

CABINET

MINUTES AND DECISION RECORD

13 OCTOBER 2008

The meeting commenced at 9.00 a.m. in the Civic Centre, Hartlepool

Present:

The Mayor, Stuart Drummond - In the Chair

Councillors: Pam Hargreaves (Deputy Mayor),
Cath Hill (Children's Services Portfolio Holder),
Robbie Payne (Finance & 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)
Chris Little (Assistant Chief Financial Officer)
Peter Devlin (Chief Solicitor)
Peter Scott (Director of Regeneration and Planning Services)
Derek Gouldbum (Urban Policy Manager)
Graham Frankland (Head of Procurement, Property and Public Protection)
Paul Briggs (Assistant Director – Resources and Support Services)
Peter McIntosh (Building Schools for the Future Manager)
Madeleine Johnson (Acting Director of Public Health)
David Cosgrove (Democratic Services Team)

115. Apologies for Absence

Councillors Gerard Hall (Adult and Public Health Services Portfolio Holder) and Peter Jackson (Neighbourhoods & Communities Portfolio Holder).

116. Declarations of interest by members

Councillor Hill declared a non-prejudicial interest in relation to Minute No.118 as a school governor of Golden Flatts Primary School.

Councillor Payne declared a non-prejudicial interest in relation to Minute No.118 as a school governor of Ward Jackson and Stranton Primary Schools.

The Mayor declared a non-prejudicial interest in relation to Minute No.118 as a parent of children attending Scared Heart Primary School.

117. Confirmation of the minutes of the meeting held on 29 September 2008

Confirmed.

118. Primary Capital Programme *(Director of Children's Services)*

Type of decision

Key Decision (tests 1 and 2 apply).

Purpose of report

This report provides a summary of the outcomes of the second stage consultation process in preparation for the Primary Capital Programme and outlines the suggested scope of a third stage of consultation.

Issue(s) for consideration by Cabinet

The Children's Services Portfolio Holder reported that on 10th October 2007 initial Primary Capital Programme (PCP) allocations were notified to authorities. These allocations are intended to cover the current three year Comprehensive Spending Review period. Hartlepool's allocation is:

2009/10:	£3 million
2010/11:	£5.4 million

Government intends that PCP will be a fourteen year programme. Information available to date suggests that Hartlepool's total allocations for PCP, over the entire PCP programme, will be in excess of £36 million. By joining up other capital sources available for primary school investment, as recommended by government, it is expected that capital spending on Hartlepool's primary schools during the fourteen year programme period could exceed £50 million.

Stage Two of the consultation process took place in June and July 2008 and focused on ensuring that primary education in Hartlepool is transformed through Primary Capital Programme investment while meeting key government challenges in relation to:

- Addressing standards of performance in English and maths;
- Removal of excess surplus places;
- Rebuilding or taking out of use schools in the worst condition;
- Prioritising areas of deprivation.

Stage Two consultation documents provided a range of options for the future organisation of primary schools in Hartlepool. An overall surplus place target of 7% was established. Options produced in Stage Two consultation documents indicated a number of different ways in which school places in each of four areas of the town could be reorganised so that the target number of places to be provided could be achieved. Sixty-three

meetings were organised, including three meetings at each of the schools potentially most affected by one or more of the options. A summary of the main issues raised at meetings and in responses was set out in the report with a more detailed analysis of meeting outcomes and individual responses, along with the full text of collective responses, in Appendix 1.

The Portfolio Holder highlighted that the reduction of surplus capacity within the primary sector was an essential part of the process in order to meet the government's requirements for funding.

The Schools Transformation Project Board and Schools Transformation Stakeholders Board at a joint meeting on 10 September 2008 received a full analysis of the consultation responses. The Project Board then met on 24 September 2008 to formulate the recommendations to be put to Cabinet.

