

MINUTES of the meeting of Cabinet held at The Council Chamber, Brockington, 35 Hafod Road, Hereford on Thursday 5 April 2012 at 2.00 pm

Present: Councillor JG Jarvis (Chairman)

Councillors: AJM Blackshaw, H Bramer, PM Morgan, RJ Phillips, PD Price and DB Wilcox

In attendance: Councillors RB Hamilton, JA Hyde, AW Johnson, NP Nenadich, GJ Powell, LO Barnett, MAF Hubbard, TM James, RI Matthews and A Seldon

153. APOLOGIES FOR ABSENCE

There were no apologies for absence.

154. DECLARATIONS OF INTEREST

4. EXEMPT REPORT - Supplementary Agreement and Deed of Variation to the Retail Quarter (old Livestock Market) Development Agreement.
Chris Bull, Personal, Director of Hereford Futures.

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5. OPEN REPORT - Supplementary Agreement and Deed of Variation to the Retail Quarter (Old Livestock Market) Development Agreement.
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11. UPDATE ON THE SHARED SERVICES PROGRAMME.
Councillor PD Price, Personal, Non Executive Director of Hoople Ltd.

11. UPDATE ON THE SHARED SERVICES PROGRAMME.
Mr Dean Taylor, Personal, Director of Hoople Ltd.

155. MINUTES

RESOLVED: That the Minutes of the meeting held on 16 February 2012 be approved as a correct record and signed by the Chairman subject to amending the Chairmanship to Councillor PD Price.

156. EXEMPT REPORT - SUPPLEMENTARY AGREEMENT AND DEED OF VARIATION TO THE RETAIL QUARTER (OLD LIVESTOCK MARKET) DEVELOPMENT AGREEMENT

RESOLVED: that under Section 100(A)(4) of the Local Government Act 1972, the public be excluded from the meeting for the following item of business on the grounds that it involves the likely disclosure of exempt information as defined in Schedule 12(A) of the Act, as indicated below and it is considered that the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

- 1 Information relating to any individual.
- 3 Information relating to the financial or business affairs of any particular person (including the authority holding that information).
- 5 information in respect of which a claim to legal professional privilege could be maintained in legal proceedings.

Cabinet consider the exempt report on the Supplementary Agreement and Deed of Variation to the retail Quarter (Old Livestock Market) Development Agreement.

RESOLVED: That the matters contained in the report be noted.

157. OPEN REPORT - SUPPLEMENTARY AGREEMENT AND DEED OF VARIATION TO THE RETAIL QUARTER (OLD LIVESTOCK MARKET) DEVELOPMENT AGREEMENT

The Leader of the Council presented the report to Cabinet and was asked by the Independent Group Leader as to the legality of the meeting as the Chief Officer Finance and Commercial, who is the Section 151 officer, was not present. Cabinet was informed that there was no requirement in law for the Section 151 Officer to be present.

In the open session of the debate the following points were made by Cabinet:

- It was emphasised that what was before Cabinet was a variation to the original contract and that approval of the original scheme had been agreed by Cabinet in June 2009 and Council in July 2009. The first variation had been agreed in March 2011. There were only six variations proposed to the contract and the impact financially was minor.
- Cabinet was referred to the Montague Evans papers contained in the agenda. It was stated that the advantage of the old livestock market site was that it was next to the city centre and not out of town.
- It was important to note that local companies would be able to tender for contracts providing jobs in the construction phase. In addition there would be a skills academy offering apprenticeships to young people.
- Cabinet was reminded that it would affect everyone if Hereford was unable to attract young people in the 20 – 45 age group to live in Hereford. It was felt that this development would attract young people back into Hereford.
- It was noted that retailers had wished to move to Hereford for some years but had failed to find large enough premises for their requirements. Consequently retail spend for Hereford had declined as shoppers went out of county for their shopping.
- It was stated there would be an impact on the Enterprise Zone when companies were considering relocating to the county, which would add to the economic recovery of the county.
- Cabinet was reminded that the Next store proposal to expand and move to the Holmer site had been refused by the Inspector at a Public Inquiry due to the proposals relating to the old livestock market site.

