

CABINET

MINUTES AND DECISION RECORD

19 July 2010

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

Present:

The Mayor (Stuart Drummond) - In the Chair

Councillors: Jonathan Brash (Portfolio Holder for Performance Portfolio Holder)
Robbie Payne (Deputy Mayor) (Finance & Procurement Portfolio Holder)
Pam Hargreaves (Regeneration and Economic Development Portfolio Holder)
Gerard Hall (Adult & Public Health Services Portfolio Holder)
Cath Hill (Children's Services Portfolio Holder)
Peter Jackson (Transport and Neighbourhoods Portfolio Holder)
Hilary Thompson (Culture, Leisure and Tourism Portfolio Holder)

Also Present:

Councillor Ray Wells

Officers: Paul Walker (Chief Executive)
Andrew Atkin (Assistant Chief Executive)
Peter Devlin (Chief Solicitor)
Dave Stubbs (Director of Regeneration and Neighbourhoods)
Denise Ogden (Assistant Director, Regeneration and Neighbourhoods)
Sue Johnson (Assistant Director, Child and Adult Services)
Steve Hilton (Public Relations Officer)
Matthew King (Principal Planning Officer)
Denise Wimpenny (Principal Democratic Services Officer)

19. Apologies for Absence

Apologies for absence were submitted on behalf of Councillor Hill who later joined the meeting.

20. Declarations of interest by members

None

21. Minutes of the meeting held on 5 July 2010

Received

22. Minutes of the meeting of the Emergency Planning Joint Committee held on 30 June 2010

Received

23. Youth Justice Strategic Plan *(Director of Child and Adult Services)*

Type of decision

Budget and Policy Framework

Purpose of report

To seek Cabinet's support for approval by Council of the Youth Justice Strategic Plan 2010-11.

Issue(s) for consideration by Cabinet

The report outlined the reasons for preparing the Youth Justice Strategic Plan, the required content and who had been consulted during the Plan development. The Plan, attached at Appendix 1 had incorporated comments and suggestions raised during the consultation process and any comments from the Scrutiny Forum and Cabinet would be included in the final draft. Authority was granted to the Assistant Director of Safeguarding and Targeted Services and Children's Services Portfolio Holder to make any necessary amendments prior to submission to Council.

In relation to contributions from partner organisations, a Member sought clarification as to why the Local Authority was the highest contributor to the budget. The Assistant Director agreed to explore this issue and respond to the Performance Portfolio direct following the meeting.

In response to a Member's suggestion that the third sector should be represented on the Board, the Assistant Director stated that the board was made up of statutory partners. However, this suggestion would be referred for consideration.

Decision

That the Youth Justice Strategic Plan 2010-11 be referred to Council for approval.

24. Tees Valley Joint Minerals and Waste Development Plan Documents – Revised Draft Submission Documents (Director of Regeneration and Neighbourhoods)

Type of decision

Budget and Policy Framework

Purpose of report

The report provided information regarding the representations received following the “publication” of the Joint Tees Valley Minerals and Waste Development Plan Documents (DPDs) last year. In response to these representations the report sought approval to publish the Schedules of proposed changes and the associated Infrastructure Strategy for further consultation and subsequently to submit to Government for Independent Examination, the Development Plan Documents which would guide future minerals and waste development in Hartlepool.

Issue(s) for consideration by Cabinet

The Mayor reported that the Joint Tees Valley Minerals and Waste DPDs set out the spatial planning framework for guiding the development of minerals and waste facilities and operations. They had been prepared jointly by the five Tees Valley authorities.

Following the publication of the Joint Tees Valley Minerals & Waste DPDs last year, some of the consultation responses received were considered of a significant nature which could have led to the DPDs being found unsound at independent examination. Therefore it was decided to not submit at that stage and to consider the issues further.

The Tees Valley Authorities had subsequently prepared three “Schedules of Proposed Changes” setting out how the DPDs would be amended. The report detailed the main issues in relation to how they affected the Borough of Hartlepool. It was these schedules only which would be subject to a further 6 weeks of public consultation before the DPDs could be submitted to the Secretary of State for examination. Adoption of the DPDs was currently timetabled for the summer of 2011.

