Mason expanded on the report in Councillor Stoddart's absence who was noted as on sick leave.

Councillor Swinglehurst, cabinet member for environment, extended their congratulations to the finance team for winning the Chartered Institute of Public Finance and Accountancy (CIPFA) award.

In respect of the Quarter 2 Budget report, it was noted that the forecast overspend was £10.2m, and with management action this will reduce to £2m. The approved net budget for 2024/25 was £212.8m which included £11.6m of planned directorate savings and £7.9m of council wide savings. It was noted there are cost pressures of £11.6m from in demand led services, supporting social care budgets, temporary accommodation and SEN transport services but is offset by the delivery in full of £1.4m of the 2024/25 savings targets in the children young people budget.

It was highlighted that the report represents six months of actual transactions and six months of estimated income and expenditure. It was noted that the children and young people budget line at quarter 2 was balanced, confirming that the directorate budget set for 2024/25 was sufficient and realistic. It was confirmed that additional expenditure controls remain in place to support recovery action.

It was noted that a review of the £19.5m savings for 2024/25 had been undertaken which confirmed that £8.9m (46%) of the total savings target had been delivered at quarter 2 and £5.6m (28%) were assessed as on target or in progress. Savings of £5m (26%) were assessed at risk. A breakdown by directorate of 2024/25 approved settings is shown in Table 3 of the report.

Regarding ear marked reserves, the last report to cabinet in May 2024 noted total audited balances of £82.8m, comprising the general fund balance of £9.6m and earmarked reserve balances of £73.2m. An assessment to confirm the adequacy and robustness of balances was undertaken annually by the section 151 officer as part of the budget setting process. It was highlighted that the council continues to experience significant in-year financial pressures in respect to social care budgets for adult and children and home to school transport, with these budgets representing the majority of the forecast overspend in quarter 2.

A contingency reserve of £11m was proposed to mitigate against in-year and future year pressures. The funds would be transferred from the business rates risk reserve, reducing this from £19.7m to £8.7m. It was confirmed that a full risk assessment to determine appropriate levels of reserve balances would be undertaken as part of the budget setting process for 2025/26. Also, a full and detailed review and update of the future council's reserve strategy will be presented at cabinet.

Regarding the dedicated schools grant (DSG) deficit, it was confirmed that this is accounted for as an unusable reserve on the council's balance sheet as permitted by statutory instrument and remains in place until 31 March 2026. It was clarified that this enables all local authorities to ring fence the DSG deficit from the overall financial position in the statutory accounts. It was highlighted that the deficit will have an impact on the council's overall financial position and the risk was being managed alongside the assessment of the adequacy of the council's reserves as part of the council's medium term financial strategy. It was further highlighted that this issue is a major concern amongst local authorities nationally. As of 1st of April 2024 the cumulative deficit brought forward was £6.1m, the current in-year forecast shows an overspend of £7.6m which will increase the cumulative deficit to £13.7m by the 31st March 2025. It was noted that the council continues to work with the Department of Education, the Local Government Association and other local authorities to seek clarification on the position once the statutory instrument expires and for a sustainable funding strategy for the high needs.

The approved capital budget of £160m had been revised to £96.4m which included £15.3m of unspent project budgets brought forward from 2023/24, approved movements of £2.8m, removal of 'the Maylords library' project of £2.6m, £3.7m additional grounds. It was confirmed that in line with external audit advice, the capital budget has been re-profiled at quarter 2 in line with expected delivery and £82.8m of the budget had been re-profiled to future years. Full details are set out in Appendix B, table C.

It was confirmed that significant progress with the delivery of the capital programme was being made. At the end of October 2024 capital spends were £30.9m with further commitments of £32.3m providing a total of £63.2m. In comparison to October 2023, it was noted that the capital spend was £19.7m and commitments were £21.9m, a total of £41.6m. It was highlighted that this was an increase of £21.6m.

There were comments from Cabinet members. Councillor Gandy highlighted that in respect of Table 3 delivery of savings, there was no risk of being able to deliver Health and Wellbeing savings compared to this time last year. It was also noted that whilst quarter 2 shows an overspend the cabinet member was confident that this would be resolved by the end of the financial year.

Group leaders gave the views of their groups. It was noted that it was an in-depth report and there had been a positive move in the finances of the council over the previous 12 months. A query was raised if there could be more uptake on the Green Home Grant and homes upgrade schemes.