- It was believed that not only residents would return to shopping in the county but Hereford would also win back the shoppers from mid Wales. Failure to develop the site would cause further decline.
- Hereford residents have indicated they would welcome a department store, multiplex cinema and a food hall. Proposed facilities would aid in keeping young people in the county.
- Cabinet was referred to the conclusions on page 29 of the report and in particular paragraph 19 which stated that the proposed transaction was the best obtainable outcome for the public interest.
- Cabinet was reminded of the Hereford Futures sustainable policy which Stanhope and Sir Robert McAlpine had signed up to under the joint venture.
- Cabinet was advised that it was quite normal to have variations to a contract such as this one, however, it was unusual to have only six variations which were of a minor level.

The following points were made by Members in opposition.

- The viability of the project needs to be assessed as to whether it is good value for money for Hereford.
- It was asked whether retailers had signed up to the Heads of Terms agreement. It was believed that retailers had not signed up at the present time.
- It was stated that the Council had been quoted as stating that there would be an extra £8.5m spend per annum. It was believed that there was no evidence to support the statement.
- It was stated that no risk assessment had been seen by Members. In referring to the British Consortium website it was stated that foot fall for retail shopping had declined by 4.8%.
- In response to the points made it was stated there would only be conditional agreements at this stage. It was not unusual for a retailer not to sign an absolute agreement at this stage. It was added that pre-lets attracted new tenants and retailers such as Debenhams had already committed to Hereford along with other retailers.
- It was asked if a major chain store would be closing in high town and reopening on the retail quarter as it was believed that one high town store had not been contested.
- In response it was stated that it was unprecedented for a Council to have so much control and that Stanhope would need to be transparent in order to attract retailers to Hereford. It was stated that Burtons store had left Hereford at the end of its lease because there were no large premises available.
- Retail stores in Hereford were struggling and providing alternative premises at a cheaper rent was not helpful. Cabinet was referred to the Deloitte report on stores of the future which stated that most high streets were 30-40% over supplied with shops. It was felt that the proposal was a long term development at the wrong time for Hereford. It was believed that retailers in high town did not support the scheme.
- It was thought there was no evidence to support the idea that people from Hereford shopped out of county. It was proposed that the scheme should be abandoned and that a new scheme put together by a cross party of Members.
- Cabinet was reminded that the economic situation was considerably different now to when the scheme was first proposed and that a number of cities had pulled out of proposed shopping developments. This development would be one of the most expensive in the country when looked at in conjunction with the link road and the compulsory purchases. There was concern over the public money being spent and no prospect of a return.
- Can Cabinet assure young generation that this proposal is the best decision for Herefordshire.

Cabinet unanimously agreed the recommendations.

RESOLVED

THAT:

- a) regard be had to the matters contained in the separate exempt report;
- b) the terms of the Deed of Variation, Deed of Novation and Option Agreement with Stanhope Plc and British Land Plc described in the report be approved; and
- c) authority be delegated to the Director for Places and Communities to finalise the necessary documentation.

At the close of the debate on the Supplementary Agreement and Deed of Variation to the Retail Quarter the Chairman adjourned the Cabinet meeting for a short 10 minute break.

Following the adjournment of the Cabinet meeting, the Leader of the Council handed the chairmanship of the remainder of the meeting to the Deputy Leader, Councillor Price.

