

# **CABINET**

## **MINUTES AND DECISION RECORD**

11 February 2008

The meeting commenced at 9.00am in the Avondale Centre, Dyke House School, Hartlepool

### **Present:**

The Mayor (Stuart Drummond) - In the Chair

Councillors: Gerard Hall (Adult and Public Health Services Portfolio Holder)

Cath Hill (Children's Services Portfolio Holder)

Peter Jackson (Neighbourhoods & Communities Portfolio Holder)

Robbie Payne (Finance and Efficiency Portfolio Holder)

Victor Tumilty (Culture, Leisure and Tourism Portfolio Holder)

Officers: Paul Walker (Chief Executive)  
Andrew Atkin (Assistant Chief Executive)  
Mike Ward (Chief Financial Officer)  
Tony Brown (Chief Solicitor)  
Nicola Bailey (Director of Adult and Community Services)  
Peter Scott (Director of Regeneration and Planning Services)  
Dave Stubbs (Director of Neighbourhood Services)  
John Collings (Assistant Director, Children's Services)  
Stuart Green (Assistant Director, Economic Development and Planning)  
Catherine Frank (Principal Community Strategy Officer)  
Alastair Rae (Assistant Public Relations Officer)  
Angela Hunter (Principal Democratic Services Officer)

### **210. Apologies for Absence**

Apologies for absence were received from Councillor Pamela Hargreaves, Performance Portfolio Holder.

### **211. Declarations of interest by Members**

Councillor Gerard Hall declared a prejudicial interest in minute 218 and confirmed he would leave the meeting when that item was considered.

**212. Confirmation of the minutes of the meeting held on 4 February 2008**

The open minutes of the above meeting were deferred to the next meeting. The confidential minutes would be considered in confidential session.

**213. Medium Term Financial Strategy 2008/09 to 2010/2011 – Area Based Grant** (*Chief Financial Officer*)

**Type of Decision**

Budget and Policy Framework

**Purpose of report**

To enable Members to finalise proposals for passporting the Area Based Grant (ABG), further Cabinet's decision on 21 December 2007.

**Issue(s) for consideration by Cabinet**

The report presented the ABG in two parts; Other ABG Allocation, details of which were included within Appendix A and Working Neighbourhoods Fund (WNF). Members were informed that work had been undertaken to determine the impact of the WNF on existing programmes and whether there were any uncommitted resources. This was now complete and detailed proposals for allocating this amount were detailed in Appendix B.

Members were informed that there had been an error in the calculations by the CLG and they have also advised that there had been an increase in the WNF allocation for Hartlepool. Clarification was sought on the difference between the WNF and the Neighbourhoods Renewal Fund (NRF) and the allocation of funding. It was noted that the main difference was that WNF is part of ABG, none of which is ring-fenced for a specific purpose and Members were reminded that Cabinet had agreed to continue with current allocations for the next 12 months where appropriate whilst a detailed evaluation was undertaken of all projects and the allocation of funds.

**Decision**

The proposals for using the ABG as detailed in Appendices A and B and the referral of these items to Council on 14 February 2008 was approved.

**214. The Way Forward – Business Transformation Programme** (*Chief Executive*)

**Type of decision**

Key Decision Test (i) applies

## **Purpose of report**

To identify the work undertaken to date to enable the authority to develop and improve services within the context of the requirement to deliver efficiencies. The report further provided a discussion and explanation of the need to embark on a more radical business transformation programme and provided, in outline, the approach for undertaking this, the resources and management arrangements for delivering this and the timescales involved.

## **Issue(s) for consideration by Cabinet**

The Chief Executive presented a report which detailed the background to the Business Transformation Programme and the preparatory work currently being undertaken by the Council for future years through the Way Forward Programme. It was highlighted that the recent Comprehensive Spending Review (CSR07) had provided a budget settlement for the next three years and had established the targets for efficiency gains.

It was noted that in order to make the Council's processes as efficient and effective as possible, detailed examination of the processes, practices and procedures should be undertaken. An analysis would be undertaken of current processes in order to form baseline information which would help determine a model for future service delivery and key projects to support the move to more efficient and effective ways of working. Details of national projects undertaken which highlighted the impact and benefits of programmes of business transformation were included within the report.

The report identified two alternative approaches to undertaking this programme; evolution and revolution. Evolution was essentially a continuation of the current approach to change which will take far longer to progress. However, revolution would achieve efficiencies whilst not fundamentally losing those factors of service delivery and development that have ensured the authority can perform at a high level and continue to improve. An outline approach to how this programme development would be achieved was included within the report.

