



Chief Executive's Department
Civic Centre
HARTLEPOOL

3rd September, 2007

The Mayor (Stuart Drummond)

Councillors Akers-Belcher, Allison, Atkinson, Barker, Brash, Clouth, R W Cook, S Cook, Coward, Cranney, Ferwick, Fleet, Fleming, Flintoff, Gibbon, Griffin, Hall, Hargreaves, Henery, Hill, Jackson, James, Johnson, Kaiser, Laffey, Lauderdale, A E Lilley, G Lilley, London, A Marshall, J Marshall, Dr. Morris, Payne, Plant, Preece, Richardson, Rogan, Shaw, Simmons, Sutheran, Tumilty, Turner, Wallace, Wistow, Worthy, Wright, and Young.

Madam or Sir,

You are hereby summoned to attend a meeting of COUNCIL to be held on THURSDAY, 13th September, 2007 at 7.00 p.m. at the Town Hall, Raby Road, Hartlepool to consider the subjects set out in the attached agenda.

Members are requested to note the change in venue of the meeting.

By order
P Walker
Chief Executive

Enc

PLEASE NOTE VENUE

COUNCIL AGENDA



Thursday 13th September 2007

at 7.00 pm

**in the Town Hall, Raby Road, Hartlepool
(main Theatre entrance)**

1. To receive apologies from absent members.
2. To receive any declarations of interest from members.
3. To deal with any business required by statute to be done before any other business.
4. To receive questions from and provide answers to the public in relation to matters of which notice has been given under Rule 10.
5. To approve the minutes of the meeting of the Council held on 26th July 2007 (copy attached) as a correct record.
6. Questions from Members of the Council on the minutes of the last meeting of the Council.
7. To answer questions of members of the Council under Council Procedure Rule 11;
 - (a) Questions to members of the Executive about recent decisions of the Executive (without notice)
 - (b) Questions to members of the Executive and Chairs of Committees and Forums, for which notice has been given.
 - (c) Questions to the appropriate members on Police and Fire Authority issues, for which notice has been given. Minutes of the meeting of the Police Authority held on 14th June 2007 are attached.

PLEASE NOTE VENUE

8. To deal with any business required by statute to be done.
9. To receive any announcements from the Chair, the Mayor, members of the Cabinet or the head of the paid service.
10. To dispose of business (if any) remaining from the last meeting and to receive the report of any scrutiny forum or other committee to which such business was referred for consideration.
11. To receive reports from the Council's committees and working groups other than any overview and scrutiny committee and to receive questions and answers on any of those reports;

(a) Report of the Constitution Committee *(to follow)*

12. To consider any other business specified in the summons to the meeting, including consideration of reports of the overview and scrutiny committees for debate and to receive questions and answers on any of those items;

13. To consider reports from the Executive:-

(a) Proposals in relation to the Council's budget and policy framework

None

(b) Proposals for departures from the budget and policy framework

None

14. To consider any motions in the order in which notice has been received.

'The fight against crime in Hartlepool must be maintained and intensified, especially on behalf of the most vulnerable in our society.

Hartlepool needs a local police force that understands, and is responsive to, local needs and demands, and with a local command based within the town.

We also note that fear of crime can be worse in many respects for people and communities than actual crime itself, and call upon our police force to recognise this in their operational planning.

We also call upon Cleveland Police to ensure that all uniformed police officers actively police our streets, and spend as little time as possible on paperwork and bureaucracy'

Signed Councillor S Wallace
 Councillor P Hargreaves
 Councillor C Richardson
 Councillor M Johnson
 Councillor J Brash

PLEASE NOTE VENUE

'This Labour Group congratulates the Children's Services Department, all teaching staff, parents and young people on their outstanding achievements this year at KS2, KS3, GCSE and A' Level and calls upon this Council to commend the Labour Government for its investment in education since 1997 that has contributed to these achievements.'

Signed Councillor P Hargreaves
 Councillor C Richardson
 Councillor S Wallace
 Councillor M Johnson
 Councillor J Brash

15. To receive the Chief Executive's report and to pass such resolutions thereon as may be deemed necessary

<p style="text-align: center;">COUNCIL</p> <p style="text-align: center;">MINUTES OF PROCEEDINGS</p> <p style="text-align: center;">26 July 2007</p>

The meeting commenced at 7.00 p.m. at Hartlepool College of Further Education

PRESENT:-

The Chairman (Councillor C Richardson) presiding

The Mayor, Stuart Drummond

COUNCILLORS:

Atkinson	Barker	Brash
R W Cook	S Cook	Coward
Cranney	Fleet	Flintoff
Gibbon	Griffin	Hall
Hargreaves	Hill	Jackson
James	Johnson	M P Laffey
A Lilley	G Lilley	London
A Marshall	Dr. Morris	Payne
Plant	Preece	Richardson
Shaw	Simmons	Sutherland
Turner	Wistow	Wright
Young		

OFFICERS:

Paul Walker, Chief Executive
Nicola Bailey, Director of Adult and Community Services
Dave Stubbs, Director of Neighbourhood Services
Andrew Atkin, Assistant Chief Executive
Mike Ward, Chief Financial Officer
Tony Brown, Chief Solicitor
Charlotte Burnham, Scrutiny Manager
David Cosgrove, Principal Democratic Services Officer
Jo Wilson, Democratic Services Officer.

29. APOLOGIES FOR ABSENT MEMBERS

Councillors Akers-Belcher, Allison, Ferwick, Henery, Kaiser, Lauderdale, J Marshall, Rogan, Tumilty, Wallace and Worthy

30. DECLARATIONS OF INTEREST FROM MEMBERS

Councillors Johnson and Simmons, and the Mayor, Stuart Drummond declared personal but non-pecuniary interest arising from a relative's employment in each case in relation to Minute No. 35 (b).

31. BUSINESS REQUIRED BY STATUTE TO BE DONE BEFORE ANY OTHER BUSINESS

None

32. PUBLIC QUESTIONS

None.

33. MINUTES OF PROCEEDINGS

The Minutes of Proceedings of the Council held on the 21 June 2007, having been laid before the Council.

Members indicated that comment had been made at the previous meeting and not recorded in relation to the quality of the chairs available to members in general and the lack of ergonomic chairs for those members with disabilities. Members sought assurances that this would not be repeated. The Chair gave such an assurance.

In relation to Minutes No. 23 (b) (page 6) Members indicated that it was proposed that should any CRB check for a Member or resident representative raise any issue that would require an interview under the procedure, this should be conducted by the Chief Executive together with the Director for Children's Services and the Director of Adult and Community Services.

In relation to Minute No. 24 (page 8) Members referred to the concerns raised in relation to life expectancy rates for the Borough. Members indicated that this comment should have stated that "this should be a major priority for scrutiny in the next twelve months" rather than greater emphasis be given to addressing these issues.

RESOLVED – That, subject to the amendments set out above, the minutes be confirmed.

The minutes were thereupon signed by the Chairman.

34. QUESTIONS FROM MEMBERS OF THE COUNCIL ON THE MINUTES OF THE PREVIOUS MEETING OF THE COUNCIL

None

35. QUESTIONS FROM MEMBERS OF THE COUNCIL

- (a) Questions to Members of the Executive about recent decisions of the Executive

None.

- (b) Questions to Members of the Executive and Chairs of Committees and Forums, for which Notice has been given

Councillor James to the Children's Services Portfolio Holder, Councillor Hill

"Would the Portfolio Holder for Children's Services please enlighten members with regard to the significant cuts to the schools' transport team for special children from the beginning of the autumn term, 2007?"

Councillor Hill responded by stating that every year the Home to School Transport Service must review service requirements in order to flexibly accommodate a new intake of young people who are eligible for Home to School Transport.

In addition all home to school transport contracts expire this term following a four-year period and a fundamental review of service provision has been undertaken in consultation with departmental staff and parents to ensure that all service needs are met as efficiently as possible.

In line with best practice this year's tender process was a joint collaboration with a neighbouring authority whereby all transport requirements have been open to competitive tender. As part of the process there have been some changes to individual routes but all young people who are eligible to receive Home to School Transport including those with special educational needs will be provided with transport in the academic year 2007/08.

