

SUPPLEMENT TO THE AGENDA FOR

General Overview & Scrutiny Committee

Monday 11 November 2013

10.00 am

The Council Chamber, Brockington, 35 Hafod Road, Hereford

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SUGGESTIONS FROM THE PUBLIC ON ISSUES FOR FUTURE SCRUTINY

Agenda item 5 invites the public to suggest issues that the Committee could scrutinise in the future. [**Please note:** It is not intended that there will be discussion on the issues at the meeting, as consideration will be given to whether the issues should form part of the Committee's work programme when compared with other competing priorities.]

The following suggestions have been received from Mrs E Morawiecka

Suggestion 1: The 5 year Housing Land Supply - it seems that despite Herefordshire Council agreeing the Core Strategy in July 2013, that there is still no up to date 5 year housing land supply, and no calculations are currently available as to how officers are attempting to calculate this. This is providing a financial risk and reputational risk to Herefordshire Council, who is currently facing a number of appeals where the lack of 5 year land supply is often cited as a reason for the appeal.

Comment *Andrew Ashcroft, Assistant Director Economic, Environment & Cultural Services:*

Para 47 of the NPPF requires local authorities to identify specific deliverable sites to provide five years' worth of supply against their housing requirement, plus a margin of 5% from later in the plan period to ensure choice and competition. If there is evidence that an authority has persistently under delivered this buffer rises to 20%.

A failure to meet this test means that policies on housing supply cannot be considered up to date. This adds weight to the tests for decision-makers in para 14 of the NPPF, including its presumption in favour of sustainable development.

This situation in the County is inevitably linked to progress on the LDF. At this stage the situation on the 5 year housing land supply is a source of debate between the Council and the development industry and will be tested at a planning inquiry later this month. The most recent figure (as published in the Annual Monitoring Report 2012) was that there was the potential to deliver 4.6 years of the 5 year supply requirements to be met.

Suggestion 2: The Local Transport Plan. The current plan has under 18 months to run and has been disconnected from the Core Strategy. For proper planning and best use of transport funding, surely the Council needs to have some plan for its transport strategy and how it is to be funded, to deliver the Council's, Governmental and European objectives such as reducing carbon emissions; promoting health and wellbeing; etc.

QUESTIONS FROM THE PUBLIC

Agenda item 6 invites the public to submit questions for consideration at the meeting. The following questions have been received.

The following questions have been received from Mrs E Morawiecka on agenda item 8, *Freedom of Information and Arm's Length Companies - An Update*

- Question 1:** Please see attached the letter from Director Geoff Hughes dated 13th February 2006, which gives the background to the setting up of Hereford Futures Ltd (formerly Edgar Street Grid (Hereford) Ltd) and how it is a Joint Venture Company between Herefordshire Council and Advantage West Midlands. Would you please detail Herefordshire Council's current and future liabilities, including that of local government pension, for any "arms length" companies, where the Council has provided guarantees for the company employees, such as the Chief Executive of Hereford Futures Ltd?
- Question 2:** The report on FOI and Hereford Futures Ltd, correctly states that Hereford Futures Ltd is a company limited by guarantee and that the guarantee provided by the members is limited to a specified sum, which in the case of Hereford Futures Ltd is just £1. Reference is made in the Notes to the Financial Statements for Hereford Futures Ltd for the Year Ended 31.3.11 that faced with a negative balance sheet, only Herefordshire Council guaranteed that it would provide income to Hereford Futures Ltd for the following year of £285,000 so that the auditors would be able to agree the company was a "Going Concern" for the year ended 31.3.12. Why would Herefordshire Council guarantee income more than £1 income to an "arms length" company which is effectively worthless and has accumulated net liabilities over its lifetime?
- Question 3:** Would the author of the report to the General Overview & Scrutiny Committee please confirm that the copy of the Local Investment Plan 2011-2026 (dated January 2011 - which is an agreement between Herefordshire Council and the Homes & Communities Agency) clearly states page 49 "The Company (HFL) has been established as a joint venture Company with Advantage West Midlands (AWM). AWM funding will come to an end from 31st March 2011. From 1st April 2011 the Company will be fully funded by Herefordshire Council."? (Please note a copy of this document has been supplied to the Monitoring Officer and the Chief Executive of Herefordshire Council 3 months earlier, and is attached* to help the author respond).

