

CABINET

MINUTES AND DECISION RECORD

15 September 2008

The meeting commenced at 9.00 am in the Civic Centre, Hartlepool

Present:

The Mayor (Stuart Drummond) - In the Chair

Councillors: Pam Hargreaves (Deputy Mayor)
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: Paul Walker (Chief Executive)
Nicola Bailey (Director of Adult and Community Services)
Adrienne Simcock (Director of Children's Services)
Dave Stubbs (Director of Neighbourhood Services)
Mike Ward (Chief Financial Officer)
Stuart Green (Assistant Director, Planning and Economic Development)
Graham Frankland (Head of Procurement, Property and Public Protection)
John Mennear (Assistant Director, Adult and Community Services)
Julian Heward (Public Relations Officer)
Denise Wimpenny (Principal Democratic Services Officer)

99. Apologies for Absence

None.

100. Declarations of interest by Members

None.

101. Confirmation of the minutes of the meeting held on 1 September 2008

Confirmed.

102. Quarter 1 – Corporate Plan and Revenue Financial Management Report 2008/2009 *(Corporate Management Team)*

Type of decision

Budget and Policy Framework

Purpose of report

To inform Cabinet of progress made towards achieving the Corporate Plan actions in order to provide timely information and allow any necessary decisions to be taken and to provide details of progress against the Council's overall revenue budget for 2008/2009.

Issue(s) for consideration by Cabinet

The Performance and Finance and Efficiency Portfolio Holders updated Cabinet on progress towards achieving the actions within the Corporate Plan using the traffic light system and revenue budget. The report provided an overview of Council performance with separate sections providing more detailed information for each Portfolio to consider. Performance towards delivering the actions included in the Corporate Plan were progressing well, with all actions either having been completed or on target to be completed by the agreed date. Over 94% of all key performance indicators that could be assessed had been assessed as either having achieved the target or being expected to achieve the target by the year end.

The Revenue Budget Monitoring report covered the following areas:-

- General Fund emerging financial issues;
- Review of high risk budget areas;
- Progress against planned efficiency targets identified in the 2008/2009 budget strategy;
- Progress against departmental salary turnover targets;
- Key balance sheet information

Forecast outturns for departmental budgets had not been prepared and would be reported in the next monitoring report. However, initial indications suggested that a number of adverse trends were beginning to emerge which were likely to continue and result in an overspend at the year-end. A strategy for funding these additional costs will need to be developed and the report detailed potential options for addressing these issues. Members had already determined to defer a decision on which strategy to adopt until the second quarters monitoring report was submitted.

Decision

That the current position with regard to performance and revenue monitoring, be noted.

103. Business Transformation Programme *(Chief Executive)*

Type of decision

Key Decision – Test (i) applies

Purpose of report

To provide Cabinet with an understanding of the scale, scope and initial timescales for the implementation of the Business Transformation Programme.

Issue(s) for consideration by Cabinet

The Chief Executive presented the report which set out background information to the Business Transformation Programme together with the rationale for the need for change and the progress the authority had already made on a series of developments. The Business Transformation Programme was designed to form part of a managed programme integral to the medium term financial strategy supporting the achievement of challenging efficiency targets as prescribed by Central Government.

The proposed programme comprised the following project elements, a summary of which was detailed in the report.

- Departmental efficiency and review programmes
- Departmental Structure Review
- Management Structures
- Transactional Support Services
- Non Transactional Support Services
- Service Delivery Options
- Asset Management
- ICT
- Customer Services
- Procurement

The report to Cabinet on 11 February 2008 identified a number of key reasons for the Transformation Programme. Whilst the authority had, in the past, effectively managed to both improve performance and to achieve stretching efficiency targets established by Central Government this

process had become increasingly difficult in the last few years. The “salami slicing” of budgets was only sustainable in the short term and as Cabinet identified in the last budget process a longer term strategy to manage this process was required.