The proposed governance arrangements were detailed in the report and included a Board, underpinning Cabinet which would maintain decision making responsibilities. The Board itself would be underpinned at an operational level by a project team. The timescale for implementation of the programme was highlighted in the report and included submission to a future meeting of Council with completion by early 2009.

The two key elements to the resourcing of the programme included internal resources from the secondment of current staff and the necessary backfilling of their posts along with external support and advice from organisations with a success track record of delivering such support. It was anticipated that the two key elements identified above would require an overall budget of approximately £500,000.

In response to Members concerns, the Chief Executive confirmed that the Trades Unions would be involved throughout the implementation of this programme and invited to be part of the Board.

Members were concerned about the timescale for the implementation of this programme. The Chief Executive indicated that the outcome of the CSR07 was not announced until late November/early December and it was hoped to have the programme implemented prior to the budget process for 2009/10 commencing as this would identify where savings can be made hopefully without affecting front line services. Clarification was sought on the governance arrangements for the budget required for the implementation of this programme. The Chief Executive clarified that Cabinet would be responsible for the governance of the allocated budget, but advised by the Way Forward Board.

Members were informed that participation/engagement for staff and Members was currently being explored through a communication programme and if Members felt it beneficial, seminars would be arranged also.

Clarification was sought on whether duplication of jobs across the authority would be examined with grant funded posts being used as an example. The Chief Executive indicated that preparing the baseline position will allow examination of current ways of working which would highlight any duplication and also 'non-productive' work such as the completion of timesheets. and that grant funded posts would be examined as part of the review of Area Based Grants highlighted earlier in the meeting. It had been highlighted in the report that Government lists of tenderers would be used for the external support and advice and the reason for this was questioned by Members. The Chief Executive responded that the organisations on this list have proven expertise in this area and that as their competencies and expertise has already been assessed by the Government, this will reduce the time taken on the tendering process.

In response to a question about the costs associated with the Way Forward Programme previously implemented, the Chief Executive indicated that the previous Programme had put the building blocks in place to enable greater efficiencies to be made. Business cases have been put together for Electronic Document Record Management System (EDRMS), Contact Centre and e-procurement systems which identify potential savings. Under current ways of working, these will take several years to achieve.

Members sought clarification on what was hoped would be achieved through the Business Transformation Programme. The Chief Executive indicated that the Programme would introduce a choice to Members of where savings could be made and how they could be utilised either through a reduction in council tax or enhanced front-line services. Members were asked to note that it was difficult to accurately predict whether the anticipated budget of £500K would be sufficient as there were no local

authorities to benchmark against due to the confidential nature of business transformation. The Chief Financial Officer outlined the alternative methods of funding the Programme including the possibility of loaning funds from reserves and repaying this as efficiencies were realised. It was suggested that the principle of using funds from the reserves be established with the decision to repay from savings made or invest in services being taken depending on the Council's financial position at that time.

Members questioned the composition of the Project Team and the Chief Executive responded that the Team would be made up of full-time and part-time officers, some for specific periods of time. Secondment opportunities would be utilised for this area with back-filling of posts where appropriate. In response to a Member question, the Chief Executive indicated that it was inevitable that some savings achieved would be through the reduction in staff as this was such a high percentage of the Council's budget. However, this would be undertaken through a managed process with the ability to plan over the next three years rather than year on year and would involve redeployment or reskilling.

### **Decision**

- i) The programme of business transformation as outlined in this report and the indicative timescales were agreed.
- ii) The establishment of the governance arrangements identified in section 8.2 of the report were agreed subject to Trades Unions being included within these arrangements.
- iii) The establishment of a budget of a maximum of £500,000 for the delivery of the programme was agreed.
- iv) That Council be recommended to approve a budget of £500,000 for the delivery of the programme.
- v) That the Chief Executive in conjunction with The Mayor be authorised to appoint external advisors on the basis of the Invitation to Tender attached as appendix 1 – Draft Invitation to tender, subject to Council approving the budget provision.
- vi) That a Communication Programme be implemented involving Members, Trades Unions and employees, including Members seminars.
- vii) That a Trade Union representative sit on the Way Forward Board.
- viii) That the whole of the Council's reserves be examined with a view to creating the above budget with the option of Cabinet being able to repay funds to reserves or invest in services once efficiencies were realised.

## **215. Land at Surtees Street, Hartlepool** *(Director of Neighbourhood Services and Director of Regeneration and Planning Services)*

### **Type of Decision**

Non-key.

