

MINUTES of the meeting of CABINET held at : THE COUNCIL CHAMBER, BROCKINGTON, 35 HAFOD ROAD, HEREFORD on Thursday, 10 July 2008 at 2.00 p.m.

Present: Councillor RJ Phillips (Chairman)

Councillors: LO Barnett, AJM Blackshaw, H Bramer, JP French, JA Hyde, JG Jarvis, PD Price and DB Wilcox

In attendance: Councillors ACR Chappell, GFM Dawe, PJ Edwards, TM James, RI Matthews, SJ Robertson, WLS Bowen, ME Cooper, MAF Hubbard, AT Oliver, J Stone, WJ Walling and JD Woodward

18. APOLOGIES FOR ABSENCE

Apologies were received from Councillor RJ Phillips (Leader) and a member in attendance, Councillor PA Andrews (Chairman of Adult Social Care and Strategic Housing Scrutiny Committee).

19. DECLARATIONS OF INTEREST

Councillors JA Hyde and PJ Edwards declared personal interests in Agenda Item 6 - 'Action Plan to meet the challenge of the Government's Post Office Closure Programme – Update' - and remained in the meeting for the duration of this item.

20. MINUTES

RESOLVED that

The Minutes of the meetings held on 29 May and 12 June 2008 be approved as a correct record and signed by the Chairman.

21. SWIMMING PROVISION FOR PRIMARY SCHOOLS IN HEREFORD CITY

The report outlined for Cabinet's consideration, details in respect of school swimming provision and the future use of St Martin's Swimming Pool and Hereford Leisure Pool.

The Chair moved for deferment so that appropriate time be given to digest the outcomes of the consultation from schools and the community and in order that further work be carried out on the business case and the financial tables.

RESOLVED that

The report be deferred and be rescheduled for consideration at Cabinet on 31 July 2008 in order to allow appropriate time to digest the outcomes of the consultation, and in order to carry out further work on the business case and the financial tables.

22. PRIMARY STRATEGY FOR CHANGE

The Cabinet Member for ICT, Education and Achievement, Councillor PD Price, introduced the report which sought Cabinet's approval to a Strategy to shape capital investment in Primary Schools within the County over the next 14 years, and which would determine priorities over the next two years. Consultation had taken place and the views of a number of individuals and organisations have been sought (attached as appendix 1 of the report).

The Head of Performance, Planning & Development (Children and Young People's Directorate), Chris Baird and the Schools Planning and Access Manager, Rob Reid, advised that it was a government requirement for all local authorities to prepare a Primary Strategy for Change.

Members were informed that during the life of the Strategy it would be expected that 5% of schools within the Country would be rebuilt with a further 45% refurbished. The criteria for determining priorities within the strategy were based on local interpretation of the national agenda.

The draft strategy had been circulated to consultees and a summary of the responses received was attached as an appendix to the report. The Cabinet was additionally advised that both the Roman Catholic Schools Commission and the Hereford Diocesan Board of Education had met (on 7 and 9 July respectively) and had endorsed the strategy.

Officers advised that match funding arrangements were proposed within the draft strategy with the expectation that schools would match fund any amount from within their devolved formula capital budgets. Feedback had been received that the match funding element should be increased and changed to provide increased opportunity for more schools to apply and therefore enhance the benefits of such investments.

In response to a question raised by a Member in Attendance regarding whether proper consideration was being given to the needs of the rural community, the Cabinet Member ICT, Education and Achievement stated that he would be eager to take this point up and to ensure that such communities were given a fair say.

A Member in attendance stated that in his opinion the strategy concentrated on one part of the county and called for a balanced perspective. Additionally it was stated that as the authority was also involved with the 'Building Schools for the Future' programme consideration should be given to swimming provision within the 'Primary Strategy for Change' document. The Chair stated that the comments would be noted and considered if applicable.

In responding to a statement by a Member in attendance regarding kitchen facilities having been removed from Primary Schools which were now being replaced, the Chairman stated that the point was well made; however it would be important to provide appropriate facilities to teach young people to cook.

