

CABINET

MINUTES AND DECISION RECORD

22 March 2010

The meeting commenced at 9.30 a.m. in the Hartlepool College of Further Education, Hartlepool

Present:

The Mayor (Stuart Drummond) - In the Chair

Councillors: Robbie Payne (Deputy Mayor) (Finance and Performance Portfolio Holder),
Gerard Hall (Adult Services Portfolio Holder).
Cath Hill (Children's Services Portfolio Holder),
Peter Jackson (Transport and Neighbourhoods Portfolio Holder),
Victor Tumilty (Culture, Leisure and Tourism Portfolio Holder),

Officers: Paul Walker (Chief Executive),
Dave Stubbs, Director of Regeneration and Neighbourhoods
Nicola Bailey, Director of Child and Adult Services
Andrew Atkin, Assistant Chief Executive
Peter Devlin, Chief Solicitor
Chris Little, Assistant Chief Financial Officer
Graham Frankland, Assistant Director (Resources)
Peter McIntosh, Schools Transformation Project Manager
Derek Gouldbum, Urban Policy Manager
Nigel Johnson, Housing Regeneration and Policy Manager
Tom Britcliffe, Principal Planning Officer
Julian Heward, Assistant Public Relations Officer
David Cosgrove, Democratic Services Team

210. Apologies for Absence

Councillor Pam Hargreaves (Regeneration and Economic Development Portfolio Holder).

211. Declarations of interest by members

None.

212. Confirmation of the minutes of the meeting held on 10 March 2010

Confirmed.

213. **Housing Capital Programme 2010/11** (Director of Regeneration and Neighbourhoods)

Type of decision

Key Decision – tests (i) and (ii) apply.

Purpose of report

To seek approval of the Housing Capital Programme for 2010/11.

Issue(s) for consideration by Cabinet

The Mayor reported that the main source of funding to assist residents to improve, repair or adapt their homes is the Single Housing Investment Pot (SHIP) allocation from the Department for Communities and Local Government (CLG) which is distributed to authorities through the sub-regions by the North East Housing Board. 2010/11 is the last year of the current SHIP funding period. SHIP funding allocations are not guaranteed from year to year. This funding was reduced in 2009/10 and a further 20% overall reduction is being applied for 2010/11.

Hartlepool's overall SHIP allocation for 2010/11 is £1,479,677. This funding is supplied in three blocks related to a specific 'Objective':

Objective 1 – Housing market renewal	(£780,600)
Objective 3 – Decent homes grants and loans	(£570,482)
Objective 4 – Disabled Facilities Grants	(£128,595)

Part of the region's Objective 3 funding has been ring-fenced by the North East Housing Board for the introduction of the regional loans scheme (the North East Home Loans Partnership, which was the subject of a Cabinet report on the 14th December 2009). For Hartlepool this means that a minimum of £199,437 from the allocation is to be spent through the scheme on loan provision in Hartlepool.

Normally funding would be spent against each Objective without any virement between them. However, because of the reduction in overall funding, the introduction of the regional loans scheme, the need to continue funding existing housing market renewal commitments and the provision of mandatory Disabled Facilities Grants, authorities are being allowed to decide how the funding should be distributed within their allocation.

Details of the proposed housing capital programme is shown below:

Disabled Facilities Grants	
SHIP	£185,000
CLG	£275,000
HBC 'SCRAPT' (budget pressures)	£180,000
total	£640,000

Housing Market Renewal SHIP		£780,600
	total	£780,600
‘Decent Homes’		
Renewal Assistance Loans		£384,077
‘Homeplus’ Grants		£70,000
Energy Efficiency		£60,000
	total	£514,077

Members questioned the use of the Disabled Facilities Grant and if the Council worked with Housing Hartlepool. Officers indicated that while the Council funded the majority of work in this area, there would be closer working with Housing Hartlepool in the future.

Decision

That the proposed Housing Capital Programme for 2010/11 as set out in the table above, be approved.

214. 2010 – 2013 Capital Strategy and Asset Management Plan (*Director of Regeneration and Neighbourhoods and Chief financial Officer*)

Type of decision

Key Decision – tests (i) and (ii) apply.

