

MINUTES OF A MEETING OF THE
EXECUTIVE HELD IN THE COUNCIL
CHAMBER, WALLFIELDS, HERTFORD ON
THURSDAY 21 DECEMBER 2023, AT 5.00
PM

PRESENT: Councillor B Crystall (Chairman)
Councillors C Brittain, A Daar, J Dumont,
V Glover-Ward, M Goldspink, S Hopewell,
T Hoskin and C Wilson.

ALSO PRESENT:

Councillors Y Estop, D Jacobs, G McAndrew
and J Thomas.

OFFICERS IN ATTENDANCE:

James Ellis	- Head of Legal and Democratic Services and Monitoring Officer
Steven Linnett	- Head of Strategic Finance and Property
Katie Mogan	- Democratic Services Manager
Helen Standen	- Deputy Chief Executive

267 APOLOGIES

There were no apologies for absence.

268 LEADER'S ANNOUNCEMENTS

The Leader welcomed everyone to the meeting and reminded them to use the microphones to be heard on the webcast.

269 MINUTES - 28 NOVEMBER 2023

Councillor Goldspink proposed, and Councillor Wilson seconded a motion that the Minutes of the meeting held on 28 November 2023 be approved as a correct record and be signed by the Leader. On being put to the meeting and a vote taken, the motion was declared CARRIED.

RESOLVED – that the Minutes of the meeting held on 28 November 2023 be approved as a correct record and signed by the Leader.

270 DECLARATIONS OF INTEREST

There were no declarations of interest.

271 BUDGET 2024/25 AND MEDIUM TERM FINANCIAL PLAN 2024 - 2034

The Executive Member for Financial Sustainability presented the Budget 2024/25 and the Medium Term Financial Plan 2024-2034. He said that this was the first budget of the new joint administration and that the paper set out the current financial position of the council. He said that this was not the final budget but

an important step to help shape the final version.

The Executive Member for Financial Sustainability said that the Medium Term Financial Plan in March 2023 stated that significant changes needed to be made over the next four years and the council was not in a good position to absorb external shocks as recent years had seen high inflation, government support reducing and any Council Tax increases capped at 2.99%. He explained that one of the biggest issues was the council's level of debt as the last five years had seen significant capital spending by the previous administration, with the four big projects in the district costing over £90 million, which was more than the council could finance without substantial borrowing.

The Executive Member for Financial Sustainability said the proposed capital programme was provided at Appendix B which sought to change spending at the Old River Lane site, which would be paused until borrowing was down to sustainable level. He warned that was not likely to happen in the next four years unless government policy changed significantly, and that . another proposal was the selling of non-essential assets.

The Executive Member for Financial Sustainability said that further savings needed to be achieved in the budget for 2024/25 and the Leadership Team were working on implementing savings proposals and a further £996,000 of savings had been incorporated. He said that the latest estimate of additional savings needed was just £183,000 and he was confident that this would be identified. He said that 2025/26 was

going to be a challenging year with £3.37 million of savings needing to be made which represented 15% of the council's current expenditure.

The Executive Member for Financial Sustainability concluded by saying that the council's single largest source of revenue was Council Tax which was restricted to 2.99% increase without a referendum. He said that this restriction impacted the revenue budget and a Council Tax increase of 2.99% was absolutely necessary and likely to be normal for all district councils in England.

Councillor Brittain proposed that the recommendations in the report be supported. Councillor Glover-Ward seconded the proposal.

Councillor Wilson thanked the Executive Member and the Head of Strategic Finance and Property for their hard work on preparing the budget. He said that he spoke for all of the Executive in saying that they would welcome any saving suggestions from any Members. He said he agreed that it was very unfortunate that the council had the level of debt it did and said that his group had pointed out over the last four years that undertaking four capital projects at once would affect the council's finances.

Councillor Goldspink said she agreed with Councillor Wilson and regretted the situation the council found itself in. She understood the logic behind the proposals and said the joint administration would be responsible and act as necessary. She said that it was unfortunate for residents of Bishop's Stortford that the Old River

Lane project and the provision of an arts centre was being delayed into the future.

Councillor Daar asked if Councillor Brittain could explain why more money was being given to the Hertford Theatre project.

Councillor Brittain said that there would be an extraordinary meeting in the new year to discuss the Hertford Theatre project but said that the budget had to make an assumption that there would be extra spending on the theatre. He said that it made financial sense as significant amounts of money had already been spent on it and the return on the investment was the best way to use the extra borrowing. He said if the council did not fund it, then the council would end up with an investment that gave no return and therefore would put into question the viability of the council.

