

MEETING:	CABINET
DATE:	30 JULY 2009
TITLE OF REPORT:	CALL-IN OF CABINET DECISION ON THE ESG RETAIL QUARTER DEVELOPMENT AGREEMENT
PORTFOLIO AREA:	ECONOMIC DEVELOPMENT AND COMMUNITY SERVICES

CLASSIFICATION: Open

Wards Affected

Central

Purpose

To consider the recommendations made by the Community Services Scrutiny Committee in relation to the call in of the Key Decision on the ESG Retail Quarter Development Agreement.

Key Decision

This is not a Key Decision.

Recommendation

THAT the proposed responses to the recommendations of the Community Services Scrutiny Committee be agreed.

Key Points Summary

- Cabinet is asked to consider the recommendations of the Community Services Scrutiny Committee that it consider periodic update briefings for all Members on the ESG project's programme and progress; and that it assures Members will be given the opportunity to question and be satisfied as to the financial and operational viability of the project before irrevocable decisions are taken.

Alternative Options

- 1 The alternative options are for Cabinet to accept the recommendations of the Community Services Scrutiny Committee, to reject them or decide on some alternative course.

Reasons for Recommendations

- 2 Following the call-in of Cabinet's decision on 25 June the Community Services Scrutiny Committee meeting on 13 July made the following recommendations:

Further information on the subject of this report is available from
Geoff Hughes, Director of Regeneration (01432) 260695.

That (a) Cabinet decision no 2009. Cab. 036 be endorsed and supported;

(b) Cabinet be invited to consider periodic update briefings for all Members on the project's programme and progress; and

(c) Cabinet's assurance be sought that Members will be given the opportunity to question and be satisfied as to the financial and operational viability of the project before irrevocable decisions are taken.

Introduction and Background

3 Cabinet on 25 June agreed to grant approval to enter into the Edgar Street Grid (ESG) Retail Quarter Development Agreement between Herefordshire Council, ESG Herefordshire Ltd, and Stanhope. Cabinet approved the substantive terms of the Development Agreement so far negotiated as described in this report; and gave approval for negotiations to be finalised on the basis of those substantive terms and for the finalised Development Agreement to be signed under the authority of the Director of Regeneration.

4 The decision was called-in in accordance with the Scrutiny Committee Rules. The stated reasons for the call-in were:

- 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.

Key Considerations

5 The Community Services Scrutiny Committee on 13 July considered the call-in and agreed the resolution as set out at paragraph 2 above.

6 As the Committee endorsed and supported Cabinet's decision, that decision took effect on 15 July. Cabinet does however, need to consider how it wishes to respond to recommendations b and c above.

7 It is proposed that recommendations b and c are accepted and that recommendation c is dealt with through planned Member briefings. It is important however to note that the Cabinet decision of 25 June 2009 delegated the authority to agree this development agreement to the Director of Regeneration providing all conditions have been met.

Community Impact

8 Not applicable.

Financial Implications

9 Costs of running Member briefings can be met from within existing budgets.

Legal Implications

10 Not applicable.

Risk Management

11 Not applicable.

Consultees

12 Not applicable.

Appendices

13 None.

Background Papers

- None identified.