Concerns were raised regarding deleting vacant posts, how confident cabinet were regarding savings and if there will be a reduced demand for social workers in children and young people directorate. Also, whether the business cases referred to for projects were necessary.

It was queried whether unused grants had to be repaid. Also, if the £1m in the severe weather reserve was sufficient.

Specific questions were raised regarding the following points.

If the savings being delivered in the children's directorate were being returned to reserves. It was noted this was the agreed position when the budget amendment was supported by full council in February 2024.

If the additional income of £1.2m from higher interest rates being applied to council investments, will be used to support additional hardship initiatives.

If the 2024/25 service level agreement with Hoople had been agreed and if not, what were the reasons for the delay.

Concerns were also raised regarding the change in detail provided in the appendices regarding the shortfall in delivery of savings, what was putting the transformation savings at risk, why was the thrive programme not progressing and what was the issue regarding the new operating model. It was also queried if the delivery plans existed and what management action was in place to delivery the improvements in the overspend that is forecast.

Concern was raised that nearly £83m of the capital programme was being moved into the next financial year and whether the council will deliver on the remaining programme.

In response to the queries, in respect of vacant posts it was confirmed they are cancelled because they are no longer needed to be filled. It was confirmed this was not a case of getting rid of posts.

Regarding reduction of demand in social workers it was clarified that the savings had largely been delivered through the conversion of agency workers to permanent staff and a small element of service redesign. The directorate are looking at how it can use multidisciplinary workers to support children and families alongside social work, how families could be supported to meet their needs without having to move to social work intervention. It was noted that this was a work in progress and the directorate will report on the progress in the new year.

Regarding the amount of business cases, it was clarified that business cases were needed for all the projects. However, it was raised that they may need to be

reconsidered in light of 'transformation' and if the business cases were becoming too arduous it would be an opportunity to become more agile.

It was confirmed that the severe weather reserve was being used now and will be reviewed as part of the ear marked reserves work. It was clarified that when grants are not used in-year, they do not have to be returned.

Regarding Hoople, the savings and the SLA, it was confirmed that detail was provided in the appendix regarding the savings expected from Hoople and work is ongoing with Hoople in respect of services delivered. It was confirmed that the SLA with Hoople had been signed.

In respect of savings and the transformation initiative, it was confirmed that this was progressing and it was noted that the Director of Strategy & Corporate Services had now joined the council.

Regarding the level of detail in the delivery of the savings plan, it was acknowledged that this would be considered moving forward.

In response to the speed of the capital programme being delivered, it was confirmed that there had been a 50% increase in delivery of the capital programme. It was highlighted that the projects needed to be phased appropriately to avoid too many projects at one time.

Regarding the home upgrade grants, it was noted that this was increasing year on year. It was confirmed that the grant will be delivered to 230 homes this year, 130 properties have already received 278 measures, and 66 properties were pending installation with 35 at survey stage. Reassurance was provided that this grant would be rolled out to its fullest extent.

It was confirmed that written responses would be provided notably regarding; if the children's savings would be repaid to reserves and if the £1.2m acquired in additional interest would be used to for hardship initiatives.

Councillor Swinglehurst proposed the recommendations, and it was unanimously resolved that Cabinet

- a) Reviews the financial forecast for 2024/25, as set out in the appendices A-D, and identifies any additional actions to be considered to reduce forecast cost pressures;**
- b) Notes the progress in delivery of savings targets for 2024/25; and**
- c) Approves the transfer of Earmarked Reserve balances to establish a Contingency Reserve to manage the risk of unforeseen demand and cost pressures**

36. Q2 PERFORMANCE REPORT

The cabinet member for environment introduced the report and councillor Mason expanded on the report in Councillor Stoddart's absence who was on sick leave.

It was highlighted that in respect of the 174 milestones in progress during quarter two under the delivery plan, 152 or 87% had been completed or on track to be completed by the end of the financial year.