Councillor Dumont said the joint administration were having to make difficult decisions to ensure the budget was balanced and would work hard with officers in the future to ensure it was balanced in future years. He said it was important for residents to realise what has led to this position. He said that central government had reduced funding over the last 10 years and the administration had inherited a large capital programme. He said that when money was borrowed to invest, interest rates were low and now they were at a 'normal' level, it was worrying that it was seen to be a shock. He said that the Executive would take the tough decisions because that was what residents expected of them and he said that residents may disagree with the decisions taken but they must understand the reasons

why.

Councillor Crystall said that the joint administration would make difficult decisions to protect services for the vulnerable and to ensure that residents still got the services they needed. He said that 4 in 10 county councils were facing questions about meeting their budget gaps and that the Local Government Association had said that 1 in 5 councils were seriously considering issuing Section 114 notices in the next two years. He said the current administration had been left in a difficult situation.

Councillor McAndrew said that all councils were facing financial pressures and that over the next two years, councils had been given an extra £4 billion to run services. He referred to inflation coming down faster than expected this month and asked how that would impact on finances moving forward.

Councillor Brittain said that inflation had been factored into next year's budget at a certain level. If inflation was then less than that assumption, the affect would not be as severe and the budget would become more prudent. He said that the real challenges would come in 2025/26 and that the more the council could put into reserves over the next 12 months, the better position it would be in for 2025/26.

Councillor McAndrew referred to car parking in the district. He asked what the income revenue was.

Councillor Brittain said that assumptions had been

made in the budget about car parking based on the previously agreed CPI increase of 6.7%. He said there was a separate exercise being undertaken into car parking charges to try and find a better balance in the way the fees and charges worked.

Councillor McAndrew referred to a line in the budget stating a £175,000 investment in building maintenance for the hall in Bishop's Stortford.

Councillor Brittain said that the line was there to invest into the building to make improvements.

Councillor McAndrew asked what the improvements were.

The Head of Strategic Finance and Property said that the Bishop's Stortford Civic Federation asked surveyors to look at the building and had identified £170,000 of maintenance costs so it had been built into the budget.

Councillor McAndrew asked why money had been allocated to the hall that was functional and not towards the Ward Freman pool in Buntingford which had been closed.

Councillor Hopewell responded and said that the minimum estimated cost of the works to make the pool safe was £543,000. She said that the pool also ran at a loss of £10,000 a month and reminded Members that any new capital spend had to be able to pay for itself.

Councillor McAndrew asked if the report on the

swimming pool could be released to the public.

Councillor Hopewell said she would ask that the report was uploaded to the council's website.

Councillor McAndrew said the report was not independent.

Councillor Hopewell said that the report gave an opinion on what was required to obtain basic functionality. She said draining the pool came with additional risks which could require further work and funding that the council did not have. She repeated that £543,000 was the minimum spend to make the pool compliant.

Councillor McAndrew asked why the last two annual leisure reports made no mention of the challenges at the Ward Freman pool.

Councillor Hopewell responded and said that there was a plan to complete the works in 2020 including a new filtration system. She said the swimming pool had previously been taken out of the budget and so no money was set aside, which the Conservative group had voted for.

Councillor Hoskin added that the joint administration were keen to not make the same mistake again. He said that they needed to spend money to maintain a functional facility in Bishop's Stortford which did not happen previously with the swimming pool.

Councillor Goldspink said that it was prudent and wise

to set aside funds for building maintenance.

Councillor Daar said that it was quite clear from the information presented to the Executive that the previous administration chose to spend money on capital projects so there was no money left for swimming pools.

Councillor Dumont thanked other Members for attending the meeting to ask questions. He felt that the use of the £170,000 was the wrong question to be asking.

Councillor Estop said she understood the challenges faced by the Executive but asked about Old River Lane. She asked if East Herts still retained the freehold of the land. She also asked about the arts centre and if it still meant what was defined in the draft development agreement.

Councillor Crystall said the aim was to still provide an arts centre and the administration were committed to a consultation to get residents views on what the best solution was for the site. He said the budget recognised the challenges of doing that in the short term but it was still the aim at the moment.

Councillor Estop said the previous price tag was £15.5 million and hoped that the administration would look at different alternatives that did not cost that much.

Councillor Goldspink said the ambition was still to provide an arts centre and the consultation would allow residents to submit their ideas and comments.

Councillor Estop said that it would be better to talk about arts and culture instead of an arts centre. She referred to the United Reform Church Hall and asked whether the maintenance money was spent, the hall could have an arts and culture element.

