

**MINUTES of the meeting of Community Services Scrutiny Committee held at The Council Chamber, Brockington, 35 Hafod Road, Hereford on Monday 15 November 2010 at 1.30 pm**

**Present:** Councillor TM James (Chairman)  
Councillor KG Grumbley (Vice Chairman)

Councillors: WLS Bowen, GFM Dawe, JHR Goodwin, DW Greenow, KS Guthrie, MAF Hubbard and RH Smith

**Co-opted** Mrs G Churchill (HALC)

**In attendance:** Councillors AJM Blackshaw and MD Lloyd-Hayes

**31. APOLOGIES FOR ABSENCE**

Apologies were received from Councillors PL Bettington, B Durkin and SJ Robertson.

**32. NAMED SUBSTITUTES**

Councillor JHR Goodwin substituted for Councillor PL Bettington and Councillor WLS Bowen for Councillor SJ Robertson.

**33. DECLARATIONS OF INTEREST**

<b>Name</b>	<b>Item</b>	<b>Interest</b>
Cllr MAF Hubbard	6 – Scrutiny Review of the Strategic Direction of the Edgar Street Grid Project	Director of a not for profit campaigning organisation, It's Our City

**34. MINUTES**

**RESOLVED:** That the minutes for the meeting held on 8th October 2010 be approved as a correct record and signed by the Chairman.

**35. SUGGESTIONS FROM MEMBERS OF THE PUBLIC ON ISSUES FOR FUTURE SCRUTINY**

There were no suggestions.

**36. REVIEW OF THE STRATEGIC DIRECTION OF THE EDGAR STREET GRID PROJECT**

The Chairman welcomed Members to the meeting and said that this would be an information gathering process, with the intention of producing a report to be approved by the Committee at its next meeting. The meeting would adjourn once the evidence from those involved in commissioning and delivering the project had been heard, and would reconvene at 09.30 on the 16<sup>th</sup> November in order to hear further representations from stakeholders.

The Chief Executive, Herefordshire Futures Ltd provided a presentation, which covered a number of areas:

- That Herefordshire Futures Ltd had a much wider remit than ESG Hereford Ltd, and had assembled a Board of Directors with the expertise to push projects forward across the City. The company's role was to take strategic ideas from the Council,

consider the feasibility of them with the Board, and deliver them, at the request of the Council, with a mixture of public and private funding.

- That the original Masterplan for the Edgar Street Grid site produced in 2004 had proved unpopular with the Commission for the Built Environment (CABE) and English Heritage. Greater liaison with both of these bodies had resulted in a greatly improved plan produced by ESG Herefordshire Ltd in 2007 which had been, following consultation, adopted by the Council in 2008.
- That the Urban Village was a fundamental part of the Masterplan, and was being formulated with long term, sustainable objectives.
- That the Old Livestock Market area was a natural extension of the City centre, with a design that would tie it in to the existing City. There was an emphasis on retail and leisure at the southern of the site, which would then blend with the residential area of the Urban Village to the south east of the site.
- There would be a development opportunity for Hereford United, which could include additional fast food outlets on the ground floor of the Football Club, and possible student accommodation or a budget hotel.
- A Higher Education (HE) Centre would be developed on the Blackfriars site. In addition to HE provision, the Centre would facilitate business use, with auditoria suitable for conferences. There would be remote linkages to other colleges that would allow local students to study for degrees elsewhere in the Country.
- Additional cable ducts would be laid below new roads and pavements to facilitate broadband requirements on the site.
- The Flood Alleviation Scheme which was designed to help prevent the City being flooded by waters from the Yazor Brook had been agreed with the National Trust, and would consist of a 2 metre bore pipe that would take flood waters from the brook safely into the Wye. The scheme had received planning permission.
- As part of the business relocation process from the route of the Link Road, monthly meetings were now being held with the businesses, and there was now a single point of contact with them. The existing Livestock businesses still located on the Old Livestock Market Site were updated on progress by the Council, whilst Hereford Futures dealt with those on the Link Road.
- Additional funding was being sought from the Marches Local Enterprise Partnership (LEP), one of only twenty two LEPs approved nationally. The LEP would be bidding for funding from the new Regional Growth fund and expressions of interest were now being developed for a number of schemes, including one for the Three Elms Industrial Site. The LEP had also made a pitch for assets in Herefordshire currently owned by the Regional Development Agency.
- In terms of the Butter Market competition, final submissions would be made by the 19 November, and the scheme would go out for public consultation. Developers would be invited to tender, and a preferred developer would be appointed in the Spring of 2011. The developer would be encouraged to work with the winner of the design process.

