

**MINUTES of the meeting of Cabinet held at The Council Chamber, Brockington, 35 Hafod Road, Hereford on Thursday 28 July 2011 at 2.00 pm**

**Present:** Councillor JG Jarvis (Chairman)

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

**In attendance:** Councillors MAF Hubbard, JA Hyde, RB Hamilton, TM James, AW Johnson, RI Matthews, NP Nenadich, GJ Powell, PJ Edwards and H Bramer

**109. APOLOGIES FOR ABSENCE**

There were none.

**110. DECLARATIONS OF INTEREST**

There were none.

**111. MINUTES**

**RESOLVED:** That the Minutes of the meeting held on 30 June 2011 be approved as a correct record and signed by the Chairman, subject to the resolution contained in the exempt part of the Minutes being included in the open part of the Minutes as follows:

***“RESOLVED***

***That (a) the outcome of the feasibility study conducted by Ernst and Young was noted; and***

***(b) the Chief Executive be authorised, in consultation with the three partner owning authorities, to effect the sale of West Mercia Supplies.”***

**112. ECONOMIC DEVELOPMENT STRATEGY, LOCAL DEVELOPMENT FRAMEWORK AND LOCAL TRANSPORT PLAN 3**

The Leader of the Council introduced the report. Proposed amendments to the recommendations published in the agenda papers had been circulated at the meeting.

The Leader commented that the proposed amendments provided for wider consultation on matters related to the Local Development Framework. He noted that the proposals now envisaged 16,500 new homes being provided in a revised Plan covering the period 2011 to 2031, rather than the 18,000 required under the Regional Spatial Strategy (RSS) by 2026.

**Economic Development Strategy**

The Cabinet Member (Enterprise and Culture) presented the Economic Development Strategy, highlighting the infrastructure and development initiatives set out at page 17 of the agenda papers.

He noted the enormous pressures that would be placed on the County's economy by the projected 30% growth in the number of people aged over 65 living within it.

The following principal points were made:

- The Cabinet Member confirmed that the Strategy recognised the importance to the County's economy of Tourism, food and drink production and businesses related to defence and security.
- The Cabinet Member advised that the Council's grant to Halo Ltd had been reduced by 5% for 2011/12 and would be subject to a 10% reduction in 2012/13.
- The Leader of the It's Our County Group complimented the Strategy's focus on small and medium sized businesses and social enterprise but expressed regret that this focus was not reflected in the proposed Local Development Framework.

### **Local Development Framework**

The Cabinet Member (Environment, Highways and Planning) presented the report. He made the following principal points:

- Provision of a minimum of 14,400 dwellings over the proposed revised life of the Plan 2011 to 2031 would imply zero employment growth. However, the projected growth of 18,000 in the RSS was not considered appropriate. It was now proposed to provide 16,500 new homes over the Plan's life.
- Hereford City remained the principal focus for development in the County but with a reduced level and a different pattern of employment.
- A more dispersed pattern of development was proposed on smaller brownfield and greenfield sites in and around the City. The Whitecross strategic housing site was to be deleted and that at Holmer West was to be reduced in scale.
- The annual average completion for Hereford City would reduce from some 425 dwellings per annum to 325. This was an achievable rate in line with previous rates of development.
- The rate of growth year on year represented by the proposed provision of 16,500 dwellings in the County as a whole over the Plan's life was not in excess of the growth rates experienced in recent years.

He highlighted the programme for consultation as set out at paragraph 36 of the report; the proposals to adopt a cross-party approach; and the intention to hold a community poll on the proposal to construct a relief road to the west of Hereford, linked to the wider development proposals, as part of the overall consultation process. He confirmed that the key points made during the consultation process would be documented.

The Cabinet Member added that a relief road was an essential part of the proposals, with both the Highways Agency and the Council holding the view that without it, and other transport measures, development proposals would result in gridlock in the City.

He considered that a relief road to the east of Hereford could bring some greater benefits. However, Consultants had advised that the western route was much more likely to obtain planning permission. The original consultants' report had been reviewed and this view maintained. The Government had previously rejected funding for a relief road because the Council had itself been unable to agree on a preferred route. He did not want that situation to be repeated.