In relation to the staffing position, Children's Service's Portfolio Holder indicated that as a consequence of the review it had been possible to rationalise a number of routes which had resulted in a reduced need for bus escorts, all of whom are, due to the changing needs of the service, appointed on fixed term contracts. This resulted in the requirement to reduce the number of escorts from 75 to 65 and a process to achieve this was agreed in consultation with Human Resources and Trade Unions. The focus of the selection criteria as agreed was:

- 4 Years or less service
- Level of complaints

- Level of general absence
- Level of attendance at compulsory training events

After interviews all affected staff, with the exception of one, agreed to remain with the Department as casual supply staff. This meant that these staff members will not receive wages unless called upon to cover staff absence. Appropriate redundancy payments will be made to all those staff that are eligible to receive them. It was agreed to reinstate staff using these criteria if and when vacancies arise or the department's transport requirements change.

While it is regrettable that some contracts have not been renewed the department has limited resources and must strive to achieve efficiency savings wherever practical.

In a supplementary question, Councillor James asked why Members had not been consulted on the proposed changes when parents and staff had been?

Councillor Hill indicated that she did not know why Members had not been consulted.

Councillor James commented that with Members being "outside of the information loop" on this issue, it had been very difficult to assist parents of children who used the transport service and address any fears they may have had. Would the safety of users still be the paramount concern for the service and that this was not a cost cutting exercise?

Councillor Hill assured Councillor James and all Members that the safety of children being transported was always the primary concern. The rationalisation of the service in conjunction with a neighbouring authority would however bring savings to the Council. For example, under the previous contract there had been two taxis with one child and two escorts in each travelling to the Beverley School in Middlesbrough. This journey would now be done by one minibus.

- (c) Questions to the appropriate Members on Police and Fire Authority issues, for which notice has been given.

36. BUSINESS REQUIRED BY STATUTE

The Monitoring Officer submitted the following report in the discharge of the duty of the under s.5 Local Government & Housing Act 1989 ("the 1989 Act") in respect of the commission by the Council of an offence under the Health and Safety at Work Act 1974 ("the 1974 Act")

Under s. 5 of the Act, if the Monitoring Officer becomes aware of (amongst other things) a breach by the Council of any rule of law the Monitoring Officer is under a duty to prepare a report which is to be circulated to all members of the Council. The report is required to be considered by the Council within 21 days of issue of the report.

As Members would be aware from the media, the Council had been prosecuted and convicted of an offence under s. 3 Health and Safety at Work Act 1974, which requires any employer to take all reasonable steps to ensure the safety of persons not in their employ. The prosecution arose from an accident, which occurred on 19th January 2005 in the context of the Council's Dial a Ride service run by an external contractor. As a result of the accident, in which a local resident, Mr. Hunt, and his motorised scooter had fallen from the tail lift of a dial a ride vehicle, Mr. Hunt received fatal injuries. The default on the part of the Council, and to which the Council pleaded 'guilty' following the advice of a health and safety at work consultant, was a failure to ensure a safe system of work was in place; failure to pass relevant guidance to the contractor; and failure to maintain equipment provided for the service for which the Council were responsible under the contract. The contractor and a sub-contractor were also prosecuted for similar offences.

At the conclusion of the prosecution at the Hartlepool Magistrates Court on 26th June 2007, the Council were fined £10,000 and ordered to pay £4600 towards the Health and Safety Executive's costs of the prosecution. The contractor and sub-contractor, who likewise pleaded guilty to the charges against them, were respectively fined £5000 and £300 with costs against the contractor of £3000. The penalties were considered to reflect the respective financial positions of the defendants. In the Council's case, full credit was given for the Council's early acknowledgement of guilt, the co-operation of the Council in the Health and Safety Executive's investigation and the steps taken by the Council to address the failings highlighted by the investigation.

For members' information, the steps taken had included –

Review of -

- Transport Services health and safety procedures followed by creation of action plan
- Dial a Ride risk assessment,
- Risk assessment of all mobility aids for existing customers of Dial a Ride and community transport,
- Wheelchair risk assessment and
- Vehicle inspection schedule;

Introduction of vetting of all contractors for health and safety prior to delivering any work for the council;

Introduction of six monthly Health and safety audit by the health safety and wellbeing team;

Further/new training -

- Dial a Ride drivers trained in the safe transportation of mobility scooters,
- Passenger lifts training to drivers by lift manufacturer,
- All workshop fitters trained in the maintenance of passenger lifts in use and
- Two Hartlepool BC staff trained in the delivery of MiDAS training;

Workshop procedures implemented;

Wheelchair passenger guidance reviewed;

Safety equipment audit of all Transport services vehicles including Dial a Ride;

Lifts replaced to provide a standard throughout the CT fleet.

Additionally, and most significantly, the Dial-a-Ride service had been brought in-house with effect from 1st April 2007.

Following the proceedings, the Council's Public Relations Officer had issued a statement that "Hartlepool Council would like to take this opportunity to again express its condolences to Mr. Hunt's family".

Members welcomed the steps taken following this tragic incident and hoped that the new procedures were being enforced in all circumstances for this type of transport. Members requested that the Portfolio Holder review the application of these procedures across the contracts managed by the Council for transport for the elderly, disabled and children to ensure there was confidence in the way the contracts were being managed and applied. The Adult and Public Health Services Portfolio Holder indicated that where there was an involvement with external contractors he would take these matters seriously and report any concerns to Councillors.

RESOLVED – That the report of the Monitoring Officer be noted.

37. ANNOUNCEMENTS

None.

38. TO DISPOSE OF BUSINESS (IF ANY) REMAINING FROM THE LAST MEETING AND TO RECEIVE THE REPORT OF ANY SCRUTINY FORUM OR OTHER COMMITTEE TO WHICH SUCH BUSINESS WAS REFERRED FOR CONSIDERATION.

The following two proposals submitted to Council by the Constitution Committee, had been laid before the Council at its meeting on 21 June 2007 and in accordance with Council Procedure Rule 24.2 had stood adjourned for full debate at this meeting.

(1) Amendments to the Constitution – Time and Place of Council Meetings – Report of Constitution Committee

The report invited Council to approve amendments to the Council's Procedure Rule 5.2 – Time and Place of Council Meetings. The Constitution Committee proposed that all Council meetings should commence at 7.00pm in the evening.

RESOLVED – That Council Procedure Rule 5.2 – Time and Place of Council Meetings be revised to read –

"The Ordinary meetings of the Council shall, unless otherwise directed or determined by the Council, be held at the Civic Centre, Hartlepool commencing at 7.00 pm in the evening."

(2) Amendments to the Constitution – Appointment of Substitutes – Report of Constitution Committee

The report invited Council to approve amendments to Council Procedure Rule 4.2 (ii) in relation to the notice required for the appointment of substitutes at meetings.

RESOLVED – That Council Procedure Rule 4.2 (ii) – Designation of Substitutes be amended to read –

“ii) by the Member, by notification to the Chief Executive (which designation as a substitute shall take effect immediately after notification to the Chief Executive for the specific meeting or until such later time as shall be specified by the Member).”

39. TO RECEIVE REPORTS FROM THE COUNCIL’S COMMITTEES AND WORKING GROUPS

Standards Committee – Revised Model Code of Conduct for Members

Councillor Shaw reported that the current Code of Conduct for Councillors was adopted by the Council in 2002 and followed the statutory model then in force. The Local Authorities (Model Code of Conduct) Order 2007 provided a revised model code of conduct, the mandatory provisions of which local authorities were required to adopt by 1st October 2007, failing which the code of conduct would be deemed to apply to councillors in any event.

The revised Code of Conduct was submitted with the agenda papers for Members consideration. The Standards Committee had considered the revised code in detail and had proposed the following recommendations to Council –

- (a) The committee recommend Council to adopt the revised model code of conduct with the addition of a preamble incorporating the 10 General Principles of Public Life and with an additional Part 4 to the code being a requirement that members undertake a CRB check in accordance with arrangements approved by Council.
- (b) The Chief Solicitor be authorised to advertise the new Code of Conduct and take all other necessary action incidental to its adoption.

RESOLVED – That the revised Code of Conduct for Members, as submitted, be approved and adopted.

40. TO CONSIDER ANY OTHER BUSINESS SPECIFIED IN THE SUMMONS OF THE MEETING

None.

41. REPORT FROM THE EXECUTIVE

(a) Proposals in relation to the Council's budget and policy framework

None.

(b) Proposal for Departure from the Budget and Policy Framework

None.

42. MOTIONS ON NOTICE

None.

