

Minutes of the meeting of General Scrutiny Committee held at Herefordshire Council Offices, Plough Lane, Hereford, HR4 0LE on Wednesday 22 September 2021 at 10.00 am

Present: Committee Members:

Councillor Jonathan Lester (Chairperson)
Councillor Tracy Bowes (Vice-Chairperson)

Councillors Sebastian Bowen, Barry Durkin, Louis Stark, David Summers and William Wilding.

Support Officer:

John Coleman (Democratic Services Manager),

**In Attendance: Councillors:
(via Zoom)**

David Hitchiner (Leader of the Council) Ange Tyler (Cabinet Member –Housing, Regulatory Services and Community Safety), Liz Harvey (Deputy Leader and Cabinet Member – Finance, Corporate Services and Planning), John Harrington, (Cabinet Member – Infrastructure and Transport) and Gemma Davies (Cabinet Member - Commissioning, Procurement and Assets).

Officers:

Guy Goodman (Deputy Solicitor to the Council), Mairead Lane (Head of Infrastructure Delivery, Economy and Place), Neil Taylor (Director for Economy and Place), Nigel Thomas (Housing Programme Manager) and Sarah Jarratt (Safeguarding and Review Manager) Andrew Lovegrove (Acting Deputy Chief Executive and Chief Finance Officer)

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As members of the public were in attendance to ask supplementary questions, the Chairman proposed a change to the running order so that published agenda item 8, development options for the former Holme Lacy School, would be heard first. The Committee agreed.

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27 APOLOGIES FOR ABSENCE

There were no apologies for absence.

28 NAMED SUBSTITUTES

No named substitutes were present.

29 DECLARATIONS OF INTEREST

Councillor Summers declared an interest in item 8 on the agenda as Holme Lacy was in his ward and he had been a former pupil of the school.

30 MINUTES

The minutes of the meeting held on 10 August 2021 were received.

RESOLVED:

That the minutes of the meeting held on 10 August 2021 be approved as a correct record and be signed by the chairperson.

31 QUESTIONS FROM MEMBERS OF THE PUBLIC

10 questions had been received from members of the public and together with their answers, these had been published on the website as a supplementary item to the agenda.

During the meeting several supplementary questions were asked. The questions and their responses have been appended to the minutes.

32 QUESTIONS FROM COUNCILLORS

No questions had been received from Councillors.

33 DEVELOPMENT OPTIONS FOR THE FORMER HOLME LACY SCHOOL

The Committee received a report from the Cabinet Member for Housing, Regulatory Services and Community Safety which provided an update in regards to the operation and future development of the former Holme Lacy Primary School.

During discussion the following principal points were noted:

- The definition of affordable housing as described in annex 2 of the National Policy Planning Framework was housing for sale or rent for those whose needs were not met by the market (including housing that provided a subsidised route to home ownership and/or was for essential local workers.) Social housing was housing delivered by the Local Authority or other organisations such as Connexus in Herefordshire which charged a social rent for those on low incomes. Rents were set by a national rent officer for the Herefordshire area.
- Within the planning process it could be specified that houses would only be available for those living and working locally.
- Paragraph 9 of the report spoke of pre-application planning advice but the distinction was made that this was for the previous application done by Keepmoat. The Council, as landowner, had not yet sought pre-application advice as the proposal was in its very earliest stages and was not yet at the planning process stage.
- All aspects of social amenities, including the capacity of GP services, would be rigorously considered by planning officers and the Planning Committee and put out to public consultation during the planning process stage.
- The lack of amenities for new developments was something that always commented on at Planning Committee and yet virtually all applications were passed, as broad planning rules were set by national government rather than locally in Herefordshire.
- The Council's commitment to providing affordable housing of the highest standard was commendable but the issue of associated infrastructure needed to be addressed.

- Comments from the Committee on how the assessment of current community infrastructure could be improved, and sustainable communities for the future could be delivered, would be welcomed.
- The Heads of Terms information that accompanied planning applications going to committee clearly indicated the contributions that would be made to local transport, open green space, the library service, schools, the Wye Valley Trust Hospital and the CCG (for improvements to GP services). These outside bodies then had a responsibility to bring forward the services needed.
- A point of clarification was made around the assumption that affordable housing was just for those on a low income. High earners often could not save for a deposit because of the high levels of rent paid and were therefore also in need of affordable housing.
- Councillor Tyler, the Cabinet Member for Housing, took on board the comments made by Councillor Summers and committed the project management board to consult more with ward members.
- At the Cabinet meeting held on 16 September 2021 new higher level environmental building design standards were approved.
- As part of the drive to reach the Council's zero carbon emission target by 2030, the Council was looking at more efficient heating sources such as solar and ground source and the ways in which houses could be better constructed.
- Open market sale was an option for the Holme Lacy site but as the proposal was at its very early stages, and until more detailed design work and financial viability assessments had been done, there was not an answer as to whether or not this option would proceed.
- Although the Council would have more control if it developed the land itself, any site sold on the open market would be sold with outline planning permission and therefore appropriate conditions could be attached to this. All Members would have the ability to challenge developments through the Planning process.