The programme as outlined by KPMG had identified the potential for savings of between 6.2M and 12.9M. The figures did not incorporate the potential costs of delivering the programme and the related costs which may be incurred in achieving the efficiencies incorporated into the programme. These had been estimated by the advisers to be in the region of 3.7M over the period to 2011/12, a breakdown of which was included in the report. The potential cumulative efficiencies over the three year period of the programme were heavily dependant upon a number of factors as detailed in the report including the agreements of Cabinet and the ability of the authority to rollout the agreed programmes areas.

As part of the 2008/09 budget proposals, a budget provision of 0.5M had been established to fund the costs arising from the Business Transformation Programme. The savings arising from the Programme would be critical to the achievement of 3% annual efficiency targets for 2009/10 to 2010/11 which had already been included in the budget forecasts for these years but given the scale of the change and the need for effective planning, the benefits required phasing over the period 2009/10 and for future years.

Details of the programming and overall timescales were included in the report and the phasing and determination of the overall programme would need to be developed based upon the following:-

- The proposed timescales provided by the advisers
- The operational, policy and decision making requirements of the Council
- A review of the OBCs provided and development of business cases for change in conjunction with timescales, efficiency targets and costs of delivery.

As part of the report of 11 February 2008, it was identified that much of the work that had been undertaken in identifying and delivering on change had been undertaken as an additional function for a number of individuals over and above their standard roles. Whilst this delivered a range of benefits it was felt to be not capable of being maintained in light of a more challenging programme. This would mean that there would be a number of posts operating as part of a programme team on either a full or part time basis and the posts or responsibilities of these people would need backfilling to ensure that the core work of the authority did not suffer. Details of the proposed Programme Team was set out in paragraph 9.2 of the report.

In response to a Member's comment on the importance of communicating this information to staff, the Chief Executive provided assurances that a Communications Plan would be implemented and staff would be kept

informed throughout the process. Reference was made to the pressures placed on local authorities by Central Government in terms of the reduction in funding and stretching efficiency targets being the reasons behind business transformation and it was suggested that this information be communicated to the public and service users. The possibility of reviewing fees and charges to generate income was also discussed.

Following a Member's suggestion that the management structure should include two trade union representatives, it was agreed that two trade union representatives be appointed to sit on the Business Transformation Programme Board.

Decision

- (i) That the implementation of the programme as outlined in the report, be agreed.
- (ii) That the key programme areas as identified in sections 3.5 and 3.6 of the report forming the basis of the Business Transformation Programme, be agreed (NB departmental structures would be subject to separate consideration by Cabinet).
- (iii) The establishment of the Programme Team as identified in section 9.2 of the report, be agreed.
- (iv) That the implementation of the project areas identified in section 8.4 of the report (ICT and service delivery options) in the manner identified, be agreed.
- (v) That the reallocation of the uncommitted Way Forward funding of 227K for the Business Transformation Programme, be approved
- (vi) That outline timescales identified in the report for the determination of the detailed programme, be agreed.
- (vii) That future reports that may require decision, be received.
- (viii) That the Business Transformation Programme Board meet bi-monthly to monitor progress of the programme.
- (ix) That two Trade Union representatives be included in the management structure and be appointed to sit on the Business Transformation Programme Board.

104. Future Leisure Facility Options for the Mill House Leisure Centre Site *(Director of Adult and Community Services)*

Type of decision

Non-key.

Purpose of report

For Cabinet to consider the requirement to undertake a Feasibility Study to explore the future options for the Mill House Leisure Centre site and

Brierton School site in respect of the Indoor Sports Facility Strategy and as a result of delays in respect of furthering the H2O concept.

Issue(s) for consideration by Cabinet

The Culture Leisure and Tourism Portfolio Holder reported on the background to the feasibility study carried out in 2005 by Capita Symonds Consultants in respect of developing a major new water based leisure facility in Hartlepool, H₂O. Within the context of the study, consideration was also given to the future of the Mill House Leisure Centre, Hartlepool's existing main swimming and indoor sports facility.

In October 2007, Cabinet approved the adoption of the Indoor Sports Facility Strategy for Hartlepool. This study, also undertaken by Capita Symonds, included an assessment of swimming pool water space requirements for the town and highlighted the need for further work to be undertaken in respect of the future of the Mill House site.

