

**MINUTES of the meeting of Cabinet held at The Council Chamber, Brockington, 35 Hafod Road, Hereford on Thursday 30 July 2009 at 2.00 pm**

**Present:** Councillor RJ Phillips (Chairman)

**Councillors:** AJM Blackshaw, H Bramer, JA Hyde, JG Jarvis, PD Price and DB Wilcox

**In attendance:** Councillors PA Andrews, PJ Edwards, TM James, PM Morgan, TW Hunt, AT Oliver and J Stone

**9. APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillors: LO Barnett, Cabinet Member Social Care Adults and JP French, Cabinet Member Corporate and Customer Services and Human Resources.

**10. DECLARATIONS OF INTEREST**

Declarations of interest were made by Councillor RJ Phillips, Leader of the Council and Mr CJ Bull, Herefordshire Council Chief Executive regarding Agenda Item 6, Call-in of the Cabinet Decision on the ESG Retail Quarter Development Agreement, as board members.

**11. MINUTES**

**RESOLVED:** That the Minutes of the meeting held on 25 June 2009 be approved as a correct record and signed by the Chairman.

**12. SHARED SERVICES REVIEW**

The Director of Resources presented the report updating Members on the progress of the Shared Services Review, which has been undertaken by the Programme Board comprising of the Council, NHS Herefordshire and Herefordshire Hospitals NHS Trust. Cabinet was advised:

- That a specialist independent advisor had been secured in the form of PA Consulting.
- That West Midland Improvement and Efficiency Partnership (WMIEP) was providing financial support in the form of £175,000 to support the review, with the balance being provided by HC and NHS Herefordshire.
- There were key considerations particularly relating to the public sector financial settlement and the need to secure efficiencies and provide value for money.
- Of the outline timetable and that a number of models were being reviewed. Only three organisations were involved presently, but others could be included if appropriate.

- That the key dependencies for the Shared Services programme include: Herefordshire Connects, the Accommodation and Asset Management Strategy, World Class Commissioning and the Comprehensive Area Assessment.

Concerns were raised regarding the financial package and whether it was in place and the possible serious implications if it were not. The Director of Resources advised that some issues had been paused and that the Council was looking to use the Aggresso package. This would help support further improvements in financial reporting.

**RESOLVED That: progress to date be noted**

**13. RESPONSE TO SCRUTINY REVIEW OF TOURISM**

The Cabinet Member Economic Development and Community Services presented the report to Cabinet advising that the report needed to be deferred to another meeting of Cabinet as since the review was carried out in April 2008 there had been a transfer of responsibilities between the directorates relating to the tourism function and the report findings were now out of date.

The Cabinet Member stated it was important that an effective tourism service was maintained, however, there were considerable costs involved and particularly in the light of the current economic climate he felt that a deferral of the proposal was required and that a revised report needed to be brought to Cabinet. The Leader advised Cabinet that Advantage West Midlands (AWM) had since given notice that a considerable amount of their funding would no longer be available, which would impact on the contributions made to support tourism in Herefordshire.

**RESOLVED**

**THAT:**

- a) **the report be noted; and**
- b) **any agreement on the recommendations outlined in Appendix 1 be deferred for a further report to Cabinet.**

**14. CALL-IN OF CABINET DECISION ON THE ESG RETAIL QUARTER DEVELOPMENT AGREEMENT**

The Leader of the Council presented the report to Cabinet stating there was nothing further that needed to be added to the report and supported the responses to the recommendations. Cabinet agreed the recommendations proposed.

**RESOLVED That: the proposed responses to the recommendations of the Community Services Scrutiny Committee be agreed.**

**15. PROPOSALS TO BE SUBMITTED TO THE LGA SELECTOR UNDER THE SUSTAINABLE COMMUNITIES ACT 2007**

The Cabinet Member Economic Development and Community Services presented the report and advised Cabinet that at the start of the process there had been 42 recommendations from individuals, communities and organisations across Herefordshire. The recommendations had then been reduced to 22 that met the criteria under the ACT. These 22 were then discussed with four representative focus groups. The result of these discussions was an agreement to submit 14 to the LGA Selector subject to Cabinet approval. The draft proposals covered:

Transport

- New train stations on existing lines.
- Re-opening old train lines.
- Twin-tracking the rail line between Hereford and Ledbury.
- Creating a public transport governing body.
- Public transport availability to all settlements.
- Highways Agency and local needs.
- Canal development.

#### Housing

- Priority for local people in social housing within communities.

#### Planning

- Reduced VAT on building conversions.

