

CABINET

MINUTES AND DECISION RECORD

4 AUGUST 2008

The meeting commenced at 9.00 a.m. in the Civic Centre, 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),
Robbie Payne (Finance & Efficiency Portfolio Holder),
Peter Jackson (Neighbourhoods & Communities Portfolio Holder),
Victor Tumilty (Culture, Leisure and Tourism Portfolio Holder),

Officers: Andrew Atkin, Assistant Chief Executive,
Mike Ward, Chief Financial Officer,
Peter Devlin, Chief Solicitor
Dave Stubbs, Director of Neighbourhood Services
Denise Ogden, Head of Neighbourhood Management
Alison Mawson, Head of Community Safety and Prevention
Paul Briggs, Assistant Director (Resources and Support Services)
Steve Hilton, Assistant Public Relations Officer
David Cosgrove, Principal Democratic Services Officer

67. Apologies for Absence

Pam Hargreaves (Deputy Mayor).

68. Declarations of interest by members

None.

69. Confirmation of the minutes of the Cabinet meeting held on 21 July 2008

Confirmed.

70. Confirmation of the minutes of the meeting of Grants Committee held on 21 July 2008

Confirmed.

71. Youth Justice (Capacity and Capability) Plan 2008/09 (Head of Community Safety and Prevention)

Type of decision

Budget and Policy Framework.

Purpose of report

To seek Cabinet's support for approval by Council, of the Youth Justice (capacity and capability) Plan 2008/09.

Issue(s) for consideration by Cabinet

The Mayor reported that each year the Youth Justice Board (YJB) requests the Youth Offending Service to set out in an annual plan how they are going to respond to the Youth Justice Performance Management Framework, address areas of under performance and deliver continuous improvement. The Government have agreed a new national Youth Justice Performance Framework for 2008/09 and beyond, which is aligned to the new National Indicator set for Local Authorities and Partnerships.

The Plan, submitted as an appendix to the report, contained 5 sections: -

Section A – The national and local context of youth justice

Section B – Use of resources and value for money

Section C – Capacity and Capability

Section D – Business change and innovation

Section E – Workforce Development

The Mayor highlighted that the key areas for improvement in service delivery and performance during 2008/09 were reducing first time entrants to the youth justice system and reducing re-offending by young people. These were to be measured by the new National Indicators NI111 and NI19.

The Plan had been considered by the Regeneration and Planning Services Scrutiny Forum at its meeting on 25 July 2008 and the Head of Community Safety and Prevention updated the meeting on the forum's discussions, which included; Support to Victims, Substance Misuse, Parenting – particularly in relation to alcohol misuse by young people, and the benefit of greater expenditure on diversion activities for young people. The Mayor welcomed the comments from the forum and suggested that the increased expenditure on diversion activities could be considered as part of the budget proposals for 2009/10 in the autumn.

Cabinet discussed the effectiveness of diversion activities for young people in some detail. There was concern that there was no input with children under thirteen due to the remit of the youth service and frequently little consultation with children and young people as to the facilities and activities they actually wanted. Concern was raised as to the potential for duplication on expenditure, the Head of Community Safety and Prevention commented

that some of the budget outlined in the report, £1.4m, was spent with third parties – the Council didn't provide all services directly, and where services are provided by others, for example education and training provision, the Youth Offending Service would link the young offenders into that service at no cost to the Youth Offending Service. The Head of Community Safety and Prevention stated that she was not aware of any duplication. There was also concern expressed at the number of bodies and various management boards involved in this area. This led to the potential of the same small number of individuals being involved in numerous boards. The Mayor commented that he had visited Doncaster, who were a high performing Council in this area of work, and they did little that was different to Hartlepool but the organisational element was much more streamlined and this was an area that could be examined in the future. There was also limited input from Children's Services in Hartlepool. This was possibly due to the location of the Community Safety service within the Regeneration and Planning Services Department. The Mayor considered that the inter-departmental links should be improved.