He noted that limitations on the Council's power to make use of S106 funding, due to come into force after April 2014, created a pressure on the timetable for approving the LDF. The revised timetable set out in the report envisaged Council approving the Draft Core Strategy for submission to the Secretary of State in July 2012 with adoption of the Core Strategy in Spring 2013.

The following principal points were made in discussion:

- The Leader of the It's Our County Group expressed concern about two procedural issues: that the report in the agenda papers was not described as a key decision; and that the revised timetable for consideration of the LDF set out at paragraph 40 of the report overturned the timetable approved by Council in February 2011.

He also noted that at page 12 paragraph 16 of the agenda papers the report stated that: "The key risk to the adoption of the LDF is the appointed planning inspector's findings on the soundness of the plan." He referred to the Planning Inspectorate's 2009 Soundness Guidance which stated that, to be sound, a core strategy should be justified and effective and that the key questions to be asked at the Examination in Public concerned participation, research/fact finding and alternatives. He outlined a number of concerns he had about these aspects of the Plan's Soundness including a lack of provision in the revised timetable for the Overview and Scrutiny Committee to examine the LDF process; that the recently published Economic Viability Assessment for the Core Strategy suggested a shortfall in the funding available for infrastructure; and a failure to examine a "no road" option.

- The Chief Executive commented that as the Plans being considered by Cabinet formed part of the Policy Framework and accordingly were subject to approval by Council they were not a key decision for Cabinet.

A Member questioned this advice and the Leader of the Council stated that the definition of a key decision would be clarified.

- The Assistant Director Environment, Planning and Waste, and the Planning Policy Manager commented in relation to the LDF's soundness on the high level of feedback received to date and the intention to seek further views. It was considered that evidence to support the Plan was robust. The Economic Viability Assessment to which reference had been made had been undertaken in the previous year. Research was ongoing and changes to the LDF were proposed. The Local Housing Requirements Study had found that to maintain the working population and support some economic growth over the period 2011-31 a minimum of 14,400 dwellings was required. A relief road was therefore a necessity as part of a package of transport measures. The Planning Inspectorate had advised that if the Council wished to develop a relief road the Council must consult on one preferred option.
- The Leader of the Herefordshire Independents Group commented that the Plan addressed a number of the concerns he had previously raised in particular the proposed development at Whitecross and at Holmer West. He questioned whether it was appropriate to proceed with the development of the LDF until the implications of the Localism Bill were clearer. He also sought clarification on the costs of the LDF process.

The Planning Policy Manager commented that in developing the LDF there was an awareness of the Localism Bill and there was sufficient flexibility within the Plan to accommodate its likely effects. The costs of the LDF process were as set out in the report to Cabinet.

- The huge challenge of supporting an ageing population in the County was discussed.
- There was discussion of the respective merits of a relief road to the east of Hereford, a partial eastern route, and a relief road to the west. It was stated that the recent granting of Enterprise Zone status for Rotherwas added to the need for a relief road.
- The report noted at page 43 paragraph 28 that an Independent Review of the Hereford Relief Road Technical Studies, produced by Amey, had been undertaken in June/July 2011 by Parsons Brinkerhoff Ltd. Mr R Singleton of Parsons Brinkerhoff Ltd was present at the meeting. He reported that the Review had found that the approach in the technical study was sound. Whilst a number of areas of the report needed to be strengthened this was unlikely to change the conclusions which were therefore also considered sound.

He added that there was a much greater potential for the eastern route corridor options to have significant adverse effects on the River Wye Special Area of Conservation (SAC) compared to the western route corridor options. It was known that the Environment Agency and Natural England, statutory consultees as part of the planning process, would be opposed to the eastern route. Whilst there was a presumption against development in a SAC, development could take place if a number of tests were met. However, one of the principal tests would be to consider if there was a suitable alternative route to the eastern route and the western route was a suitable alternative. A further factor to consider was that if planning permission was granted to proceed with development in a SAC the European Commission had to be informed of the proposal and it had the power to overturn a decision to grant permission.

