

## Members' questions at Council - 30 September 2016

### Question from Councillor WLS Bowen

#### Question 1

##### Council constitution

Are you aware that a fairly recent amendment to the constitution prevents group leaders from attending and speaking at all committee meetings and would you agree that a reversion to the protocol that all group leaders should be allowed to attend and speak at all committee meetings would be desirable and should be instituted as soon as possible?

##### Answer from Councillor Brian Wilcox, chairman of the council

The amendment to the constitution, which took effect on 1 January 2010, does not prevent group leaders, or any other members, from attending any public meeting of the council; members in attendance may speak at the discretion of the chairman of the meeting. Such discretion is exercised having regard to a range of factors including the number and complexity of items on the agenda, and numbers of such requests to speak. If they are not minded to exercise their discretion to allow a member in attendance to speak chairmen will often advise that member either to ask a member of the committee to raise the query on their behalf or undertake to raise the issue from the chair in order that matters relevant to the agenda can be aired in a timely way.

I am aware that the audit and governance committee has approved a set of governance design principles to guide the ongoing refresh of the council's constitution. These include the following principles:

- "Members and officers perform effectively in clearly defined functions and roles"; and
- "Maximise member engagement and participation, including the involvement of all members in the development of key policies"

As a member of the working group guiding the refresh of the constitution and reporting to the audit and governance committee, Councillor Bowen will be in an excellent position to put forward the views of his group on this matter before December when any changes to the constitution are due to be brought to Council for consideration.

##### Supplementary question

Can I take it that you approve of my suggestion to the working group that all group leaders should have the right not only to attend committee meetings but also to have the right to speak at all committee meetings that they attend?

##### Answer from Councillor Brian Wilcox, chairman of the council

Subject to the caveats contained in the earlier reply.

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### Question from Councillor B Matthews

#### Question 2

##### Enterprise zone (EZ)

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In June this year, the EZ board was advised that due to the substantial costs of making plots development-ready, the Goodwin Trust had decided that at present they would not be making any land available for sale. This was because of the excessive cost of providing highways, utility services and the significant cost involved in raising ground levels on site. The board were advised that the sale of plots was no longer commercially viable.

Can you please inform members what impact the Goodwin Trust decision will have on the future prospects of the EZ, and will it mean still further delays in the provision of the well paid and secure jobs so desperately needed within the county?

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

It is perhaps unfortunate that Councillor Matthews does not appear to have referred to the publically available minutes of the board meeting in June of this year and therefore appears to have gained a partial and unnecessarily pessimistic view of the issue. The board were indeed advised by the Goodwin Trust, a key private sector partner in the enterprise zone, that they would be temporarily withholding a relatively small area of land (4.5 acres) from sale because of the infrastructure costs associated with such sales; however the board were advised that the trust would look to work with the zone to explore building units to let and the board also determined to explore the potential and opportunities available to meet the viability gap.

I would also refer Cllr Matthews to the answer given to public question number six.

Given the progress made to date on the site (which does not amount to 'delays' as stated), the robust delivery plans in place, and continued exploration of every opportunity to support development of and business growth on this crucial site I do not share Councillor Matthews rather pessimistic view.

#### **Supplementary question**

The council has spent £10m on land improvements to bring the site up to some sort of reasonable standards, roughly working out to £80k for every job created, can you tell us how much more has to be spent on the northern size of the EZ before it will be in a reasonable state for sale?

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

We need to recognise the challenging conditions in commercial property, not just in Herefordshire but also in the West Midlands and the whole country. Despite these conditions, we ought to be proud of the achievements in Rotherwas. It is also important to take a long term view, the EZ continues to 2037.

Commercial viability is down to the judgement of the investor, the property market can go up and down. In relation to the 4.5 acres of land withheld by the Goodwin Trust (over 9 acres had already been developed), no investments were being turned away as a result of the recent commercial decision made by the trustees.

It is not just about the number of jobs that are being attracted to Rotherwas but it was also about the quality of those jobs. Members should celebrate the fact that some projects in the EZ had been included in the New Growth Deal submission, namely the cyber security centre and the proposed redevelopment of the shell store, which will hopefully lead to better jobs.

In terms of the specific question on costs to bring that land up to development potential, a written response will be provided.

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### Subsequent written response from Councillor David Harlow, cabinet member economy and corporate services

All council land within the Hereford Enterprise Zone that has not already been purchased or developed is available for sale. This includes the land within the northern site. Depending on the final use of the land, the users utility requirements, the configuration and size of plots purchased, and other variables, it is probable that additional costs will need to be incurred prior to sale completions. It is not possible to define these costs at this point due to these considerations and the variables mentioned. As stated in the response to Public Question 6 of the 30 September 2016 Council meeting, this approach to land sales has generated 18 acres of land sold to date and a further 23 acres under negotiation.

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### Question from Councillor B Matthews

#### Question 3

#### Approval of accounts

It was at a full council meeting, not audit and governance, when discrepancies in accounting for major capital projects was first identified. With the public and the media concerned about the inaccuracies in financial reporting at Herefordshire Council and the errors confirmed in this year's audit report, would the Cabinet Member please explain why adoption of the Year End accounts and the acceptance of the audit report have not been brought to full council for approval.

#### Answer from Councillor Paul Newman OBE, chairman, audit and governance committee

The functions of approval of the council's statement of accounts and consideration of the external audit findings report, which are not cabinet functions, have been delegated by Council to the audit and governance committee which also has responsibility for seeking assurance that action is taken on risk related issues identified by auditors.

The matter to which Councillor Matthews refers, and which has been reported to and considered by both internal and external auditors, was not a discrepancy in accounting but in reporting. The audit and governance committee has established a process for monitoring the implementation of actions agreed in response to audit recommendations in order that the council may have assurance that improvements in this, and other risk areas, are secured.

#### Supplementary question

Can I ask Councillor Newman if he could take it up with auditors and ask them to reply to me in detail on the issues that I raised?

#### Answer from Councillor Paul Newman OBE, chairman, audit and governance committee

The audit and governance committee proceeds in a relatively formal way. The formatting and reporting issues, as they turned out to be, were examined by both internal and external auditors who reported to the committee that there were no reasons that we should not to proceed with normal accounts and audit approval processes. Faced with such recommendations, the committee had no option but to proceed. I am happy to contact both the internal and external auditors to ask if they consider that any matters have not been properly responded to from Councillor Matthews and I will then rely on their response to that question.