Decision

Cabinet recommended that Council:

- (a) approve the publication of the Schedule of Proposed Changes and the associated Infrastructure Strategy in so far as they relate to the Borough of Hartlepool for public consultation;
- (b) approve subsequent submission to the Secretary of State for Communities and Local Government for Independent

Examination; subject to no substantive changes to the documents being necessary following publication, and

- (c) authorise the Director of Regeneration and Neighbourhoods, in consultation with the Cabinet Member with responsibility for Planning Policy, to make any necessary minor amendments to the documents prior to submission to the Secretary of State.

25. Changes to the Hartlepool Local Plan 2006 Local Centre Boundaries *(Director of Regeneration and Neighbourhoods)*

Type of decision

Key Decision (test (ii) applies) – Forward Plan Reference Number RN2/10

Purpose of report

To propose changes to ten of the Local Centre boundaries currently saved under Policy Com5 of the 2006 Hartlepool Local Plan and to incorporate a new local centre at Belle Vue. This is an important policy and is used to inform planning decisions within the local centres around the town, meaning that the boundaries need to be regularly reviewed.

Issue(s) for consideration by Cabinet

As part of the Local Development Framework monitoring process, a survey of services in the local centres in the Borough was conducted annually. This report referred to the 2010 survey. Cabinet approval was sought to:

- re-draw boundaries of the following Local Centres in the 2006 Hartlepool Local Plan:
 1. Oxford Road
 2. Raby/Chatham Road
 3. Brierton Lane
 4. Middle Warren
 5. Murray Street
 6. Owton Manor East
 7. Owton Manor West
 8. Brenda Road Sydenham Road
 9. Wiltshire Way
 10. Wynyard Road
- add BelleVue Centre to the Local Plan as a Local Centre

A Member raised concerns that the proposed extension of the local centre in Murray Street may result in an increased number of takeaways which would be opposed by Derwent Street residents. The Principal Planning Officer noted the concerns and advised that it was envisaged that the core strategy would limit the number of takeaways in the town to a specific

percentage within each of the local centres throughout the town.

Decision

- (i) That the alterations to the areas covered by Policy Com5 of the Hartlepool Local Plan 2006 be endorsed.
- (ii) That the proposed changes to 10 of the existing local centre boundaries and the addition of the new Belle Vue local centre, as set out in the report, be approved.

26. Strategy for Managing Reductions in 2010/11 Government Grants *(Corporate Management Team)*

Type of decision

Budget and Policy Framework

Purpose of report

To enable Cabinet to determine a strategy for managing reductions in respect of in year 2010/11 Government grants.

Issue(s) for consideration by Cabinet

The Chief Executive presented the report which provided details of the 2010/11 grant cuts announced by the Government on 10 June 2010 and the impact on the Council.

The reductions in 2010/11 grants were a precursor to more significant cuts in Government expenditure. This position was confirmed by the Chancellor in his Emergency Budget on 22 June 2010 which indicated non protected Government departments faced average cuts of 25% over four years commencing 2011/12. This implied some Government departments would face higher funding cuts. Details of the phasing and impact of these cuts on individual government departments would not be known until the Spending Review was published on 20 October 2010 and possibly much nearer Christmas for the Local Government Settlement.

The report concentrated on developing a strategy for managing the 2010/11 grant cuts. It was noted that it was essential this issue was addressed in the current year to avoid spending resources the Council would no longer receive and to partly mitigate the financial challenge facing the Council in 2011/12 and future years.

The direct grant cuts totalled £3.556m, consisting of revenue grant cuts of £2.154m and capital grant cuts of £1.402m. As a range of revenue and capital grants were being cut, different strategies were needed for individual grant streams to reflect the different impacts on the Council's financial position. Detailed proposals were outlined in the report.