- The Cabinet Member (Environment, Housing and Planning) stated that whilst an eastern route was possible the estimated chance of it receiving approval based on the information presented by Parsons Brinkerhoff Ltd was minimal.

### **Local Transport Plan (LTP)**

The Cabinet Member (Highways, Transportation and Waste) presented the report.

He drew attention to progress to date in reviewing the existing LTP and the proposals for the revised LTP. He noted that new central Government guidance and reduced capital funding for local transport meant that whilst the LTP remained fit for purpose its relevance would reduce over time. The Council had also secured £4.9m through the Local Sustainable Transport Programme (LSTP) for 2011 to 2014 which would enable measures to support the local economy including the upgrading of Broad Street, Hereford and also to help to improve rural access. A revised timetable for approving the revised LTP strategy was indicated in the report, proposing that a revised LTP would be adopted in July 2012 alongside approval of the Draft Core Strategy.

The Cabinet Member invited cross-party discussions on the Plan to promote creativity.

The following principal points were made in discussion:

- It was questioned whether spending the Sustainable Transport funding on Broad Street was appropriate. Cabinet Members commented that the work did contribute to sustainable transport by providing an improved street scene and encouraging pedestrian use. The regeneration of Broad Street would bring economic benefits.
- It was stated that less than half the bids for the LSTP funding had been successful. The Transportation Manager commented on the guidelines for submitting bids and

the indication that bids for supporting existing services would not have been acceptable.

- It was noted that the Sustainable Transport grant was ring-fenced and could not be used, for example, to support the subsidy to the bus network.
- That congestion was the biggest problem the City faced and this had not been addressed during the life of the LTP and would not be addressed by current proposals. In response the Cabinet Member drew attention to expenditure of £2.69m on the Connect 2 project and £350k under the Sustrans grant.

**RESOLVED:**

- That:**
- (a) the Economic Development Strategy be agreed for recommendation to Council;**
  - (b) the principles of the Local Development Framework Core Strategy Revised Preferred Option for the purposes of consultation, including the plan period be approved;**
  - (c) the Leader of the Council, in association with the relevant Cabinet Members, leads a dialogue with local MPs, Group Leaders and key business leaders, prior to agreeing the final proposition to be put to the public during consultation;**
  - (d) a further report be received in September to agree the final arrangements for consultation including wording of the community poll;**
  - (e) the implications for the Local Development Framework timetable as set out in Appendix 2 (paragraph 40) to the report be noted;**
  - (f) an all Member briefing on the consultation process be arranged prior to it commencing;**
  - (g) the preparation of a Community Infrastructure Levy charging schedule (to be informed by the Overview and Scrutiny Committee policy review of income generation) to support the delivery of required infrastructure within the Core Strategy be agreed; and**
  - (h) the critical linkages between the adoption of the Local Transport Plan 3 and the Local Development Framework Strategy and the outcome of consultation on the Hereford Relief Road be noted.**

**113. HEREFORDSHIRE SUBSIDISED BUS NETWORK REVIEW**

The Cabinet Member (Highways, Transportation and Waste) presented the report. He highlighted the following points:

- the reduction in funding to local government and the loss of specific grants allied to contract price inflation in 2010/11 meant an overall budgetary pressure of £264k for 2011/12, a savings requirement of 15% compared with expenditure in 2010/11.
- the proposed reduction was lower than that being made in neighbouring authorities. It represented a reduction of 3.2% of bus journeys.

- the extent of the consultation that had been undertaken and the responses, as described in the report.
- the proposed changes to services to generate the required savings as set out in Table 1 to the report.

The Cabinet Member (Corporate Services and Education) commented on the importance of bus services to local communities and proposed that the proposals should be subject to further consultation with relevant Ward Members regarding the detail of implementation.

It was noted that discussions were continuing on the potential to increase community transport provision. The possibility of financial contributions from Parish Councils towards service provision was also being discussed but this was a complex issue.

