

CABINET

MINUTES AND DECISION RECORD

30 August 2011

The meeting commenced at 9.15 am in the Civic Centre, Hartlepool

Present:

The Mayor, Stuart Drummond - In the Chair

Councillors: Jonathan Brash, Performance Portfolio Holder
Robbie Payne, Deputy Mayor, Finance and Procurement Portfolio Holder
Pamela Hargreaves, Regeneration and Economic Development Portfolio Holder
Gerard Hall, Adult and Public Health Services Portfolio Holder
Hilary Thompson, Culture, Leisure and Tourism Portfolio Holder

Also Present Councillors:

Marjorie James, Chair of Scrutiny Co-ordinating Committee
Chris Simmons, Vice Chair of Scrutiny Co-ordinating Committee
Stephen Akers-Belcher, Chair of Health Scrutiny Forum
Christopher Akers-Belcher, Peter Ingham, Patricia Lawton, Ann Marshall, Carl Richardson, Ray Wells and Angie Wilcox

Officers: Chris Little, Chief Finance Officer
Alyson Caman, Legal Services Manager
Nicola Bailey, Director of Child and Adult Services
Dave Stubbs, Director of Regeneration and Neighbourhoods
Chris Wenlock, Parks and Countryside Manager
Dale Clark, Estates and Asset Manager
Jill Harrison, Assistant Director, Adult Social Care
Phil Homsby, Head of Service, Adult Social Care
James Walsh, Scrutiny Support Officer
Steve Hilton, Public Relations Officer
Angela Armstrong, Denise Wimpenny and Jo Stubbs, Democratic Services Team

74. Apologies for Absence

Apologies for absence were received from Councillors Cath Hill, Children's Services Portfolio Holder and Peter Jackson, Cabinet Member without Portfolio.

75. Declarations of interest by Members

None.

76. Minutes of the meeting held on 15 August 2011

Received.

77. Progress to date on the Development of Connected Care Services in Hartlepool (*Director of Child and Adult Services*)

Type of decision

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

Purpose of report

To update Cabinet on the progress to date with the development of connected care services in Hartlepool.

To agree an Action Plan (Appendix 5) in response to the findings and subsequent recommendations of the Health Scrutiny Forum's investigation into 'connected care'.

To give an overview and update on progress regarding the contracts agreed relating to connected care services at Adult and Public Health Services Portfolio meeting on 28 March 2011.

To seek Cabinet approval to implement the chosen option 1, 2 or 3 as described and to enter into the required contracts. For options 1 or 2 this would be until 31 March 2012, for option 3 it would be a contract for up to 2 years with an option to extend for a further 12 month period (subject to satisfactory performance and continued funding. Irrespective of chosen option this would require an exception from the Council's Contract Procedure Rules.

Issue(s) for consideration by Cabinet

Cabinet considered the report at its meeting on 15 August 2010 (minute 63 refers) and the report was deferred to this meeting for further discussion. The Portfolio Holder for Adult and Public Health Services Portfolio presented the report which provided information on the proposed contracts, the financial impact of the provision of the services and also background information regarding the development of Who Cares (NE) as a Community

Interest Company. The report detailed the justification for making an exception to the Council's Contract Procedure Rules to award the contracts. It was highlighted that a number of concerns had been raised previously by elected members and that these concerns had been addressed within the action plan.

The Portfolio Holder reaffirmed the decision taken on 28 March 2011 and indicated his support for Option 3. This is to award the full contract covering connected care navigation services, handyperson service and SAILS reablement service to Who Cares (NE) for a period of up to two years to 2013 with an option to extend for a further twelve months subject to performance and continued reablement funding being available. It was noted that option 2 and 3 contained a risk mitigation strategy for the council to ensure due diligence procedures were fully complied with which included the submission of appropriate trading accounts to be independently audited and a payment schedule that provided payments monthly in arrears. The Portfolio Holder commented that choosing option 3 sent out a clear message to the residents of the town that Cabinet had been extremely responsible in showing probity and accountability in dealing with external organisations as well as ensuring any issues of concern were addressed. In addition to this, the Portfolio Holder believed that the services provided by the connected care model were unique, professionally driven and community led and an essential lifeline for people in the town.

