

CABINET

MINUTES AND DECISION RECORD

8 December 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),

Also Present: Councillor Stephen Allison.

Officers: Paul Walker Chief Executive,
Andrew Atkin, Assistant Chief Executive,
Adrienne Simcock, Director of Children's Services,
Dave Stubbs, Director of Neighbourhood Services,
Peter Scott, Director of Regeneration and Planning Services,
Mike Ward, Chief Financial Officer,
Peter Devlin, Chief Solicitor,
Joanne Machers, Chief Personnel Officer,
Graham Frankland, Head of Procurement, Property and Public Protection,
Jill Harrison, Assistant Director (Commissioning),
Paul Briggs, Assistant Director (Resources and Support Services),
Peter McIntosh, Building Schools for the Future Manager
Rachel Smith, Building Schools for the Future Strategy Manager,
John Robinson, Children's Fund Manager,
Sally Forth, Anti-Social Behaviour Coordinator,
Steve Hilton, Assistant Public Relations Officer
David Cosgrove, Democratic Services Team.

158. Apologies for Absence

Councillor Pam Hargreaves (Deputy Mayor).

159. Declarations of interest by members

None.

160. Confirmation of the minutes of the meeting held on 24 November 2008

Confirmed.

161. Building Schools For The Future - Approval Of Outline Business Case *(Director of Children's Services and Chief Financial Officer)*

Type of decision

Key Decision. Tests (i) and (ii) apply.

Purpose of report

The report is to seek Cabinet's approval to the submission of an Outline Business Case (OBC) for Hartlepool's Building Schools for the Future programme. The report provided information on the background to the requirement to submit an Outline Business Case before the Building Schools for the Future procurement process can begin. The report also highlights key issues that are addressed in the Outline Business Case.

Issue(s) for consideration by Cabinet

The Children's Services Portfolio Holder reported that the OBC is seen as a crucial stage of the BSF programme. It provided clarity to Partnerships for Schools and to potential bidders about our vision for transformation of secondary age teaching and learning and how that vision will translate into the rebuilding, remodelling and refurbishment of our secondary school buildings. The OBC also fixed the cost limit for each individual school project and for the overall programme.

The Portfolio Holder gave a brief overview of the OBC and its development. It was highlighted that there was anticipated at this stage that there would be a funding gap of £893,000. It is a government requirement that the Authority's Chief Financial Officer signs a "Section 151 Letter", the objective of which "is to demonstrate the local authority's ownership and understanding of the OBC, to increase confidence that the OBC is affordable and to prove that value for money will be delivered through the proposed procurement route." A report on Section 151 issues from the Executive was considered by Council on 30th October 2008, when Council resolved:

- 1) That delegated authority be granted to Cabinet and the Chief Financial Officer to finalise the Section 151 letter to be included in the BSF Outline Business Case
- 2) That in the event of a shortfall, and prior to any measures being implemented to address such a shortfall, a report on the proposals be submitted to Council for debate

A potential shortfall of £893,000 had been identified and Partnerships for

Schools require explicit detail on how the shortfall will be met when the Outline Business Case is submitted. The Portfolio Holder stated that it would be appropriate to raise the potential shortfall at the Council meeting on 11th December 2008, under matters arising from the Council meeting on 30th October 2008.

It was also highlighted by the Chief Financial Officer that the S.151 letter enclosed with the agenda papers had been drafted over a week ago and some of the figures quoted within it needed to be amended so that the OBC and the letter matched. An issue raised by government was that the council's proposals did not contain any contingency allowance. It was proposed that a contingency of £1.1m should be included. This together with the potential shortfall amounted to £2m. If this amount was to be funded from capital receipts as suggested in the S.151 letter, the timing of the required funding may not match the timing of the capital receipt. The Chief Financial Officer proposed that Council be requested to approve up to £2m of prudential borrowing to be repaid by an appropriate capital receipt.

Cabinet Members welcomed the proposal and sought assurances that the Council would retain the flexibility to meet the shortfall, should it arise, in the most advantageous way for the council from the options set out in the S.151 letter. The Chief Financial Officer stated that this was the case.

