

**SUPPLEMENT TO THE AGENDA FOR**

# **Council**

**Friday 15 July 2016**

**10.00 am**

**Council Chamber, The Shire Hall, St Peter's Square, Hereford,  
HR1 2HX**

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<b>5. QUESTIONS FROM MEMBERS OF THE PUBLIC</b> To receive questions from members of the public.	25 - 30
<b>12. FORMAL QUESTIONS FROM COUNCILLORS TO THE CABINET MEMBERS AND CHAIRMEN UNDER STANDING ORDERS</b> To receive any written questions from Councillors.	31 - 32



## Public questions to Council – 15 July 2016

### Question from Mr P McKay, Leominster

#### Question 1

#### Street works register

Herefordshire Council has adopted both its Core Strategy and Transport Plan without any policies regarding completing and correcting our highway records (the Street Works Register reference LAF Blue Book for Roads viewable at [https://www.herefordshire.gov.uk/media/4753074/blue\\_book\\_for\\_roads\\_v8.pdf](https://www.herefordshire.gov.uk/media/4753074/blue_book_for_roads_v8.pdf)), which must surely be a fundamental requirement, leading to an unrecorded verbal discussion reported in FOI IAT 11614 deciding to register our unadopted roads on the upgraded Local Street Gazetteer as being without any highway dedication status, even those leading to public places, with public paths branching off them, in regular public use including those with public street lights !

However I am also advised under FOI IAT 11812 that Herefordshire Council proposes to make a representation to the Department for Transport shortly regarding envisaged problems, and also that the 1950's parish submissions are presently not available due to being scanned, so may I please ask if Herefordshire Council will raise a plan to address completing and correcting the Street Works Register complete with an Evidence Base of what has been done in previous years; that is open, transparent and an understandable way forward that may be undertaken in the most effective, efficient and economic manner ?

#### Answer from Councillor Paul Rone, cabinet member transport and roads

As Mr McKay will be aware from answers to his previous questions, the council has adopted a highway records protocol and a definitive map modification order policy and procedure which clearly set out how changes to these records will be considered and progressed within the resources available. No further plans are necessary.

### Question from Mrs V Wegg-Prosser, Breinton

#### Question 2

#### Local Growth Fund / Large Local Major Transport Development Schemes

The budget for the Southern Link Road (SLR) is overspent (£2.164 million as against the budgeted £1 million for development). Incurred costs reported by the Council are £1.712 million, and the Marches LEP has complied with the Council's invoice and paid over £2.164 million. The Council has failed to allocate any money in its Medium Term Financial Strategy for the sustainable transport / active travel elements in the South Wye Transport Package (of which the SLR is a part). The consequence of this action is that the Local Growth Fund conditional funding of £27 million (minus the £2.164 million already advanced) is the only funding available to the Council to complete the South Wye Transport Package. Furthermore, the Council, through the Marches LEP, is seeking an additional £2.65 million for development costs of the Hereford Transport Package (aka Hereford bypass), and pledging from the Council £600,000 of tax payers' money towards these costs.

Could the Cabinet member responsible for infrastructure, Councillor Philip Price, please explain why he has confidence that the sustainable transport / active travel elements within the SWTP will be delivered alongside the SLR, and that the £2.65 million in the Marches LEP bid document (ref. 160531) will be forthcoming via the DfT Large Local Major Transport Development Scheme to kick-start the Hereford Transport Package?

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### **Answer from Councillor Philip Price, cabinet member infrastructure**

I must begin by correcting a number of incorrect assertions made by the questioner. The budget for the South Wye transport package (SWTP) is not overspent; the council has not failed to allocate funding in its medium term financial strategy (MTFS) for the sustainable transport/active travel elements of the SWTP; and the £27m local growth funding is not the only funding available to the council to complete the SWTP.

The grant drawn down to date, and in compliance with Department for Transport guidance, is early draw down of funding reflecting the significant work done by the council in developing and appraising a number of route options and preparation of a planning application for the scheme. It was for programmed work and does not mean the budget is overspent.

The SWTP budget of £35m is made up of £27m secured from the local growth fund as listed in the medium term financial strategy (2016/17 – 2019/20) and a further £8m local contribution which will be funded from the council's existing enterprise zone, highway maintenance and integrated transport plan budgets over the period of the scheme (and therefore there is no separate budget line just for SWTP sustainable transport/active travel elements). As with all our schemes, consideration will continue to be given to other future funding opportunities which may arise for which the council may be able to bid for and apply as contributions to this scheme. I therefore have confidence that the sustainable transport/active travel elements of the SWTP will be delivered.