Whilst recognising the tremendous success of the connected care service within the Owton ward, it was acknowledged that this was mainly due to the involvement of people who knew the area and its needs. Concerns had been raised that the expertise and knowledge of organisations within the areas where the connected care service was to be rolled out should be involved in its planning and roll out to ensure the service was able to meet the unique needs of those particular areas. Although option 3 was supported, it was suggested that the action plan be agreed with the addition of the following; the commitment of Who Cares (NE) to work in this way be reflected within the action plan and that the Board of Who Cares (NE) should be increased to include four members from the central and four members from the north areas of the town. In addition, once the contract was established, how services are delivered and commissioned should be reviewed and a report be submitted to Cabinet by March 2013 detailing the progress and achievements of the service. It was noted that the contract should be restricted to the service areas outlined in option three.

There was some concern expressed by a Member at the length of time taken since the original decision in March 2011 to the implementation of that decision. However, the roll out of the connected service to other parts of the town was welcomed.

All Members supported option 3 including the additional recommendations as noted above as being integral to achieving the goals of the roll out of the connected care service. Members were satisfied that their questions raised in relation to the procurement process had been answered satisfactorily and

the advice from counsel had confirmed that the local authority had undertaken the most appropriate way forward with this issue. It was reiterated that where public funds were concerned, local authorities had to be absolutely transparent and ensure that every penny was accounted for and the questioning of this whole process had ensured that this process was followed. Although it was acknowledged that it may have taken longer to implement the decision than originally planned, the delay had been necessary to ensure that the decisions taken were the correct decisions for the residents of the town. Cabinet Members were satisfied that all their concerns had been addressed and all Members of Council were asked to fully support the people who would roll out the delivery of connected care services across the town.

In relation to rolling out the connected care service across the town, it was noted that the additional recommendation to include four representatives from the central and north area respectively to the Who Cares (NE) Board would ensure that local people were involved in the decision making affecting their own areas and this was welcomed.

A Member questioned whether any flexibility could be included within the contract in relation to the processing of payments in arrears to Who Cares (NE) as payments in arrears may cause operational difficulties in relation to cash flow for Who Cares (NE). Members were informed that discussions were ongoing between the Chief Finance Officer and Who Cares (NE) with a view to forming a payment schedule that was not detrimental to the operation of the organisation but still able to satisfy the Council's requirements for the distribution of funds.

It was agreed that the additional members for the Who Cares (NE) Board from the north and central areas of town (four representatives from each area) would be identified, proposed and elected (if necessary) by local residents and organisations in that area, with final nominations reported back to Cabinet for information.

Decision

(1) Option 3 as detailed in the report was approved as follows subject to the conditions noted below: To reaffirm the decision of Adult and Public Health Services Portfolio at his meeting on 28 March 2011 to award the full contract covering connected care navigation services, handyperson service and SAILS reablement service to Who Cares (NE) as per the Portfolio Holder's decision for a period of up to two years to 2013 with an option to extend for a further twelve months subject to performance and funding being available.

- (i) This option was dependent upon submission of the appropriate trading accounts up to the end of March 2011 which the Council would have independently audited to ensure probity.
- (ii) A flexible payments schedule to be agreed, with the Chief Finance

- Officer, in order to support the organisations development and to mitigate financial risk to the Council.
- (iii) Should Who Cares (NE) be unable to provide assurances via its independently audited accounts to the Council's satisfaction, it was proposed that a market testing exercise would be undertaken followed by a subsequent procurement exercise to tender and commission with reablement funding, a connected care model of service delivery and low level social care and health care support services.
 - (iv) That four representatives from each of the central and north areas respectively be appointed to the Board of Who Cares (NE).
 - (v) That once the contract is established, the commissioning for the delivery of services be reviewed . This would be via a report updating Members on progress of the connected care service across the town by March 2013.
- (2) The action plan relating to connected care prepared in response to the Health Scrutiny Committee's inquiry into connected care be approved, subject to the inclusion of the above recommendations.