### **Purpose of report**

To seek Cabinet approval to a request from Three Rivers Housing Association to purchase a site on Surtees Street of 0.48 acres to enable the development of a Adult Supported Housing Scheme.

### **Issue(s) for consideration by Cabinet**

The report summarised the background to the proposal including the previous interest expressed by the same Housing Association for another area of Council owned land and the strategic housing background to the proposal. The financial implications of the proposed transaction were attached within the confidential appendix attached to the report.

The Mayor commented that this issue related to a number of portfolio holders, that there was undoubtedly a need for this type of supported housing scheme within the town and that this proposal had been received positively by local residents. Members were asked to note that should this scheme not be supported by the Council to enable the Housing Association to make a commitment before the end of March 2008, the Housing Corporation would withdraw the funding.

The Director of Regeneration and Planning Services indicated that a summary of the consultation undertaken was included at Appendix 3. The issue of supported housing schemes had been identified as part of the Budget and Policy Framework in the Housing Strategy and the Homeless Strategy. It was also included in the Supporting People Strategy and £300,000 of revenue funding had been allocated to support this type of development. In addition, the funding allocated by the Housing Corporation was approximately £137,000 per dwelling unit. This was substantially above the grant rates now offered. The development represented a total investment of £1.75m.

A Member sought clarification on whether as a Member of the Planning Committee he could take part in this discussion. The Chief Solicitor highlighted that so long as any view expressed did not indicate a fixed view in planning terms, that Member may participate in these discussions.

The Portfolio Holder for Finance and Efficiency commented that the decision to sell Council land was within his responsibilities as Portfolio Holder and he was disappointed that this report was submitted to Cabinet for decision. The Director of Regeneration and Planning Services indicated that particularly sensitive issues that related to more than one portfolio holder had been reported to Cabinet previously to enable all Members of Cabinet to take part in those decisions. The Mayor noted the concerns of the Portfolio Holder and requested that all Officers ensure that reports were submitted to the appropriate Portfolio Holder or Cabinet as required.

A Member highlighted that a similar development had been established in

their ward area and this had proven successful and had not had any adverse effect on the area.

**Decision**

- (i) The disposal of the area of land (0.48 acres) at Surtees Street at the value offered for the provision of an Adult Supported Housing Scheme, given the information provided within the financial implications section be approved.
- (ii) That the Council's Head of Procurement and Property Services be authorised to negotiate terms using the information within the financial implications section of the report as a guide and the Chief Solicitor to complete the transfer of the land to Three Rivers Housing Association.

**216. Local Government (Access to Information) (Variation) Order 2006**

Under Section 100(A)(4) of the Local Government Act 1972, the press and public be excluded from the meeting for the following items of business on the grounds that it involves the likely disclosure of exempt information as defined in the paragraphs below of Part 1 of Schedule 12A of the Local Government Act 1972 as amended by the Local Government (Access to Information) (Variation) Order 2006.

Min 217 – Coronation Drive – Contaminated Land Update - Para 3 – information relating to the financial or business affairs of any particular person (including the authority holding that information).

Min 218 – HMS Trincomalee Trust – Revenue Funding - Para 3 – information relating to the financial or business affairs of any particular person (including the authority holding that information).

**217. Verbal Update on Coronation Drive – Contaminated Land** (*Director of Neighbourhood Services*)

**Type of decision**

Non-key.

**Purpose of report**

To inform Members of residents' views following the decision made at the last meeting of Cabinet.

**Issue(s) for consideration by Cabinet**

The issues considered were set out in the exempt section of the minutes.

**Decision**

The decision was set out in the exempt section of the minutes

**218. Minutes of the meeting held on 4 February 2008**

The exempt section of the minutes of the 4 February 2008 were confirmed.

**Councillor Gerard Hall left the meeting at this point.**

**219. Verbal Update on HMS Trincomalee Trust – Revenue Funding** *(Director of Regeneration and Planning Services, Chief Solicitor and Chief Financial Officer)*

**Type of Decision**

Budget and Policy Framework

**Purpose of report**

To bring to Members attention the current position in relation to revenue funding for the HMS Trincomalee Trust.

**Issue(s) for consideration by Cabinet**

The issues considered were set out in the exempt section of the minutes.

It was noted that the meeting was inquorate. The Mayor indicated that (as permitted under the Local Government Act 2000 and the Constitution) he would exercise his powers of decision and that he would do so in accordance with the wishes of the Members present indicated in the usual way. Each of the decisions set out in the decision record were confirmed by The Mayor accordingly.

**Decision**

The decision was set out in the exempt section of the minutes

**J A BROWN**

**CHIEF SOLICITOR**

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