Decision

1. That the Youth Justice (Capacity and Capability) Plan 2008/09 be referred to Council for approval.
2. That consideration of increased expenditure on diversion activities for young people, as suggested by the Regeneration and Planning Services Scrutiny Forum, be included as part of the budget considerations for 2009/10.

72. Tees Valley Joint Waste Management Headline Strategy and Hartlepool's Draft Implementation Plan *(Director of Neighbourhood Services)*

Type of decision

Key Decision

Purpose of report

To seek Cabinet approval and adoption of the Tees Valley Joint Waste Management Headline Strategy and Hartlepool's Waste Management Implementation Plan.

Issue(s) for consideration by Cabinet

The Neighbourhoods and Communities Portfolio Holder reported that the waste strategy set out how the Tees Valley Authorities would work together over the coming years to meet the requirements of the 2007 National Waste Strategy for England and Wales and to set out a more sustainable future for the residents of the Tees Valley.

Decision

That the Joint Waste Management Strategy and Implementation Plan be approved and adopted.

73. Council Mortgages *(Chief Financial Officer)*

Type of decision

Key Decision

Purpose of report

The report sought to evaluate the merits of a strategic move by the Council to provide mortgages in an attempt to minimise the effects of the 'credit crunch' in the Borough whilst at the same time supporting the Council's Housing Market Renewal Strategy.

Issue(s) for consideration by Cabinet

The Chief Financial Officer reported on a proposal for the Council to re-establish itself as a provider of mortgages to local residents. The report set out in detail the Council's past involvement in the mortgage market, the current financial markets situation and how the proposal would operate, together with a detailed consideration of the risks to the Council.

Several Cabinet Members welcomed the proposal as a way of helping first time buyers in Hartlepool get on the property ladder. There was concern expressed, however, at the use of prudential borrowing to fund the scheme and the effects that could have on other schemes that could use this funding avenue for the council. The Chief Financial Officer stated that using prudential borrowing for this mortgages scheme would not prevent other schemes from using this kind of borrowing. The mortgages scheme would fully fund the payback of the borrowing, thereby not affecting the Council's ability to use revenue funding for other prudential borrowing.

Cabinet Members also expressed some concern at the potential for the council to receive negative publicity should any mortgagee default on their payments and the Council had to take recovery action.

It was suggested that as the government was considering the housing market and local authorities re-entering the mortgage market, it should fund the capital required for the authority to operate the scheme. The Mayor considered that if Cabinet was not to support the proposal for the Council to fund such a scheme at this time, the seeking of finance from central government should be pursued.

Decision

That the Finance and Efficiency Portfolio Holder pursue the potential for central government to fund a local authority mortgage scheme with the appropriate Minister and report back to Cabinet.

74. Integrated Human Resources / Payroll System Development *(Chief Financial Officer and Chief Personnel Officer)*

Type of decision

Key Decision

Purpose of report

The report informed Cabinet of the business case for implementing a new integrated Human Resources (HR) / Payroll system and the potential funding streams to cover the cost of this business solution. The report also sought Cabinet approval to acquiring a new integrated system via a tendering procurement route.

Issue(s) for consideration by Cabinet

The Finance and Efficiency Portfolio Holder reported that significant improvements in service delivery and efficiencies are achievable from introducing a single database for all employee related administration, i.e. an integrated Payroll and HR system. Accurate and timely access to comprehensive employee data gives the authority the ability to monitor workforce trends and plan for effective use of employee resources. Staffing resources required for an integrated HR / Payroll system would be less than currently required. At this stage it is estimated that savings would be in the region of £100,000-£150,000 per annum. To inform the way forward, a “soft marketing” exercise has been undertaken to establish what the broad indicative costs of the alternative operating arrangements may be. Appendix A to the report provided the details of this exercise and the appendix contained exempt information under Schedule 12A of the Local Government Act 1972, (as amended by the Local Government (Access to Information) (Variation) Order 2006) namely information relating to the financial or business affairs of any particular person (including the authority holding that information).