The Committee **RECOMMENDED** that:

1. The Executive be instructed to look at the local operation of the planning process and consider whether it takes sufficient account of the impact of developments on the wider infrastructure and particularly on amenities such as the availability of GP and dental surgeries and the provision of public transport.
2. All relevant and required social amenities for the entire local population e.g. doctors surgeries, should be considered as part of the viability and planning process for HC 'pipeline' or other council owned land being considered for development.
3. The Executive should look to the way Heads of Terms negotiations are conducted with developers to ensure that any S106 contributions agreed take full account of local needs and wishes and are not just driven by what the developer may be willing to contribute.
4. The project management team build in clear points in time where the ward member(s) are notified, and where appropriate, can be involved in ongoing considerations around site design and options going forward
5. The Holme Lacy School Building, as part of the design considerations, be considered as a community asset to be used by and to benefit the local community.
6. The Executive provide further information to the scrutiny committee on the assessment of the viability of the land for selling on the open market and private development.

34 PRIORITY FLOOD REPAIR WORKS CAPITAL PROGRAMME: REALIGNMENT

The Committee received a report from the Head of Highways and Community Service which reviewed proposals for in-year adjustments to the capital programme to allow for the re-alignment of capital spend to projects on priority flood works that required the allocation of budget.

During discussion the following principal points were made:

- Scrutiny needed to be reassured that contractors were making suitable decisions and that money was being spent prudently.
- Initially high level estimates had been done for the anticipated work packages but the costs presented in the report were those that had now been closely scrutinised by the contracts management team.
- The increase of £150k costs for the Fownhope Retaining Wall Collapse included works tender costs, events that happened on site that the contractor was able to claim for and additional costs for access to land and compensation to land owners.
- For additional clarity, there was a high level of detail behind the figures in the report that could be summarised and made available to the Committee.
- Officers advised Members that overall there was significant underspend on the Flood Repair Works Capital Programme and that the report was an outturn report to reallocate funding within the programme envelope.
- New project management processes were in place that held contractors to account.

The Committee **RECOMMENDED** that:

1. More detail on the overall and final costs for the project and assurances that the Council has been charged for only the costs it was liable for, should be given and included in the full Council report.
2. Moving forward with strategic projects there should be greater emphasis on revenue funding and more detailed design phases to ensure greater confidence can be given to allocating capital funding.
3. Lessons learned from this and other projects be taken forward in future projects.

35 MAYLORD ORCHARD

The Committee received a report from the Cabinet Member for Commissioning, Procurement and Assets which provided the General Scrutiny Committee with an update in regards to the operation and future development of the Maylord Orchard Centre.

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Before the substantive discussion took place the meeting went into closed session so that clarification could be sought on financial information that was not in the public domain.

After a short interlude the Chair reopened the meeting in public session.

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During discussion the following principal points were made:

- The acquisition of Maylord Orchards, as a key site of Hereford heritage city, was always part of a strategic approach.
- There was a need to act quickly when the site suddenly came onto the open market and at the right price.
- A full review of Council assets and whether to dispose, retain or review them was being undertaken.
- Moving forward, the Council was looking to make Maylord Orchards a strong community and environmental zone with a vibrant events programme to draw more people to the site. Final decisions on the approach to this had not yet been made by Cabinet.
- A full asset management strategy and asset rationalisation was a priority for officers as the existing strategy ran out last year. Covid pressures had meant there had been a delay in delivering this.

- There had been a significant yield reported on the Council's overall property portfolio.
- It was important for the Council to make a strategic intervention to halt the ongoing decline of the city centre and the purchase of Maylord was an opportunity to do this.
- Councillors queried whether there was a plan for a cultural input into the Maylord site to provide a unique selling point and encourage footfall.
- A vibrant arts culture was important for city centres as it encouraged people to live and stay in the centre and also brought in considerable income.
- The Stronger Towns Bid which was coming forward would prioritise culture in Maylords. The Council was also working with the Herefordshire Cultural Partnership and the Arts Council to bid for other grants and bring additional income in.
- The development of Brewers Passage would provide a more welcoming introduction to Maylord and the city, and officers would be looking at this as a priority.
- The Department of Work and Pensions (DWP) were committed to the tenancy in Blue School House.
- Nationally it had been a very difficult time for retail during Covid and although there were some rent arrears generally the Maylord centre was performing better than other centres.
- Maylord was cash positive and it was confirmed that the costs more than covered the running costs.
- Every single decision being made would be examined for any unintended consequences and would go through the Maylord Orchard Strategy Review in order that the Council made best use of the asset for Hereford.
- The centre manager recently recruited by Hoople had a good track record in retail centre management and would provide a focal point to react to tenants' needs and to coordinate a central programme of activities.
- There had been a procurement exercise that showed Hoople could provide value for money in managing the centre.
- The Section 151 officer confirmed that it had not been a financial risk to take on the site as third parties had been relied on to provide assurances that the asset was in good order and the valuation was reasonable. The process also assessed that it would not be a drain on the Council's budget and was an appropriate use of the Council's money.
- More of a risk was not acquiring the site and opening up the Council to criticism for not supporting a site that was hugely important to Hereford.

The Committee **RECOMMENDED** that:

1. If the Council finds itself in a similar position to acquire a strategic asset in the future, it is informed by and assessed against the future property asset management strategy and associated risk registers.
2. Future acquisitions are supported by a full business case to underpin any future purchases.
3. The short medium and long term strategy for Maylord Orchard is shared with all Members.
4. Future managers are suitably skilled and management decisions are suitably informed by the cultural partnership to ensure that arts and culture are placed on an equally prominent footing to the economic recovery objectives.

36 WORK PROGRAMME

This item was deferred until the next meeting.

37 DATE OF NEXT MEETING

Tuesday 15 November 2021.

The meeting ended at 1.40pm

Chairperson