Purpose of report

To advise Cabinet of the progress that has been made during 2009/10 in relation to the implementation of the Asset Management Plan and Capital Strategy 2010 -2013 and to seek endorsement to the asset management proposals for 2010/11 and the remaining Planned Maintenance Programme (Capital & Revenue for 2010/11).

Issue(s) for consideration by Cabinet

The Finance and Performance Portfolio Holder reported that the Asset Management Plan (AMP) has an important role to play in achieving the Council’s objectives, priorities and service needs and highlights the main achievements in terms of the performance of the Council’s land and property portfolio. The plan also outlines the asset management priorities for the future and together with the Capital Strategy forms the basis for the management of the Council’s asset base. The Capital Strategy and AMP also reflects the external influences affecting the Council’s use of resources and identifies the relevant Corporate Area Assessment (CAA) linkages, the plan is now a key document in the annual assessment of the Council’s Use of Resources. The detailed Capital Strategy and Asset Management Plan were submitted as appendices to the report.

The Council recognised that property is a corporate resource and was

committed to delivering a strategic approach to Asset Management. This is achieved through a cross directorate approach and the role of the Strategic Capital Resource Asset Programme Team (SCRAPT) to ensure a joined up approach to asset management. The Asset Management Plan is the implementation document and the mechanism by which the Council delivers its Capital Strategy. It is important that both the Capital Strategy and the Asset Management Plan align so that our decision making processes relate directly to our strategic priorities.

The Capital Strategy sets out the Council's approach to funding capital investment. The Council will need to consider whether the Capital Programme, particularly the unsupported borrowing element which supports priorities which cannot be funded from other sources, continues beyond 2010/11 when the Medium Term Financial Strategy is rolled forward. Capital Programming was considered by the Scrutiny Coordinating Committee on 29th January 2010 and their views in particular on "the potential to expand this programme beyond the Council's assets to fund investment in other priorities, particularly initiatives to match-fund other funding, or to pump prime schemes which can become self-financing" will be fed into the Capital Strategy and Asset Management Plan implementation through 2010/11.

Maintenance programmes for 2010/11 are detailed within Section 8 (Maintenance Strategy) of the Asset Management Plan. The Capital Planned Maintenance programme of £1.2 million and the Capital Health and Safety and Property Improvements of £1.2 million have previously been approved by Cabinet and Council as part of the budget process. The Revenue Planned Maintenance programme, and the programme for Access Works require approval by Cabinet and the proposals are detailed below: -

Revenue Planned Maintenance 2010/11

Property	£	Comments
Central Park	£35000	Urgent footpaths repairs
Stranton Nurseries	£70000	Replace failed boilers and distribution system to 4 greenhouses
Burn valley footpaths	£10000	Repair footpaths phase 1
Grayfields	£10000	Repair footpaths phase 1
Historic Quay	£25000	Replacement boilers phase 1 2 from 4
Contribution to invest to save programme	£20000	Year 2 contribution
Seaton Carew Sports hall	£35000	Heating and Domestic HW
Bryan Hanson House	£ 22000	Phase to carpets ground floor west wing
	£227000	

Access Works 2010/11

Property	Scheme	Budget	Comments
To be agreed after the completion of feasibility study of relevant buildings	Accessible Changing Facility	£30,000	Life chances partnership board indicated their support for a facility
Aneurin Bevan House	External main entrance doors.	£10,000	Subject to rationalisation of Property
Various Property	Minor shortcomings to improve accessibility	£10,000	
Total		£50,000	

Members referred to the recent agreement that Audit Committee Members should receive training on the detailed financial aspects of the Treasury Management Strategy and commented that this should be widened to all Members as it may assist with this type of financial plan. Members questioned how the transport package under the Tees Valley Bus Network Improvements Project would be met by investment from the private bus operators. The Mayor commented that the approval for the project had not yet been received. The Director of Regeneration and Neighbourhoods commented that should the money be approved, then local authorities would be looking to the bus operators to respond to the investment proposed.

Members questioned if with similar works being proposed under the

SCRAPT list, were economies of scale being utilised to gain the best value for the authority. The Assistant Director (Resources) commented that such economies were made through the framework contract that was in place.