The Chairman, in responding to a question from a Member in attendance, stated that the Primary Strategy for Change was a statutory legal requirement. Additionally it was stated that it was especially important to consider the future arrangements of primary school provision in Leominster as currently structures provided for separate Infants and Junior Schools. The opportunity to improve the organisation of primary school provision had been determined a priority within the outcomes of the feasibility study undertaken.

As a point of clarity, it was stated that reference to 'Much Birch' on page 51 should read 'Much Dewchurch'.

As Chairman of the Children's Services Scrutiny Committee, Councillor SJ Robertson advised Cabinet that it was important to continue to improve educational standards and that Primary Schools played an active part in community life. The importance of rural schools should be acknowledged. Councillor SJ Robertson stated that she was disappointed in the number of responses received to the consultation.

RESOLVED that

- (a) **The Primary Strategy for Change document be approved for submission to the Department for Children, Schools and Families;**
- (b) **Further work will take place in consultation with Leominster Infant and Junior Schools on the siting, design, and future organisation prior to a final decision from the DCSF; and**
- (c) **A match funding budget of £250,000 in 2009/10 and in 2010/11 be established.**

23. ACTION PLAN TO MEET THE CHALLENGE OF THE GOVERNMENT'S POST OFFICE CLOSURE PROGRAMME - UPDATE

The Cabinet Member Economic Development and Community Services presented a report updating Cabinet on the Government's Post Office Compensated Closure programme and added that proposed closures in Herefordshire were due to be announced publicly on 27 August 2008. He commented on the low morale amongst sub-postmasters and mistresses and quoting the Rural Shops Alliance, speculated that many post offices were hoping to be part of the compensated closure programme, before closing. Therefore, the final closure numbers could exceed 2500. The Cabinet Member also commented that the National Federation of sub-postmasters had warned that a further 3000 small post offices could close if the Post Office card account was awarded to another supplier, other than the post office.

The Cabinet Member went on to say that the 17% national anticipated closures would translate into 15 post office closures in Herefordshire. He touched on the work Herefordshire Council was doing in association with the Rural Shops Alliance and Business Link to investigate the provision of essential services such as Parcel Post, Bill Payment and Access to Cash, in the event that these services were not provided locally in a post office.

Before the subject was opened up for debate, the Cabinet Member mentioned the Essex Model, stating that originally the intention was to save 31 post offices. This has now been reduced to 2. The issue of "State aid" has created complications with the Essex Model concept. In addition Post Office Ltd have confirmed that the Essex Model must be seen as a separate exercise outside the national closure programme.

Several members commented on the prospect of integrating a post office with another community facility such as a school or library. In response to this, The Parish Liaison and Rural Services Officer drew attention to Colwall Post Office as an example. He said that co-location with the Library was originally considered, however costs for adapting the building were deemed to be too high.. He was pleased to report that, with the support of the Parish Council and the local community, Colwall's post office had re-opened the previous Monday

In response to a question from a Member in Attendance about the closure of Bosbury Post Office, the officer stated that the village's post office had been

temporarily closed as part of closures in the Gloucestershire region. He stated that both the Member and the parish council had been advised that the closure was only temporary and there were options for re-opening the facility. However it was emphasised that any support initiative to reopen a post office would be dependant on the community wanting the assistance.

Regarding the principle of establishing a post office within a school site, Members stated that this would be worthy of future consideration, as it would provide ready access to most members of the community.

Members gave their support to the amended recommendation as it strengthened the view of the council. Several members did, however, express concern that communities should not be given false hope on the issue, as widespread closures were inevitable, especially considering the current economic climate. Members also expressed concern that many larger post offices in other areas had been amalgamated with branches of WH Smith.

Several members commented on the fact that a large number of services had been taken away from the post office by the Government, in recent years. This had led to a decreased reliance on the need to visit post offices. It was also noted by Members that access to cash in rural locations was of particular concern to older members of the community as often cash machines in local shops imposed a large transaction fee, which they considered unfair particularly for smaller amounts of cash.

Several members asked that the council give consideration to making some of its services available through the post office as an alternative to the info shops within the county as these had proved a useful informal social service.