In February 2006, Council approved the establishment of an ICT Investment Fund of £0.5m, subject to a number of constraints ie. that the Fund can only be used for projects approved by Cabinet and where the business case demonstrates any investment will produce savings which will enable the cost of the investment to be repaid within a seven year period and achieve a saving towards the overall efficiency target. Provisional efficiency saving quantification indicated that an integrated HR / Payroll system satisfied the qualifying criteria for funding via the ICT Investment Fund subject to Cabinet approval. The anticipated efficiencies that the project would deliver, would in the first instance, contribute towards the Council's 3% efficiency target and with the excess repaying the ICT Investment Funding.

The need for replacement of the payroll system was identified as an operational issue some time ago and resources had been identified from Finance Division managed revenue under-spends to assist with the cost of implementing a new system. Earmarked reserves were likely to be

available to contribute to the development cost.

The report set out three potential options for Cabinet's consideration together with detailed consideration of the risks to the Council of those options.

Decision

1. That the procurement of a new integrated HR / Payroll system via an OJEU tendering route be approved, with funding to be a mixture of earmarked Finance Division reserves and ICT investment fund.
2. The Chief Financial Officer and Chief Personnel Officer be authorised to undertake the tender exercise and for the Finance and Efficiency and Performance Portfolio Holders to be authorised to consider and make the necessary decisions following a tendering exercise.

75. Concessionary Travel for Carers (*Director of Neighbourhood Services*)

Type of decision

Non-key.

Purpose of report

To provide Cabinet with an update on the provision of free concessionary travel for carers of the disabled.

Issue(s) for consideration by Cabinet

The Neighbourhoods and Communities Portfolio Holder reported that the reimbursement arrangements with local bus operators for the 2008/09 concessionary travel scheme were agreed at Cabinet in March 2008, to provide an enhanced scheme that allowed free travel at all times within the Tees Valley area. It was also agreed that a future report be submitted outlining the proposed criteria and costs for enabling carers to travel free of charge with disabled pass holders.

Since then discussions have taken place with the other Tees Valley Authorities, NEXUS in Tyne and Wear and Durham County Council to ascertain the best way forward in this respect. Both NEXUS and Durham County Council have in place schemes which allow free travel for the carers of the disabled. From discussions with both it was clear that defined criteria must be established as to whether a disabled person required a carer in order to be able to access public transport, and in particular buses.

Not every holder of a concessionary pass that has been issued on the grounds of disability necessarily requires assistance to access a bus, and it is thus important to determine eligibility criteria so that each case can be assessed in a fair manner. In order to be able to do this it will be necessary for discussions to take place with Adult and Community Services on a case by case basis.

There was, however, a major concern in that none of the other Tees Valley Authorities have a scheme in place at the moment. This would mean that reciprocal arrangements cannot be made for carers to travel in these areas. This would mean, for instance, a carer travelling to Middlesbrough would travel free when alighting in Hartlepool but would have to pay to return.

It was, therefore, proposed that given the financial uncertainties at this time and the need to establish eligibility criteria, discussions continue on a Tees Valley basis towards the establishment of a Tees Valley wide scheme for the provision of free concessionary travel for carers as part of the negotiations with the bus operators for the 2009-2010 period.

Cabinet Members sought assurances that any scheme would include carers of those with mental disabilities, not just the physically disabled. The Portfolio Holder indicated that this would be included in the discussion on an agreed eligibility criteria.

The Mayor commented that the reference in the report to the increase in travel of those with concessionary passes beyond what had been anticipated from the introduction of the government's proposals was a key point; these figures would need to be monitored. The Mayor considered the proposal to be a very good one that should be pursued in conjunction with the other Tees Valley Authorities.

Decision

That discussion continue, with the other Tees Valley Authorities concerning the introduction of a free concessionary pass scheme for carers as part of the negotiations with the bus operators for the 2009-10 fixed price settlement subject to budgets.