An announcement regarding the large local majors application is awaited.

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### **Question from Mrs E Morawiecka, Breinton**

#### **Question 3**

#### **Five year housing land supply**

Herefordshire currently does not have a 5 year housing land supply, meaning that any development that can show it is "sustainable" can be granted planning permission anywhere in the county. As the Western Relief Road corridor prevents housing development on the grounds of prematurity along the length of Kings Acre Road, until the route is defined, housing in Three Elms will not come forward in accordance with the approved Core Strategy Local Plan, and the shortfall will increase at a rate of 100 dwellings pa. What steps are being taken to review the housing targets of the Core strategy, and to assess infrastructure that will actually bring forward sustainable housing in Hereford, maximising the use of active modes of travel, such as that proposed by the Destination Hereford project?

### **Answer from Councillor Philip Price, cabinet member infrastructure**

The core strategy was adopted by the Council in October 2015 following examination in public where the inspector considered that the plan's housing target was "reasonable and justified" (Inspector's report) para 31. Given its recent adoption there is no justification for reviewing the plan's housing targets at this time and we continue to work with parish councils and developers to bring forward plans which will continue to increase the county's housing land supply in accordance with core strategy policy.

I would wish to correct the rather alarmist suggestion that any development that can show it is sustainable will be granted planning permission anywhere in the county; planning decisions are taken on a far more complex mix of planning considerations and each case must be considered on its own merits.

Officers are working proactively with the developers of strategic sites in the adopted plan, including the Three Elms site, to ensure their timely release. The protection given to the relief road corridor

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by the core strategy would be considered by the planning authority in determining any applications. However, subject to ensuring any proposals do not prejudice the future choice of route for the relief road, this would not prevent suitable initial phases of housing being delivered.

In terms of bringing forward necessary infrastructure, on 26 June cabinet approved the commencement of work to develop further phases of the Hereford bypass, in support of proposals within the adopted core strategy and in the context of the overall transport strategy for the city, of which the Destination Hereford project forms a part.

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### Question from Ms K Sharp, Hereford

#### Question 4

#### Enterprise zone jobs and investment

With Rotherwas Enterprise Zone having created 254 new jobs (net) at the REZ up to the end of 2015, when does the Cabinet Member anticipate the 4,000-6,000 new jobs anticipated will be created in Hereford at the REZ and what investment by Herefordshire Council is needed to make these jobs a reality?

### Answer from Councillor David Harlow, cabinet member economy and corporate services

Over 180,000 sq ft of new business space has been built and occupied at the Hereford Enterprise Zone to date. At least as much again is in the pipeline through sales being negotiated. In its lifetime (up to 2037) the Hereford Enterprise Zone has the potential, if fully built out, to accommodate up to 1,500,000 sq ft of new development.

The actual amount of business space built, and the number of new jobs generated as a consequence, depends on the investment decisions made by individual companies now and in the future.

Using current estimates of the type of space that might be built, and industry standards on employment density in that space, points to a potential total job number of around 4,500 when the Hereford Enterprise Zone is fully built out. The actual number, and the date that they are generated, will depend on the individual company investment decisions that are made. The council has a capital investment programme to make development land ready for sale and to make specific interventions to build business space for rent. Under the arrangements established for the Enterprise Zone programme, the costs of this programme are financed from the business rate income generated by new investors.

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### Question from Dr N Geeson, Hereford

#### Question 5

#### Relief road and congestion

The Western Relief Road corridor has recently prevented development of 75 new homes just off Kings Acre Road. (See Appeal ref 3137770 ). The proposed Western Relief Road may also run through the Strategic Urban Extension at Three Elms Urban Extension. Would the cabinet member please explain how the Western Relief Road will reduce congestion into Hereford City from this large development site, improving sustainable connections with schools, colleges, hospitals, shops and employment sites and other services in the centre of Hereford and so bring forward development of these new homes?

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### Answer from Councillor Philip Price, cabinet member infrastructure

The primary purpose of the Hereford bypass is to enable the creation of new jobs and homes vital to the future of the county. It will also reduce traffic flows on the existing A49 within Hereford as some traffic chooses to use the new route. This reduction in traffic flow will enable a number of sustainable transport measures to be introduced on the existing network combining with the bypass to form the overall Hereford transport package. The detail of these sustainable transport measures will be developed taking stakeholder views into account but are likely to include measures to improve conditions for walking, cycling and public transport.