78. Purchase of Premises in the Central Regeneration Area and Sale of Land at Tanfield Road Adjoining Stranton Cemetery *(Director of Regeneration and Neighbourhoods)*

Type of decision

Key Decision – Test (i) applies.

Purpose of report

To enable Cabinet to consider the proposed purchase of the long leasehold interest in premises in the Central Regeneration Area and the sale of land at Tanfield Road adjoining Stranton Cemetery and enable Cabinet to seek Council approval to amended the approved 2011/12 Budget to enable the premises in the Central Regeneration area to be purchased.

Issue(s) for consideration by Cabinet

The report outlined the opportunity to acquire premises that would contribute to the long term regeneration of the central areas together with an associated opportunity to achieve a substantial capital receipt to assist the Council's financial position. A business case for the proposals was highlighted within the report.

During the discussions that followed it was questioned whether obtaining planning permission for the site at Tanfield Road would increase the value

resulting in a higher capital receipt for the local authority. Members were informed that as an outline planning application was very similar to a detailed planning application, it would be difficult to predict the requirements of any potential developers of the site. This may result in developers having to submit their own planning application to their specific requirements. It was considered that an approved planning application for the site would not add sufficient value to pursue and confirmed that the best value for the disposal of the site would be sought. The Director of Regeneration and Neighbourhoods confirmed that the site at Tanfield Road was included within the Local Development Framework as a site for residential development.

A lengthy discussion was undertaken in relation to the lease arrangements of the Focus Building in Lynn Street. The Director of Regeneration and Neighbourhoods confirmed that this building was ideally situated to enable the co-location of the services provided by the Regeneration and Neighbourhoods Department, was ideal from an operational viewpoint and would provide for a more efficient and effective service. Members were reminded that the whole area around Lynn Street formed part of the Innovation and Skills Quarter and would be developed as such in the long term.

The Chief Finance Officer added that the capital receipts from the sale of the land at Tanfield Road would be utilised to support some of the shortfall in the Housing Market Renewal funding.

It was suggested that the terms of any sale of the Tanfield Road site should be submitted to Cabinet for approval rather than the Portfolio Holder.

It was noted that there were a number of questions that required the meeting to move into closed session, although the questions would not impact on the decision. This would be facilitated at the end of the meeting.

Decision

- (i) The proposed acquisition and disposals package to purchase the Focus Unit using uncommitted capital receipts and the sale of Tanfield Road site on the business case and terms outlined within the report be approved as the proposed expenditure was outside the Council's Budget and Policy Framework for 2011/12.
- (ii) That approval was given for the marketing and sale of the Tanfield Road site with the terms of any sale to be submitted to Cabinet for approval.
- (iii) As a result of recommendation (ii), the capital receipts would increase and Members need to develop a strategy for using these resources as part of the 2012/13 budget process to address capital risks, such as Housing Market Renewal issues.
- (iv) The comments of the Scrutiny Co-ordinating Committee were considered.

79. Partnership with Darlington Borough Council for Joint Head of HR role *(Chief Executive)*

Type of decision

Non-key.

Purpose of report

To set out a proposal to enter into an agreement with Darlington Borough Council to share a post of Head of HR and the implications for the structure of the Chief Executive's Department.

Issue(s) for consideration by Cabinet

This report was considered by Cabinet on 15 August 2011 (minute 64 refers) and referred to this meeting for the clarification of a number of issues. The report explained the background to the proposal, the principles of an agreement and the implications for the structure of the Chief Executive's Department. The Director of Child and Adult Services updated Members that the Unions had indicated their support for the recommendations contained within the report.

The Mayor noted that some of the concerns raised at the previous meeting related to the potential detriment to the service provided to the Council. It was confirmed that the proposed agreement would include a break clause to allow either party to withdraw from the agreement at any time and would incorporate regular reviews of the arrangement. It was agreed that an initial a six monthly review would be undertaken which would enable a more informed review to be undertaken of the overall savings required within the Chief Executive's department.