158. CORPORATE DELIVERY PLAN

The Cabinet Member Corporate Services and Education informed Cabinet of the following points:

- The joint corporate plan sets out the vision and priorities for Herefordshire Public Services and forms part of the Council's budget and policy framework.
- Work carried out on the Rising to the Challenge programme has identified areas for improvement. This includes amending the strategic planning cycle to more accurately respond to refreshed information which will inform any budget and delivery plan decisions. Additionally, more focus on the delivery plan and working across service areas with partner organisations to achieve outcomes.
- Further improvements in the delivery plan will ensure that partner organisations – Amey Wye Valley, Hereford Futures, Hoople Ltd and Wye Valley NHS Trust – that delivery performance is clearly identifiable.
- An annual year end performance report will be produced to provide an overview of how well the Council and its partners are delivering improvements.
- Performance reports will be produced in July, November February annually based on the measures and targets set in the delivery plan.
- Cabinet reiterated the importance of the Corporate Delivery Plan as it worked across all service areas and with all partner organisations.
- Cabinet noted the importance of demonstrating to the public the how the Council and partner organisations work together to continuously improve services.

RESOLVED

THAT:

- a) The revisions to the strategic planning cycle be agreed; and
- b) The 2012/13 delivery plan be agreed.

159. ROOT AND BRANCH REVIEW PROGRAMME

The report on the Root and Branch Review was introduced by the Deputy Leader. The Deputy Chief Executive took Cabinet through the main points of the report. The following points were made in discussion.

- The review programme will run from April 2012 to September 2013.
- The review was as a result of the budget which was approved by Council in February 2012.
- The review programme will be fundamental to setting the future direction of the Council over the next ten years and will shape the role of public services.
- The lead Cabinet Member and officers for each review will travel across the county to gain the views of resident on their experience of services.
- Central to the reviews is a wish to engage with residents, employees, Councillors, partner organisations and the third and public sector.
- The constitution will provide the framework for the reviews which will be challenging and rigorous but will be carried out at a fairly fast pace.
- The quality of life survey will provide the trend information and what is felt to be of most importance by residents.
- Cabinet agreed previously that funding would be through the transformation fund in order to undertake this major consultation exercise.
- Concern was raised over the linkages between the various localities across the county, as they seemed unaware of the review. It was felt that more was needed to be done on communications. However, it was noted that the locality groups were at differing stages and that any communications needed to be tailored to the area.
- The project was fundamental to delivery of services and therefore was listed on the risk register.
- In response to a question on devolving services to Parish Councils the Chief Executive reminded Cabinet that services could only be devolved to Parish Council if they wanted to take on the service. The Parish Council could not be forced to take on the provision services.
- In response to a question the Deputy Chief Executive advised that there would be an all Member seminar and he would look into the provision of briefing papers to answer any general queries Parish Councils might have.
- In response to a question on guidance for Councillors on how to relate with their Parish Councils, Members were informed that this was being looked at in conjunction with the Herefordshire Association of Local Councils and it could also be looked at by the Member Development Training Group.

RESOLVED

THAT:

- a) **Progress made to date on the Root and Branch Review Programme be noted;**
- b) **The Root and Branch Review Programme as set out in the Project Mandate document at Appendix 1 to the report be approved; and**
- c) **It be agreed that a community engagement exercise be undertaken as outlined in paragraphs 17 to 22 of the report.**

160. FORWARD PLAN UPDATE

The Cabinet Member Corporate Services and Education presented the report on the Review of the Forward Plan and whether any matters should be referred to the Overview and Scrutiny Committee.

RESOLVED: That Cabinet reviewed the Forward Plan.

161. INTEGRATED CORPORATE PERFORMANCE REPORT

The Cabinet Member Corporate Services and Education presented the report. The following points were made in discussion:

- This is the fourth report for the year 2011/12 dealing with performance to end of February 2012, which is based on the Joint Corporate Plan which was agreed by Council in March 2011.
- The report provides information on current performance issues for each directorate.
- For the indicators where data is held approximately 50% are on target and in comparison to last year 50% are showing an improvement.
- Within Corporate Services major changes are being made to customer contract to improve customer response times and access to services via the website. A four star rating has been received for the Council's website. Reduction in avoidable contact is at 17% compared to 30% last year. Finally internal audit of treasury management has received a substantial assurance.
- In referring to page 97 of the agenda, what has not gone so well, the Cabinet Member Environment, Housing and Planning advised Cabinet that regarding affordable housing the revised target of 90 would be met. In addition households in temporary accommodation the target of 82 was now down to 75 and within target.
- The Cabinet Support Team Member for Enterprise and Culture reminded Cabinet of the decision last year to close mobile libraries and advised that since then eight community libraries had now opened and attendance at libraries was up as other community activities were being held at the same time.
- Cabinet was informed that the refit of the Hereford leisure pool was due for completion by June of this year.
- In referring to 16 – 18 years olds not in education or training it was noted there had been a rise in the figures. It was hoped that this figure would decrease with the increase in apprenticeship schemes particularly with the opportunities that would be available with the retail quarter.
- In response to a question on the robustness of adult safeguarding, Cabinet was advised that the adult placement scheme was addressing this and particular weaknesses had been identified. Regular and more frequent reviews would be held. It was noted that the Adult Safeguarding Board would oversee the process to ensure that safeguarding was seen as everyone's responsibility. Cabinet was reassured that processes were moving in the right direction and that Overview and Scrutiny was doing good work in this area.

RESOLVED: That Cabinet considered performance to the end of February 2012 and the measures being taken to address the areas of under performance.

162. BUDGET MONITORING REPORT 2011/12

The Cabinet Member Corporate Services and Education presented the report to Cabinet. The following points were made in discussion:

- The overall revenue budget position for 2011/12 shows a £634k projected overspend, approximately 0.4% of the Council's £146.3m revenue budget

excluding dedicated schools grant. Any overspend would put pressure of the Council's reserves.

- People Services Directorate has a projected overspend of £4.6m.
- A review of central budgets has identified areas where contributions can be made to offset directorate pressures. The projected savings from procurement activity within centrally held budgets has been rephrased and carried forward to 2012/13.
- Financial projections throughout the year have shown an overall reduction in overspend as the year has progressed. This has been achieved through controls on discretionary spend and a review of budgets held centrally.
- The capital programme for 2011/12 has a forecast out-turn spend of £58.7m.
- The overall revenue position is mitigated by savings on borrowing and investments. The projected out-turn is for an underspend of £1.07m on borrowing costs and £229k on interest received. Where appropriate refinancing has been carried out to reduce capital programme costs.
- In response to a question relating to the extra £150m funding from central government and West Mercia Supplies (WMS) the Chief Executive reminded Cabinet that there was a strong business case for the sale of WMS. The strategic budget challenge lay with the needs of older people hence the activity around recovery plans.
- In response to a question on patient discharges from hospital and whether there was pressure to exit patients from hospital before they were ready to go home, was because it took the patient from the hospital budget to a social care budget. It was stated that the national and local position was to get patients home as soon as possible. This was based on evidence that the elderly in hospital lose their confidence and independence. It was stated that in the West Midlands there was no evidence that patients were being delayed in hospital or that they were being released too quickly.

RESOLVED

THAT:

- a) The report and the forecast deficit position be noted; and**
- b) The Chief Executive's requirement that Director's deliver recovery plans to ensure a balanced revenue budget be noted.**

163. UPDATE ON THE SHARED SERVICES PROGRAMME

The Cabinet Member Corporate Services and Education presented the report. The following points were made in discussion:

- The last update to Cabinet on the Shared Services programme was in July 2011. The programme covers a wide range of functions.
- In relation to Hoople Ltd:
 - The company was established in April 2011, with NHS staff transferring over in November 2011.
 - It has a strong new identity, the branding being driven forward by staff.
 - It has delivered on savings and made changes to structures. Further restructuring is needed to realign services provided and streamline management.
 - There has been a lot of interest by the Local Government Association in Herefordshire and the setting up of Hoople Ltd, as it is the first of its kind in the country. This will be the subject of a separate report to Cabinet.
 - The board will produce an annual shareholder's report.
 - Performance will be monitored and reported through the corporate performance report to Cabinet.