In conjunction with the sustainable transport measures of the Three Elms development itself, including walking and cycling connections into the city centre, this will enable the Three Elms development to be delivered.

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### Question from Ms D Toynbee, Eaton Bishop

#### Question 6

#### Enterprise Zone investment and business rates

Please would the cabinet member detail how much in business rates from the REZ has been paid to the Marches LEP since the creation of the Zone, and how do these payments compare, year on year, with the investment Herefordshire Council has put into REZ?

### Answer from Councillor Tony Johnson, cabinet member corporate strategy and finance

No payment of business rate income has been made to the LEP to date. Business rate growth has been used to finance inward site investment to attract businesses to the site as agreed by the Marches enterprise joint committee in December 2014.

Capital and revenue expenditure on the zone is as follows:

	Enterprise Zone expenditure £000s				
	2012-13	2013-14	2014-15	2015-16	Total
Capital	994	1,353	2,233	5,071	9,651
Revenue	203	292	323	388	1,206

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### Question from Mrs C Protherough, Clehonger

#### Question 7

#### Three Elms trading estate

With Herefordshire council purchasing the Three Elms Trading Estate as an investment for the local taxpayer, would the Cabinet member please confirm:-

1. How much this investment has cost to date, including renovations and business rates payable on unoccupied units;
2. How much rental income has been received by Herefordshire Council;
3. How many new jobs have been created, or lost, on this employment site?

### Answer from Councillor Harry Bramer, cabinet member contracts and assets

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The Three Elms Trading Estate was purchased in May 2015 to support business growth and economic development in the city/county, particularly given the relatively limited availability of employment sites in the city north of the river. The investment also provided accessibility to support future release of adjacent council owned land which would otherwise have proved difficult to develop. Longer term plans to stimulate the overall development of the land for economic purposes are being drawn up as part of the county's wider economic development plans.

1. Total spend of £2,426k has been incurred (£2,109k capital and £317k revenue)
2. £80k in the 10 months of 2015/16 following purchase of the estate; in addition there is an element of the business rates which is retained by the council and that retained element amounted to £24.2k in 2015/16.
3. This information is not currently held by the council.

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### Question from Mr R Palgrave, How Caple

#### Question 8

#### Hereford livestock market

In a period of austerity, services such as supporting homeless young people, Citizens Advice, and tourist information can no longer command a subsidy from Herefordshire Council. Rural bus services are under continual threat of closure. No Council money is being provided to help Hereford's City of Culture bid.

The local taxpayer invested at least £12million to provide a brand new, purpose built Livestock Market for local auctioneers. Would the Cabinet member please explain how the new Livestock Market is performing as an investment for the people of Herefordshire, in particular:

- i) how much annual rent is received from the auctioneers and when was this last reviewed?
- ii) how much is paid in rates for the site?
- iii) who receives the benefit of any rates on this site?
- iv) is the return on investment achieving the level expected at the time the Livestock Market was built?

#### Answer from Councillor Harry Bramer, cabinet member contracts and assets

- i) £198k in 2015/16. The 5 yearly rent review is scheduled for the current year.
- ii) The rates paid in respect of the two business on the site were £40k in 2015/16
- iii) 49% is retained by the council, 1% is distributed to Hereford and Worcester Fire Service and 50% is distributed to central government
- iv) The rent and rates achieved, alongside the introduction of an animal toll included in the figure at i) above, are in line with expectations when the decision to provide the livestock market was approved. In addition a capital receipt of some £58k has been received from the disposal of the first plot at the site further disposals/development are likely in the future.

The investment in the new livestock market site should not simply be measured in financial return to the council; it enabled the redevelopment of the old site which of itself has generated additional business rate income, creating new jobs and stimulating over £100m private sector investment in the city. The new livestock market has also provided a vital resource for the agricultural sector – a key element of the county's economy, and since moving to the site there has been a growth in throughput of 7.8% in the last three years.





**Members' questions at Council – 15 July 2016****Question from Councillor WLS Bowen****Property maintenance.****Question 1**

In respect of recent works carried out:

- a) Who was in charge of the initial works to the Shirehall and the Union Street Building?
- b) What was the total cost of these works, in both cases?
- c) Who signed off these works as satisfactory?
- d) How much has it cost to repair the faulty damp proofing in the Union Street Building?
- e) How much will it cost to repair the damage to the Members' rooms, meeting rooms and offices in the Shirehall?
- f) Will all these costs be covered by insurance?
- g) If not, will the original designers and contractors for these works be held responsible for these disasters and will they pay for the renovations?
- h) Can we be assured that, as far as is possible, the problems plaguing the Shirehall and the Union Street building are now solved and that we can take back the various facilities in the sure and certain hope that all problems have been satisfactorily resolved?