The Portfolio Holder went on to outline the options for the areas of primary education as proposed by the Project Board. These were: -

Area One

1. Rebuild Bamard Grove Primary School on its existing site. The exact size of the school and timing of the rebuild to be subject to further investigation and consultation.
2. Consider significant improvement works or possible rebuild at West View Primary School. The precise nature and timing of the works to be subject to further investigation and consultation

Area Two

3. Withdraw option to build a new school at Bishop Cuthbert.
4. Withdraw options to close Hart Primary School
5. Withdraw options to close Elwick Hall CE Primary School
6. Rebuild Jesmond Road Primary School on a new reserved site with 315 places. The timing of the rebuild to be subject to further investigation and consultation.
7. Consider possible future scope of works to Sacred Heart RC Primary School, subject to further investigation and consultation.

Area Three

8. Withdraw option to close Ward Jackson Primary School.
9. Consider further the options for improving or rebuilding St Aidan's CE Memorial Primary School and St Cuthbert's RC Primary School, subject to further consultation.

Area Four

10. Withdraw options to close Owton Manor Primary School. Reduce size of Owton Manor Primary School to 210 places in such a way as to maximise opportunities for further transformation. The exact size of the

school and timing of any capital works required to be subject to further investigation and consultation.

11. Withdraw option to close Rossmere Primary School. Reduce size of school to 315 places in such a way as to maximise opportunities for further transformation. The exact size of the school and timing of any capital works required to be subject to further investigation and consultation.

Early Years in Area Four

12. The Project Board agreed in principle that every primary school community in Hartlepool should have the opportunity to benefit from its own nursery unit, but recognised the unique position in Seaton Carew with regard to Holy Trinity CE Primary School and Seaton Carew Nursery School. The Board recommends that further consultation takes place in the Seaton Carew area involving, as a minimum, the Authority, the Church of England Diocese, the schools, the families and the local communities.

The Portfolio Holder also indicated that Cabinet was required to identify the priority schools for initial investment. Guidance published in December 2007 by the Department for Children Schools and Families in relation to the Primary Capital Programme and submission of Primary Strategy for Change (PSfC) invited authorities to identify priorities for early investment and details of how they would spend the first two allocations that had been previously announced. In Hartlepool's case the first two allocations amounted to £8.4 million (£3 million in 2009/10 and £5.4 million in 2010/11). The Schools Transformation Project Board, meeting on 24th September 2008, recommended the following short list of potential projects, presented in alphabetical order, for consideration by Cabinet:

- Barnard Grove Primary School
- Jesmond Road Primary School
- Rossmere Primary School
- St Aidan's CE Memorial Primary School
- St Cuthbert's RC Primary School
- West View Primary School

The report went on to also identify the risk implications and the financial and legal considerations. The capital costs associated with the programme would be met through a number of potential resources and these were outlined in the report.

The Portfolio Holder also reported that Cabinet would also be requested to seek Council approval for the Chief Financial Officer to sign a S.151 letter committing the Council to meet any financial shortfall in completing any of the individual capital schemes.

The Portfolio Holder commented that Cabinet and the Council must not lose sight of the fact that this was one of the greatest opportunities that

Hartlepool would have to shape the future of education for the children of the town. This investment would affect the whole learning environment and it was therefore crucial that it was done properly.

The Mayor questioned the future of the Primary Capital Programme funding beyond the £8.4m guaranteed in the next two years. Part of the investment programme for secondary schools, Building Schools for the Future, was the integration and investment of ICT within the schools. Would this also be included within the primary investment programme and would it integrate with the secondary schools systems? The Assistant Director – Resources and Support Services commented that he was not aware of any guarantees in relation to funding beyond the two year announcement already made. In relation to ICT he indicated that there was nothing specific set out in the documentation already published but a procurement guide similar to that for BSF was expected. Council officers had been working with the primary heads alongside the secondary heads through the BSF discussions to promote the benefits of ICT connectivity.