Members were informed that the Leader and Cabinet of Darlington Borough Council were more than happy to meet with this Cabinet to explore the potential of additional closer working on all levels.

A Member indicated that he was vehemently opposed to looking at one job in isolation but was reassured that as part of the ongoing budget process additional savings would be identified within a review of the whole Chief Executive's Departmental budget which will be undertaken as part of the budget savings proposals within the next six months.

Decision

- (i) That an agreement be entered into with Darlington Borough Council to share a joint Head of HR and that the Chief Executive and/or Chief Solicitor be delegated to finalise the legal agreement with the General Purposes Committee including regular reviews of the arrangement and an appropriate break clause.
- (ii) That an initial review of the arrangement be undertaken in 6 months' time to enable a more informed review of the budgetary savings proposed within the Chief Executive's Department.
- (iii) The need to reallocate some responsibilities of the Chief Customer and Workforce Services Officer was noted with a report to be submitted to Cabinet in due course with proposals for restructuring within the Chief Executive's Department.

80. Department for Work and Pensions Work Programme – Closing the Loop Report *(Director of Regeneration and Neighbourhoods)*

Type of decision

For information only.

Purpose of report

To report to Cabinet on the final delegated decision made with regards to the Council entering into subcontracting arrangements with Avanta, to deliver the new Work Programme.

Issue(s) for consideration by Cabinet

At its meeting on 18 July 2011 (minute 44 refers), Cabinet delegated authority to the Chief Executive in conjunction with the Mayor to sign the Avanta contract. The Portfolio Holder for Regeneration and Economic Development presented a report which highlighted that a comprehensive review of the outstanding issues in relation to TUPE arrangements for staff and financial risk exposure to the Council had been undertaken. The key risks which were unable to be resolved included:

- Substantial financial liabilities for the Council for under-performance of the contract;
- The employment outcomes being un-realistic, with no scope to negotiate these targets; and;
- That Avanta still expected that TUPE arrangements would be maintained as part of the overall contract. This would have meant that

the Council would be responsible for covering the financial costs of three external staff posts from day one of the contract commencing.

Based on the information above, the Chief Executive, in conjunction with the Mayor made the final delegated decision for the Council not to enter into subcontracting arrangements with Avanta.

The Portfolio Holder indicated her disappointment that the proposed sub contracting arrangements were not viable as the local authority's team delivered excellent work in the areas of training and employment as well as helping the sustainability of the local organisations that would have been involved.

It was reiterated that this decision was the result of the vigilant nature of the enquiries made by Members during which it had been noted that the proposal would have left the authority at huge risk financially. Officers were also congratulated for all their efforts during the process.

Decision

The report was noted.

81. Outturn – Capital and Accountable Body Programme Monitoring Report 2010/2011 *(Chief Finance Officer)*

Type of decision

None.

Purpose of report

To provide details of progress against the Council's overall Capital budget for 2010/2011 and the spending programmes where the Council acts as the Accountable Body for the period to 31st March, 2011.

Issue(s) for consideration by Cabinet

The Portfolio Holder for Finance and Procurement presented a report which provided detailed monitoring information for each Portfolio up to 31st March, 2011. In total there 322 schemes within the Council's own capital programme and there were no specific issues to bring to Members attention. Similarly the NDC programme, for which the Council is Accountable body, was progressing within budget.

It was highlighted that reference to the purchase of Morrison Hall had been included within the Performance Portfolio and this should be included within

Finance and Procurement. Concern was expressed at proposed changes in responsibility from the Health and Safety Executive to local authorities and the need to examine the creation of a reserve for this purpose was noted.

A Member questioned whether departmental underspends could be vired to another area within that department such as the Disabled Facilities Grant which was facing increased budgetary pressures. The Chief Finance Officer confirmed that it depended on how the original scheme had been funded whether any underspends could be vired elsewhere within the department or whether they would be clawed back by the funding provider.

Decision

The report was noted.

82. Quarter 1 – Capital Programme Monitoring Report 2011/2012 *(Chief Finance Officer)*

Type of decision

None.