Councillor Jacobs said that the previous administration had bought the hall with a view to demolishing it. He asked about the sale of the council's assets and asked if a list would be published.

Councillor Crystall said a full list of assets was included in the agenda for the Council meeting in March 2023 and the budget would be going through the committee system to allow discussions with Members.

Councillor Dumont said this was another example of difficult decisions that needed to be taken.

The motion to support the recommendation having been proposed and seconded was put to the meeting and upon a vote being taken, was declared CARRIED.

RESOLVED - (A) Agree that the proposed budget should make use of the flexibility from Government to increase Council Tax by 2.99%, which will increase Council Tax revenue by £366k a year and will result in a Band D Council Tax increase of £5.65 to £195.52 per year;

b) Request Audit and Governance Committee to consider the savings proposals and advise Executive of any significant issues they believe

may arise;

c) Agree to present proposed savings requirements, that will need to be delivered to balance the budget in the medium term, the delivery profile of which without any smoothing is as follows:

2024/25 £1.179 million

2025/26 £5.003 million

2026/27 £0

2027/28 £0.534 million;

d) Agree to propose the use of the General Reserve and the Interest Equalisation Reserve in order to smooth the delivery of the substantial proposed savings targets over the Medium Term Financial Plan;

e) Agree to propose an amended Capital Programme so as to reduce revenue costs of Minimum Revenue Provision and interest by £1,514k per annum on current interest rates, a total saving of £7.442 million of over the MTFP period. Expenditure will be prioritised for:

- a. essential property maintenance to meet statutory requirements or to prevent loss or damage to neighbouring properties;
- b. investment in ICT to continue but that the budget carry forward that has not been used for two years be deleted;
- c. invest to save initiatives where the business

case indicates that the cost of the investment will be recovered in under 10 years;

- d. to allow pausing of construction of the Arts Centre at Old River Lane until such time as debt levels have fallen sufficiently to make the revenue impacts of new borrowing affordable while at the same time undertaking landscaping works on the arts centre site so that it is an attractive site rather than an undeveloped area blighting the retail and commercial units in the City Heart scheme;
 - e. provide up to £170k for essential maintenance works for the URC Church Hall in Bishop's Stortford;
 - f. completion of Hertford Theatre, at as low a cost as possible, so that the entire venue is opened and run on a strictly commercial basis to maximise income; and
 - g. investment in depot works and waste containers for the new waste and recycling contract.
- f) Delegate to the Head of Strategic Finance and Property, in consultation with the Executive Member for Financial Sustainability, the authority to amend the proposed budget and Medium-Term Financial Plan to be put to the Audit and Governance Committee on 30 January

2024 in order to reflect the Local Government Finance Settlement and other emerging information, so that the committee can consider the most complete and up to date information.

272 WASTE, RECYCLING AND STREET CLEANSING SERVICE DESIGN

The Executive Member for Environmental Sustainability presented the waste, recycling and street cleansing service design report. He said that the waste service represented the largest spend for the council and it was a high-profile service and impacted on residents every week.

The Executive Member for Environmental Sustainability said that the Executive agreed the service design in October 2022 along with the new aims and principles of the shared service. Competitive dialogue was ongoing and had allowed officers to explore service design options. He said that the proposals had been presented to the Overview and Scrutiny Committee in November and their comments were presented at Appendix B.

The Executive Member for Environmental Sustainability said that Officers and himself were confident that the changes to the contract would provide high performing services with greater opportunities for recycling. He said that a final decision was required to progress the procurement and time scales were tight with a decision needed so not to delay the implementation for a further three months.

Councillor Hoskin proposed that the recommendations in the report be supported. Councillor Brittain seconded the proposal.

Councillor Crystall recognised the hard work from officers and said this project had been years in the making and thanked them for their work.

Councillor Brittain said that the Executive had heard previously that 2025/26 was going to be a challenging year for the budget and said it was key that the waste service was affordable and that the recommendations were a good step forward.

Councillor Daar referred to the consultation carried out under the previous administration. She said she was impressed that there was such high support for recycling and that 78% of respondents wanted to recycle more.

Councillor Goldspink said she supported the proposals and felt it would be excellent in encouraging recycling.

Councillor Hoskin said that the contract would be in place by May 2025 and said that between now and then there would be a huge amount of work to do to communicate the details to residents. He said the contract was a huge step forward and collecting food waste alone had a huge impact on the carbon footprint.

Councillor Glover-Ward noted that food waste would be collected weekly. She said that residents were often unhappy with fortnightly residual waste collections in

the summer and the weekly food waste collections would provide a better service to residents.