- Question 4:** According to the publicly filed accounts of Hereford Futures Ltd for the year ended **31st March 2012**, the company had a turnover of £485,594 and received grant income from Herefordshire Council of £513,067. Does this confirm that from 1st April 2011 Hereford Futures Ltd was wholly funded by Herefordshire Council?
- Question 5:** The report to the committee only considers accounts for the YE 31.3.11, despite having been provided with a copy of the accounts for the year ended 31st March 2012. What are the reasons for not providing Councillors of this committee with the most up to date, publicly available, financial information?
- Question 6:** Hereford Futures Ltd website clearly stated on 12.1.12 (Please see screen shot attached) that “as well as taking all major decisions and setting policy, the Council chairs the Company’s Gateway Committee” If this has been the role of Herefordshire Council why does it not possess any copies of Board meetings of this company, when sometimes up to 2 members of the Cabinet and the previous chief executive of the council, were in attendance at these Board Meetings?

**Herefordshire Council
and the
Homes and Communities Agency**

Local Investment Plan 2011-2026 (LIP)

January 2011



being considered to enable future reinvestment opportunities and more detailed costs are currently being prepared.

Supporting owners by securing a reduced VAT rate on refurbishment costs is also proving to be an extremely effective method of returning long term empty properties back into use, together with pressuring Empty Dwelling Management Orders, Compulsory Purchase Orders and general advice & assistance.

In the current housing market many owners are experiencing problems selling their properties and are turning to a letting strategy until the market improves. Private sector landlords also face difficulties letting their portfolio of properties and are increasingly turning to the Local Authority for assistance with nominations. This provides a reduced waiting time for home-seekers to access accommodation and also helps to return a property back into use that would otherwise remain empty. More information on the success rate of the council is on page 23.

All of these measures help to contribute to the outcomes identified earlier.

It is envisaged that the council will continue to seek the delivery of affordable housing to be developed to the minimum Code of Sustainable Homes standard Requirements and will be seeking to support housing providers to increase this to Code 4 from April 2011 where possible. RSL partners are supported and encouraged to develop above the minimum standards, this has become more challenging over recent times.

To ensure the future sustainability of development, a suite of policies will be developed through the Local Development Framework to help improve energy efficiency. Key county-wide policies will include Renewable Energy, Sustainable Water Management and Sustainable Design. The policies will help to ensure that the Code for Sustainable Homes and other sustainable measures are incorporated into Core Strategy policies. Other more detailed Development Plan Policies will contain area or site specific policies.

Hereford Futures are looking into the feasibility of a sustainable district heating system for the urban village. In addition, the retail development at the cattle market is likely to be delivered to BREEAM excellent standards.

7 Governance and Delivery Arrangements

Herefordshire Partnership Board membership is detailed in Appendix 4, and is made up of senior officers from the public, private and voluntary sectors. Having developed the vision based on a sound understanding of the County and local issues which are articulated in the Sustainable Community Strategy (SCS), they have the responsibility to ensure delivery of efficient and high quality services. It lobbies, campaigns and champions the issues of importance to the County at a regional and national level and acts as an ambassador for the partnership.

The Herefordshire Partnership Management Group takes responsibility for delivering the Herefordshire Sustainability Community Strategy, by agreeing the allocation of resources and performance of the Local Area Agreement. They are also accountable for the work of the 6 policy and delivery groups by reporting their progress to the board.

The 6 Policy and Delivery Groups are focused around the 6 key themes for action in the SCS and have representatives from organisations committed to delivering high quality services which address their groups priorities. The Herefordshire LIP has been endorsed by the Stronger Communities Policy and Delivery Group in reflecting the significant degree to which the LIP aspirations around housing growth, regeneration, decent homes

and supporting vulnerable people to live independently represent key issues and priorities under the Stronger Communities theme prior to the approval of the Board and Cabinet.

The Director of Sustainable Communities has taken the lead to deliver the LIP, with various meetings held with the Chief Executive of the local authority and the Homes and Communities Agency and Partnership Board members through the Local Investment Planning process to discuss and initiate the development of the LIP in Herefordshire, with ongoing discussions held with senior managers to consider the wider governance arrangements in light of the changes being implemented by the coalition government.

More specifically, Herefordshire in partnership with Shropshire and Telford and Wrekin have been successful in their submission for the formation of a new Marches Local Enterprise Partnership (LEP) for the area covered by the unitary authority. Submitted jointly by the leaders of the 3 local authorities and the chairs of the 3 county level business boards, the partnership will build on the existing framework of successful collaboration and housing and regeneration will be a key consideration within that context.