It was noted that the council had continued to deliver on its capital investment programme which comprised of over 100 projects. It was highlighted that the design work for the museum and art gallery was largely completed, and early-stage procurement was underway. A framework provider had been engaged to develop the procurement strategy and a funding bid was being assembled for the public sector decarbonisation scheme. RIBA stage 3 was completed for the Shirehall library and learning centre and listed building planning consent was submitted, RIBA stage 4 was underway as well. It was noted that 40% of the road resurfacing was complete across the county. It was confirmed that 19 work packages had been completed for the schools maintenance programme with further planned in 2025. The works to the Black and White House were completed in October, ahead of schedule. Improvements were being made to Brookfield school and due for completion in Autumn 2025. The school improvement programme had delivered 18 schemes and emergency works at Aylestone School were completed in September. It was confirmed that the 'Here for Herefordshire' holiday programme distributed £228,000 during the summer of 2024 and grants were awarded to 41 organisations.

Regarding the theme of 'People', it was confirmed that out of 55 milestones, 23 were completed, 30 were on target and 2 were at risk of missing their deadline. Notable successes around improving public health had been made in respect of stop smoking advisors, an agreement in principle had been reached regarding better mental health and the good mental health wellbeing implementation plan was approved, with work underway to implement specific projects. Progress was also made to improve the lives of the county's aging population. Discharge pathways have been reviewed leading to new models aimed at ensuring patients leave the hospital with the right support. Direct consultations will take place with service users as part of a broader review as well.

Regarding the theme of 'Place', it was confirmed that out of the 53 milestones, 13 were completed, 27 were on target, 10 were at risk of missing a deadline, 2 were paused and 1 was not on target. A cabinet working group was currently developing the next carbon management plan for next five years. There were 93 installations for the home upgrade grant and 3 through the home energy scheme. There were now 30 live charging points. The western bypass programme was still on track to deliver the design review of phase one of the southern section of the western bypass by end of March 2025. It was confirmed that additional work was needed for phase 2 to meet Government green belt requirements. The strategic case for phase 2 was now scheduled for June 2025. In August 30 sites were surface dressed across the county.

Regarding the theme of 'Growth', it was confirmed that out of 42 milestones, 10 were completed, 24 were on target, 3 were at risk of missing a deadline and 5 were not on target. It was noted that significant efforts were underway to develop affordable housing. Land is being secured for the improvements to the Great Western way pathway. Engagement with businesses at Skylon Park regarding future management arrangements was also underway. A local framework has been established as a procurement tool for the towns investment related to the greening the city initiative.

Regarding the theme of 'Transformation', it was confirmed that out of 24 milestones, 7 were already completed and 17 were on target. It was confirmed that significant technological advancement were in progress including testing the new telephony system, developing a project plan for the new website, piloting the migration to Microsoft 365, enhancing digital functionality and customer services and piloting the use of artificial intelligence. The future council operating model was launched at the employee conference and efforts are ongoing to develop the transformation strategy and the strategic transformation programme to facilitate its implementation and delivery. The employee survey conducted in quarter 2 showed an increase in the employee engagement score to 3.7, up from 3.56 in 2022. It was noted that some of the data published by the office for local government (Oflog) and office for the ministry for housing

communities and local government was historic and should be interpreted with caution. The council had selected 10 indicators to demonstrate a more meaningful indication of the latest performance. It was noted that the KPI for two of those were flagging as red. The first one related to the percentage of social work assessments completed within 45 days which was due to the impact of higher case loads in June due to staffing vacancies. It was confirmed that case loads were reduced and there will be an improvement in quarter 3. The other issue was with regards to affordable homes and the delivery of affordable housing, it was confirmed that this is expected to vary from quarter to quarter due to inclement weather and shortages on skilled workers. It was noted that two large development sites, where the contractors had gone into administration, caused a delay in the delivery of the properties.

There were comments from Cabinet members.

It was highlighted that 40% of resurfacing works was only up to quarter 2, and it would now be much higher. It was noted greater efficiency would be obtained during the summer months and next year, work will look to start earlier in the year as well. It was confirmed the full programme of resurfacing works will be completed by the end of the financial year and at the end of November 94% of the roads will be completed.

It was noted that the rough sleepers shelter will be open at the beginning of December and this is supported significantly by a number of voluntary sector organisations.

It was highlighted that the planning software procurement was progressing well, and the allocation list has decreased from 350 in April to under 50 this week, with the team continuing to meet the statutory reporting requirements. A full response to the National Planning Policy Framework (NPPF) was submitted and the outcome was awaited. The mandatory housing targets in Herefordshire had also been challenged. The council's carbon journey was at 63% and this was progressing. It was noted that the environment team was now at a point of publishing survey and mapping opportunities. Regarding phosphate mitigation a contractor has been commissioned for Tarrington and this will start when the weather permits. It was confirmed that other mitigation schemes will be coming forward and anticipate releasing more credits next year. It was confirmed there are currently 742 houses released to date. Also, the river conference was successful. Congratulations were also extended to the team for the RTPI award for excellence in planning.