Decision

1. That the progress achieved during 2009/10 in implementing the Capital Strategy and Asset Management Plan be endorsed.
2. That the 2010 – 2013 Capital Strategy and Asset Management Plan be endorsed.
3. That the Revenue Planned Maintenance and Access Works Programmes for 2010/11 be approved.

215. Building Schools for the Future (BSF) – Procurement of a Design and Build Contractor – Sample School *(Director of Child and Adult Services)*

Type of decision

Key Decision – tests (i) and (ii) apply.

Purpose of report

To inform Cabinet of the outcome of the Invitation to Tender (ITT) and the evaluation and moderation process for the selection of the Design and Build (D&B) Contractor for the Building Schools for the Future Programme and to seek Cabinet approval to proceed to Financial Close with the Selected Panel Member.

Issue(s) for consideration by Cabinet

The Children's Services Portfolio Holder reported that BSF is a long term programme of investment and change in England that will help transform education for secondary age students by providing 21st century learning environments that engage and inspire young people, their teachers and the wider community. Hartlepool is a Wave 5 authority in the BSF programme and has received approval from Partnerships for Schools to its Outline Business Case. This allows the authority to proceed to its Design and Build (D&B) procurement phase of the project. A significant component of the Hartlepool BSF Programme is the selection of the D&B Contractor, who initially will be engaged to undertake a major remodel of the sample school (Dyke House). The report went onto outline the detailed process for the selection of the D&B Contractor from the Preliminary Invitation To Tender through to the return of tenders and the subsequent evaluation process.

The evaluation process took place from 25th January 2010 and concluded on 9th March 2010. This process was extended by two weeks from the original timetable to ensure that all 183 clarifications had been fully addressed by the two bidders, Balfour Beatty and Kier, prior to the conclusion of evaluations and to ensure that the final solutions met with the requirements set out in the ITT documentation. Partnerships for Schools

were consulted about the decision to extend the evaluations period and supported the Council in its decision to do so.

All of the evaluations from the four sub groups were collated and the results presented to a moderation meeting on the 9th March 2010. Agreement on the proposed Selected Panel Member to go forward to Financial Close and to be recommended to Cabinet was unanimous. The name of the Selected Panel Member was included in Appendix 1 to the report. This appendix to the report contained exempt information under Schedule 12A 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).

Following detailed evaluations by internal and external financial advisers of the bidder's cost modelling contained within the ITT, it is confirmed that the proposed selected bidder has submitted an ITT that is affordable and is within the capped funding sum of £12.4m available to complete the sample school project. External legal advisers have also been engaged throughout this process and significant dialogue has been undertaken between these advisers and the bidder's legal advisers.

In accordance with the conditions of the Partnerships for Schools (PfS) National Framework, the Council is required to issue the Selected Panel Member with the appointment letter contained in Appendix 2 to the report. This second appendix to the report also contained exempt information under Schedule 12A 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).

The letter is subject to approval by PfS as it reflects the outcomes of dialogue, the ITT submission and clarifications issued during the ITT period. Clarifications issued during the evaluation period form the basis of Schedule 1. Schedule 2 indicates those items that the Council will wish to cover in more detail during the period leading up to Financial Close and which will be incorporated into the Final Business Case.

Members questioned if there were to be any apprenticeships or other local employment opportunities. The Schools Transformation Project Manager reported that through the discussions with the preferred bidder, it was expected that there would be a series of apprenticeships created within each major project, leading to more than twenty apprentices being trained through the programme. The majority of the construction work will be delivered through businesses based in Hartlepool and the surrounding area. There had been an 'open evening' for local businesses to meet the preferred bidder and discuss contract opportunities. While it had to be stressed that no guarantees could be given, the preferred bidder had a record of working well with local businesses.

Cabinet thanked the officers involved in reaching the closing stages of this very detailed and complex process and considered that the Council could move forward with confidence to Financial Close with the preferred bidder.

The Mayor highlighted that the name of the selected bidder could not be announced at this stage due to the Council's process requirements for decisions of this nature.

Decision

1. That Cabinet notes the outcome of the Invitation to Tender Stage.
2. That the progression to Financial Close with the selected panel member as set out in the exempt section of the report, is approved.

216. Hartlepool Strategic Housing Land Availability Assessment (SHLAA) (Director of Regeneration and Neighbourhoods)

Type of decision

Non-key.