- Currently looking at the systems used to deliver services and how they can be improved.
- The Managing Director of Hoople Ltd informed Cabinet that the make up of the board was being examined and the non executive members.
- Organisations outside of Herefordshire were showing attention in Hoople Ltd and were interested in becoming part of Hoople.
- Internal Audit is a joint contract with KPMG, is saving money and providing a better service.
- Through the Shared Services Programme legal services are being provided to all three partner organisations through the Council's legal team.

RESOLVED

THAT:

- a) **Progress to date with the development of Hoople Ltd be noted;**
- b) **An annual shareholder's report be produced by Hoople Ltd.; and**
- c) **Progress on the implementation of the remainder of the Shared Services Programme and the proposal to reappraise options for support services as part of the Root and Branch Review Programme be noted.**

164. SINGLE ENFORCEMENT POLICY

The Cabinet Member Environment, Housing and Planning presented the report to Cabinet. The following points were made in discussion:

- Cabinet was informed that the policy before them was for a single coherent policy which could be operated throughout the county and would reduce bureaucracy.
- The main issue was to ensure that it was effective and efficient and Cabinet was adopting a policy for the future.
- Cabinet welcomed the policy, but noted that it did not address what happens on a national level regarding planning matters and licensing.

RESOLVED: That a Single Enforcement and Prosecution Policy be adopted.

165. OPEN REPORT - COMPULSORY PURCHASE ORDER FOR PROPERTY KNOWN AS: 2 OVERROSS FARMHOUSE, 26 OVERROSS FARM, LEDBURY ROAD, ROSS-ON-WYE, HEREFORDSHIRE HR9 7BN

The Cabinet Member Environment, Housing and Planning presented the report to Cabinet. The following points were made during discussion:

- Cabinet received photographs which indicated the poor state of repair the property was in.
- The owner of the property had not carried out any renovations to the property despite help and encouragement from officers.
- Cabinet was informed that officers were requesting the compulsory purchase of the property, as it was the only way forward to resolve issues for residents in the area and before the property became beyond repair.

RESOLVED

THAT:

- a) Herefordshire Council resolve to Compulsory Purchase Order the property known as 2 Overross Farmhouse, 26 Overross Farm, Ledbury Road, Ross on Wye, Herefordshire HR9 7BN in order to bring the property back into residential use;
- b) the Assistant Director of Law Governance & Resilience be authorised to:
 - execute a General Vesting Declaration should the Compulsory Purchase Order be confirmed.
 - to the vesting of the property into Council ownership, subsequently offer the property for sale, with terms of sale to include covenants that the house is improved to Decent Homes Standards within a specified timescale.
- c) the Chief Officer Financial and Commercial be authorised to:
 - recover such administrative and other charges incurred in any purchase and subsequent sale of the property as permitted by the Compulsory Purchase regulations, together with any other outstanding charges on the property.

166. EXEMPT REPORT - COMPULSORY PURCHASE ORDER FOR PROPERTY KNOWN AS: 2 OVERROSS FARMHOUSE, 26 OVERROSS FARM, LEDBURY ROAD, ROSS-ON-WYE, HEREFORDSHIRE HR9 7BN

RESOLVED: that under Section 100(A)(4) of the Local Government Act 1972, the public be excluded from the meeting for the following item of business on the grounds that it involves the likely disclosure of exempt information as defined in Schedule 12(A) of the Act, as indicated below and it is considered that the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

- 3 Information relating to the financial or business affairs of any particular person (including the authority holding that information).**

Cabinet considered the exempt report on the Compulsory Purchase Order for Property known as 2 Overross Farmhouse, 26 Overross Farm, Ledbury Road, Ross-on-Wye, Herefordshire HR9 7BN.

RESOLVED: That the report be noted.

The meeting ended at 5.50 pm

CHAIRMAN