43. PROGRESS OF SINGLE STATUS AGREEMENT

The Chief Executive presented an update on the progress of the negotiations on the Single Status Agreement. Negotiations are now at an advanced stage with local Trade Unions regarding a Single Status Agreement for Hartlepool Borough Council. The Agreement will establish a new pay & grading structure and terms & conditions of employment for 3000 of the Council's employees. Scrutiny Co-ordinating Committee established a Single Status Working Group last year consisting of the Chair, two Labour members, one member each from the Liberal Democrat and Administrative Groups and the Performance Management Portfolio Holder to monitor and contribute to the development of the Agreement. The Working Group now meets with Cabinet members on a regular basis and receives details of progress and ensures better use of resources, removes potential misunderstandings and strengthens the ultimate decision-making process.

The Chief Executive stated that it was important that all Members have sufficient information and understanding about the Agreement and related issues before being asked to make any decisions as there are significant financial implications arising from implementing a Single Status Agreement as well as potential industrial relations issues. The Chief Executive gave the most up-to-date information available to Members through a presentation at the meeting.

The Chief Executive highlighted that the financial implications of the new agreement would be significant. Council has made provision to meet costs of up to £2m for each of the next four financial years, plus an additional £300,000 required to meet increment costs and up to £400,000 to meet the costs of any protection scheme agreed with the Trade Unions.

Cabinet had been involved in the process over the last three years though outside of Cabinet few Members had attended briefings on this issue. Cabinet could agree any proposals that fell within the current budgets set by Council, though it is considered more likely that additional funding will be required.

Further delays had been incurred and it was likely that due to the requirement for national trade union level agreement of any proposals, final agreement was not now expected until November of this year. The Chief Executive stressed that Members role within this process was as the employer, the Trade Unions would represent the employee's interests. This separation of roles was key, as any appeal process would involve Members.

In response to Members questions, the Chief Executive commented that the figure of £2m additional costs was only a 'best guess' based on the experience of other authorities. The pay modelling software being utilised by the council was giving more accurate predictions as the information was fed into it but there was a considerable amount of information relating to over one thousand separate jobs within the authority. Members did comment that while not having attended the previous briefings, a lot of information was being fed into groups from those involved in the Single Status Working Group. The Chief Executive highlighted that one of the recommendations within the report was to increase the membership of the Working Group so that a larger group of Members were involved in the process. It was highlighted by the Chair of the Working Group that the Admin Group was one Member short on the Group at this time and the Liberal Democrat Group should be invited to appoint two additional Members as well as the Group Leader.

RESOLVED – as follows: -

1. That each Group/Political Party nominate their Group Leader and one other Member to join the Single Status Working Group; those additional Members being;
 - Labour Group: Councillors Brash and Sutheran.
 - Liberal Democrat Group: Councillors Preece and Flintoff and one additional nomination.
 - Conservative Group: Councillors Dr Morris and Young.
 - Admin. Group: Three Nominations to be forwarded to the Chief Executive.
- ii) That the Chairman and Vice-Chairman of the Council join the Single Status Working Group.

44. APPOINTMENTS TO COMMITTEES AND FORUMS

The Chief Executive reported that he had been informed that the Labour Group wished to nominate Councillor Cranney to the membership of the Neighbourhood Services Scrutiny Forum in place of Councillor Johnson.

RESOLVED – that the change in membership of the Neighbourhood Services Scrutiny Forum be noted.

C RICHARDSON

CHAIRMAN

Member questions for Council

Meeting: Council – 13 September, 2007

	From: Councillor Allison
	To: The Mayor
	<p>Question:</p> <p>"In the submission for the Tall Ships Race it was said, "Hartlepool understands that a significant budget will be required to cover the costs of the visit by the Tall Ships' Race". However now here in the information made available to me is there any indication of what a "significant budget" would actually be. Could you inform this council of the total level of council spending anticipated over the period up to and during the race and the budgeted breakdown spend in each key area e.g. How much is anticipated for personnel costs, construction costs, administration, hospitality for Crews, marketing, insurances, etc."</p>
	From: Councillor G Lilley
	To: Councillor Hargreaves
	<p>Question:</p> <p>"Recent data released under the freedom of information act shows great variation in levels of attendance at meetings by Councillors.</p> <p>With this in mind do you consider there needs to be a return to the fair, transparent and appropriate system whereby all allowance payment are calculated pro-rata to attendances. What is the process to instigate this fundamental improvement in Councillors emoluments"</p>
	From: Councillor Allison
	<p>To: The Mayor</p> <p>Question:</p> <p>"MP's have recently criticised fortnightly bin collections as inappropriate for urban areas and that there was no proof it increased recycling. Hartlepool Council however is pressing ahead with fortnightly bin collections and to the dismay of some residents these are soon to be introduced to St. Hilda Ward. Does the Mayor have any hard, quantitative evidence that he can bring to this council that shows fortnightly bin collections have resulted in an increase in recycling in Hartlepool?"</p>

CLEVELAND POLICE AUTHORITY EXECUTIVE

The Annual General Meeting of Cleveland Police Authority Executive was held on Thursday 14 June 2007 in the Mandela Room at Middlesbrough Town Hall.

PRESENT: Councillors Barker, Coppinger, Kirton, Lanigan, Lowes, McLuckie, Pearson, Tumilty and Wallace

Magistrate Members
Mr Cox JP, Mr Fisher JP and Mr McGrory JP

Independent Members
Miss Andrews-Mawer, Mr Coombs, Mr Hanif and Mr Race

OFFICIALS: Mrs Hall and Mr Pickard (CC)
Mr McCarthy, Mrs Llewellyn, Mr Wright, Dr Cameron and Mrs Leng (CE)

1 APOLOGIES FOR ABSENCE

Apologies for absence were received from Mr Price and Mr Hogg.

2 DECLARATIONS OF INTERESTS

There were no declarations of interests.

3 APPOINTMENT OF CHAIR AND VICE CHAIR

Nominations and seconders for the role of Chair and Vice Chair had been submitted to the Chief Executive in accordance with Standing Orders.

The Chief Executive confirmed that he had only received one nomination for the position of Chair and one for the position of Vice Chair. The Chief Executive therefore asked Members to agree to vote by show of hands rather than a secret ballot. This was agreed and Councillor Dave McLuckie was nominated and seconded and unanimously voted as Chair for the forthcoming year. Mr Chris Coombs was nominated and seconded and unanimously voted as Vice Chair for the forthcoming year.

ORDERED that:-

1. Councillor Dave McLuckie be appointed Chair for the ensuing year.
2. Mr Chris Coombs be appointed Vice Chair for the ensuing year.

4

QUESTION AND ANSWER SESSION

No questions were received from the public.

5

COUNCILLOR MEMBERSHIP AND NOMINATIONS FOR ANSWERING QUESTION AT COUNCIL MEETINGS

The Chief Executive reported the decision that had been made by the Police Authority Joint Committee held on 7 June 2006 regarding the elected membership of the Police Authority. The Police Joint Committee also agreed that the Councillor Members from the four Unitary Authorities be elected to serve as Police Authority Members for a period of four years.

ORDERED that:-

1. Members note that the following Councillors be appointed to the Police Authority:-
 - **Hartlepool** – Councillor Caroline Barker, Councillor Steve Wallace and Councillor Victor Tumilty
 - **Middlesbrough** – Councillor Barry Coppinger, Councillor Ron Lowes and Councillor Hazel Pearson OBE
 - **Redcar and Cleveland** – Councillor Mary Lanigan and Councillor Dave McLuckie
 - **Stockton** – Councillor Paul Kirton
2. Members noted that it was agreed at the Police Joint Committee on Thursday 7 June 2007 that these appointments would be for a period of four years.

3. The above Councillors be appointed as representatives to answer questions on the discharge of the function of the Police Authority at meetings of their relevant councils be agreed.

6

FROM SUCCESS TO EXCELLENCE

The Chief Executive presented the report to Members. This report followed on from the previous framework and vision from "Survival to Success" which saw the leadership team restructure the decision making processes of the Authority around the creation of 5 new panels to replace the existing executive structure.

It was identified that there was an increasing need for efficiency in the decision making process to enable the Police Service and Police Authority to discharge their responsibilities building upon what had been achieved over the last two years.