Following his presentation the following points were made in discussion:

- That the existing Livestock Market provision was no longer appropriate for the needs of the County, and that the principal New Market was a high quality investment in the future for the agricultural community, and was the sort of investment that was not being made elsewhere in the country. Three businesses

were already considering moving to the site. As a result of a restrictive covenant from the Church Commissioners, only businesses that were associated with agriculture would be permitted to relocate to the new site.

- A Member said that he believed that as the Retail scheme had been scaled down, it was important that it should get underway as soon as possible if it was not to suffer the same fate as Newport, Gwent, scheme. The anchor stores had pulled out of this scheme, which had collapsed, and the major retailers had gone into out of town Retail Park. Major investment in the City centre was required in order to prevent this happening in Hereford.
- In reply to a question from a Member, the Director of Sustainable Communities said that a large amount of capital had already been drawn down from Advantage West Midlands (AWM), and that funding allocated by AWM would continue to meet the costs of the Flood Alleviation Scheme. AWM could not provide funding for the Link Road. The new Regional Growth Fund could, however, be an option to bridge the funding gap.
- A Member suggested that it was appropriate that a briefing note should be provided to the Committee with answers to the first four questions in the Scoping Statement for the Review.
- The Cabinet Member (Economic Development and Community Services) added that the development of the Local Enterprise Partnerships had been undertaken with little national guidance, but it was hoped that the new body would play a vital role in administering existing funds, as well as accessing new European Union Funds. Negotiations over the role of the LEP were still in hand.

The Chairman thanked the Chief Executive, Hereford Futures Ltd for his presentation.

Mr G Bourne, Development Director, Stanhope plc provided a presentation and a briefing note for the Committee on the company's vision for the Old Cattle Market Site.

In his presentation, a number of issues were addressed:

- In response to concerns that had been expressed, the retail scheme was now smaller than initially envisaged, having been reduced from 4-500k to 300k square feet. There would be 30 units which would provide 20 new retail outlets. This was insufficient to provide a shopping destination in isolation, and would therefore encourage shoppers to go to the City centre in order to widen their shopping experience. The scale of the scheme was appropriate, and of a sufficient quality to attract people to the City.
- Retail provision would be complementary to the existing City centre, and the scheme as a whole would be further to the south of the site, ensuring it was closer to the City wall. It would provide support for the City centre, and a boost for Eign Gate.
- There would be a major department store with high visibility on the corner of the site, and a small supermarket as well as a six screen multiplex Odeon cinema. There was a high degree of leakage of retail spend to neighbouring towns, with local people prepared to drive to Worcester to see a film. It was important to have a stylish cinema which could also be used for business purposes. Better quality car parking had been requested, so rooftop car parking had been extended.
- The public consultation exercise undertaken in High Town had been successful, with over 3,000 people involved. Of those who were consulted, 79% were in favour of the design principles, and 75% supported the overall scheme.

- The three anchor store pre-lets for the scheme would be announced by Christmas, and a planning application would be submitted by the first week of December.