Purpose of report

To provide details of progress against the Council's 2011/12 Capital budget for the period to 30th June, 2011.

Issue(s) for consideration by Cabinet

The Portfolio Holder for Finance and Procurement presented a report which provided detailed monitoring information for each departmental area up to 30 June 2011. In total there were 339 schemes within the Council's capital programme and there are no specific issues to bring to Members attention.

Clarification was sought on the position with regard to the Housing Market Renewal funding for the Carr and Hopps Street area. The Chief Finance Officer confirmed that assuming the funding bid for this development was successful, a detailed report would be submitted to Cabinet later this year.

Decision

The report was noted.

83. Quarter 1 – Revenue Financial Management Report 2011/2012 *(Corporate Management Team)*

Type of decision

None.

Purpose of report

To inform Cabinet of details of progress against the Council's overall revenue budget for 2011/2012.

Issue(s) for consideration by Cabinet

The Portfolio Holder for Finance and Procurement presented a report which covered the following areas:

- Overview of Financial Position;
- Review of High Risk Budget Areas;
- Key Balance Sheet information.

The report indicated that forecast outturns for all areas will be reported at the end of the second quarter. In the meantime, a number of trends were beginning to emerge, covering the impact of interest rates, income shortfalls and the part year impact of achieving some 2012/13 savings early. It was expected these issues would have an overall positive benefit at the year end.

However, any resources which become available would need to be allocated to manage financial risks. This would include the HMR unfunded costs referred to in the previous report and the costs of future redundancies resulting from cuts the Council's main revenue grant.

These issues were being reviewed and more detail would be reported to Cabinet on 10 October to enable Cabinet to develop a strategy for managing financial risks.

Decision

The current position with regard to revenue monitoring was noted.

84. Quarter 1 – Council Overview of Performance and Risk 2011/2012 *(Corporate Management Team)*

Type of decision

Non-key.

Purpose of report

To inform Cabinet of the progress made against the Council's suite of 2011/12 Departmental Plans, for the period ending 30 June 2011.

Issue(s) for consideration by Cabinet

The Portfolio Holder for Performance presented a report which described progress made against the actions and performance indicators included in the three departmental plans for 2011/12.

A number of key points were highlighted including the fact that guidance was still awaited on tackling organised crime groups. It was noted that the take up of school meals within primary schools was below target locally although still above national average and it was hoped that there would be an upward trend in September 2011.

The Portfolio Holder informed Members that whilst the average time to process housing benefit claims was unacceptable as it was below the target there was an improvement plan in place. There were a number of reasons for this target not being reached, including the fact that the department processing the claims has also undertaken the additional responsibility of processing free school meals. A lot of work had been undertaken in this area with 250 additional families now receiving free school meals.

The Portfolio Holder for Adult and Public Health Services highlighted that funding had been acquired to open the Centre for Independent Living (CIL) which had opened in April 2011 and supported people to retain their independence as well as providing a community facility in that area. In addition funding had been secured from the British Heart Foundation for a 3 year health heart campaign within schools. Members were informed that there was to be a major launch in the next few months.

Decision

The current position with regard to performance was noted.

85. Local Government (Access to Information) (Variation) Order 2006

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 86 – Purchase of Premises in the Central Regeneration Area and Sale of Land at Tanfield Road Adjoining Stranton Cemetery - This item contained exempt information under Schedule 12A Local Government Act 1972, namely information relating to the financial or business affairs of any particular person (including the authority holding that information).

86. Purchase of Premises in the Central Regeneration Area and Sale of Land at Tanfield Road Adjoining Stranton Cemetery *(Director of Regeneration and Neighbourhoods)*

This item contained exempt information under Schedule 12A Local Government Act 1972, namely information relating to the financial or business affairs of any particular person (including the authority holding that information).

A number of questions were raised during the discussions under minute 78 and this was considered further during the closed part of the meeting. Further details were included within the exempt section of the minutes.

Decision

The responses to the questions were noted.

The meeting concluded at 10.58 am.

P J DEVLIN

CHIEF SOLICITOR

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