ORDERED that:-

1. the following new committee structure be agreed:-
 - Police & Resources / Corporate Development
 - Strategic Policing & Performance
 - Audit & Internal Control
 - Community Protection
 - Complaints
 - Leadership Board
2. the new committee structure be operative with immediate effect.
3. all the committees within the new decision making process have delegated plenary powers in line with the Local Government Act 1972 Section (101) be agreed.
4. the Chair and Vice Chair of the Committees as detailed in Appendix A to the report be noted.
5. the appointments to outside bodies as outlined in Appendices B and D to the report be noted.

6. the appointment of Chairs / Vice Chairs of the Committees and appointments to outside bodies would be periodically reviewed by the Chair of the Authority be noted.
7. the Chairs and Vice Chairs of the committees work up the full remit / terms of reference at the earliest opportunity and report these back to the main Police Authority.

7

CLEVELAND POLICE AUTHORITY SINGLE EQUALITY SCHEME 2007 – 2010

The Strategy and Performance Manager presented the Cleveland Police Authority Single Equality Scheme for approval.

ORDERED that the Cleveland Police Authority Single Equality Scheme 2007 – 2010 attached at Appendix A to the report be approved. This scheme encompassed all 6 strands of diversity, including the statutory Equality Impact Assessments of policies and procedures and enabled Cleveland Police Authority to comply with the legal requirement regarding the publication of a Gender Equality Scheme.

8

SERVICE IMPROVEMENT AND BEST VALUE

The Strategy and Performance Manager reported on the first Service Improvement Steering Group meeting and sought authority to implement the recommendations of the Best Value Reviews of Cleveland Police Authority and Facilities Management.

ORDERED that:-

1. the renaming of the Best Value Steering Group to the Service Improvement Steering Group be noted. This group would assume responsibility of the monitoring and reporting on progress with the implementation of recommendations from current Best Value Reviews and for future service improvement initiatives based upon a themed modernisation agenda.

2. the minutes of the first Service Improvement Steering Group held on 19 April 2007 attached at Appendix A to the report be noted.
3. the contents of the Best Value Review of Cleveland Police Authority be noted and the implementation of the recommendations of this review attached at Appendix B to the report be authorised. These recommendations would be taken forward by the Chief Executive and incorporated within the Officer and Member PDR process for 2007 as appropriate.
4. the contents of the Best Value Review of Facilities management be noted and the implementation of the recommendations of this review attached at Appendix C be authorised.

9

POLICE AUTHORITY SERVICE IMPROVEMENT PLAN

The Head of Strategy and Performance reported on progress with the Police Authority Service Improvement Plan 2006 – 2009 and sought approval for the Service Improvement Plan 2007 – 2010.

ORDERED that:-

1. the progress made against the Detailed Service Programme 2006 – 2009 attached at Appendix A to the report be noted.
2. the Service Improvement Plan for 2007 – 2010 attached at Appendix B be agreed. Items for 2007/08 are denoted as priority H (high) and those for 2008/09 and 2009/10 are denoted as priority M (medium).
3. Members receive an update on performance against the plan on a quarterly bases be agreed.

10

THE LOCAL AUTHORITIES (MODEL CODE OF CONDUCT) ORDER 2007 (SI NO 1159)

The Monitoring Officer notified Members of the revised code of conduct which would apply to all Members of defined public authorities from 3 May 2007.

The new code consolidated and replaced the four separate model codes for Members of Principal Authorities, Parish Councils, the National Parks & Broads Authorities and Police Authorities.

ORDERED that:-

1. The Code of Conduct attached at Appendix B to the report be formally adopted and its incorporation into the framework for Corporate Governance be agreed.
2. all Members of the Police Authority would be required to sign a form of undertaking in relation to the revised code be noted.

11

REVENUE OUTTURN 2006 / 07

The Assistant Chief Officer Finance and Commissioning set out the year end position against the revenue budget for 2006/07 in the sum of £114,975k which was approved by members at their meeting on 23 February 2006.

ORDERED that:-

1. the revenue outturn position for 2006/07 of an £8k underspend which is in line with forecasts be noted.
2. these results were presented subject to audit and that any future amendments resulting from the audit would be presented to a future Authority meeting.

12

CAPITAL OUTTURN 2006/07

The Assistant Chief Officer Finance and Commissioning presented the year end position against the Capital Programme totaling £7,633k which was approved by

members at their meeting on 23 February 2006.

Members were notified of one amendment to the report in Appendix A – HQ Lift Up grade should read 'Pending an agreed timescale'.

ORDERED that:-

1. the capital outturn position for 2006/07 be noted.
2. these results were presented subject to audit and that any amendments resulting from audit would be presented to a future meeting.
3. the carry forward of funding totaling £4,196k to 2007/08 to complete schemes in progress be approved.
4. the carry forward of unallocated funding of £337k to fund new projects be approved.

13

TREASURY MANAGEMENT AND PRUDENTIAL INDICATORS OUTTURN 2006/2007

The Assistant Chief Officer Finance and Commissioning provided details of Treasury Management performance in 2006/07. This report provided details of performance against the Prudential Indicators for 2006/2007, approved by Members on 23 February 2006.

ORDERED that:-

1. the key indicators, including keeping with the Authorised & Operational Limits for External Debt were delivered, and the Authorities Treasury Management Activities were carried out in a prudent and sustainable manner be noted.

14

THE STATEMENT OF INTERNAL CONTROL 2006/2007

The Chief Executive presented the Statement on the System of Internal Control 2006/2007. The Performance and Audit Panel had considered the draft Statement of

Internal control 2006/2007 at its meeting on 8 February 2007. Further work was then undertaken by Officers to produce the final version attached at Appendix A to this report. This final version was considered by the Performance and Audit Panel at its meeting on 30 May 2007 and it was agreed at that meeting that the final version should be submitted to the Police Authority Executive for approval.

ORDERED that the Statement of Internal Control attached as Appendix A to the report be approved.

15 **STATEMENT OF ACCOUNTDS 2006/07 (SUBJECT TO AUDIT)**

The Chief Executive presented the Statement of Accounts for 2006/07 subject to Audit.

Under the Account and Audit Regulations 2004 Local Authorities, including Police Authorities, are required to receive and approve the Statement of Accounts for 2006/07 before the end of June 2007.

ORDERED that:-

1. the Statement of Accounts 2006/07 be approved subject to audit.
2. the establishment of provisions totaling £1,016k be approved.
3. the establishment of earmarked reserves totaling £8,013k be approved.

16 **MINUTES OF THE COMPLAINTS PANEL**

ORDERED that the following minutes of the Complaints Panel held on the 25 April 2007 were submitted and approved

COMPLAINTS PANEL

A meeting of the Complaints Panel was held on Wednesday 25 April 2007 in the Oberhausen Room, Middlesbrough Town Hall.

PRESENT: Mr Ted Cox JP, Mr Keith Fisher JP, Mr Chris Coombs, Miss Pam Andrews-Mawer, Mr Mike McGrory JP

OFFICIALS: ACC Derek Bonnard Supt Brian Dunn, Mrs Joanne Monkman (CC).

Mr John Bage (CE)

17 **APOLOGIES FOR ABSENCE**

There were no apologies for absence

18 **MATTERS ARISING FROM PREVIOUS MEETING**

Members were advised that the rules and regulations regarding the Complaints procedure were to change from 1 April 2008, and that any training given this year would be superseded by the new regulations.

AGREED that:

1. Members complaints procedure training to be postponed until mid 2008 when the new legislation would be in place.

19 **DECLARATIONS OF INTERESTS**

There were no declarations of interests

20 **CIVIL CLAIM STATISTICS**

The Head of Professional Standards presented the Civil Claim Statistics for the period 1st April 2006 – 31st March 2007. The Panel were informed of the number and types of civil claims against the Force received during that period, the amount paid out for those claims finalised during the period and the amount recovered.

The Head of Professional Standards informed Members that the total number of claims for 2006/7 was less than for the same period 2005/6.

Agreed that:

1. The decrease in the number of claims received when compared with the same period last year be noted
2. The 45% increase in the number of claims finalised when compared with the same period last year be noted.
3. 11% of the finalised cases during the period were successfully defended compared with 17% successfully defended during the same period last year.
4. The 92 cases settled during the period cost the force £816,591.77 compared with the 59 cases settled during the same period last year at a cost of £524,414 be noted.
5. Headquarters continued to be the area with most claims.
6. The insurance policy excess be compared with similar police forces to establish 'value for money'.