#### Education

- Farm visits for school children

#### Shops and local services

- Post banks.
- Broadband.
- Considerations when closing or moving public services.

#### Environment

- Herefordshire Black Mountains as an AONB or given National Park status.

Cabinet noted the importance of supporting the elements listed but also the need to be realistic in what could be achieved due to the current economic climate. It was noted that supporting the following was seen by Cabinet as a priority.

- local social housing for local people;
- broadband;
- farm visits for school children; and
- twin tracking the rail line between Hereford and Ledbury

#### **RESOLVED**

##### **THAT:**

- a) the proposals submitted by local people and organisations be noted; and
- b) the recommendations of the representative panel be approved for submission to the LGA selector.

The Cabinet Member Environment and Strategic Housing presented the report to the consultation on the West Midlands Regional Spatial Strategy and referred Cabinet to paragraph 11 and the issues raised at the stakeholder event held at the Courtyard theatre. In particular he referred to the critical rural services and option 1 which implied that only the market towns and larger villages would be supported, which had populations in excess of 10,000 and which would have excluded Herefordshire towns. However, he stated this element had been reconsidered and advised that both Leominster and Ross-on-Wye would be recognised and therefore recommended the report to Cabinet.

**RESOLVED That: the responses to the consultation questions posed in the Phase Three Options document as set out in the appendices to this report be approved.**

**17. RESPONSE TO AUDIT COMMISSION AND ENVIRONMENT SCRUTINY COMMITTEE REPORTS ON THE PLANNING SERVICE**

The Cabinet Member Environment and Strategic Housing presented the report and recommended it to Cabinet stating there had been a number of issues raised on planning and scrutiny. The Chair of the Planning Services Scrutiny Review Group thanked everyone involved for their hard work and added that 98% of the recommendations proposed had been accepted. It was added that parish councils felt their contributions and comments were not always taken notice of. They had also requested more training for parish councils delivered through the planning department rather than by an agency.

Cabinet was advised that a key element of the review was for the authority to accept it needed to improve at the planning process, engage with people and provide the best possible planning service to the residents in Herefordshire. Cabinet referred to page 104 of the report relating to enforcement and it was anticipated that there would be a stronger and more proactive enforcement team to support the process. The Cabinet Member added that local ward Members would now have the ability to state their view publically on a planning application and represent their parishes.

**RESOLVED**

**THAT:**

- a) **the responses set out at Appendices 1 and 2 be approved; and**
- b) **the proposed incorporation of the responses into a single action for service improvement be noted.**

**18. TREASURY MANAGEMENT ACTIVITIES 2008/09**

The Cabinet Member Resources presented the report, which summarised activity through the year and stated that although the authority had not initially been affected by the banking crisis with investments in Icelandic banks, the impact was now being felt with the lack of investment criteria. It was added that borrowing was under budget for 2008/09 and requested that the congratulations of Cabinet be passed on to the treasury management team for their hard work.

The Acting Head of Financial Services advised Cabinet that:

- Treasury management activity complied with the CIPFA code of practice.

- Investments had made a surplus of £483k and in addition borrowing costs were £245k less than expected. Overall this had been an unprecedented year in treasury management.
- The main impact for this year had been the reduced interest rates for investments.
- There had been a change of direction from borrowing externally to borrowing internally and using internal reserves. This was because of the low rate of return on external investments and that it was more cost effective to use our on funding to support borrowing in the short term.
- The Council had not been subjected to the losses faced by other councils as a result of the Icelandic bank collapse.
- On referring to page 194 regarding the Council's borrowing transactions for 2008/09 advised that the £118m was total borrowing, a large proportion of which was funded by money the government provides in the annual settlement to make the payments on loans.
- On referring to Annex C of the report regarding capital finance requirements, Cabinet was advised this related to funding of assets and long term borrowing whether internal or external.
- Most investments made were currently short term and the treasury management team were constantly looking ahead and reacting to the markets daily.

## **RESOLVED**

### **THAT:**

- a) the treasury management report be noted; and**
- b) staff be congratulated on the treasury management performance during this particularly challenging economic year.**

## **EXCLUSION OF THE PRESS AND PUBLIC**

**NOT FOR PUBLICATION BY VIRTUE OF SECTION 12A OF THE LOCAL GOVERNMENT ACT 1972.**

### **ESG RETAIL QUARTER DEVELOPMENT AGREEMENT**

Cabinet approved the confidential minutes of the ESG Retail Quarter Development Agreement.

**Not for publication: This item discloses information relating to the financial or business affairs of any particular person (including the authority holding that information).**

The meeting ended at 3.10 pm

**CHAIRMAN**