In the ensuing discussion, the following points were made:

- In reply to a Member's concern that the rural areas had not been sufficiently consulted, Mr Bourne said that in order to further engage Herefordshire residents, 12,000 flyers had been sent to homes, letters and emails had been sent to 3,000 stakeholders, and adverts had been taken out in local newspapers.
- A Member stated that he had attended the consultation in High Town, and agreed that shoppers were supportive of the need for more shops, but pointed out that many also felt that these shops were being sited in the wrong place. The forms that had been used had been insufficiently sophisticated to allow members of the public to express their concerns about the scheme. There were a lot of concerned people in the City, as well as a lot of people who just wanted the scheme to get underway. Mr A Shaw, Development Director, Stanhope plc replied that issues that had been raised were less about where the shops were sited, but more about issues that were not the responsibility of Stanhope.
- The proposed pedestrian access from the site through the Tesco's site on Bewell Street to the City centre was being discussed with the Council's Highway's Team at the moment, and a plan to show how it could be facilitated and improved would be produced shortly. The presence of the Department store at that end of the site would help improve both the nature and standard of this aspect of the connectivity from the site. The multiscreen cinema would also have a major impact on footfall to the site, and the catchment of the cinema would extend over the County boundary.
- In reply to concerns expressed about the fact that the public might not be aware that the inner ring road would still be in place when the scheme was operational, and that no cars were shown on the diagrams of the scheme, Mr Shaw said that the absence of cars from the art work had been a mistake which had been acknowledged, but added that the enhancement of the existing crossings that were used by pedestrians would greatly aid connectivity to the City centre.
- The Chairman stated that it was desirable for the link road to be a first priority and that it should be delivered on time, preferably before the Old Cattle Market.

The Chairman thanked Mr Shaw and Mr Bourne for their presentation.

Mr G Scannell and Mr A White of Sanctuary Housing provided a presentation on the Urban Village. During the presentation, the following points were made:

- That as Sanctuary Housing were a Registered Social Landlord (RSL) rather than a developer, the nature of the project would differ from a normal development of this size, as surpluses from the project would be reinvested into it, and there would be long term investment in the scheme by Sanctuary Housing.
- Covenants would be in place to provide a stewardship vehicle to run the site, along the same lines as the Bourneville Village Trust in Birmingham. The Board of Directors would initially be made up of Stanhope, the Council and Sanctuary Housing, and residents would gradually become involved in the running of the Board as the scheme matured. The Homes and Communities Agency (HCA) saw this development as a key regional priority, a testament to what had so far been achieved.

- Sanctuary would not build the houses themselves, but would sell parcels of land to developers to produce houses under a strict design brief. There had been a great deal of consultation with local architects, and any design brief would rely heavily on the local vernacular architecture. The intention was that houses would be built sustainably to the Department of Local Government and Communities Code Level 4, rather than Level 3, the minimum standard to which houses were currently built. Level 4 is the maximum standard that could be delivered within the financial parameters of the scheme.
- The Masterplan had been updated to encourage the use of open spaces, and there would be communal green spaces running both east and west and north and south on the site. On-site flood alleviation had also been included, to ensure that surface standing water could be dealt with. The canal basin would be an integral part of the design, and would provide waterfront homes within the scheme and encourage tourism to the City. It was intended that a planning application would be submitted by the autumn of 2011.

In the ensuing discussion, the following points were made:

- That phase 1 of the Link Road would receive more funding from the Urban Village scheme as a result of land being in Council ownership than the later sections of the road project.
- In reply to a question from a Member, Mr White said that it was intended that construction should begin on the project within two years of a planning application, and work should therefore begin on site by the autumn of 2013. The numbers of houses that would be available for social rent and shared ownership had not yet been set, and there would be a detailed review of the demand for each type of property. Whilst shared ownership schemes did have their detractors, they were the only way for many people to get onto the housing ladder. Some of the key risks for the project were the outcome of the Government's Comprehensive Spending Review, and what Sanctuary would be able to deliver to the local market without government involvement. The intention was to deliver the greatest number of sustainable houses.
- In reply to an additional question, Mr White said that houses would be available on a part buy and part tenancy basis, and shared ownership would be available for up to 100% of the affordable housing on the site. Profits made on sales would be reinvested within the village boundary. The standard of housing would be higher than that of the local area standards, and it would be a mix of family homes and flats for single people. There would be a mix of public and private space, as well as play areas. There would be provision for car parking.
- Section 106 levels would be set by the Council, and would be at a different level within the Edgar Street Grid Project area than elsewhere in Hereford. These levels had yet to be set. The project would be design and social housing led, with a complex mix of funding streams. 65% of the housing product would be available on the open market.
- That the Canal basin had been placed where it was in the current Masterplan, as it was significantly cheaper to build it north of the Link Road.