Councillor Dumont asked what reassurances Members could give residents about what service levels would look like and what they could expect.

Councillor Hoskin said the new contract had been designed to improve services and the set standards in the contract would not erode standards but would give operational flexibility to use vehicles and staff more efficiently. He said that the bidders for the contract have agreed that the changes would encourage savings and efficiencies.

The Waste, Recycling and Street Cleaning Manager reassured Members that during the mobilisation of the contract, there had been agreement for additional contract monitoring resources. She said the client team would be ensuring that the contract was running effectively and smoothly and would be keen to hear from Members and residents to work on areas that needed improving.

Councillor McAndrew asked if food waste would be introduced after the implementation of the new contract.

Councillor Hoskin said that was correct and the detail of how and when it would be introduced would be part of the implementation process. He said the current priority was to get a successful bid.

Councillor McAndrew referred to the new government

legislation on collecting food waste. Councillor Hoskin said that the government had indicated that it would be a requirement to collect food waste separately from March 2026.

Councillor McAndrew asked if any progress had been made on recruiting full time staff instead of relying on agency workers.

Councillor Hoskin said that the council did not directly employ staff for the waste service and the successful bidder would put their employment structures in place. He said if the council started dictating what it wanted, there would be increased costs and could impose risks on the contract.

The Waste, Recycling and Street Cleaning Manager reassured Members that a large proportion of the contract evaluation was linked to social value and one element of that was employing staff from the local area.

Councillor McAndrew asked if there would be round optimisation across both the districts.

The Waste, Recycling and Street Cleaning Manager said that all bidders intended to work across the boundary.

Councillor Crystall proposed and Councillor Glover-Ward seconded, a motion that pursuant to Section 100(A)(4) of the Local Government Act 1972, the press and public be excluded from the meeting during consideration of the business referred to in Appendix 2 on the grounds that it involved the likely disclosure of exempt information as defined in paragraph 3 of Part

1 of Schedule 12A of the said Act.

After being put to the meeting and a vote taken, the motion was declared CARRIED.

RESOLVED – that pursuant to Section 100(A)(4) of the Local Government Act 1972, the press and public be excluded from the meeting during consideration of the business referred to in Appendix B on the grounds that it involved the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A of the said Act.

Full details in the restricted minutes.

The motion to support the recommendation having been proposed and seconded was put to the meeting and upon a vote being taken, was declared CARRIED.

RESOLVED – That (A) the Executive agrees that the service changes described in 3.2 c) of the report relating to the three-weekly collection of separated paper and cardboard predominantly in bins and the three weekly collection of the remaining dry mixed recycling (A 3,3,3 cycle as described in Appendix 3) be implemented as part of the new waste recycling and street cleansing contract which commences in 2025, the implementation date confirmation shall be delegated to the Head of Operations in consultation with Project Board, but shall be within four months of contract commencement;

(B) the Executive agrees that in the event that the Council is required to make a decision to provide fortnightly collection of residual waste that the dry recycling service shall be fully commingled;

(C) the Executive agrees to the service changes described in 3.2 d) of the report relating to the removal of the requirement for a continuous street cleansing presence in town centres and moving the back to standard time to 9am be implemented as part of the new waste recycling and street cleansing contract in 2025;

(D) the Executive agrees to the service changes described in 3.2 e) relating to a removal of approximately 30% of litter bins from predominantly outside the town centres be implemented as part of the new waste recycling and street cleansing contract in 2025;

(E) the Executive agrees to the service changes described in 3.2 f) relating to a change to an input specification for high-speed road cleansing to once per year be implemented as part of the new waste recycling and street cleansing contract in 2025;

(F) the Executive agrees to the service changes described in 3.2 h) relating to an extension of the bin delivery/repair Service Level Agreement (SLA) from 5 days to 9 days being implemented as part of the new waste recycling and street cleansing contract in 2025;

(G) the Executive agrees to the service changes described in 3.2 i) relating to an extension of the missed bin rectification SLA from 5pm the next working day to 72 hours except for missed whole streets which will remain 5pm the next working day, being implemented as part of the new waste recycling and street cleansing contract in 2025;

(H) the Executive agrees to the service changes described in 3.2 j) relating to a change in street cleansing SLAs being implemented as part of the new waste recycling and street cleansing contract in 2025; and

(I) the Executive agrees to the service changes described in 3.2 k) relating to reducing the number of items collected as part of bulky waste services from six to three being implemented as part of the new waste recycling and street cleansing contract in 2025.

273 URGENT BUSINESS

There was no urgent business.

The meeting closed at 6.30 pm

Chairman
Date