Members agreed that the Post Office provided a vital community facility and that the Council should do all in its power to save as many as possible from closure and so endorsed the recommendation.

RESOLVED that

The Cabinet Member and officers will work actively with the Rural Shops Alliance, Business Link, Post Office Ltd and other parties in delivering the action plan proposed.

24. HEREFORDSHIRE HOMELESSNESS STRATEGY 2008/13

The Cabinet Member for Social Care Adults introduced the report to Cabinet advising Members that an executive summary would be produced to accompany the Herefordshire Homelessness Strategy 2008-13.

The Head of Strategic Housing Services, Richard Gabb, advised Members of a formatting error on page 82 of the report, as roman numerals should be indicated following the reference to (c).

The Cabinet was informed that as prevention was considered a key outcome of the homelessness strategy, a refocused team had been established to provide appropriate support for this outcome. Mr Gabb advised Members that whilst defined within the strategy as a key outcome, ending the use of bed and breakfast as temporary accommodation would be problematic. Additional pressures included the impact of the credit crunch, with the Council experiencing for the first time professional working people seeking information on dealing with difficulties in meeting mortgage payments. Similar problems were also being experienced in other local authorities, with some Councils housing those in need of temporary

accommodation in neighbouring authorities. With the end of bed and breakfast, Members were advised of the need to ensure the availability of appropriate accommodation.

The Head of Strategic Housing Services advised the Cabinet that a strength of Herefordshire Council was working in partnership and this was evident within the Housing agenda. Further work was being undertaken to improve and strengthen joint working with both voluntary and statutory organisations. Members were informed that joint protocols were being developed with the Registered Social Landlord (RSLs) in order that potential problems, once identified could be actioned, or to allow for appropriate intervention to take place.

Members were advised of the relatively high number of 16 and 17 year olds who were homeless due to parental eviction; and aligned to this pregnancy was also highlighted as an issue for this age range.

Cabinet Member for Environment and Strategic Housing stated that the issues outlined in the report and strategy reinforced the County's need to deliver 850 affordable homes in next three years. This would be challenging within the current financial climate as there would be a potential loss of up to 50% of planned new affordable homes due to the pressures on housing developers and cut backs within their organisations. The Cabinet Member additionally raised concerns, following the publication of a national report, which highlighted the high number of ex-service men who were homeless

In response to the points raised, Mr Derek Allen, Change Manager Homelessness, stated that nationally it was recognised that some of those leaving the armed services did have specific issues when they reintegrated into society which may lead some individuals to homelessness. Mr Allan stated that national guidance existed which sought to address these particular issues and that former service men were not barred from accessing Council facilities e.g. Home Point. Members were advised that the Council did receive correspondence seeking advice from former service men on how they could access the system and it was recognised that on leaving the services some do sometimes struggle. The Council was actively corresponding with local MPs on these issues.

A Member in attendance requested the names of the elected members who were representatives on the Homelessness Strategy Implementation Group (HSIG) as no individual Members had been noted on the membership outlined on Appendix 4 of the strategy. The good work undertaken on homelessness in the County was acknowledged and a Member in attendance applauded the contribution from Herefordshire to the ongoing work within the regional agenda.

In response to the questions raised, the Head of Strategic Housing Services advised that a written answer would be provided on the elected member representation on the HSIG which had been established further to the scrutiny review undertaken two years previously which focussed on homelessness. Whilst the HSIG had met it was acknowledged that there was a need to reimplement the group. He emphasised that whilst around 35% of private housing developments in the County had, or were in the process of being 'paused' the authority must continue to provide affordable housing.

Cabinet Member for Environment and Strategic Housing advised Cabinet that much work was ongoing to address the affordable housing situation, however a simple solution did not exist. The authority was making efforts to find property and ensuring funding from housing associations, however, many banks were not lending monies to housing associations as they were considered to be a 'sub prime' risk.

In response to a question raised about the amount of pressure on service provision as a result of people external to the county seeing support, the Change Manager Homelessness stated that currently there was no undue pressure created as fewer than 5% of the known homelessness figures related to individuals external to the County.