The Chairman thanked Mr Scannell and Mr White for their presentation.

The Committee received a report on the Flood Alleviation Scheme. The Construction Manager reported that the Yazor Brook Flood Alleviation Scheme (FAS) comprised a 1.4 km long buried culvert to divert Yazor Brook flood waters, direct to the River Wye from Credenhill. The project would reduce significantly the instances of flooding downstream, particularly within the northern built-up part of the city. Beneficiaries of the FAS included

housing and commercial/employment areas, public open space, allotments, and areas of car parking (including the County Hospital). Transport links within the City, including the A438 and the A49 trunk road would also benefit. Upstream, the flood risk to large areas of agricultural land and scattered property would also be alleviated.

In reply to a question from a Member, the Strategic Delivery Manager said that whilst flood waters from the Yazor Brook would reach the Wye at an earlier point than they did at present, any effect from this would be negligible. The Yazor Brook flooding events were different from those in the Wye, as the Brook rose and fell much faster than the river, and the catchment area was much smaller. The scheme had been closely scrutinised, and was supported by the Environment Agency.

The Committee received a background information report concerning the integration of the design for the site with the historic City Centre. The Strategic Delivery Manager reported that the principle of ensuring integration between the ESG area and the historic city centre to the south, and addressing the barrier that the inner ring road represented, had been key to the consideration of the project since its inception. The Unitary Development Plan (UDP) policies reflected the importance of securing effective integration both within and without the ESG project area.

In reply to a question from a Member regarding the additional volume of traffic that would be generated by the development, the Strategic Delivery Manager said that any planning application from Stanhope plc would have to have a full traffic assessment, and would have to provide a scheme that worked on the existing highway network.

In reply to a further question, the Chief Executive, Hereford Futures Ltd reported that any plans for a library on the site would be a matter for Herefordshire Council, but it was intended that the library in Hereford would remain on its present site in Broad Street, as part of the heritage tourism offer around the Cathedral. The Director of Sustainable Development added that there was no funding available for a new library building on the ESG site, and consideration was being given to what could be done with the existing library site.

The meeting adjourned at 16.45 and reconvened at 09.30 on 16<sup>th</sup> November 2010.

The Chairman welcomed the Committee and invited Mr S Kerry, the Town Clerk of Hereford City Council to give his evidence.

Mr S Kerry provided a statement on behalf of Hereford City Council. He affirmed that he was authorised to represent the Council as part of his role as long as his comments were broadly in line with the Council's viewpoint.

Mr Kerry said that there was a broad consensus of support for the development amongst City Councillors, and that this support could be broken down into four main areas:

- That no large retailers should be in a position to leave High Town in favour of the new site. It was important that the development should provide a new offer for the City, and not undermine the existing one. He questioned how much power the Herefordshire Council had to enforce its stated intention to prevent existing retailers from moving from High Town.
- The issue that should be at the forefront was a reduction of traffic, rather than a change to where the traffic was directed. There would be no benefit to the City if the traffic that had previously flowed along Blue School Street was merely to be redirected down Commercial Road. Traffic modelling would have to be robust and well tested. It was crucial that the Link Road should be in operation before the Development, which would otherwise be impaired.

- That there should be careful support to those businesses that would be affected whilst the work was undertaken in order to ensure the minimum of disruption to those in the City centre. Whilst it was obviously difficult to get into the operational base of every business, disruption of amenities and access should be kept to a minimum, as far as possible.
- With regard to the Urban Village, he pointed out that the housing market was currently depressed, and public funding would be in short supply over the coming years. The City Council were concerned as to the viability of the scheme, as well as the order of delivery of the project. There was concern that a retail development would be delivered which would be bordered by an empty site until funds became available for the Urban Village. Clarity and transparency were required for the delivery of the project, and to reassure the City that sufficient funds were available.