Cabinet Members stressed that the decisions in relation to the Primary Capital Programme were to be made by Cabinet and not some other body or group. Decisions had not already been made as was being portrayed by some campaigners for individual schools. What had impressed Members was the galvanising affect on local communities that some of the initial consultation proposals had had. There was some criticism, however, that the Project Board meetings for both BSF and PCP were being held in private. Cabinet sought a review of this position.

From the report it was indicated that further work was needed on the future pupil statistics provided by the Tees Valley Joint Strategy Unit (TVJSU) to establish final projections before any schemes were finalised. A Cabinet member questioned whether the figures supplied by TVJSU that were used during the considerations prior to the decision to close Brierton School were accurate, in light of the issues with the figures for primary children. The Assistant Director indicated that the figures for the primary sector were difficult to truly project as there was an element of prediction required for projected birth rates. For the secondary sector, the figures projected by the TVJSU were based on children already known to the education system.

Cabinet gave detailed consideration to the recommendations submitted by the Project Board, as detailed above, Cabinet commented in regard to Early Years in Area Four, that with both establishments being rated as outstanding, further consultation was needed as part of the process, but with a view that further action may not be necessary.

The Mayor questioned what could be expected to be provided with the £8.4m finance available in the first two years. It was indicated that a new build primary school, fully equipped to a high standard, would cost in the region of £5m to £6m. Cabinet considered this information as part of their deliberations on the priority order of schemes and agreed that the replacement of Jesmond Road Primary School should be the priority

scheme. Cabinet asked for further information to be submitted to the Cabinet meeting in four weeks setting out from the suggested priority list, the details of the capital maintenance required to each building to assist in the decision. Cabinet also requested further information on the potential total funding available.

Cabinet also discussed the constitution of the Project Board and requested a further report to be submitted to the meeting in four weeks on the possible splitting of the Project Board into two to deal with the separate funding schemes.

Decision

1. That the outcomes of the second stage of consultation in preparation for the Primary Capital Programme be noted.
2. That the recommendations from the Schools Transformation Project Board be approved in relation to:
 - (i) Area One
 - (ii) Area Two
 - (iii) Area Three
 - (iv) Area Four
 - (v) Early Years in Area Four
 - (vi)
3. That the Priority scheme for early investment is the replacement of Jesmond Road Primary School. A further report to be submitted on the estimates of capital works required to the remaining schools identified on the priorities for further investment list.
4. That the Schools Transformation Project Board be authorised to prepare a third stage of consultation, focusing on the outcomes of the recommendations in 2 above.
5. That the Schools Transformation Project Team be authorised to undertake further work on long term pupil number projections, enabling the Schools Transformation Project Board to formulate recommendations on the possible adjustment of the size of some schools to meet future pupil place demand.
6. That a further report be submitted to Cabinet on the separation of the Schools Transformation Project Board into two boards, one for Building Schools for the Future and Primary Capital Project.
7. That Council be requested to authorise the Chief Financial Officer signing a S.151 letter committing the Council to meet any financial shortfall in completing any of the individual capital schemes.

119. Hartlepool Local Plan Saved Policies *(Director of*

Regeneration and Planning Services)

Type of decision

Budget and Policy Framework

Purpose of report

To seek agreement to the saving of specified policies of the Hartlepool Local Plan beyond April 2009.

Issue(s) for consideration by Cabinet

The Mayor reported that that under the provisions of the Planning and Compulsory Purchase Act 2004 the policies contained within the Local Plan are retained for a period of only 3 years from the date the plan was adopted or approved. The current Hartlepool Local Plan had been adopted in April 2006. Consequently a specific Order was required from the Secretary of State to save any of the Hartlepool Local Plan policies beyond the three year Period and the request to do so must be submitted in accordance with an established Protocol issued by the Department of Communities and Local Government (DCLG).

As the Local Development Framework (LDF) for Hartlepool is not yet fully in place, and to prevent a subsequent policy void for spatial planning within the town, it was essential that most of the Policies in the Local Plan be saved until such time as there is in place an adopted Core Strategy and other related documents making up the new Local Development Framework.