Some Cabinet Members raised concerns previously aired at Cabinet in relation to the procurement process for the design and build contracts, which were limited to those firms approved by the government. It was highlighted that those firms had been through the full European regulations tendering process and fully assessed by the government, thus not requiring local authorities to undertake that process which could take upwards of three months. Officers indicated that, at this time, there were no concerns with the companies on the list.

The Chief Executive stressed that it was essential that Hartlepool remain within 'wave 5' of the Building Schools for the Future programme. The full financing of the programme for wave 5 authorities was guaranteed; falling back into wave 6 may not come with such guarantees. Officers confirmed that the advice that the council had received so far indicated that the programme being proposed for Hartlepool could be met from the £104m of funding. As the proposals moved into the design and build phase, there may be issues that arise that would need some fine tuning, but the programme could be delivered. The Chief executive added to this by indicating that the Council could not afford to skimp on management and that strong procurement and project management was essential to the delivery of the programme. If these could not be provide in-house, then the Council must ensure that the appropriate skills are brought into the programme to ensure its delivery.

Cabinet also referred to the reference in the S.151 letter as to the 'revenue affordability' of the new schools. Officers indicated that as these schools were not being provided through PFI, the Council needed to underwrite an

element of revenue funding for the maintenance of the buildings over their life-span.. The Chief Financial Officer stated that he did not anticipate the Council having to meet any revenue maintenance costs as schools received as part of their annual revenue grants, funding for maintenance.

Decisions

1. That Cabinet approves in principle the submission of the Building Schools for the Future Outline Business Case
2. That the Portfolio Holder for Children's Services be authorised to give final approval to the Outline Business Case and its appendices
3. That the indicative capital affordability gap be referred to the Council meeting of 11th December 2008, in line with Council's resolution of 30th October 2008.
4. That Council be requested to determine how they wish to fund the gap based on the funding principles reported to Council on 30th of October as follows:-
 - a. Capital receipts generated from the sale of surplus school assets arising from the implementation of BSF;
 - b. Capital receipts generated from the sale of other Children's Services assets;
 - c. Prudential borrowing funded by secondary schools (this would require Schools Forum approval and potentially Department for Children, schools and Families approval);
 - d. Prudential borrowing funded from the Council's own budget
9. That the draft Section 151 letter prepared by the Chief Financial Officer be noted and the Chief Financial Officer be authorised to make the final changes.
10. That in order to enable the Chief Financial Officer to sign the Section 151 letter, Council be requested to confirm the funding strategy detailed in Para 2.1 [of the letter] and approve a maximum prudential borrowing limit of £2m as a backstop, in the event that Capital Receipts are received later than anticipated, or the other funding does not materialise as listed in 2.1 [of the letter].

162. Former Eldon Grove Sports Centre *(Director of Adult and Community Services and Director of Neighbourhood Services)*

Type of decision

Non-key.

Purpose of report

To advise Cabinet on the progress that has been made in the proposed granting of a lease to Eldon Grove Tennis Club and to seek a decision around some proposed changes to the agreed terms for occupation.

Issue(s) for consideration by Cabinet

The Culture, Leisure and Tourism Portfolio Holder reported on the progress that has been made since Cabinet decided to approve terms for the granting of a lease to the tennis club, including a change to the proposed

development.

In light of the change to the development, proposed amendments to the original terms are proposed for Cabinet to consider. Details of the financial aspects of these arrangements were set out in an exempt appendix to the report that 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, (para 3) information relating to the financial or business affairs of any particular person (including the authority holding that information).

Cabinet Members were concerned that following the recent refusal of a planning application for the site, the original agreed scheme was not now going to be delivered. The Mayor suggested that a further meeting with representatives of the Tennis Club be arranged

Decision

That further consideration of the matter be deferred pending a further meeting between Cabinet Members and representatives of the Tennis Club.

163. Local Area Agreement Reward Element (Local Public Service Agreement Round 2) – 30 Month Monitoring Report *(Assistant Chief Executive)*

Type of decision

Non-key.