The report included a proposed strategy for managing Area Based Grant reduction of £1.662 million. A comprehensive review of schemes currently funded from the Area Based Grant, including Working Neighbourhood Fund (WNF) schemes, had been completed to identify areas where reductions could be made in the current year. This review had not been a simple 10% reduction over all projects but a more targeted approach. This approach had identified permanent reductions of £0.609m in the current year, towards the grant cut of £1.662m, leaving a shortfall to fund in the current year of £1.053m. Details of the proposals of Working Neighbourhood Fund reductions were appended to the report (appendix A) together with non Working Neighbourhood Fund Area Based Grant reductions (appendix B).

Details of the proposed strategies for managing grant reduction in the local public service agreement reward (LPSA), the local authority business growth incentive scheme, housing and planning delivery grant, integrated transport block grant and housing market renewal grant as well as indirect grant cuts were provided as set out in the report.

The Chief Executive referred to the risks of not implementing proposals as detailed in the report and emphasised the difficulties of managing in year cuts.

Following presentation of the report, the Regeneration and Economic Development Portfolio Holder provided feedback from the meeting of the Council Working Group and presented the draft notes of the meeting for Cabinet's consideration, a copy of which were tabled at the meeting.

The recommendations to Cabinet were as follows:-

1. That there should initially be a 10% reduction of grant over all Working Neighbourhood fund projects followed by a further review to determine those projects where it was not appropriate to have a 10% reduction.
2. That a Member Monitoring of Vacancies Panel be reinstated.

The Mayor expressed concern regarding the proposal from the Working Group that the Working Group should operate under the constitutional powers of Scrutiny Co-ordinating Committee and sought clarification on the role, remit and powers of the Working Group. In response, the Chief Solicitor stated that the Working Group had no decision making powers as such and their role was to make representations only. Following discussion on the decision making process and the role of the Working Group, the Mayor indicated that as the role of the Working Group was to bring forward ideas the Working Group should include as many Members of the Council as possible and encouraged all Cabinet Members to play an active role in the next meeting of the Working Group.

Following a lengthy discussion on the recommendation of the Working Group, whilst Members recognised the level of work that had already been

undertaken by officers, proposals of which were outlined in Appendices A and B of the report, Members were of the view that a 10% reduction for all organisations may not be appropriate. In such circumstances, Members supported the recommendation of a further review. The importance of preserving jobs was also emphasised.

In terms of future service provision, it was suggested that information be obtained from the voluntary sector in relation to their future priorities and the types of services they needed to provide with a view to working in partnership to identify the priorities for the town. Those comments were welcomed by a representative from HVDA who was in attendance at the meeting together with other representatives from the voluntary sector. The representative added that Council officers had informed the voluntary sector of the proposed cuts as soon as the information was available and acknowledged the difficulties ahead in managing these cuts. The representative highlighted the importance of continuing with the work that had already commenced.

A Member commented on the importance of effective consultation and including feedback and views from all parties in future Cabinet reports. Some concern was expressed regarding the filling of vacant posts and the need to closely monitor staff vacancies and internal expenditure.

Following discussion on the recommendation of the Working Group that the Member Monitoring of Vacancies Panel be reinstated, the Chief Executive outlined the current process which involved a Vacancy Monitoring Panel and a “Thaw” Panel, and indicated that he was happy for this process to continue.

At this point in the meeting, Councillor Cath Hill joined the meeting.

Following further discussion on the way forward, it was suggested that a further report be submitted to the next meeting of Cabinet to include feedback from the consultation process with voluntary organisations.

Decision

- (i) That the proposed strategy for managing Area Based Grant reductions be further considered at the next meeting of Cabinet to include feedback from the consultation process with voluntary organisations.
- (ii) That the recommendations of the Working Group, be noted.

27. Shape of the Council – Next Steps *(Chief Executive)*

Type of decision

Non-key

Purpose of report

To follow up the report submitted to Cabinet on 28 June in respect of The Shape of the Council – Next Steps

Issue(s) for consideration by Cabinet

The issues faced by the authority would need to be considered across a broad range of fronts and these had been discussed by Cabinet. No single option was likely to provide a sustainable solution, of sufficient scale, which was capable of implementation in the timescales available. The continuation of Business Transformation aligned with a programme of other related activities was the most likely solution which was capable of delivering the change needed.