**Answer from Councillor Harry Bramer cabinet member contract and assets**

- a) Works were commissioned by the council's property services function and overseen by the then service delivery partner.
- b) I refer to the answers provided to Councillor Bowen in September 2014
- c) See a) above
- d) There was no faulty damp proofing. Remedial work to address dry rot which had not been identified as present at the time of the phase 1 works has cost £39k
- e) Remedial work to the ceiling in the lower ground floor is underway and therefore final costs are not available but are estimated at £112k
- f) No.
- g) No; the remedial work has not been identified as a fault of the contractor.
- h) Councillor Bowen is a vocal advocate for the preservation and use of historic listed buildings within the county and will be aware that such properties come with higher than average maintenance requirements. The council has in place appropriate processes for assessing maintenance requirements of its property holdings, and an annual budget for maintenance is in place.

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**Question from Councillor J Bartlett****Impact of 'Brexit' on LEP funding.****Question 2**

According to the Marches Local Enterprise Partnership website <http://www.marcheslep.org.uk/?s=ESIF+Strategy> it has been awarded some £95 million of EU funding for projects being developed and delivered between 2014 and 2020.

These projects are set out in the draft Marches Local Enterprise Partnership 'European Structural and Investment Fund (ESIF) Strategy 2014 – 2020' published 7th October 2013.

Given the result of the referendum will the LEP still get the full £95 million originally awarded and when will we know and if not will Herefordshire Council need to underwrite schemes, or will it become liable for any outstanding costs of projects started with money allocated from this fund if ESIF money is withheld?

From where will the LEP make up any shortfall in the £95 million ESIF funding to finance the completion of the projects set out under the Five Strategic Activities headings in the above strategy?

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### **Answer from Councillor Tony Johnson cabinet member corporate strategy and finance**

At a national level the managing authorities (DCLG, DWP, and DEFRA) of the EU funding, along with other relevant government departments, are discussing the impact of the referendum on the national ESIF programme, and we await the outcome of those discussions. There are no indications at this stage that committed funding will be withdrawn.

It is important to note that the Marches local enterprise partnership (LEP) does not hold the ESIF funds, this is a responsibility of the managing authorities. Additionally the Marches ESIF strategy does not detail specific projects that will receive funding, rather the five strategic activities within the strategy outline the type and nature of activity that could be supported. Consequently the £95m is an allocation of finance to be spent within the LEP area rather than an explicit commitment to spend on specific projects by the LEP or its partners.

Equally it is unclear what national funding streams will be developed in the coming months and years. The council will continue to pursue all available funding streams and prioritise allocation of that funding in accordance with its relevant strategies and plans to ensure the needs of the county are met going forward.

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### **Question from Councillor RI Matthews**

**Asset management.**

#### **Question 3**

It would appear that this present administration are more than eager to sell off the county's valuable assets, while not always obtaining the best return for the taxpayer because of the present uncertainty in the property market generally.

Can the leader of the council assure members that any funds raised from these sales will be prudently managed, and that every effort will be made to reduce the council's excessive debt and at the same time make some effort to strengthen our dwindling reserves?

### **Answer from Councillor Tony Johnson cabinet member corporate strategy and finance**

The council's medium term financial strategy approved by Council in February 2016 includes the realisation of capital receipts to repay council debt reducing the annual debt repayment costs. Any assets retained by the council are held for the benefit of the public. It is the duty of the council to secure best consideration for any property disposals, unless there are clear and compelling reasons to do otherwise. To suggest that we do not do so is unacceptable; if Councillor Matthews is suggesting that we should do nothing until there is certainty in the property market, a simple look at recent history would indicate he would have us do nothing for a longer time that I would be prepared to wait.

I equally refute the suggestions that the council is imprudent in its management of resources, and that the council's debt is excessive. It may have escaped Councillor Matthew's notice that not only have we been investing capital resources that we secure from a range of sources in a number of schemes which benefit the community, whether those be school buildings, leisure facilities, road improvements, economic development projects or other similar investments from which the county can grow and prosper, we have also managed to increase the level of usable revenue reserves held by £2m during 2015/16, as well as delivering a balanced budget year on year through very challenging times.

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