Group leaders gave the views of their groups. Congratulations were extended across all the portfolios for the work that was on track and that welcomed progress had been made over 6 months.

Concerns were expressed regarding electric charging points and impact on residents who cannot park outside their house and the cost for dropping the kerb for those residents who can park on their driveway. It was also raised regarding the amount of traffic lights in Hereford.

It was raised that it would be beneficial for resurfacing works to take place in the spring/summer months. Similarly, if timing can be considered for the flood mitigation and phosphate mitigation works as well.

It was raised why the council was not delivering to target in terms of supporting young people not in education, employment or training and the delay with the delivery of traffic regulation orders and spending on section 106. It was noted that the public realm contract re-tendering was showing as amber and delivering on sustainable travel projects was also behind target. It was raised that the great western way pathway improvements were behind and the heads of terms were not signed for the Wye Valley Trust on the education centre. It was also raised that there was no urgency regarding

partnership working with parishes and the lengthsman scheme or public rights of way. It was raised that communication with Parish Councils needed to be improved and more consistent.

It was raised that there was no mention of funding to help with drainage and it was noted that phase 2 of the bypass was showing as red. The naming and title of the bypass was also queried in terms of funding and policy. It was noted that the Golden Valley Parkway was showing at red and it was unclear if the Hereford and Worcester group training centre was going ahead. It was queried why the new transport model was still under wraps. It was also raised how the transformation targets could be marked as 'on track or delivered' when the budget report set out the risks with in-year savings.

Regarding natural flood management it was queried if there would be an opportunity for mentoring schemes between farmers and landowners.

In response to the queries, it was noted that in respect of charging points and dropped curbs clarification would be provided. Similarly, the point regarding the number of traffic lights would be covered after the meeting.

It was noted regarding partnership working there would be some delay due to certain projects but it was confirmed that the progress was being monitored.

It was confirmed that cabinet were keen to invest in the lengthsman scheme and were keen to invest in paying for drainage solutions for Parishes, as well as ensuring that issues within public rights of way were finalised. It was acknowledged that Parish Councils play a critical role in ensuring drainage issues were fixed. It was also acknowledged that getting communication right with Parish Councils was important, and it was equally important in providing them with investment. It was confirmed that this work will continue, and 67 Parish Councils had been successful in their bids so far. It was confirmed that further announcements on the councils flooding strategy would be provided when finalised.

Regarding the timing of the resurfacing works, it was noted that next year this will start earlier in the year.

It was also confirmed that the phosphate credits for Tarrington were already being traded in advance of the project.

Councillor Swinglehurst proposed the recommendations, and it was unanimously resolved that:

Cabinet

a) review performance for Q2 2024/25

37. THE NEW PUBLIC REALM SERVICES

The cabinet member for community services and assets introduced the report.

It was noted that in April the cabinet report approved the termination of the current public realm contract and set out the reasons for that decision. The June cabinet report approved the operating model for the purposes of market engagement which was carried out during the summer. It was highlighted that the findings of the market arrangement were summarised in appendix 1. It was confirmed that appendix 2 set out the operation model proposed to be adopted by the council and forms the basis for the procurement during 2025.

It was confirmed that the current contractor had been kept informed with developments and have committed to supporting the transition to the new arrangements.

It was noted that following procurement, it is proposed to return to cabinet towards the end of 2025 to secure permission and the new contract being operational from the 1st of June to 2026.

There were no comments from Cabinet members.

Group leaders gave the views of their groups. Parties were supportive but noted it was a challenging timeline and concerns were raised regarding management of the contract. It was noted that further plans regarding transition and handover would be welcomed to avoid a repeat of the previous handover. It was positively noted that the contract will be aligned with the carbon and biodiversity targets, and it was queried if social value would be activated when awarding the contract. It was raised whether the bereavement services would be kept in house.

In response to the queries it was acknowledged that a smooth transition was important, and the cabinet member was confident that the timeline allowed sufficient time to complete the tender. It was noted that the previous contractor did not transition well due to ongoing litigation at the time. It was acknowledged that social value will be embedded in the contract. It was confirmed that bereavement services will be part of the tender but it can be retained back to the council, and only grounds maintenance and grave digging would be included in the tender.