It was reported that the anticipated financial position would not be available in detail until the Comprehensive Spending Review (CSR) was announced (scheduled for 20th October 2010). However, it was useful to put the challenges in context.

The financial projections which underpinned the Medium Term Financial Strategy (which cover a three year period) identified that, with an expected reduction in grants of 5% per annum over three years that the overall budget gap was £12m. Which broadly equated to £4m per year.

The recent emergency budget, with the announced date for the conclusion of the CSR, had identified that “non protected departments” could expect an average reduction in their budgets of 25% over a four year period. For the purposes of planning, the announced average figure of 25% had been used for this report, however these could also be in the region of 30-40% reduction.

In addition, should the grant reductions be “front loaded” this increased the deficit, after BT savings, from approximately £4m to almost £7m for 2011/12 and this did not take into account the freezing of Council tax which potentially added another £1m into this deficit.

The report summarised the key issues from considering the scale of the budget reductions. Cabinet considered a report on these matters on 28 June 2010 and agreed that a further report be brought back to take these matters forward.

It was important in the consideration to address as many of the budget decisions as possible in a managed way and that the Business Transformation Programme continued.

With regard to the options for implementation, in broad terms, as considered by Cabinet on 28th June, the options available fell into a number of main (interrelated), but limited categories which are as follows, the details of which were set out in the report:-

- Prioritisation of services
- Partnering (Public Sector)
- Partnering (Private Sector)
- Commissioning Services (public, private and voluntary sectors)
- Social Enterprise
- Trading Opportunities

It was recommended that in the short term that the prioritisation of services was progressed as a matter of urgency. The other measures identified above provided potential medium term solutions.

It should be noted that for the opportunities outlined above they could not be seen as wholly discrete options and there were many potential overlaps between them. For the purposes of this report partnering and trading had been separated but there were potential overlaps.

All of the options would require significant work and resource to implement them effectively if they were agreed. They could not be assumed to be either simple to do nor necessarily problem free, but needed to be pursued to establish a package of measures capable of addressing the expected budget deficit.

Due to the scale of change it was unlikely that the authority would be in a position to actually deliver all of the services it currently delivered either in their current form or in some instances at all. It was proposed that officers commenced a process for prioritising services for consideration by Cabinet.

In relation to Partnering (Public Sector) option for the delivery of services, this required a clear commitment on behalf of partnering agencies, from the outset, to enter into an arrangement for their delivery which was more than just a short term arrangement. If Cabinet determined this to be an appropriate model, to progress such considerations would require political discussion with other local authorities and officers to identify service areas for potential development for agreement with Cabinet. The key to such an arrangement was the political agreement to progress this both locally and from other local authorities.

Details of the range of models for arrangements between the Local Authority and the private sector were set out in the report which included the traditional commissioning of services, partnering arrangements, joint ventures and others. The report included details of a previous proposal to develop a Joint Venture Company with a private sector provider, which despite significant effort did not progress.

The authority already commissioned services from a wide range of providers including others from the public sector, the private and voluntary sectors. This would need to be revisited to determine whether there are any further options available to the authority which would assist in addressing the budgetary consideration and financial challenges faced.

There was the potential that through the establishment of Social Enterprises that for some service areas there may be efficiencies which could be realised. The issue of the services the Council delivered or could deliver, and the extent to which the current service base could either be broadened or supplemented by attracting trade in these services from outside the confines of the Council was one which was worthy of consideration. The Council already “trades” in a range of services outside the confines of the local authority. Consideration of such opportunities presented a number of factors, details of which were included in the report.

There was obviously the potential for an “agreed” approach with other authorities / agencies, utilising expertise and knowledge in one area to lead on the delivery of joint efficiencies within an agreed programme.

Members were advised that for all services there were a variety of options for their delivery and that to suggest that all services be considered against all potential options was not practical or deliverable in the timescales available. Officers, if the recommendations in this report were agreed, would bring forward proposals that were considered deliverable.