A Member in attendance emphasised the concerns raised regarding the drop in house building and stated that whilst this would directly affect future provision the Council needed to ensure the appropriate allowance for and allocation of affordable housing. Particular concerns were raised in respect of housing provision for young people and especially those who had been looked after children. It was imperative that such vulnerable people, as well as other vulnerable groups were supported by the Council. It was further stated that whilst the strategy produced was good, there was now a need to follow through the actions to achieve the desired outcomes.

The Chairman stated that a scrutiny review on Transition from Leaving Care to Adult Life was currently being undertaken under the Chairmanship of Councillor J Pemberton, the outcomes of which were to be reported soon.

In response to a question raised regarding the evidence base used by the Council regarding homelessness issues, and specifically with regard to how the system is accessed, the Head of Strategic Housing Services stated that Members would be provided with details on the information requested.

A Member in attendance referred to the good work undertaken for young people within the Foyer system and stated that whilst those currently accessing the Foyer services were benefiting, many of which were vulnerable people, a further 84 individuals were on the Foyer waiting list. In addition, the point was raised that sensible small developments within the County need to be supported through the planning process.

The Cabinet Member Highways and Transportation highlighted the plight of the hidden homelessness, which included rough sleepers who were often drawn to using drugs. It was stated the cost to society of criminal behaviour attached to such addiction was great, with individuals often offending to be placed on a scheme. Consideration needed to be given as to how such individuals could be diverted away from criminality. To assist with alleviating homelessness, consideration should be given to the strategy adopting a 'month up front' facility to support initial payments for rental properties.

There was general support for the need to provide more Foyers, the benefits of their work, (which taught life and social skills) with a member in attendance stating that whilst difficult to formally quantify, was considerable. It was stated that future consideration should be made to establish a Foyer centre for service men to assist them in adjusting back to society.

The Chairman stated that the armed forces were an important part of the County and officers should explore future possibilities with the Army Benevolent Fund.

RESOLVED that

- (a) The Homelessness Strategy 2008-2013 be agreed, including the associated appendices and action plan, to meet the national and local targets, and**
- (b) An Annual update report be presented to Cabinet on progress against the Homelessness Strategy Action Plan**

25. STRATEGIC HOUSING CAPITAL PROGRAMME 2008/9

Cabinet Member for Environment and Strategic Housing introduced the report which sought approval for the allocation of the Strategic Housing Capital Programme which incorporated the Affordable Housing Development Programme and the Private Sector Housing Programme for 2008, and additionally informed Cabinet to external funding contributions, including National Affordable Housing Programme and Specified Capital Grant contributions.

The report outlined that the regional funding allocation for housing over three years would be £679m, of which £468m had been allocated to fund affordable housing development which would be administered through the Housing Corporation. Members were reminded that Herefordshire was located within the West Housing Market Area, alongside Shropshire. The allocation of funds had been provided by way of a 'bidding' process and whilst Herefordshire had been awarded the sum of £1,323,500 to provide 34 units in Hereford City, this sum was well below that which had been requested, which was due to the Housing Corporation seeking efficiency savings. Whilst further opportunities to access funding had been sought, bids had been unsuccessful. However as several schemes had been recognised as a priority for funding Cabinet had previously recommended that they should be funded from the Strategic Housing's Housing Capital Reserve. The proposed priorities for the funding were as outlined in Table 1 of the report (page 210) and were aligned towards affordable housing for 2008/09 in order to address the potential changes and challenges to the housing market, with an additional £2m proposed from the Housing Capital Reserves to deliver a further 38 units.

The Head of Strategic Housing Services advised Cabinet that other funding could be available from the region (e.g. a regional 'pot' £211m to support regeneration activities and renovations grants), however the current system of funding available was a drop from previous years. Other activities such as providing funding to support home improvements, handy services etc provided individuals with more opportunities to remain independent in their own home.