The Chief Executive, Hereford Futures replied to the issues that had been raised. He said:

- That through the planning process, retailers were entitled to expect that Local Authorities would provide sufficient capacity for business expansion, but there was a clear caveat that retailers should be prepared to be flexible in the way that they conducted their business. Under planning legislation, there was a sequential test that obliged retailers to locate as close to a city centre as possible. Herefordshire Council had been very effective at defending the City centre from the relocation of retailers. The sequential test was also an effective mechanism to ensure that new retailers would be obliged to look first to High Town or the Old Cattle Market Site rather than opening an out of town outlet on Holmer Road. As far as the Cattle Market was concerned, the protection negotiated in the development agreement with Stanhope could only be extended to first lettings with the project.
- That there were contractual clauses within the agreement with Stanhope that prevented them from cherry picking retail tenants from within the City although the agreement did allow two named retailers to relocate who would otherwise have left the City centre. Should other large retailers be interested in coming into the City, the same sequential test would ensure that they would be obliged to open as near to the centre as was practicable.
- The Cabinet Member (Economic Development and Community Services) added that Marks and Spencer had recently spent £7m on refurbishing their food hall, which was a significant commitment to the City centre. He went on to say that this was one of the few urban regeneration projects begun in the UK before the recession that had managed to survive the economic down turn. It was important to get shoppers back into Hereford, and shops in High Town were filling up in anticipation of the Old Cattle Market project. He was confident that it would be possible to sustainably deliver the regeneration of the City.
- Funds were being sought from a complex package of sources which included European Union funding sources, prudential borrowing, infrastructure levies and Section 106 monies.
- In reply to a question from a Member, the Chief Executive, Hereford Futures Ltd said that Section 106 funds were likely to be the smallest part of the funding package. Phase 1 of the Link Road would be delivered with a complex package of funds, whilst Phase 2 would utilise Homes and Communities (HCA) and LEP investment. Phase 3 was more challenging at this stage. Whilst it was important that the Link Road should be built before the Urban Village was complete, it would be possible to start work on the Village without the road.

- A Member suggested that the Committee should regularly consider specific reports on overall timing and financing of the project as the issues arose.
- That the retail scheme had not been reduced because of a lack of demand, but as a result of consultation with residents in the City. The demand for retail units was there, and whilst there was a small amount of space available for further expansion, there were no immediate plans for a second phase of retail development at this point.
- There was no prospect of the City not having busy roads, but the aim of the project was not to solve the city traffic problems, as that would be the job of the outer relief road. Traffic management was a hugely complex issue. However, it was anticipated that the reconfiguration of the Edgar Street Grid Roundabout by Stanhope would result in an 11% reduction of traffic at that junction. It was intended that the scheme would be self mitigating, but it was not a traffic solving project.

The Committee noted a written representation that had been received from the Hereford and Worcester Chamber of Commerce.

Mr G Thomas, Chairman of the Hereford Civic Society, provided a presentation. In the course of his presentation the following points were made:

- That the Society believed that the consultations undertaken by Herefordshire Council and Herefordshire Futures Ltd had not been adequate. He suggested that this view had been supported by a document prepared in July 2010 by the Council's Research Team entitled Local Development Framework - Place Shaping Paper Results Report, July 2010. As a consequence, the Society believed that the project would fail to meet the needs of the community, as large sections of that community, most particularly the hard to reach groups, had not been adequately consulted concerning the project. The amount and quality of consultation meant that the project was not sustainable. This criticism could also be applied to the UDP and LDF consultation processes. If the consultation had been inadequate, then the Council should go one step further and consider alternative ways of consulting in order to make it easier for the community to engage with the process.
- The Director of Sustainable Communities replied that the UDP and LDF consultations had been carried out exhaustively, and that various consultations took place in different periods of the process, which would provide different levels of results. A greater level of response to the UDP and LDF consultation processes had been recorded in the County than in the rest of the Country.
- The Cabinet Member (Economic Development and Community Services) supported these comments, and added that he did not believe that the quality of consultation was at fault. There might be, however, an issue of consultation fatigue on behalf of the residents of the County.
- A Member added that it could also be said that the Council had done all it could to consult using a variety of methods, from leaflet drops to Officer and Cabinet Member attendance at Parish, Town Council and PACT meetings. He believed that the majority of people in the County were supportive of the project.
- A Member highlighted the questions contained on page 35 of the Civic Society's report: Hereford's Regeneration, The Edgar Street Grid Project, An Assessment, which asked for a detailed break down of where funds had been spent on the project to date. He suggested that this information would aid the Committee in its deliberations.