Although at an early stage, it is envisaged that the existing West Housing Market Area Partnership (WHMAP) will play a key role in supporting the LEP to achieve its outcome to improve the economic prosperity, job growth in expanding sectors and new business start ups, by shaping all the main drivers of economic development (including housing, transport, tourism, inward investment, skills and quality of life). The WHMAP already has a track record of collaboration on key shared housing priorities, for instance in terms of commissioning the Strategic Housing Market Assessment and Gypsy and Traveller Accommodation Needs Assessments. A joint Housing Strategy is under development which will reflect the shared priorities and approaches to achieving a number of issues of key importance under the LIP including, for instance, affordable housing growth, tackling decent homes and meeting the accommodation needs of vulnerable people. Membership of the WHMAP, which includes the vice chair of the Stronger Communities Policy and Delivery is detailed in Appendix 5.

The delivery of Housing Growth aspirations within Hereford City is one of a number of priority projects for the County which reflect the aspiration to create a vibrant, prosperous and sustainable future for the City. To help drive delivery Herefordshire Council has established the Hereford Futures Company as an arm's length vehicle to deliver key regeneration schemes in and around the City of Hereford. The Company has been established as a joint venture Company with Advantage West Midlands (AWM). AWM funding will come to an end from 31st March 2011. From 1st April 2011 the Company will be fully funded by Herefordshire Council. The Company will have its own private sector Chair and Board and will oversee the delivery of key regeneration projects in the City of Hereford.

Key Projects for Hereford Futures linked to the LIP are:-

- Housing Growth – the delivery of 8,500 homes (from 2006) up to 2026 including affordable homes
- Urban Village – the delivery of circa 800 new homes within Hereford City Edgar Street Grid area of which 35% will be affordable
- City Living – supporting the creation of a vibrant Hereford City Centre environment by supporting and enabling the development of affordable and market housing above commercial premises and on infill sites within the City Centre.

Each key project has a Task Group to co-ordinate and monitor delivery through the board, creating linkages and opportunities for cross working.

8. Risk Management

Risk Management approaches are well integrated into Service Planning and Performance Monitoring arrangements within corporate Performance management systems and each Service and Directorate operate risk registers that can escalate significant issues to the Corporate Risk Register. Risks to the corporate capital strategy are addressed on a regular basis through the Capital Strategy management group. Committee report templates require consideration to be given to the Risk Management issues associated with decision making. Risk Management is addressed within Homes and Communities and Directorate Management Team agendas for monitoring purposes.

Risks to specific housing developments are noted within the Forward Development Programme which is updated to enable the impact on delivery targets to be identified. Major developments including the urban village and associated infrastructure projects are risked managed under Hereford Futures project management arrangements.

9. Equality and Diversity Implications

Our approach to formalising the Local Investment Plan will include consideration of the impacts of investment approaches in Equality and Diversity terms and associated considerations within The Herefordshire Equality and Human Rights Charter 2010 – 2013.

This charter sets out how public service providers will work in partnership to embed equality and human rights within all that we do. It also sets out an agreed vision around equalities for the communities of Herefordshire. The charter supports the Sustainable Community Strategy and builds on the priorities set out in the strategy.

It provides a focus to ensure that we meet our obligations under the Human Rights Act 1998, the detailed requirements of the Equality Act 2010, the Equality Framework for Local Government and World Class Commissioning for the NHS.

We recognise the significant Equality and Diversity implications the Local Investment plan has and will consider the demography, socio-economic data along side other equality data when determining the County's future housing and funding priorities.

10. Proposed Timetable - Local Investment Plan Process

September 2010	Submission of LIP Scoping Paper to HCA HCA Peer review of initial Scoping Paper
October/November 2010	Feedback from HCA Commence drafting of final LIP
December 2010	Internal consultation around emerging draft (early December)
December 2010	Housing Partnership for Herefordshire Review Endorsement through Herefordshire Partnership Stronger Communities Policy and Delivery Group Herefordshire Partnership Board
January 2011	Cabinet Member approval Submission to HCA

Hereford Futures - Overview

Led by the Chairman, Ted Willmott CB OBE and the Chief Executive, Jonathan Bretherton, the company has a board of highly experienced non-paid directors and a small, expert executive team. Working hand-in-hand with the council's officers and other partners, we ensure that the necessary technical skills and experience are brought to bear on various challenges, including finding solutions to highly complex regeneration and physical development problems.

As well as taking all major decisions and setting policy, the Council chairs the Company's Gateway Committee. This committee allocates resources to the company and decides which projects to ask Hereford Futures to advise upon and then to lead.

Hereford Futures secures significant private investment in Hereford, such as the £80M Stanhope development, and leads contractual negotiations on the Council's behalf. This includes up and coming projects such as the football ground, the Higher Education Centre and the Buttermarket. It also includes investments well under way, such as the Flood Alleviation Scheme which removes over a hundred existing homes and businesses from regular flooding and enables redevelopment of many city centre sites.



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