With relation to Disabled Facilities Grants, the Head of Strategic Housing Services informed Members that Herefordshire Council had been awarded a grant of £315,000 to which the Council in addition provided a contribution of £210,000 to fund an overall budget of £525,000. However as there had been an increased demand for grants it was proposed that an additional £200,000 be allocated from the Housing Capital Reserves towards the 2008/09 budget for Disabled Facilities Grant (this would be 100% supported by the Council as no additional subsidy would be available). As a result of these proposals, Members were made aware that the current reserves held would be lower than in previous years.

A member in attendance referred specifically to the acute shortage of decent homes for three-generation families. It was additionally stated that the Council was picking up the social cost, together with the PCT and Police. The Member requested the exact date and details of the programmes by which these issues would be resolved i.e delivered on the ground. Additionally, concerns were expressed that the Council was not receiving appropriate external funding, with the example given that 7/8 homelessness monies originated from Council funds.

In response, the Head of Strategic Housing Services stated that whilst in past years it was usual to receive grants of up to 60/70% per unit, current funding from the Housing Corporation provided for 35% grant per unit. It was acknowledged that whilst the sum received of £1,323,500 was well below Herefordshire Council's bid, other neighbouring local authorities had not been as successful. Mr Gabb

emphasised the good work ongoing with the development of partnership arrangements with the Registered Social Landlords. It was stated that whilst 850 homes would be made available in the next three years, (this figure had been recently endorsed through the Local Area Agreement) the national economic climate might impact this availability as 50% were due to be developed by partners.

Members were advised that during August, 91 units of extra care would become available in the County with other projects on course to deliver additional units, these would include 22 in Barton Yard and several in Leominster. Cabinet was informed that the Housing Needs Development Team were in the process of reviewing all Council owned land holdings and their assessment would constitute a basis for further consideration by Joint Management Team and Members. Members were assured that the Government Office for the West Midlands did understand rural housing issues and rural issues had been well represented in three recent reviews undertaken. The Head of Strategic Housing Services additionally advised Members that he had recently met with the Chief Executive elect of the Homes and Communities Agency and some schemes developed by Herefordshire Council had been identified as best practice e.g. Mortgage Rescue Scheme.

The Cabinet Member for Environment and Strategic Housing advised Members that identifying land use was difficult as some areas were not appropriate. A number of issues would need to be considered and a commitment was made that a report would be available to Cabinet for September. The climate currently was particularly difficult and to date 5,000 were on the housing needs list. However it was emphasised that considered decisions needed to be made as it was important not to be building in inappropriate areas and that it was imperative that homes were built to an appropriate standard. It was suggested that parish councils should be encouraged to identify sites.

Cabinet Member for Resources stated that Herefordshire had developed a strong reputation regarding housing issues over many years. All the Council's land had been looked at and work was being undertaken to look at certain potential sites.

In response to a question regarding the level of support (£1m) being provided to supporting the Mortgage Rescue Scheme, the Head of Strategic Housing stated that whilst the Council was limited to how its money was applied, the scheme was considered to be successful with the DCLG stating an interest in forwarding the scheme as an example of best practice. An Officer in attendance additionally stated that the scheme provided an opportunity for Housing Associations to buy the property, which was in mortgage difficulties, with the individual remaining in their current accommodation in a shared ownership arrangements. Members were informed that call on this scheme had increased and work was being undertaken to closely align with the homelessness strategy.

The Chairman requested that a briefing note on the mortgage Rescue Scheme be made available to all Members.

A Member in attendance stated that the problem would not be solved solely through Herefordshire Council schemes, as the cost would be too great a burden. However, it was stated that the Council needed to be proactive in its planning arrangements and function to assist others to deliver solutions. The current climate, whilst challenging, could provide opportunities for sites to be developed competitively.

The Cabinet Member for Environment and Strategic Housing stated that the current Planning Services Scrutiny Review under the Chairmanship of Councillor RI Matthews would be in a position to consider issues highlighted in the discussion regarding the planning function. The importance of the Council to be a proactive

enabling authority as opposed to being restrictive was emphasised.

RESOLVED that

(a) The Strategic Housing Capital Programme be approved for 2008/09 as detailed in Table 2 of the report.

(b) It be noted that a briefing note on the mortgage Rescue Scheme would be made available to all Members of the Council.