**RESOLVED:**

- That: (a) the outcome of the public consultation on the bus network review be noted;**
- (b) the recommendations for achieving the required savings for supported bus services set out at table 1 in the Report be agreed subject to further consultation with relevant Ward Members regarding the detail of implementation; and**
- (c) the ongoing review of community transport services and proposals to commence a strategic review of all commissioned passenger transport services in the autumn be noted.**

**114. UPDATE ON THE SHARED SERVICES PROGRAMME**

The Cabinet Member (Corporate Services and Education) presented the report.

The following principal points were made in discussion:

- The Cabinet Member (Enterprise and Culture) emphasised the importance of the shared services project in protecting services and retaining jobs in the County and securing the future of the County hospital.
- Some Members in attendance commented on the need to ensure that the projected savings were achieved. The Interim Transformation Manager (Shared Services) commented that measures were in place to monitor savings. Each service had a benefits realisation plan setting out a savings target and a plan for achieving that target. The plans included potential for additional savings in some areas. This would assist in ensuring the overall savings target was met. Savings achieved to date resulted principally from a reduction in the overall number of staff employed by The Shared Services Partnership (TSSP) and the staff employed directly by the Partners, and savings in management costs. Measures were in place to ensure that staffing levels in the Partner organisations were monitored.
- The Chief Executive commented that the savings were assured by the fact that those responsible for commissioning services had set their budgets and the TSSP had to work within those budgets.

**RESOLVED:**

- That (a) progress to date be noted;
- (b) the necessary authority be delegated to the Chief Executive of Herefordshire Council, who are the sole owners and shareholder in The Shared Services Partnership Ltd, to make a gift of shares in The Shared Services Partnership to NHS Herefordshire and Wye Valley NHS Trust; and
- (c) the necessary authority be delegated to the Chief Executive of Herefordshire Council to exercise the voting rights in respect of Council's shareholding in The Shared Services Partnership Limited.

**115. INTEGRATED CORPORATE PERFORMANCE REPORT - QUARTER 1 2011-12**

The Cabinet Member (Corporate Services and Education) presented the report.

**RESOLVED: That performance to the end of June 2011 and the measures being taken to address areas of under-performance be noted.**

**116. BUDGET MONITORING REPORT 2011/12**

The Cabinet Member (Corporate Services and Education) presented the report. He noted that there was a projected overspend of £2.67m with the bulk of this attributable to expenditure on commissioning adult services. Plans were in place to mitigate the projected overspend.

The Chief Finance Officer- Finance and Commercial Services commented that the pressure on the adult services budget was a key risk. There was a clear understanding of the need to bring budgets under control. This was particularly important given the overall funding pressures. The Council had recently been successful in receiving authority to capitalise expenditure on redundancy costs. The revenue budget had not yet been adjusted to reflect this decision.

The Cabinet Member (Health and Wellbeing) commented on the pressure on the adult services budget and the need for the Council to be realistic about what reductions in expenditure could be achieved.

**RESOLVED:**

- That: (a) the report and the forecast deficit position of £2.67 million be noted; and
- (b) the Chief Executive's requirement that Directors deliver recovery plans to ensure a balanced revenue budget be noted.

**117. BUDGET PLANNING/PARTICIPATORY PROCESS 2012/13**

The Cabinet Member (Corporate Services and Education) presented the report.

**RESOLVED:**

- That: (a) the overall timetable for budget setting be noted;
- (b) the proposed approach for budget planning be endorsed;
- (c) the Leader be authorised to determine the detailed programme of

**budget participation, following appropriate consultation with health partners; and**

**(d) the Chief Officer Finance & Commercial Services be instructed following completion of recommendation (c) above to arrange publication of the consultation arrangements.**

**118. REVIEW OF THE FORWARD PLAN**

The Leader presented the report.

**RESOLVED: That the Overview and Scrutiny Committee be invited to determine whether it wished to incorporate any of the items in the current Forward Plan in its work programme.**

The meeting ended at 4.48 pm

**CHAIRMAN**