- A Member said that he objected to the charge that consultation had failed, not least because this was a direct criticism of every Councillor. There were a plethora of consultations, and one of the important roles of being a Councillor was being able to pick out those that were important to the community.
- A Member said that there was a low engagement rate with the consultation process, and suggested that consideration should be given to the way that questions were formulated to provide more open ended ones that provided greater information for both the Council and the potential responder.

The Chairman thanked Mr Thomas for his evidence.

Mr Wolverson of Rockfield DIY provided evidence to the Committee on behalf of the businesses on the line of the Edgar Street Grid Link Road. In his presentation he highlighted the following concerns:

- That the uncertainty that surrounded the future of the businesses on the route of the Link Road had been profoundly unsettling, and meant that it was impossible to make coherent business decisions in what was a very competitive environment. This had been compounded by the Compulsory Purchase Order (CPO) powers which had been mentioned in the original Masterplan as a likely way forward when dealing with the north east corner of the Edgar Street Grid site which meant that he felt that he had been trading under the shadow of a CPO.
- That there were issues associated with the way that the planning matters were presented. The Link road was given planning consent as a piece of essential infrastructure, required before the Development could start, but it now appeared that there were insufficient funds to complete the project.
- That Stanhope plc had decided to proceed with the development of the Retail Quarter, but were not prepared to take ownership of the Link Road as part of this project, as they did not see it as being germane to the Old Cattle Market site. As a result, he believed that Stanhope representatives had misled the public during their exhibition in High Town, as without the Link Road the Retail site would be flawed because integration with the City centre would be compromised. He suggested that the planning application for the Old Cattle Market site should be made dependant on the Link Road, and that the road should be built first.
- A meeting had been organised by the affected businesses at TGS Bowling on 15 July. There had been a wide ranging discussion before representatives of the Council and Hereford Futures had arrived, and the businesses had been asked if any of them felt they had been treated in a correct and professional way by either organisation. Not one business had been able to say that they had.
- Mr Wolverson added that he believed that the businesses had not been shown any of the rights that were enshrined in the Council's own Equality and Human Rights Charter, a copy of which was circulated to the Committee.
- ESG Herefordshire Ltd had adopted a strident attitude in the early stages of the project, but that the company had accepted constructive criticism, and their attitude to the businesses had improved markedly over the last few months.
- Mr Wolverson had offered to relinquish the present site of Rockfield DIY, which he regarded as one of the best retail sites in the City, to be able to move to an equivalent site on the Old Cattle Market. He had, however, been told by Stanhope that it was not appropriate for Rockfield to be on the new site. As one of the largest independent retailers in the City, if Rockfield DIY were not to be regarded as appropriate, he questioned whether it was likely that any of the other local independent businesses would be invited to apply for retail units.

Mrs A Holmes provided evidence to the Committee on behalf of Reprodex Printers. She was deeply unhappy with the way that she had been treated both by the Council and ESG Herefordshire Ltd. She said that she had been told in 2006 that she would have to move her company from its existing site by 2010. The company had been told that it would receive compensation for the move, but not betterment. The letter outlining the terms had finally been received in November 2009. New premises had been found in January 2010, as she had expected to have to move in June. Contracts and surveys had been undertaken when she was informed in June that there was no money to move the company. She felt that the situation was intolerable, and that she had been treated in a most inappropriate way by the Council and ESG Herefordshire Ltd.

A Member commented that consideration might be given at the next meeting as to whether a recommendation was needed regarding whether or not the Old Cattle Market development could proceed without the Link Road in place.