Members were reminded that it was important to recognise that this was financially driven and that any proposals brought forward would take this as the primary factor in determining a proposed programme. Members would need to consider that many “opportunities”, whilst they may be an opportunity in that the model may be deliverable would not deliver any savings and therefore were not a priority given the challenges faced.

A discussion followed regarding joint venture and partnering arrangements with the public sector, the possibility of joint working with the voluntary sector to facilitate these arrangements, the risk involved in commissioning services from the private sector and the recommended approach with local authority leaders in relation to joint working. The Chief Executive advised that joint working could extend beyond the Tees Valley area and the key to such an arrangement was political agreement both locally and from other local authorities. Examples of current joint working arrangements and commissioning of services were provided.

With regard to a strategy for communication with Elected Members in terms of the programme to be considered, Members were of the view that officers should develop a recommended service list for potential partnering opportunities in consultation with the relevant Portfolio Holder. In relation to Members preferred methods of communication with Elected Members, it was noted that Members’ Seminars were not well attended and the benefits of holding a seminar immediately before a Council meeting were highlighted.

In response to a query as to how a management buy-out would operate, Members were advised that one of the proposals by Central Government was to create an environment whereby public sector employees could buyout their services and operate independently. The implications of such arrangements were outlined.

A query was raised regarding the proposals in a recent white paper that local authorities could be responsible for the public health agenda and whether there would be an opportunity for local authorities to manage health service funding. The Chief Executive stated that lobbying of Central Government on local authorities Cabinet taking responsibility of PCT boards had resulted in little success. The financial implications of such arrangements were provided.

In relation to the need for a prioritised approach in terms of the options available, the Mayor indicated that Cabinet would identify initial proposals and share these proposals with the Council Working Group.

Decision

1. That officers undertake a prioritisation exercise of all Council services, details of which to be reported back to Cabinet for consideration.
2. In relation to Partnering options:-
 - i) A meeting be held with other Local authority leaders to consider and agree the potential for joint working and partnering with a programme to be determined
 - ii) A meeting be held with other Public sector providers to consider and agree the potential for joint working and partnering with a programme to be determined.
3. That officers, in consultation with Portfolio Holders, identify for Hartlepool a recommended service list for potential; Partnering (public), Partnering (Private Sector), Commissioning Services (public, private and voluntary sectors), Social Enterprise, Trading Opportunities for consideration by Cabinet.
4. That a Communication Strategy with all Elected Members in terms of the programme to be considered should include Members' Seminars to be held immediately before Council meetings.

28. Public Consultation for 2011/12 Budget *(Assistant Chief Executive and Chief Finance Officer)*

Type of decision

Non-key

Purpose of report

To provide Cabinet with a detailed proposal to undertake public consultation that can inform budget decisions for 2011/12 and future years.

Issue(s) for consideration by Cabinet

The report provided background information to the recent announcements by the Coalition Government in respect of in year cuts and indicative cuts for future years and the need to consult on potential priorities and areas for reduction in expenditure with a wide range of stakeholders.

A decision was required on how to undertake the consultation as it would require development work and needed to fit with the overall budget timetable, as set out in Appendix 1. The key dates in the timetable were also included in the report.

A number of options and their costs and benefits had been considered, details of which were outlined in the report.

The report included a proposed approach and timetable together with estimated additional costs to support the consultation and the range of resources required to undertake the work. The estimated total cost of the proposal was £15,000. Given the scale of reductions in future local authority grant funding it would be prudent to retain a similar level of resources to undertake a second phase of consultation to inform the budget process for 2012/13.

Various methods of consultation were debated including the possibility of commissioning Northgate to design software solutions for elements of the consultation process to which the Assistant Chief Executive agreed to further explore. The need to undertake the consultation exercise at a minimum cost to the Council was emphasised. Whilst Members supported the proposed approach to the consultation, a Member questioned the value of retaining £15,000 to undertake a second phase of consultation to inform the budget process for 2012/13.

Decision

That the proposed approach for budget consultation to be undertaken in 2010 be approved.

The meeting concluded at 11.05 am

P J DEVLIN

CHIEF SOLICITOR

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