A schedule had been prepared for Cabinet's consideration by the Secretary of State which set out the reasoned justification why the policies should be saved together with a separate list of Local Plan policies which it was not proposed to save.

Decision

That the schedule of Policies which the Secretary of State will be asked to include in a Direction to enable them to be saved beyond April 2009 be approved and that Council be requested to endorse the schedule at the meeting on 30th October, 2008.

120. Budget and Policy Framework 2009/10 to 2011/12 – Initial Consultation Proposals *(Corporate Management Team)*

Type of decision

Budget and Policy Framework.

Purpose of report

The purpose of the report was to enable Cabinet to determine the initial Budget and Policy Framework proposals it wishes to put forward for consultation.

Issue(s) for consideration by Cabinet

The Finance and Efficiency Portfolio Holder presented the initial consultation proposals for the Budget and Policy Framework for 2009/10 to 2011/12. The first main area for consideration was the development of the 2008/09 Outturn strategy. This strategy needed to address issues which had arisen since the budget was approved in February 2008.

The Portfolio Holder re-assured Cabinet and the public that over the past six to twelve months the Council had taken an even more careful approach to managing public money. As a result there was now a revised list of organisations the council placed investments with. This action has protected the Council from the greater uncertainty in the financial markets, particularly over the last few weeks. As a result Hartlepool was not one of the hundred or so authorities with money invested with Icelandic banks.

In relation to the detailed 2008/09 outturn strategy there were three key issues to consider:

1. How use the net increase in one-off resources of £2.3m. The report suggested this money be allocated to help support the budgets in 2009/10, 2010/11 and 2011/12;
2. How to use the increase in investment income expected in the current year of £2m. The report suggested the offsetting of any income losses, then Building Schools for the Future costs and finally for the Tall Ships event;
3. How to manage departmental overspends. The report outlines two options and it was suggested that option 1 be implemented requiring departments to carry forward managed overspends, which would need to be repaid over the next three years.

In relation to the 2009/10 to 2011/12 Capital programme, there were a number of issues which needed consideration in this area. Cabinet needed to determine if it wanted to continue with the existing capital strategy and also to decide if additional resources are provided for a range of health and safety and property improvement issues.

Cabinet also needed to consider what to do with the resources included in the existing budget for the H20 development. Should the money be re-allocated to invest in the Mill House, or utilised as a revenue saving. Cabinet Members indicated that they considered that the money should be utilised at the Mill House Leisure Centre and in the development of the area around the centre as wider sports area.

The budget forecasts for the next two years were reported to Cabinet in February 2008. These forecasts anticipated small budget deficits for these years on the basis of annual cost pressures in the next two years being contained within £1.5 million per year and annual efficiencies of 3% being achieved. The figures also reflected annual Council Tax increases of 3.9%.

Detailed work had been completed over the summer months to identify budget pressures, contingency requirement, terminating grants and budget priorities. Work had also been completed to identify departmental 3% efficiencies. At this stage it was only suggested that the pressures, contingency requirement and terminating grants were considered for inclusion in the budget. These items exceed the £1.5 million headroom and as result there was a budget gap of £1.3 million for 2009/10 and a cumulative gap for the three year 2009/10 to 2011/12 of £4.5m.

The Portfolio Holder indicated that the financial position facing the Council over the next three years was more challenging than anticipated a year ago owing to changes at a national and local level. The report provided a detailed analysis of these issues. Paragraph 8.5 of the report set out the specific issue to put forward for consultation.

Cabinet considered that as well as the specific groups set out in the consultation of the budget, direct consultation with young people should be undertaken. It was suggested that the youth participation workers employed by the authority should be involved in this process.

