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| MEETING: | OVERVIEW & SCRUTINY COMMITTEE |
| DATE: | 12TH OCTOBER 2012 |
| TITLE OF REPORT: | HEREFORD FUTURES UPDATE |
| REPORT BY: | Economic Development Manager |

CLASSIFICATION: Open

Wards Affected

Countywide

Purpose

To provide the Committee with an update on the structure and governance arrangements of Hereford Futures Ltd.

Recommendation

THAT: The contents of this report are noted.

Key Points Summary

- Hereford Futures Limited is a not for profit private company limited by guarantee.
- The company is led by a highly experienced board of non-executive directors.
- The work of Hereford Futures is set and agreed through the Hereford Gateway Committee established by the Council and the Homes & Communities Agency.
- Hereford Futures manage delivery of agreed projects through a series of Task Groups.
- Hereford Futures operates a budget which relates to and reflects the delivery of the priorities agreed by the Gateway Committee.

Alternative Options

- 1 There are no alternative options identified in this report.

Reasons for Recommendations

- 2 Overview and Scrutiny have requested a report detailing the governance arrangements, funding position, and terms of reference.

Introduction and Background

- 3 Hereford Futures Ltd has been operating since February 2006, originally being established as ESG Herefordshire Limited as a Joint Venture between Herefordshire Council and Advantage West Midlands (AWM) in order to lead the physical redevelopment of 100 acres (40 hectares) of land immediately to the north of the historic centre of Hereford. The company changed its name to Hereford Futures Limited on 30 June, 2010 to reflect its new city-wide regeneration role.

Key Considerations

- 4 Hereford Futures Limited is a not for profit private company limited by guarantee, with the members of the Board being the guarantors. All of the Board live and/or work in Herefordshire and have been recruited based upon their commitment to the county and their individual skills and knowledge relevant to the remit of the company, providing an invaluable resource which the Council can draw upon for commercial advice. All Board members sign letters of appointment on joining the Board, serving two terms of three years plus an option for one further term.
- 5 The objectives of the company are to assist, promote, encourage, develop and secure development and growth in the physical and economic environment of the whole of Hereford and its environs ("Hereford"). To achieve its objectives Hereford Futures operates as a public-private partnership, co-ordinating on behalf of the Council a wide range of challenging projects which combine into a multi-million pound programme.
- 6 The company is led by a highly experienced board of non-executive directors, chaired by Major General Ted Willmott CB OBE MA CEng FICE, including the Leader and Chief Executive of the Council and Chief Executive of the Company (the sole executive director) with the Homes & Communities Agency having observer status at meetings.
- 7 The company has put in place corporate governance procedures, including sub-committees of the Board (Task Groups) actively engaging Board members in the process. Separate Nominations, Audit and Remuneration Committees are in place.
- 8 The work of Hereford Futures is set and agreed through the Hereford Gateway Committee established by the Council and the Homes & Communities Agency to represents the views and objectives of the respective organisations working in partnership to achieve the Council's vision for sustainable growth and prosperity.
- 9 The Gateway Committee meets twice yearly to debate and agree implementation strategy. The Committee determines whether projects should be delivered through Hereford Futures and also reviews the resource requirements to support delivery.
- 10 Once the Gateway Committee has approved a project, Futures manage delivery through a series of Task Groups, which are respectively chaired by a non-executive director of the Board. Progress is reported back to both the Futures Board, and also the Joint Executive Team which reviews and co-ordinates project progress on behalf of the Gateway Committee.
- 11 Each Task Group brings together Board members, officers of Hereford Futures, officers of Herefordshire Council and co-opted members required to add relevant support and expertise.

The four Task Groups are:

- Commercial Task Group, focuses in particular on the city centre project priorities, including the Stanhope scheme and the Buttermarket. This task group also supports the economic

viability and vitality of the city centre, and looks to act in support of projects which will enhance and support the attractiveness of Hereford as a destination of choice.

- Economy, Education & Training Task Group, focuses on Higher Education and strategic employment land issues. This group also has a key role in helping to secure the desire for a HE offer in the city, and linking that aspiration with the needs of the Enterprise Zone.
- Community & Housing Task Group, which focuses on housing growth, city living and the Urban Village.
- Infrastructure Task Group coordinates key infrastructure issues related to the whole Futures Programme and also ensuring that prospective capital projects have sufficient capacity to meet the needs of investors. Given the fundamental importance of statutory bodies in the successful planning and deployment of infrastructure, a Strategic Infrastructure Task Group has been created to augment with this Task Group, and includes senior representation from essential utilities such as Western Power Distribution, Welsh Water as well as the Environment Agency and Natural England.

Community Impact

12 There are no community impacts of this update report.

Equality and Human Rights

13 This report does not consider Equality and Human Rights.

Financial Implications

14 Hereford Futures operates a budget which relates to and reflects the delivery of the priorities agreed by the Gateway Committee.

15 The budget is divided between an operating budget, which covers the costs of the core staff, accommodation and related running costs and a project budget which draws together the additional specialist input required (e.g. legal advice) to deliver Hereford Futures agreed role in the implementation of the priority project activity year on year.

16 All funding is routed through Herefordshire Council which acts as the accountable body for Hereford Futures' funding. The Company was originally established and funded by Herefordshire Council and Advantage West Midlands with a Joint Venture agreement between the two parties, signed by ESG Herefordshire Ltd, reflecting the operation and resources to be deployed to the relevant project activity.

17 Necessary land acquisition and resources have been held by Herefordshire Council and in the case of business relocations by AWM (those assets were transferred to the Homes & Communities Agency in September 2011) with agreements with development partners signed by the appropriate landowners.

18 The operating and project budgets are now serviced by Herefordshire Council, utilising, as part of its commitment the supplementary revenue streams generated from land acquisitions and other investments, originally put in place by AWM, through on going management agreements with the successor body the Homes & Communities Agency, to ensure that that funding continues to be reinvested in the regeneration of Hereford.

Legal Implications

19 There are no legal implications of this update report.

Risk Management

20 There are no risks associated with this update report.

Consultees

21 N/A

Appendices

22 N/A

Background Papers

- None identified.