That Cabinet

- a) Cabinet adopt the Public Realm Services model set out in Appendix 2;**
- b) Cabinet delegates authority to the Corporate Director Economy and Environment to;**
 - i. undertake the procurement of the Public Realm Services model set out in Appendix 2 within the allocated budget;**
 - ii. agree and award of all necessary leases to enable the provision of the Public Realm Services in consultation with property services;**
 - iii. procure and purchase or lease the fleet of vehicles to enable the provision of the Public Realm Services with the Director of Finance;**
 - iv. agree and implement the demobilisation of the current Public Realm Contract;**
 - v. make all operational decision to implement the above recommendations.**

The meeting ended at 4.10 pm

Chairperson

Agenda item no. 4 - Questions from members of the public

Question Number	Questioner	Question	Question to
PQ 1	Sarah Melia, Leominster	During the 30th July CYP Scrutiny Committee the term 'Child Friendly Herefordshire' was used with examples given of parks being available to children. My child's local Herefordshire Council maintained park has been in a state of disrepair since she was born. She is now 6 years old and her park has continued to deteriorate. The play 'surface' is a cushion of weeds which have grown in the bark and the play structures have not been cleaned for over 5 years. Repeated contact with BBLP has been unsuccessful in addressing this. An example of the responses to reports of issues with it are "Balfour Beatty are not contracted to clean playground equipment unless safety related and...HC are not commissioned to do it either". How will Herefordshire Council ensure their own park provisions, where they exist, are 'child friendly' and well maintained?	Cllr Bramer
<p>Response:</p> <p>Thank you for your question and comments regarding the condition and maintenance of your local play area.</p> <p>We are aware of how important play areas are across the county for our young children. As an administration we are currently looking at how we can provide longer term investment to improve the quality of all our play areas across Herefordshire to address exactly the points that you have raised.</p> <p>In the meantime, I will ask the relevant service area to review the situation at your local play area and to see what steps can be undertaken in the immediate future and I will further ask that you be contacted directly with the outcome.</p>			
<p>Supplementary question:</p> <p>Many thanks for the response to my question 'How will Herefordshire Council ensure their own park provisions, where they exist, are 'child friendly' and well maintained?'</p> <p>Without Specific, Measurable, Achievable, Realistic and Timescaled targets being set, it could be many months before the issues with my local play area are addressed and many years before play areas across Herefordshire are fit for purpose to meet your ambitions to be 'child friendly'.</p> <p>What SMART targets will Cabinet agree today, relating to the response given to my question?</p>			

Supplementary response:

Thank you for the question.

I can confirm that once the inspections have been completed, we will be prioritising work to ensure we can achieve the best outcomes for our play areas across the County.

Agenda item no. 5 - Questions from Councillors

Question Number	Questioner	Question	Question to
PQ 1	Cllr Mark Woodall	<p>Concerning the recommendations presented for approval in Appendix 1- Findings of Market Engagement Public Realm Services Model Report 24 September 2024</p> <p>Recommendation 1 significantly increases the value of scheme work to councils' discretion and recommendation 2 removes the upper threshold entirely.</p> <p>1: Will the 'value for money' justifications be presented to council members <i>before</i> contracts for these high value schemes are approved and 2: What type of format or level of detail can we expect to see in the demonstration of value?</p>	Cllr Bramer
<p>Response: Question 1) It is proposed project work up to £250,000 in value per project is to be included within the scope of the contract. The prices secured for the services including such project work will be subject to a competitive tendering process, which will deliver the necessary assurances regarding value for money. The contract provides flexibility should the council wish to deliver such projects by alternative arrangements.</p> <p>Question 2) The contract mechanism for including works above the £250,000 project threshold, including demonstration of value for money, are being developed a part of the contract documents. And this can be shared with Members once developed.</p>			
<p>Supplementary question</p> <p>Thank you Cllr Bramer. As a supplementary question to item 2 could he provide assurance that the contract terms explaining the required demonstration of value for money <i>will</i> be circulated to members and to the Audit & Governance Committee <i>before</i> qualifying contracts are awarded?.</p>			
<p>Supplementary response</p> <p>We will ensure the contract mechanism, including the demonstration of value for money, is circulated in accordance with the governance framework.</p>			