Purpose of report

To inform Cabinet of the consultation responses to the draft Strategic Housing Land Availability Assessment (SHLAA) and to seek approval to the SHLAA as part of the evidence base for producing the Local Development Framework for the Borough. The report also highlights the financial benefits of having an adopted SHLAA in place by the end of March, through the award of Housing and Planning Delivery Grant.

Issue(s) for consideration by Cabinet

The Mayor reported that the SHLAA is a report, prepared in accordance with national and regional planning policies and guidance which identifies and assesses potential future development sites to ensure that there will be enough land available to continuously meet an area's housing needs over a fifteen year timescale.

Cabinet at its meeting on 14th December 2009, approved the draft SHLAA for the purpose of public consultation this report gives a summary of the representations made during the eight weeks consultation and proposed amendments to the SHLAA.

By itself, the SHLAA does not allocate any sites for development and the inclusion of a particular site does not mean that it would automatically be granted planning permission or allocated for development. It is, however, an important document as it will be used as a key part of the evidence base for the Local Development Framework which will set out how Hartlepool will plan and distribute new housing provision over the coming years.

The consultation process generated considerable interest and nineteen

responses were received. Responses were received from individual landowners, their agents and consultants, the House Builders Federation, individual house builders, Government Office North East, the Highways Agency and the Environment Agency. The returned responses highlighted a number of issues with the draft SHLAA and were summarised in the report. The report also included proposed responses to the reported consultation feedback.

The finalised SHLAA document (March 2010) provided tables demonstrating:

- A list of sites considered deliverable. (0-5 years)
- A list of sites considered developable. (6-15+ years)
- Reference to the one site considered not currently developable.
- A trajectory of when sites are expected to come forwards in the next: 5 years, 6 -10 years and 11 – 15 years.
- A list identifying each site and its general performance in relation to the framework of suitability, availability, achievability and infrastructure capacity.

The SHLAA would be used as the evidence base for identifying and allocating new housing sites in the emerging Local Development Framework. It has particular significance to the Core Strategy which identified strategic housing sites across the Borough. The SHLAA represents a snapshot in time and, as evidenced by Victoria Harbour, for example, the housing market situation is subject to continual change. It is intended that the SHLAA will be reviewed on a regular basis with ongoing involvement from the steering group to help provide a broad and balanced view on sites and an input of expertise from a range of sources. It is intended that the first review of the SHLAA will take place later this summer in order to ensure that the evidence base is as up to date as possible to support the publication of the Core Strategy and subsequent public examination.

It was highlighted that having a SHLAA document in place before the end of March 2010 ensured that the Council would be eligible to receive approximately £50,000 from the government's Housing and Planning Delivery Grant 2009-2010 allocation. Housing and Planning Delivery Grant provides annual 'rewards' to local authorities to reflect delivery of planning policies and support housing delivery. Whilst the grant criteria are subject to change, Councils will normally receive grant for having an adopted SHLAA (with an additional bonus for collaborative working), a Strategic Housing Market Assessment and for submission and adoption of Core Strategies as well as for performance on housing delivery.

There was concern expressed by several Cabinet Members as to the timing of this document particularly in view of the ongoing consultation on the Core Strategy. Cabinet Members were concerned that the document may be seen by some as contradictory to the aims of the Core Strategy and questioned how they might respond when questioned by the public.

Officers indicated that it had been intended to complete this document at an earlier date but circumstances had prevented this. The Director of Regeneration and Neighbourhoods commented that the SHLAA simply detailed potential housing sites and assessed their potential for development. It is the Core Strategy which determines allocations and there were no commitments being made through the SHLAA. It was further pointed out that the SHLAA is intended to reflect the situation as it was in August 2009 and any major changes would need to be subject to further consultation with the steering group which was established to assess sites. The SHLAA will be regularly updated to reflect changing circumstances and development progress and the first review will commence in the summer as it will be used as an evidence source for the Core Strategy. This review will take account of the Core Strategy priorities.'

Decision

That the finalised SHLAA (March 2010) be approved for use as part of the evidence base for producing the Local Development Framework for Hartlepool.

The meeting concluded at 10.10 a.m.

P J DEVLIN

CHIEF SOLICITOR

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