Progress on taking forward the proposed H2O Centre concept was linked with the development of the overall Victoria Harbour proposals. The Victoria Harbour master plan for which the local planning authority resolved to grant outline planning permission included a site and adjacent water space for the H2O Centre, as a regional visitor attraction incorporating swimming facilities to replace the Mill House pool, within the proposed second phase of the overall development. The draft legal agreement, which would be a prerequisite to any planning permission, required PD Ports to reserve the site for the H2O Centre for a finite period, to allow for the overall development to progress and for the Council to secure the procurement of the H2O Centre.

Members would appreciate that it was extremely difficult to progress exploration of design, costing, funding and procurement options for the H2O Centre in advance of there being agreement and commitment of the overall Victoria Harbour plans. The latter was currently being discussed in considerable detail by the project partners with a view to establishing an overall formal agreement on the delivery of the project. While those discussions were not yet concluded, it was difficult to foresee the H2O Centre as conceived in the feasibility study being delivered until the middle of the next decade at the earliest.

With this current delay and the continued deterioration of existing facilities, there was a need to reconsider the potential of the Mill House site. Whilst a detailed feasibility study would be required, officers had developed a vision for the Mill House site as indicated in the report.

The report set out the financial considerations and highlighted concerns relating to the ability to attract additional investment to deliver projects and new facilities, hence the need to investigate a partnership approach to enable delivery. The cost of new facilities at Mill House and Brierton would be considerable. The Council had already committed to providing 3M

through prudential borrowing and whilst some capital funding may be available for swimming facilities it would not provide for all of the required schemes. The proposed appointment of a consultancy to investigate and market test the concept and investigate funding strategies was an essential next step.

The Mayor expressed concerns regarding the deterioration of current swimming facilities, the lack of funding to address this problem and highlighted the need to source funding as a matter of urgency. Following a request for clarification relating to timescales for completion of the project, the Assistant Director advised that an 18 month to 2 year timescale was envisaged to investigate funding strategies before any works could commence. A lengthy discussion ensued on the timescales to progress this issue, the lack of funding available and the suggestion that consultants be appointed to investigate funding strategies. Members expressed concerns regarding the suggested appointment of consultants and the costs of previous consultancy work. Members considered that information from previous consultancy reports should be utilised.

In response to a Member's request for details of consultancy costs, the Assistant Director explained that costs would be in the region of £35,000 to £40,000.

Further discussion ensued with regard to the estimated cost of essential repairs at Mill House, the importance of sharing information with other local authorities like Durham and Sunderland who had recently upgraded their swimming facilities. In response to a query regarding the future of the Brierton site, Members were advised that the sports facilities at Brierton would remain following closure of the school, however, the infrastructure to support these arrangements was to be determined. A Member highlighted the need to ensure the involvement of the football club at the master planning stage of the Mill House area.

During further discussions regarding potential sources of funding, a Member queried whether refurbishment costs could be sourced through revenue funding or prudential borrowing. The Chief Financial Officer advised that this would need to be carefully examined. The Assistant Director added that the free swim initiative recently announced by Central Government may be the start of significant national funding schemes and the need to identify alternative potential sources of funding was acknowledged.

Members raised further concerns regarding the proposed appointment of consultants and indicated that this work should be undertaken in-house. However, there was an acceptance that some external technical assistance may be needed. It was suggested that a more detailed report be provided to include future options for the Mill House site, types of facilities together with the Council's financial position for consideration by Cabinet within the next two months. In addition, Members requested that the report should include feedback following contact with other local authorities, Hartlepool United Football Club, Sport England and Hartlepool Indoor Bowls Club.

Decision

That a detailed report with a suggested approach to developing the Mill House site and, in particular, the replacement of the pool, to include the information requested by Members, as outlined above, be presented to Cabinet in two months time.

105. Transfer of Funding and Commissioning Responsibilities for 16-18 Education Training to Local Authorities *(Director of Children's Services)*

Type of decision

Non-key.