The Mayor commented that one of the priorities detailed for the Chief Solicitor's Division, the employment of a legal trainee, should be a pressure rather than a priority as Cabinet has previously agreed to include this post as part of the restructure of Legal Services. The Mayor asked for and was given assurances that the Chief Officers' Job Evaluation due on 1 April 2009 was taken into account in the overall job evaluation pressure. The Mayor also indicated that he would wish to see consideration being given during the consultation process of a one-off fund to tackle derelict properties in the town.

Decision

Cabinet agreed that the specific proposals it wished to refer for consultation were as follows:

2008/2009 Provisional Outturn Strategy

1. Cabinet indicated its wish to confirm the previous proposals to earmark £1.039m of one off resources to manage the Right To Buy timing risk and to fund the initial 2009/10 and 2010/11 budget deficits as set out in paragraph 4.4 of the report.
2. Cabinet indicated its wish to earmark the net increase in the stock of Council resources of £2.3m (inclusive of £0.79m Uncommitted General Fund Reserves) to support the 2009/10 to 2011/12 Medium Term Financial Strategy (MTFS) as set out in paragraph 4.6 of the report.
3. Cabinet indicated its wish to earmark the increase in investment income earned in 2008/09, estimated to be £2m, for the following prioritised commitments, firstly loss of income, then Building Schools for the Future costs and finally Tall Ships as set out in paragraph 4.20

of the report.

4. Cabinet indicated its wish to propose to fund departmental 2008/09 overspends by carrying forward overspends as managed overspends against Department three year budgets (Option 1) as set out in paragraph 4.22 of the report.

2009/2010 to 2011/12 Capital Proposals

5. Cabinet indicated its wish to maintain service based capital expenditure at the level of Government allocations as set out in paragraph 5.2 of the report.
6. Cabinet indicated its wish to use locally funded Prudential Borrowing to continue to support annual capital expenditure of £1.2m in 2010/11 and 2011/12 not eligible for other capital funding. It was noted that the annual borrowing cost for each £1.2m of capital expenditure is £0.1m, as set out in paragraph 5.4 of the report.
7. Cabinet indicated its wish to use locally funded Prudential Borrowing to support capital expenditure of £1.2m in 2010/11 on a range of health and safety and property improvement, and to supplement this resource in 2010/11 from the LPSA Capital Reward Grant of £0.45m as set out in paragraph 5.6 of the report. This proposal reduces the revenue budget pressures.
8. Cabinet indicated its wish to extend the use of locally funded Prudential Borrowing until 2011/12 to fund the following annual capital expenditure as set out in paragraph 5.7 of the report: -
 - Community Safety Initiatives £150,000
 - Disabled Adaptations £50,000
 - Neighbourhood Forum Minor Works £156,000.
9. Cabinet proposed a strategy for using the existing H20 revenue budget by reallocating it to fund capital investment of £3m in the Mill House (Option 1) as set out in paragraph 5.8 and 5.9 of the report.

2009/2010 General Fund and Council Tax

10. Cabinet indicated its wish to refer the proposed Budget Pressures, Contingency, Terminating Grants and Efficiencies for consultation.
11. Cabinet indicated its wish to refer the indicative 2009/10 Council Tax increase for consultation.
12. Cabinet indicated its wish to seek views on the strategy for managing the budget deficits in 2009/10 to 2011/12, in particular the timing Business Transformation efficiencies and the use of the £2.3m increase in one off resources.

13. Cabinet indicated its wish to adopt the suggested consultation arrangements as set out in paragraph 7.1 of the report with the addition of specific consultation with young people in Hartlepool.

121. Tees Valley Growth Point Status – Programme of Development *(Director of Regeneration and Planning Services)*

Type of decision

Key Decision (test ii applies)

Purpose of report

To seek endorsement of the approach taken in preparing the Tees Valley Growth Point 'Programme of Development' which is the next step of the process to secure funding from Government for the Tees Valley authorities to help deliver accelerated housing growth.