26. PROCUREMENT STRATEGY

Cabinet Member for Resources introduced the report which sought approval for the updated Procurement Strategy 2008. It was stated that the existing strategy has helped deliver a good Annual Efficiency Statement outcome. Members were advised that there would be an expectation for corporate policies to consider procurement arrangements before, during and after any process, with procurement activity being the responsibility of all Managers. Training would be provided as appropriate which is reinforced by the Mini guides for both Council officers and businesses. A register of contracts would be made available on the internet. The Council was working hard to achieve 3% of annual cashable savings and whilst it was doing well at present, these savings would become more difficult in future years, it was therefore considered essential to have a robust Strategy

The Cabinet was advised that a revised recommendation had been submitted which included the comments of the Strategic Monitoring Committee which sought assurance that the Procurement Strategy reflected the Council's commitment to fair-trade, it was further stated that the recommendation should also be extended to include support for local companies.

The Strategic and Procurement Efficiency Manager, Mr Dean Hogan, provided further details on the content of the Procurement Strategy and of the guidance documents and training sessions provided.

Cabinet agreed for a progress report to be considered by Cabinet every six months with the next progress report due in February 2009.

The Head of Financial Services, Mr David Powell advised the Cabinet that the Procurement Strategy followed on directly from the current strategy agreed in 2007.

A Member in attendance welcomed the strategy and referred to the sustainable procurement section on the purchasing of 'green electricity' (paragraph 6.2.8, page 232) and requested that this be followed through.

In response to a question from a Member in attendance, the Strategic and Procurement Efficiency Manager confirmed that the thresholds for financial levels had been amended to reflect guidance issued in April 2008.

A Member in attendance stated that it was vital that consideration was given to how matters around procurement had improved (since the independent review) and that consideration should also be given to changes in attitude.

RESOLVED that

The updated Procurement Strategy be approved, subject to it being amended to reflect the Council's policy commitment to supporting

Fairtrade and local business.**27. EDGAR STREET GRID DEVELOPMENT - SELECTION OF PREFERRED URBAN VILLAGE STRATEGIC PARTNER**

Cabinet Member for Economic Development and Community Services introduced the report which sought the approval of the preferred partner for the Edgar Street Grid Urban Village and additionally sought Cabinet's authorisation to detailed negotiations with that specific supplier prior to consideration of a full Development Agreement.

The Chief Executive of ESG Herefordshire Ltd, Jonathan Bretherton was welcomed and he advised Cabinet that at a meeting of the ESG Board on 7 July agreement had been given to seek the approval of the Cabinet to the selection by the ESG Board of Sanctuary Housing as the preferred Strategic Partner for the new Urban Village which would be conditional upon negotiation and completion of satisfactory Heads of Terms and completion of a development agreement. Mr Bretherton stated that the successful bid outlined was innovative and the development profits would be reinvested in Herefordshire. It was stated that Sanctuary Housing, a national organisation based in Worcester, held a strong social ethos, were advocates of community led regeneration, and had a strong concept of stewardship. During the launching of the revised ESG masterplan on 8 July, Nick Paul, Chairman of Advantage West Midlands stated that ESG was the best example of partnership working within the region.

He reminded Members that whilst a RSL partner had been sought as a preference, the process did not preclude private developers from submitting a bid.

Cabinet Member for Environment and Strategic Housing stated that as there would be a significant amount of land used it was important to ensure the provision of as many affordable homes as possible. In response, Cabinet Member for Economic Development and Community Services emphasised that the Council's current policy was the provision of 35% affordable units.

In response to a question raised by a Member in attendance, Mr Bretherton stated that at least 20 permanent jobs would be created by the development of the Urban Village, however a significant number of construction jobs would be created during the physical development stage of the project.

In responding to a statement that raised concerns regarding the UDP and the LDF, Mr Bretherton stated that he was satisfied that the development and the planning policy was well aligned.

In order to consider the details of the confidential ESG Board report, Cabinet moved into confidential session.

Councillors Dawe, James and Edwards left the meeting.

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 involved the likely disclosure of exempt information as defined in Schedule 12(A) of the Act.