Purpose of report

To report progress on the targets included in the Local Area Agreement (LAA) Reward Element, formerly known as the Local Public Service Agreement Round 2 (LPSA2) for the period up to and including 30 September 2008.

Issue(s) for consideration by Cabinet

The Assistant Chief Executive reported on the progress made in the first 30 months of the LPSA2 period, from 1 April 2006 to 30 September 2008. The LPSA2 period ends on 31 March 2009. As LPSA2 was drawing to a close, it was indicated that update reports would be submitted to Cabinet more frequently so that Cabinet was up-to-date on the Performance Reward Grant (PRG) that could be available should targets be achieved.

Decision

That the position of the LAA Reward Element targets as at 30 September 2008 be noted.

164. Care Support Independence: Thinking About A New Care And Support System *(Director of Adult and Community Services)*

Type of decision

Non-key.

Purpose of report

To provide members with a briefing regarding the planned Green Paper which will look at future funding of the care system.

Issue(s) for consideration by Cabinet

The Adult and Public Health Services Portfolio Holder reported that in May the Government launched a consultation, "Care, Support, Independence," which asked how a new care and support system should work and be funded. Several key reasons were given for undertaking the consultation:

- In 20 years time there will be twice as many people in England aged over 85 and four times as many people aged over 100.
- In 2007, there were 5.7 million disabled adults. In 2041, it is expected that there will be 8.6 million disabled adults.
- The current system cannot meet this demand.
- In 20 years' time government would need an extra £6 billion a year just to provide the same level of social care as today and the cost of disability benefits is expected to increase by 50%.

The Government has committed to bring forward a Green Paper early in 2009 with proposals to change the care and support system in England. There will be formal consultation on the proposals in the Green Paper. If approved, the Government intends to gradually implement a new system from 2010 onwards.

Decision

That Cabinet notes the contents of the report and the proposed Green Paper and consultation expected early in 2009.

165. Integrated Commissioning And Provision Of Services For Adults *(Director of Adult and Community Services)*

Type of decision

Non-key.

Purpose of report

To update members on the integrated commissioning and provision of social care and health services for adults.

Issue(s) for consideration by Cabinet

The Adult and Public Health Services Portfolio Holder reported on progress

made to date in terms of integrated locality teams, providing social care and health services and the establishment of a joint strategic commissioning team, both of which would be overseen by a new Adult Management Board.

Decision

That Cabinet notes the progress to date and maintains its support for the integration of adult services.

The Mayor left the meeting.

Councillor Cath Hill in the Chair.

166. Annual Review Of Performance For Adult Social Care (*Director of Adult and Community Services*)

Type of decision

Non-key.

Purpose of report

To present the annual performance rating for Adults Social Care, provided by the Commission for Social Care Inspection (CSCI).

Issue(s) for consideration by Cabinet

The Adult and Public Health Services Portfolio Holder reported that the Council had improved on last years judgement of two stars and has been awarded a three star rating for Adult Social Care and was judged to be delivering good outcomes, with an excellent capacity for improvement. There were specific areas for improvement recommended by CSCI and these were set out in the report.

The Adult and Public Health Services Portfolio Holder wished to record his personal thanks to the Director, her management team and all the staff in the department who had contributed to the improved performance rating. Cabinet suggested that the mayor write to all staff within the department thanking them for this achievement.

Decision

That the report be noted and that the Mayor write to all staff within the Adult and Community Services department thanking them for there continued hard work which had led to the improved performance rating.

The Mayor in the Chair.

167. Operation Of The Good Tenant Scheme (*Head of Community Safety & Prevention*)

Type of decision

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

Purpose of report

To update Cabinet on the progress of the Tenant Referencing (Good Tenant) Scheme.

Issue(s) for consideration by Cabinet

The Mayor gave an over view of the first six months operation of the scheme including; details of the application process and assessment for membership, the results of assessments and the links to other services. The Mayor highlighted that the scheme had only been in operation for six months, so it was difficult at this early stage to assess its success. The scheme was, however, being well received, and while the numbers involved were not as high as had initially been hoped, the scheme was working well.