Purpose of report

To update Cabinet on changes to be made to funding and commissioning arrangements for education and training for 16-18 year olds from September 2010, to seek approval to plan for the new arrangements on a Tees Valley sub-regional basis and to submit a statement of intent to Government Office North East (GONE).

Issue(s) for consideration by Cabinet

The Children's Services Portfolio Holder presented the report which set out background information to the new funding and commissioning arrangements for education and training for 16-18 year olds. Possible models to support future commissioning were included in the report. Discussions to date between the Tees Valley authorities had resulted in agreement to explore the opportunities for operating under Model B where the sub-region appointed a lead authority to commission general further education on its behalf and a proposal to develop a sub-regional model of commissioning was attached as an appendix to the report.

Members discussed the advantages and disadvantages of operating under Model B and the Director of Children's Services comments relating to the time and commitment required by the lead authority. In response to a Member's concerns regarding the possible implications for Hartlepool and, in particular, a possible reduction in funding, the Director of Children's Services explained the reasons for operating under the Tees Valley model and indicated that these arrangements should not result in changes to funding, however, funding arrangements would be carefully examined at the governance stage.

A Member requested that Cabinet be kept informed of any proposed changes in relation to the Education Business Partnership governance.

Decision

- (i) That the proposal to plan for the transfer of 16-19 funding on a sub-regional (Tees Valley) basis, be approved.
- (ii) That the draft Statement of Intent for submission to GONE (Appendix 1), be approved.
- (iii) That the Director of Children's Services would provide a further report to Cabinet on governance arrangements for the future commissioning and funding of post 16 provision early in 2009.

106. A Strategy for Maximising Access to Low Level Support Services *(Director of Adult and Community Services)*

Type of decision

Key Decision – Test (i) applies

Purpose of report

To provide an update to Cabinet about the implementation of the low level support strategy for the citizens of Hartlepool which was produced to help ameliorate the impact of the introduction of revised eligibility criteria following the Fair Access to Care Services consultation.

Issue(s) for consideration by Cabinet

The Adult and Public Health Portfolio Holder summarised the background and progress made in relation to the implementation of the strategy which aimed to ensure that citizens had access to those low level support services which promoted their independence, to assist with the health and social care modernisation agenda and to complement new ways of funding services such as individualised budgets.

The report included details of consultation arrangements, recommendations to make low level support a reality together with progress made to date on the development of a website Hartlepool Now. A full website launch was scheduled for early 2009 and the outcome of a bid to the Primary Care Trust for additional staffing resources to support the roll out of the site across the town focussing upon libraries, community centres and the Contact Centre was awaited.

Decision

That progress made to co-ordinate low level support services, be noted.

107. Cabinet Contingency Fund *(The Mayor)*

Type of decision

Non key.

Purpose of report

To seek agreement from Cabinet to help fund the launch of a comic by RESPECT with £6,000 from the Cabinet's contingency fund.

Issue(s) for consideration by Cabinet

The Mayor reported that RESPECT were a voluntary organisation that provided vital services for the most needy children in Hartlepool, such as counselling, bereavement services and to support children who were being bullied, had drug problems and many other issues. RESPECT had gained national recognition for their work.

Some children who accessed RESPECT's services had been working with Keith Robson, a former illustrator and writer for the Dandy and Beano comics, to put together a comic, aimed at younger teenagers which addressed many of the problems and issues that young people encounter. The results had been receiving plaudits from many quarters. It was hoped the first edition would be taken by all of the secondary schools in the town and two had already agreed to do so. Future editions were expected to be more widely distributed throughout the region.

A local firm of solicitors had agreed to deal with copyright and trademark issues at a reduced cost. A breakdown of costs were provided as detailed in the report. An income stream and further funding was expected for future editions. Cabinet were requested to consider a funding contribution of £6,000 as a one-off payment.

Decision

That a funding contribution of £6,000 be agreed and to be paid in stages as agreed appropriate by the Mayor.

The meeting concluded at 10.35 am.

P J DEVLIN

CHIEF SOLICITOR

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