Issue(s) for consideration by Cabinet

The Mayor reported that a previous report to Cabinet on 31st March 2008 endorsed a proposal by the Tees Valley Local Authorities to submit a bid for round 2 Growth Point status to the Department for Communities and Local Government (CLG). The first stage Growth Point proposal was approved on the 24th July 2008 by CLG and the Tees Valley authorities have been asked to prepare a Programme of Development (PoD). The report provided information regarding the content of that draft document and given the deadline for submission of this document to CLG (27th Oct 2008) sought authority for the Mayor and the Director of Regeneration and Planning Services to approve the final draft document under delegated powers. The previous report also informed Cabinet members of the availability of the closely related Community Infrastructure Fund (CIF) aimed at providing transport infrastructure to support housing growth. The report provided an update on the detail of the CIF bid subsequently submitted.

Decision

1. That the approach suggested in preparing the draft Tees Valley Growth Point Programme of Development be approved.
2. That power be delegated to the Mayor to approve the final draft document in conjunction with the Director of Regeneration and Planning Services.

122. Joint Strategic Needs Assessment (JSNA) *(Director of Adult and Community Services)*

Type of decision

Non key.

Purpose of report

To make Cabinet members aware of the recently completed Draft Joint Strategic Needs Assessment (JSNA), and the plans to refresh the

document over the next twelve months.

Issue(s) for consideration by Cabinet

The Acting Director of Public Health reported that the JSNA brought together a wide range of information relating to the health and wellbeing needs of the people of Hartlepool. From 2008 onwards, it was a statutory requirement on both Hartlepool Borough Council and Hartlepool Primary Care Trust to produce a JSNA. Cabinet was assured that the JSNA contained all the relevant information, and was being properly used to inform relevant strategies and plans. The Acting Director thanked officers in the Adult and Community Services Department for their assistance in producing the document within a very tight timescale.

Cabinet commented that there needed to be tighter links between the JSNA and other policy documents such as the Local Area Agreement and the Corporate Plan. It was stated that the documents were linked but that these links would be developed and tightened. It was also suggested that the statements within the document needed to be reviewed in twelve months time so that the achievement against the policies was included in the revised documents.

Decision

That the draft Joint Strategic Needs Assessment and the recommendations for its further development and refresh be approved and that copies of the document be circulated to all Councillors.

123. Analysis of Best Value Performance Indicators 2007/08 *(Assistant Chief Executive)*

Type of decision

None – the report was for Cabinet's information only.

Purpose of report

To inform Cabinet of the Council's performance against the set of Best Value Performance Indicators (BVPIs) for 2007/08, in particular how Hartlepool's performance compares with other local authorities.

Issue(s) for consideration by Cabinet

The Performance Portfolio Holder reported on the analysis of the Council's performance against the prescribed BVPIs and compares performance with all other English authorities, all other Unitary authorities and specific groups of authorities that face similar challenges as Hartlepool, such as the other Tees Valley authorities.

Generally the analysis is positive, with the main points being as follows: -

- The proportion of top quartile indicators has remained the same. However, the figure, of 41.9% (All England comparisons) is still higher

than it was in 2005/06

- In terms of top quartile performance for 2007/08 Hartlepool is ranked 1st against Tees Valley neighbours and CIPFA family authorities, and 5th against the other 22 Improving Strongly authorities.
- Almost 70% of all comparative BVPIs have improved or remained the same. This is down from 75% in 2006/07.
- Just under 53% of all targets were achieved, down from 65% in 2006/07. Target setting is an important aspect of performance management, and the Corporate Management Team were looking at ways to improve target setting.

The Portfolio Holder commented that the Council's performance was exceptional strong showing excellent progress from an already high base. The authority's performance also placed it as the highest performing authority in the Tees Valley.

Cabinet Members also noted the recent award to the Revenues and Benefits Division and requested that the Mayor write to all the staff involved on behalf of Cabinet congratulating them on their outstanding achievement.

Decision

That Cabinet note the information contained within the report.

The meeting concluded at 11.05 am.

P J DEVLIN

CHIEF SOLICITOR

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