76. Proposed Withdrawal of Elements of Stagecoach Services 1, 6, 7 and 7a (*Director of Neighbourhood Services*)

Type of decision

Non-key.

Purpose of report

To advise Cabinet of the intentions of Stagecoach to withdraw elements of the current Services 1, 6, 7 and 7a due to lack of patronage.

Issue(s) for consideration by Cabinet

The Neighbourhoods and Communities Portfolio Holder reported that notification had been received from Stagecoach that they intended to stop running their commercial services 6, 7 and 7A from 23rd August 2008 on Sundays to Thursdays after 18:30hrs and, in the case of Service 1 on every evening after 18:30hrs and all day on Sundays. Stagecoach had provided the appropriate 56 days notice to the Traffic Commissioner on 27th June 2008.

Stagecoach has expressed their concern at the ongoing decline in the adult fare-paying market which they say has struck at the heart of the viability of their present network. Presently there is a year on year decline in bus patronage in Hartlepool of approximately 4%, which has an adverse affect on all of the bus operators in the town.

Cabinet Members indicated that there had been a debate on this issue following a question submitted to Council on 31 July 2008.

All Cabinet Members expressed their grave concerns at what they saw as manipulative practices by Stagecoach in withdrawing services as being unprofitable and looking to the local authority to pick up the base cost of the service through a contract. Cabinet noted that Stagecoach were reporting a downturn in adult fare paying passenger numbers of 4% and requested that the Director of Neighbourhood Services should seek to 'claw-back' an equivalent amount of the sum paid at the beginning of the financial year to fund supported services. Cabinet was also particularly concerned that for large areas of the town there would be no services after 6.30pm. Cabinet Members highlighted that the issue of the cut in Service 1 should be highlighted to Middlesbrough and Stockton Councils as well.

The report detailed the costs of quotations that had been received from Stagecoach to retain the services on a supported basis: -

Service 1	£42,971
Service 6	£20,148
Service 7/7A	£16,502

The Mayor indicated his strong objection to the Council having to pick up the costs of supporting these services and initially proposed that they should be supported only until the end of the calendar year. Cabinet discussed at some length the potential for alternative transport for the public provided by the Council. The Mayor suggested that the alternatives needed to be examined in detail not only to assess their viability but also legality. The Director of Neighbourhood Services indicated that the Integrated Transport Unit, currently being established in the Neighbourhood Services Department, would be looking at the potential extended use of the Council's own vehicle fleet. The Director suggested that as the main supported bus services contract ran until 31 March 2009, it would be prudent to support these services until that time, should Cabinet wish to do so.

The Mayor stated that he felt that Stagecoach were again dictating to the Council what services they had to support and considered that this had to end. If the services were to be supported to the end of the current contract, then the council needed to be in a position at that time to cease all financial support to Stagecoach. The Mayor proposed that he and the Portfolio Holders for Finance and Efficiency and Neighbourhoods and Communities work with the Director of Neighbourhood Services and the Integrated Transport Unit to explore what could be done to end the current untenable

situation.

Cabinet indicated that it would wish to pursue a claw-back of the concessionary fares payment made to Stagecoach for the reduction in the services and their own statement of a reduction in passenger figures. Cabinet requested a further report to the next meeting setting out how the costs of the additional supported services for services 1, 6 and 7/7a, as set out in the report, could be met until the end of the financial year.

Decision

1. That, subject to 2 below, the following bus services be supported by the Council at the costs detailed from 23 August 2008 until 31 March 2009: -

Service 1	£42,971
Service 6	£20,148
Service 7/7A	£16,502
2. That a report be submitted to the next Cabinet meeting setting out the funding arrangements for the above services.
3. That the Mayor, Finance and Efficiency and Neighbourhoods and Communities Portfolio Holders and the Director of Neighbourhood Services commence detailed consideration of the potential for the Council to provide transport services to the public and fully withdraw from any future supported bus services with Stagecoach.

The meeting concluded at 10.40 a.m.

P DEVLIN

CHIEF SOLICITOR

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