ACC
Bonnard

21 **COMPLAINTS STATISTICS**

The Head of Professional Standards presented the Complaints Against Police for the period 1st January 2007 to 31st March 2007.

There had been a 17% decrease in the number of Cases recorded during this period (138 to 115), with a 13% decrease in the number of complaints (down from 195 to 169).

Complaints of Incivility continue to outnumber those of Assault allegations, 33 complaints compared to 25 in the Assault categories.

40% (95) of completed complaints had been locally resolved. During this period 62% (59) of locally resolved complaints had been by District and 37% (36) by PSU.

Members were informed that in future complaints data would be 'traffic lighted' and would fall in line with other police data quality requirements.

AGREED that:

1. The contents of the report be noted
 2. To ascertain the types of complaints on Probationary Constables for two quarters, and to compare those type of complaints with the type of complaints brought against officers outside their probationary period.
- ACC
Bonnard

22

DELIBERATE DAMAGE STATISTICS

The Head of Professional Standards informed Members of the cost to the Force of deliberate damage by way of forced entry into premises, and of the operational results achieved through such forced entry and other premises searches.

Members were informed that the Force had paid out £7,330 in compensation for acts of deliberate damage. Whilst 2562 searches were conducted, only 263 (10%) resulted in deliberate damage. The value of property, cash and drugs seized totaled £212,914.

AGREED that:

1. The contents of the report be noted
2. The operational benefits accruing to the Force in terms of property, drugs and cash seized, outweigh the cost of the damage claims be noted.

23

EXCLUSION OF THE PRESS AND PUBLIC

ORDERED that pursuant to the Local Government Act 1972 the press and public be excluded from the meeting under paragraphs 1 & 7 of Part 1 of Schedule 12A to the Act.

24

RECORDED COMPLAINTS (Appendix A)

Members considered and noted the number of complaints reported

by area.

25 **CASES FROM THE COMPLAINTS REGISTER**

Members of the Complaints Panel were shown the cases from the Complaints Register which they had previously selected.

26 **MINUTES OF THE POLICE AUTHORITY HELD ON
26 APRIL 2007**

The minutes of the Police Authority Executive held on 26 April 2007 were approved and signed by the Chair as a true and accurate record.

27 **PERFORMANCE AND AUDIT PANEL**

ORDERED that the following minutes of the Performance and Audit Panel held on 30 May 2007 were submitted and approved.

PERFORMANCE AND AUDIT PANEL

A meeting of the Performance and Audit Panel was held on Wednesday 30 May 2007 commencing at 10.00am in the Oberhausen Room, Middlesbrough Town Hall

PRESENT Councillor Ron Lowes (Chair), , Councillor Paul Thompson, Mr Chris Coombs (ex officio), Mr Aslam Hanif, Mr Ted Cox JP, Councillor Steve Wallace.

OFFICIALS Mr John Bage, Mr Paul Kirkham, Mr Norman Wright (CE)
DCC Ron Hogg, A/ACC Dave Pickard, Mr Graeme Slaughter, Miss Kate Rowntree (CC),

AUDITORS Mr Ian Wallace (Bentley Jennison).
Mrs Cath Andrew (Audit Commission)

28 **APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillor Dave McLuckie (ex officio), Mr Joe McCarthy, Mr Peter Race, Mr Keith Fisher JP and ACC Adam Briggs

29 **DECLARATIONS OF INTERESTS**

There were no declarations of interests.

Action

30 **MINUTES OF THE PREVIOUS MEETING HELD 23 March 2007**

The minutes were agreed as a true and accurate record.

31 **MATTERS ARISING**

There were no matters arising

32

OUTSTANDING RECOMMENDATIONS

The Strategy and Performance Manager informed Members of two outstanding recommendations, Sickness & Absence and Recruitment. Both of these items would be addressed in this meeting.

AGREED that:-

1. the Outstanding Recommendations be noted.

33

PERFORMANCE REPORT

The Deputy Chief Constable presented the report to Members on the year end performance of the Force for the period April 2006 – March 2007, against the 2006-09 Corporate Policing Strategy and 2006-07 Local Policing Plan.

AGREED that:-

1. the report be noted

34

RECRUITMENT REPORT

The Deputy Chief Constable provided Members with the performance outturn information regarding recruitment activities carried out by the Force between April 2006 and March 2007.

Further work would be undertaken in 2007/8 to improve Force workforce planning and would be reported to the Performance and Audit Panel quarterly.

AGREED that:-

1. the report be noted
2. future reports to include data on minority, under represented groups and female officers.

35

SICKNESS ABSENCE REPORTING

The Deputy Chief Constable updated Members on the year-to-date sickness and absence figures, a comparison with our most similar Forces and information in respect of current attendance management initiatives.

AGREED that:-

1. the report be noted
2. future reports to include separate breakdowns of both long and short term sickness statistics.

DCC
Hogg

36

INTERNAL AUDIT REPORTS 2006/7

The Head of Internal Audit updated Members on a number of reports. He informed Members that in general terms all of the internal audit governance procedures were satisfactory.

37

Fixed Assets 2006/7

The Head of Internal Audit informed Members that an audit of Fixed Assets was undertaken as part of the approved internal audit periodic plan for 2006/07. Overall the fixed asset system operates effectively; testing identified that these controls work efficiently.

AGREED that:

1. the report be noted and agreed

38

Call Handling 2006/7

The Head of Internal Audit informed Members that an audit of Call Handling was undertaken as part of the approved internal audit periodic plan for 2006/07. Evaluation of the system showed that overall controls surrounding the management of Call Handling and encompassed by Call Management were sound and these were operating well.

AGREED

1. the report be noted and agreed

39

Districts 2006/7

The Head of internal Audit informed Members that an audit of District Offices and the Central Business Unit was undertaken as part of the approved internal audit periodic plan for 2006/07.

The Head of Internal Audit informed Members that overall, there are appropriate controls in place to ensure that risks are minimised.

AGREED that:

1. the report be noted and agreed

40

Financial Systems Year End Testing 2006/7

The Head of Internal Audit informed Members that a key control audit covering key financial systems was undertaken as part of the approved internal audit periodic plan for 2006/07.

AGREED that:

1. the report be noted and agreed

41

Fleet Management 2006/7

The Head of Internal Audit informed Members that an audit of Fleet Management was undertaken as part of the approved internal audit periodic plan for 2006/07.

AGREED that:

1. the report be noted and agreed

42

IT Governance and Strategic Management

An audit of IT Governance and Strategic Management was undertaken as part of the approved internal audit periodic plan for 2006/07.

The Head of Internal Audit stated that in his opinion the control framework for the area under review, as currently laid down and operated, provided substantial assurance that risks material to the achievement of the organisation's objectives for this area are adequately managed and controlled.

AGREED that:

1. the report be noted and agreed

43

Follow up review of Corporate Governance & Risk Management and Health & Safety

The Head of Internal Audit informed Members that a Follow Up Review was undertaken as part of the approved internal audit periodic plan for 2005/06. This involved an assessment of the implementation of actions agreed by management to address recommendations made in previous Internal Audit reports. The review specifically focused on:

- Corporate Planning & Risk Management
- Health and Safety

The Head of Internal Audit told Members that in his opinion the implementation of recommendations had been good.

AGREED that:

1. the report be noted and agreed

44

Annual Report of the Internal Audit System 2006/7

The Head of Internal Audit informed Members that the role of the internal audit service was to provide management with an objective assessment of whether systems and controls were working properly.

It was a key part of the Authority's internal control system because it measured and evaluated the adequacy and effectiveness of other controls so that:

- the Authority and senior management can know the extent to which they can rely on the whole system; and
- individual managers can know how reliable are the systems and controls for which they are responsible.

The Head of Internal Audit informed Members that he was satisfied that sufficient internal audit work had been undertaken to allow them to draw a reasonable conclusion as to the adequacy and effectiveness of Cleveland Police Authority's risk management, control and governance processes. In his opinion, for the 12 months ended 31 March 2007 Cleveland Police Authority had adequate and effective risk management, control and governance processes to manage the achievement of the organisation's objectives.

AGREED that:

1. the report be noted and agreed

45

STATEMENT ON THE SYSTEM OF INTERNAL CONTROL 2006/2007. REVIEW OF INTERNAL CONTROL AND SIC ASSURANCE GATHERING PROCESS

The Executive Accountant informed Members that the Performance and Audit Panel were required to formally record that the document "Review of Internal Control and the Statement of Internal Control Assurance gathering process" has been made available to Members.

