

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

Report By: Deputy Chief Executive

Wards Affected

Central Ward.

Purpose

1. To consider the Cabinet Decision Reference No: 2009.CAB.036 to conclude negotiations and enter into the Edgar Street Grid (ESG) Retail Quarter Development Agreement between Herefordshire Council, ESG Herefordshire Ltd, and Stanhope following an initial European procurement process and subsequent detailed financial and programming negotiations agreed at the Cabinet Meeting on 25 June 2009 that has been called in by three Members of the Committee: Councillors DJ Benjamin, GFM Dawe and MAF Hubbard.

Reason For Call-In

2. In accordance with Standing Order 7.3.1 and the Scrutiny Committee Rules set out at Appendix 2 of the Constitution, the Cabinet's decision on 19th February 2009 on this issue has been called in for consideration by this Committee.
3. The stated reasons for the call-in are:
 - There being no previous indication that a 250 year lease was being considered, and insufficient explanation as to why this was necessary.
 - The 'Masterplan' was negotiated before the start of the credit crunch and there has been no public re-negotiation of plans for the Retail Quarter since those events.
 - With due regard to matters of commercial confidentiality, there is insufficient information about the structure of the financial arrangements in relation to the Retail Quarter itself, and also between the Retail Quarter and other parts of the ESG project.
4. The draft decision notice (No: 2009.CAB.036), together with the report to Cabinet on 25 June are appended to the report as Appendix 1.
5. An extract from the draft Minutes of Cabinet held on 25 June will be made available as soon as possible.
6. It is for the Committee to decide whether it wishes to accept the decision of Cabinet or to refer the decision back to Cabinet for further consideration and if so what recommendations to Cabinet it wishes to make.
7. The Report to Cabinet on 25 June 2009 included two exempt appendices (Appendix 3 and 4). It is intended that these documents will be considered by the Committee as

they were addressed at the Cabinet meeting on 25 June 2009, namely in private session.

EXCLUSION OF THE PUBLIC AND PRESS

Not for Publication: the following two appendices are exempt from publication on the grounds that they disclose information relating to the financial or business affairs of any particular person (including the authority holding that information). The appendices will be tabled at the meeting in confidential session.

Appendix 3 Synopsis of Development Agreement – ESG Herefordshire Ltd

Appendix 4 ESG Programme Finance Proposals

Background Papers

None identified.