Mr A Sanders was invited to give his evidence to the Committee. He said that he supported the comments that had already been made on behalf of the businesses, and added that it was important that Herefordshire Futures should be given the appropriate tools to be able to undertake the project. It was unclear as to how they could be expected to deliver the project with insufficient funding.

In the ensuing discussion the following points were made:

- That most of the businesses were experiencing challenging trading times, and it was not made any easier when the timetable for the Link Road kept moving. Staff recruitment and retention was proving difficult, as most felt that they had no control over their businesses.
- That a great deal of land north of the river that had previously been used for businesses had now been overtaken by housing, and it meant that there was a paucity of land available for relocation. Whilst Hereford Futures Ltd was attempting to achieve a bigger and brighter City, it should not be forgotten that employment was the key to the success of Hereford.
- The Director of Sustainable Communities replied that whilst he accepted that more land did need to be allocated in the north of the City, the Rotherwas Industrial Estate had been expanded. The issue was being considered as part of the Local Development Framework process currently being undertaken by the Council.
- That the businesses were concerned with the way that the Hereford Futures launch had been handled. The company had been trumpeted as a new entity, when it had the same Chief Executive, Chairman and Board of Directors as ESG Herefordshire Ltd. This did not engender trust with the new entity. The Chief Executive, Hereford Futures replied that the legal entity that was ESG Herefordshire Ltd had utilised when Hereford Futures Ltd was set up. There were new Board members, and substantial changes in both the remit of the company and its modus operandi. Hereford Futures also worked much more closely with Council Officers. The change had been necessary not least because of the demise of Advantage West Midlands, which had meant that the company had had to be composed along different lines. The new company was also much less restricted in operation than ESG Herefordshire Ltd had been. The Chairman added that the apparent spin that had accompanied the launch of the new company had caused concern amongst Members, and asked that the press releases that announced the new company should be provided to the Committee.

- A Member said that there was a clear message that certainty for the businesses was required, and whilst it was undoubtedly difficult to do this in the current climate, some greater level of certainty would undoubtedly help.
- The Cabinet Member (Economic Development and Community Services) concurred, but pointed out that it was a complex regeneration project that was being planned in a recession to be delivered after the recession had finished.
- Mr G Williams, Development Director of Hereford Futures Ltd, said that the land acquisition had been undertaken in a professional way, and that businesses had been written to in July, August and October of this year to keep them informed of progress. It was normal practice that there should be negotiations in the course of the renewal of leases. It was anticipated that a settlement should be reached shortly. There was no compulsion for businesses to move unless they agree to do so, or were subject to a CPO. He added that there had been no Council resolution to use CPOs for the purchase of the land on the route of the Link Road.
- A Member said that there was a lack of clarity as to whether there was a corporate policy in place when dealing with negotiations with tenants. He suggested that the approach to tenant businesses should be made clear in the corporate way that the Council dealt with businesses. Opening gambits were difficult for some businesses to deal with given the history of this particular situation.
- In reply to a question both Mrs Holmes and Mr Sanders said that whilst both had kept records of their expenditure over the years, neither had been promised compensation for the time and energy they had spent in attending meetings and dealing with the Council. They had been told that professional fees would only be reimbursed once a settlement had been reached. Mr Wolverson added that any losses incurred whilst 'under the shadow' of a compulsory purchase order (CPO) were not compensated for if no CPO was enforced. Mr Williams added that all professional fees would be reimbursed if the relocations were successful. The Cabinet Member pointed out that although the businesses should be supported as much as possible; the Council had a statutory duty to achieve best value for money.
- In reply from a question from a Member, the Chief Executive, Hereford Futures Ltd said that whilst Mr Bourne and Mr Shaw were Directors of Stanhope plc, he was not aware whether they were titular or de facto Directors, and that how Stanhope chose to structure their company was an internal matter for that company.

The Chairman thanked Mr Wolverson, Mrs Holmes and Mr Sanders for their evidence.

The meeting ended at 1.00 pm

**CHAIRMAN**