AGREED that:-

1. Members noted that the working document "Review of Internal Control and the Statement of Internal Control Assurance gathering process" was circulated to all Members of the Police Authority on 21st March 2007. The final document was circulated as a briefing on 21st May 2007.

46

THE STATEMENT ON THE SYSTEM OF INTERNAL CONTROL 2006/2007. SOURCES OF ASSURANCE

The Executive Accountant informed Members that the Performance and Audit Panel were required to review and comment on the Sources of Assurance as part of the process of establishing the assurance framework in support of the Statement on Internal Control (SIC).

AGREED that:

1. The Sources of Assurance be agreed

47

THE STATEMENT ON THE SYSTEM OF INTERNAL CONTROL SERVICE UNIT ASSURANCE QUESTIONNAIRE. SUMMARY OF RESPONSES

The Executive Accountant provided a summary of the responses from the survey of Service Unit Managers, undertaken as part of the process of establishing the assurance framework in support of the Statement on Internal Control (SIC).

AGREED that:

1. The report be noted and that the improvements would be established through the corporate SIC process and Service Unit Action Plan as appropriate.

48

THE STATEMENT ON SYSTEM OF INTERNAL CONTROL STATEMENT OF KEY CONTROLS.

The Executive Accountant informed Members that the Performance and Audit Panel were required to review and comment on the Statement of Key Controls as part of the process of establishing the assurance framework in support of the Statement on Systems of Internal Control (SIC). These were shown at Appendix A to the report.

As part of the framework for preparing the Statement of Internal Control, the SIC Work Group had collated a Statement of Key Controls, as one of the Sources of Assurance which underpin the provision of assurance on the adequacy and effectiveness of controls over key risks. The initial version of the Statement of Key Controls was considered by the Panel on the 8th February 2007.

AGREED that:

1. the Statement of Key Controls as set out at Appendix A to the report be agreed

49

STATEMENT ON THE SYSTEM OF INTERNAL CONTROL 2006/2007

The Executive Accountant informed Members that the Performance and Audit Panel had the opportunity to review and comment on an earlier Draft Statement on Internal Control 2006/2007 at its meeting on 8th February 2007. Since then further work had been undertaken by officers to produce this final version for review by the Panel.

AGREED that:

1. the proposed Statement on Internal Control 2006/2007 is recommended for approval to the Police Authority Executive meeting on the 14th June 2007.

50

POLICE USE OF RESOURCES EVALUATION (PURE) 2006/2007

The Executive Accountant advised Members of the areas of improvement flowing from discussions with the Audit Commission on their interim work in relation to PURE 2006/2007.

Following a process of self assessment by the Force and Authority in March 2007, the external auditors were undertaking this review during the period, March 2007 to May 2007, updated in September 2007 for financial reporting. This was part of their responsibility to examine the economy, efficiency and effectiveness of the Authority's use of resources under section 5(1) (e) of the Audit Commission Act 1998, and in accordance with the Commission's Code of Audit Practice and Standing Guidance for Auditors.

A formal audit report highlighting areas for improvement of the key arrangements was currently scheduled for presentation to the Authority in October 2007. The national PURE timetable was contained in Appendix A to the report which showed dates for interim reporting by the Audit Commission in July 2007.

AGREED that:

1. the progress made to date in addressing those areas for improvement identified in 2005/2006 be noted.
2. Members would receive quarterly monitoring reports on progress in addressing areas for improvement flowing from PURE.
3. that the SIC Lead Officer Group would take the role of project board to allocate responsibilities and oversee progress be noted.

51

INTERNAL AUDIT SERVICE TERMS OF REFERENCE

The Executive Accountant presented this report to Members it facilitated the review of the terms of reference for Internal Audit Services.

Attached at Appendix A to the report is the result of a review undertaken by officers in consultation with the Head of Internal Audit Services.

The Terms of Reference would be the subject of regular review, and would follow on from the Annual Review of Internal Audit.

AGREED that:

1. the Terms of Reference set out at Appendix A, and subject to any amendments proposed by the Panel, be adopted.

52

CONTRACT FOR INTERNAL AUDIT SERVICES PROPOSED EXTENSION TO CONTRACT PERIOD

The Executive Accountant requested Members of the Performance and Audit Panel to consider the extension of the current internal audit contract.

The current contract for internal audit services was awarded from 1st April 2003 to Pritchard Wood. Contract terms were such that after

an initial period of 3 years the Authority could agree to extend the contract period by a further 2 years, making a total of 5 years. This option was in fact exercised in 2005, and the contract period extended to terminate on 31st March 2008.

It is proposed that the existing contract period be extended to the 31st March 2009, giving a total extension to the original contract period of 3 years. (Further extension is not possible unless the Police Authority agree exemption from contract standing orders).

AGREED that:

1. This panel recommends to the Police Authority Executive that it exercises its authority under Contract Standing Orders 4.1. (g) and 4.2 (a) and agree to the extension of the Internal Audit Services contract with Bentley-Jennison for a year. The revised date for termination will thus become 31st March 2009.

53

STATEMENT OF ACCOUNTS 2006/07 (SUBJECT TO AUDIT)

The Head of Financial Services informed Members that prior to presentation to the Police Authority Executive the Statement of Accounts is presented to the Performance and Audit Panel for scrutiny and recommendation to the Police Authority in accordance with the annual programme agreed by the Police Authority Executive in February 2007.

Appendix A to the report provided Members with a brief explanation of each of the components of the Statement of Accounts.

AGREED that:

1. the Statement of Accounts 2006/07 (subject to audit) to the Police Authority Executive for approval be agreed.
2. the establishment of provisions totaling £1,016k be submitted to the Police Authority Executive for approval.
3. the establishment of earmarked reserves totaling £8,013k be submitted to the Police Authority Executive for approval.

COUNCIL
13th September 2007



Report of: CONSTITUTION COMMITTEE

Subject: ALTERATION TO COUNCIL PROCEDURE RULES
RELATING TO MEMBERS' QUESTIONS

1. PURPOSE OF REPORT

The purpose of this report is to invite the Council to consider an alteration to the rules relating to Members' Questions

2. BACKGROUND

At their meeting on 24th August 2007, the Constitution Committee considered a report of the Chief Solicitor relating to an item within the work programme of the Constitution Committee arising from concerns expressed by the Chairman of the Committee. The Chairman was concerned that the Constitution provisions relating to member debate following the answering of a question and supplementary questions give rise to a level of debate which could lead to a question later on the agenda not being reached within the time allotted under rule 11.2. Similarly extensive debating of question issues could result in their being insufficient time to deal adequately with other agenda items before the time allotted for the Council meeting as a whole. The concerns related equally to 'Questions about recent decisions of the executive' (under rule 11.1) and 'Questions on notice at full Council' (under rule 11.2)

Members agreed that it was important that there should be a balance between the provision of debating time in relation to questions asked, and providing a reasonable prospect that all relevant questions are dealt with, without relying on extension of time resolutions. The Committee felt that it would be unacceptable or impracticable to set a predetermined limit on, e.g. the number of speeches in a debate on a question, or to remove altogether the debating of issues arising from questions. Nor did the Committee agree a suggestion that the commencement time of Council could be brought forward to 6.30 p.m. However, they did consider that there would be benefit in reducing the time of speeches in the debating sessions relating to questions to 5 minutes and also extending the time for questions under rule 11.2 from 1 hour to 1hr 30 mins.

3. PROPOSALS

- 3.1 That, in rule 11.2(vi)(b) of the Council procedure rules, which reads -

“Not more than 1 hour shall be devoted by Council to the answering of questions under this rule provided that the Chairman may in his discretion extend the time. Any questions remaining unanswered shall (unless the member who gave notice of the question has indicated that the question should be answered in writing) be dealt with at the next ordinary meeting of Council. The first unanswered question of each member being accorded priority no. 1 and subsequent questions accorded priority in the sequence allocated by the member”

the words “1 hour” should be substituted by the words “1 hour 30 mins”; and

- 3.2 That, in rule 14.3 of the Council procedure rules, which reads –

“Speeches must be directed to the question under discussion or to a personal explanation or point of order. No speech by the mover of a motion or an amendment may exceed 10 minutes, and no other speech may exceed 5 minutes without the consent of the Council.”

the words “5 minutes” should be substituted by the words “4 minutes”.