The Mayor proposed that future reports be referred to the Neighbourhoods and Communities and the Regeneration and Liveability portfolios. A Cabinet member requested that the reports also continue to come to Cabinet.

Decision

That the report be noted.

168. Local Government (Access to Information) Act 1985

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.

Minute 169 'Development of a Team around the Primary School Pilot Project and a Request for an Exception to the Contract Procedure Rules' (Para 3 - Information relating to the financial or business affairs of any particular person (including the authority holding that information)).

Minute 170 'Senior Management Review' (Para. 2 - Information which is likely to reveal the identity of an individual).

169. Development Of A Team Around The Primary School Pilot Project And A Request For An Exception To The Contract Procedure Rules (*Director of Children's Services*)

Type of decision

Key decision, test (i) applies.

Purpose of report

To seek Cabinet approval for the development of a “Team around the Primary School” pilot project and to request a direction for an exception to the Council’s Contract Procedure Rules in respect of the first six months of the proposed project.

Issue(s) for consideration by Cabinet

Cabinet considered a further report on this proposal which included the additional information requested at the meeting held on 24 November 2008.

Decision

1. That the proposed project to set up a “Team Around the Primary School” project be approved.
2. That an exception to the Council’s Contract Procedure Rules in respect of first six months of the proposed project be approved.
3. That an update report on the first six months operation of the project be made to a cabinet briefing meeting.

170. Declarations of Interest by Officers

In accordance with the principles of the Employee Code Of Conduct, the following officers present at the meeting left the meeting during the consideration of the following item: -

Paul Walker Chief Executive,
Andrew Atkin, Assistant Chief Executive,
Adrienne Simcock, Director of Children's Services,
Dave Stubbs, Director of Neighbourhood Services,
Peter Scott, Director of Regeneration and Planning Services,
Mike Ward, Chief Financial Officer,
Graham Frankland, Head of Procurement, Property and Public Protection,
John Robinson, Children’s Fund Manager,

The officer’s remaining (in order to advise cabinet and record the debate) were as follows: -

Mike Ward, Chief Financial Officer,
Peter Devlin, Chief Solicitor,
Joanne Machers, Chief Personnel Officer,
David Cosgrove, Democratic Services Team.

171. Local Government (Access to Information) Act 1985

In accordance with the Constitution and on the advice of the Chief Solicitor, Cabinet agreed that in order to conduct the remaining business, which commenced at the meeting on 14 November 2008, Councillor Allison was required to leave the meeting, particularly as he had not been present during the previous consideration. Cabinet undertook to make the decisions of its considerations, as far as was possible, available to elected Councillors through the Decision Record of the meeting.

170. Senior Management Review *(Chief Personnel Officer)*

Type of decision

Non-key.

Purpose of report

To provide Cabinet with further information which was requested when Cabinet considered a previous report on the 14 November 2008 on the matter of a review of job evaluation assessment and grading for senior management posts in the Council.

Issue(s) for consideration by Cabinet

Details of Cabinet's consideration of this matter are set out in the exempt section of the minutes.

Decision

1. That, in line with the advertisement for appointment and the appointment process that stated that the salary for the post was subject to evaluation, the Assistant Director Adult Commissioning (Adult and Community Services) be regraded from Chief Officer Band B to Band A.
2. That the Head of Housing post be graded at Chief Officer Band C and that a report be submitted to Cabinet at an early date setting out a proposed timetable for appointing to the post.
3. That in relation to all the remaining proposals set out in the report, Cabinet indicated that it could not support the proposed amendments to grades (other than in 1 above) as set out in the Local Government Employers Organisation evaluation report.
4. That the process for the future selection of deputies to the Director of Regeneration and Planning Services and the Director of Neighbourhood Services be reconsidered by Cabinet once the timetable and initial proposals relating to the Business Transformation Process were known in the New Year.
5. That the report prepared by Rockpools; "Senior Pay and Rewards Review: Chief Executive's salary recommendations", be noted and that no action be taken at this time and that the Chief Executive's Salary be reviewed again in twelve months time.

The meeting concluded at 12.20 p.m.

P J DEVLIN
CHIEF SOLICITOR

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