4. RECOMMENDATION

That the amendments proposed by the Constitution Committee be approved and the Constitution be amended accordingly

Members should note that, by the operation of Council Procedure Rule 24.2 any motion to accept the recommendation of the Constitution Committee must, when proposed and seconded, stand adjourned without discussion to the next ordinary meeting of the Council.

COUNCIL
13th September 2007



Report of: Chief Executive

Subject: BUSINESS REPORT

1. APPOINTMENTS PANEL

Council will be aware that there is an Assistant Director vacancy in the Children's Services Department. The post is Assistant Director - Safeguarding and Specialist Services.

The Vacancy Monitoring Panel considered the post at its meeting on 29th August 2007 and confirmed the request to fill the post.

Council is requested, therefore, to approve the establishment of an Appointments Panel. In line with the Officer Employment Procedure Rules, as set out in the Constitution, the Panel will consist of eight members, as follows:-

The Mayor
The Chairman of the Council
3 Labour Group nominations
1 Administrative Group nomination
1 Conservative Group nomination
1 Liberal Democrat Group nomination

In addition, as identified in the Officer Employment Procedure Rules, Council is also requested to reflect the gender balance of the Council when nominating to the Panel. It is suggested; therefore, that Council nominate three female Councillors to the Panel.

Council is requested to approve the establishment of the Appointments Panel and nominate members accordingly."

2. ANNUAL REPORT ON THE TREASURY MANAGEMENT ACTIVITY AND ACTUAL PRUDENTIAL INDICATORS FOR 2006/2007

Background

As part of the annual Budget and Policy Framework process Council approves the overall Treasury Management Strategy and associated Prudential Indicators. These details were approved by Council in February, 2006 and a number of amendments were approved by Council during 2006/2007 to address changing circumstances.

This report provides a review of the actual treasury activity for 2006/2007 and the actual Prudential Indicators for 2006/2007.

The submission of this report to Council is a legal requirement under the Local Government Act 2003 and meets the requirements of both the CIPFA Code of Practice on Treasury Management and the CIPFA Prudential Code for Capital Finance in Local Authorities.

This report summarises:

- the capital activity for the year;
- how this activity was financed;
- the impact on the Council's indebtedness for capital purposes;
- the Council's overall treasury position, including borrowing and investment activity;
- the reporting of the required prudential indicators;
- a summary of interest rate movements in the year;
- regulatory and risk considerations.

The Council's Capital Expenditure and Financing 2006/2007

The Council's approved capital programme is funded from a combination of capital receipts, capital grants, revenue contributions and approved Prudential Borrowing.

Part of the Council's treasury activities is to address this Prudential borrowing need, either through borrowing from external bodies, or utilising temporary cash resources within the Council. The wider treasury activities also include managing the Council's day to day cash flows, its previous borrowing activities and the investment of surplus funds. These activities are structured to manage risk foremost, and then optimise performance.

Actual capital expenditure forms one of the required prudential indicators. As shown at Appendix A, the total amount of capital expenditure for the year was £31m, of which £7.7m was financed from Prudential Borrowing.

The Council's underlying need to borrow is called the Capital Financing Requirement (CFR). This figure is the accumulated value of Prudential borrowing approved in previous years, net of annual principal repayments, plus the actual Prudential Borrowing for 2006/2007. The Council's CFR for the year was £77m as shown at Appendix A. This is temporarily lower than the approved limit owing to the rephasing of capital expenditure until 2007/2008.

Treasury Position at 31st March, 2007

In accordance with the approved Treasury Management strategy the Council has taken a proactive approach to managing cash investments and debt. As a result of changes in interest rates during 2006/2007, the Council has been able to benefit from £2m discounts following the repayment of various long term loans and reducing investments. This amount has been earmarked for commitments identified within the approved 2006/07 closure strategy. Additional ongoing savings have been achieved as a result of replacing some PWLB loans with lower interest rate market loans, known as LOBOs (Lenders Option, Buyer Option).

The table below shows the treasury position as at the 31st March, 2007, compared with the previous year as:

Treasury position	31 March 2006		31 March 2007	
	Principal	Average Rate	Principal	Average Rate
Fixed Interest Rate Debt - PWLB Market Loans	£78.9m £5m	4.53% 7.57%	£16.9m £35m	4.48% 4.09%
Total Long Term Debt	£83.9m	4.71%	£51.9m	4.21%
Variable Interest Rate Debt - Temporary loans	£0m	n/a	£19m	5.47%
Total Debt	£83.9m	4.71%	£70.9m	4.55%
Total Investments	£45m	4.78%	£35.2m	4.85%
Net borrowing position	£38.9m		£35.7m	

The key performance indicator shown above is the very low average rate of long term debt of 4.21% (4.71% at 31st March, 2006). Although there is no directly comparable data available, comparing this to the national average rate of PWLB borrowing of 5.97% gives an indication of how low this rate is.

The Council's investment policy is governed by ODPM (now DCLG) Guidance, which has been implemented in the annual investment strategy approved by Council on 16th February, 2006. The investment

activity during the year conformed to the approved strategy and the Council had no liquidity difficulties.

The level of investments reduced in the year as a result of repaying the long term borrowing to secure the discount of £2m.

Prudential Indicators and Compliance Issues

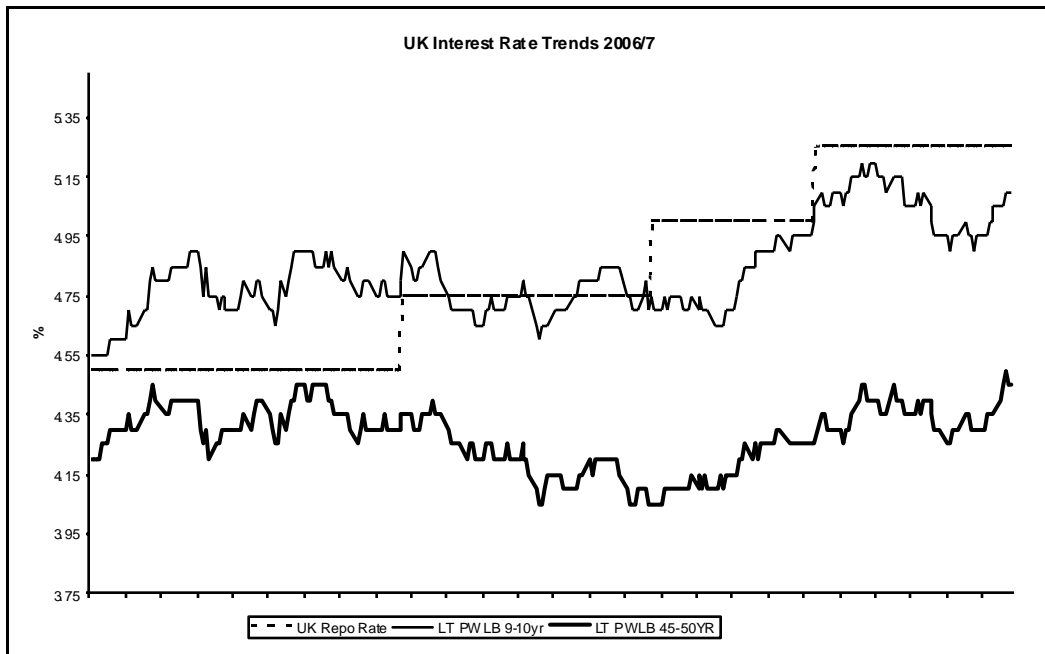
Details of each Prudential Indicator are shown at Appendix A. Some of the prudential indicators provide either an overview or specific limits on treasury activity. The key Prudential Indicators to report at outturn are described below.

Net Borrowing and the CFR - In order to ensure that borrowing levels are prudent, over the medium term the Council's external borrowing, net of investments, must only be for a capital purpose. Net borrowing should not therefore, except in the short term, have exceeded the CFR for 2006/2007 plus the expected changes to the CFR over 2007/2008 and 2008/2009. The Council has complied with this Prudential Indicator.

The Authorised Limit is the "Affordable Borrowing Limit" required by Section 3 of the Local Government Act 2003. The Council does not have the power to borrow above this level. Appendix A demonstrates that during 2006/2007 the Council has maintained gross borrowing within its Authorised Limit.

Economic Background for 2006/2007

All treasury activity is directed by both the current market interest rates and expectations of future movements, for instance longer term investment rates for one and two years will reflect anticipated movements in the MPC Bank Rate (UK Repo Rate). Longer term borrowing rates are influenced by inflation and demand and supply considerations. Details of movements in interest rates during 2006/2007 are shown below.



The 2006/2007 financial year featured a rising trend in short term interest rates as policy makers and financial markets responded to the twin effects of strengthening economic activity and rising inflation.

The first hike in the Bank of England Base Rate from 4.5% to 4.75% was announced in August 2006 as the Bank of England responded to the deteriorating inflation outlook. The economy's slow response to this increase, less than favourable international backdrop and concerns that about inflation prompted additional interest rate increases. Two quarter point increases in Bank Rate were announced in November, 2006 to 5% and January, 2007 to 5.25%. Further tightening measures were anticipated by the market, and attractive investment opportunities prevailed to year end.

Long-term interest (PWLB) rates charted an erratic course but the overall trend was towards higher levels. Deteriorating inflation expectations on the domestic and international fronts, in reaction to strong growth on a global basis, was the principal force driving yields higher.

Regulatory Framework, Risk and Performance

The Council's treasury management activities are regulated by a variety of professional codes and statutes and guidance:

- The Local Government Act 2003 (the Act), which provides the powers to borrow and invest as well as providing controls and limits on this activity;
- The Act permits the Secretary of State to set limits either on the Council or nationally on all local authorities restricting the amount of

borrowing which may be undertaken (although no restrictions were made in 2006/2007);

- Statutory Instrument (SI) 3146 2003, as amended, develops the controls and powers within the Act;
- The SI requires the Council to undertake any borrowing activity with regard to the CIPFA Prudential Code for Capital Finance in Local Authorities;
- The SI also requires the Council to operate the overall treasury function with regard to the CIPFA Code of Practice for Treasury Management in the Public Services;
- Under the Act the ODPM (now DCLG) has issued Investment Guidance to structure and regulate the Council's investment activities.

The Council has complied with all of the above relevant statutory and regulatory requirements which limit the levels of risk associated with its treasury management activities. In particular its adoption and implementation of both the Prudential Code and the Code of Practice for Treasury Management means both that its capital expenditure is prudent, affordable and sustainable, and its treasury practices demonstrate a low risk approach.

The Council is aware of the risks of passive management of the Treasury Portfolio and, with the support of Butlers, the Council's advisers, has proactively managed its treasury position

Conclusion

The report provides Council with an overview of the Treasury Management activities for 2006/2007, as required by legislation. The report demonstrates that these activities have been undertaken in accordance with relevant legislation, regulations and the Council's approved Treasury Management Strategy. Therefore, there are no specific issues to bring to Members attention.

Proposal

Council is requested to note the report.

Appendix A**Prudential Indicators 2006/2007 to 2009/2010**Ratio of Financing Costs to Net Revenue Stream

This indicator shows the proportion of the total annual revenue budget that is funded by the local tax payer and Central Government, which is spent on servicing debt. The outturn is lower than the estimate as a result of the £2m discount received following the repayment of long term debt.

2006/07 Revised Estimate £'000		2006/07 Outturn £'000
3.60%		1.70%

Capital Expenditure

This indicator shows the total of capital expenditure for the year.

2006/07 Revised Estimate £'000		2006/07 Outturn £'000
44,867	Capital Expenditure	31,081

The actual is lower than the estimate as a result of rephased capital expenditure.

Capital Expenditure Financed from Borrowing

This shows the borrowing required to finance the capital expenditure programme.

2006/07 Estimate £'000		2006/07 Outturn £'000
8,403	Capital Expenditure Financed from Borrowing	7,703

Appendix A

The actual is lower than the estimate as a result of rephased capital expenditure.

Capital Financing Requirement

CFR is used to determine the minimum annual revenue charge for capital expenditure repayments (net of interest). It is calculated from the Authority's Balance Sheet and is shown below. Forecasts for future years are directly influenced by the capital expenditure decisions taken and the actual amount of revenue that is set aside to repay debt.

2006/07 Estimate £'000		2006/07 Outturn £'000
85,420	Capital Financing Requirement	77,026

The actual is lower than the estimate as a result of rephased capital expenditure.

Authorised Limit for External Debt

The authorised limit determines the maximum amount the Authority may borrow at any one time and the levels for each forthcoming year are detailed below. The authorised limit covers both long term borrowing for capital purposes and borrowing for short term cash flow requirements. The authorised limit is set above the operational boundary to provide sufficient headroom for operational management and unusual cash movements. In line with the Prudential Code, the level has been set to the flexibility to borrowing to finance capital expenditure occurring for up to three years in advance if more favourable interest rates can be obtained.

2006/07 Limit £'000	
105,000	Authorised limit for external debt

The above Authorised Limit was not exceeded during the year. The level of debt as per the Balance Sheet at the year end was £71,081,000.

Appendix AOperational Boundary for External Debt

The operational boundary is the most likely prudent, but not worst case scenario, level of borrowing without the additional headroom included within the authorised limit. The level is set so that any sustained breaches serve as an early warning that the Authority is in danger of overspending or failing to achieve income targets and gives sufficient time to take appropriate corrective action.

2006/07 Limit £'000	
95,000	Operational limit for external debt

The operational limit was only exceeded on one day when the level of gross debt reached a peak at £95,542. This is allowed by the Prudential Code for the reasons given above.

Actual External Debt

This level of debt is taken from the Council's Balance Sheet and for the financial year 2006/2007 it was £70,088,000 (2005/2006 £83,902,000). The decrease reflects the repayment of long term borrowing.

Interest Rate Exposures

This indicator is designed to reflect the risk associated with both fixed and variable rates of interest, but must be flexible enough to allow the Authority to make best use of any borrowing opportunities.

The upper limits for exposure to both fixed and variable interest rates are expressed in percentage terms and are set for the forthcoming three years at

2006/07 Revised Estimate £'000	Upper limits on fixed and variable interest rate exposure	2006/07 Outturn £'000
100%	Fixed Rates	73%
35%	Variable Rates	27%

Appendix A

The 2006/2007 indicators has been revised from the original limit of 20% to allow for temporary Treasury Management activities involving a reduction in gross debt and the level of investments.

Maturity Structure of Borrowing

This indicator is designed to reflect and minimise the situation whereby the Authority has a large repayment of debt needing to be replaced at a time of uncertainty over interest rates, but as with the indicator above, it must also be flexible enough to allow the Authority to take advantage of any borrowing opportunities.

The limits on the amount of projected fixed rate borrowing maturing in each of the following periods is expressed as a percentage of the total projected fixed rate borrowing.

	Upper Limit	Lower Limit	Actual
under 12 months	35%	0%	27%
12 months and within 24 months	35%	0%	0%
24 months and within 5 years	35%	0%	2%
5 years and within 10 years	35%	0%	0%
10 years and above	100%	65%	73%

Net Borrowing

This shows the net of long and short term borrowing and investments.

2006/07 Revised Estimate £'000		2006/07 Outturn £'000
51,400	Net Borrowing	36,168

Net borrowing is less than expected as a result of rephased capital expenditure and net cash outflow being less than anticipated.

COUNCIL
13 September 2007



Report of: Chief Executive

Subject: BUSINESS REPORT (2)

3. HMS Trincomalee Trust

As Members are aware as part of the Council's annual appointment process to outside bodies, Mr Douglas Ferriday was appointed to the above Trust as a Council representative. A letter has recently been received from the Trust to inform the Council that due to his recent ill health, Mr Ferriday has resigned with effect from 3 August 2007. The Trust is keen to retain the current level of nominees from the Council and as such a replacement appointment is requested.

Council's instructions are sought.

4. Cleveland College of Art and Design

The Council currently appoint a representative to the Cleveland College of Art and Design for a 3-year term which was due to be reconsidered in September this year. Cleveland College of Art and Design have requested that the Council's current nomination, Mrs Gwynneth Hanson be extended for a further 3 –years given her education and public service background in Hartlepool.

Council's instructions are sought.

5. Appointment to Committees and Forums

I have been informed that the Labour Group wish to make the following change to their appointments to the Neighbourhood Services Scrutiny Forum:

Councillor Griffin to replace Councillor Wistow.

Recommendation:

That the Change of Membership of the Neighbourhood Services Scrutiny Forum be noted.