

CABINET

MINUTES AND DECISION RECORD

24 OCTOBER 2011

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

Present:

The Mayor, Stuart Drummond - In the Chair

Councillors: Robbie Payne (Deputy Mayor) (Finance and Procurement Portfolio Holder),
Gerard Hall (Adult and Public Health Services Portfolio Holder).
Peter Jackson (Regeneration and Economic Development and Skills Portfolio Holder),
Chris Simmons (Children's Services Portfolio Holder),
Hilary Thompson (Performance Portfolio Holder),

Also Present: Stephen Catchpole, Managing Director, Tees Valley Unlimited.

Officers: Nicola Bailey, Acting Chief Executive
Peter Devlin, Chief Solicitor
Joanne Machers, Chief Customer and Workforce Services Officer
Dave Stubbs, Director of Regeneration and Neighbourhoods
Denise Ogden, Assistant Director, Neighbourhood Services
Graham Frankland, Assistant Director, Resources
Sally Robinson, Assistant Director, Prevention, Safeguarding and Specialist Services
Julian Heward, Public Relations Officer
David Cosgrove, Democratic Services Team

124. Apologies for Absence

Councillors Jonathan Brash (Housing and Transition Portfolio Holder), Pam Hargreaves (Transport and Neighbourhoods Portfolio Holder) and Cath Hill (Culture, Leisure and Tourism Portfolio Holder).

125. Declarations of interest by Members

Councillor H Thompson declared a personal interest in Minute 132.
Councillor Simmons declared a personal interest in Minute 136.

126. Minutes of the meeting held on 10 October 2011

Confirmed.

127. Local Enterprise Partnership / Tees Valley Investment Plan *(Director of Regeneration and Neighbourhoods)*

Type of decision

Non Key Decision

Purpose of report

To provide an update on the progress on the Tees Valley Local Enterprise Partnership (LEP), the Tees Valley Investment Plan (TVIP) and the Hartlepool activity report following on from the last report to Cabinet on the 21st February 2011.

Issue(s) for consideration by Cabinet

Stephen Catchpole, Managing Director of Tees Valley Unlimited (TVU), gave a presentation to Cabinet outlining the work being undertaken by TVU since the last progress report earlier in the year.

The presentation highlighted –
The continuing changes in legislation being brought forward by the new coalition government.
TVU's role in driving forward economic growth.
The Local Enterprise Zones.
The Regional Growth Fund bids for Rounds 1 and 2 of funding.
Business Engagement.
Inward Investment.
Relationships with Government Departments.

The Mayor welcomed the update report and considered that there had been some very welcome successes over the past year to eighteen months but that the Tees Valley was not at the stage where these successes in bids for funding needed to be delivered 'on the ground'. The Mayor was concerned that there appeared to be a lack of the necessary support from central government and a distinct lack of 'joined up thinking' between departments.

The Mayor also considered that a major marketing exercise in relation to the Enterprise Zones (EZs) needed to be undertaken not just for the benefit of inward investors but also for the local business community as they didn't appear to be aware of the real benefits available. The Mayor was also concerned that there didn't appear to be a level playing field for English EZs and this was something the Government needed to address. Hartlepool was shortlisted with Dundee for the Gamesa inward investment project. However, the Scottish government seemed to be quick off the mark in supporting the Dundee bid; a level of support that wasn't available to Hartlepool.

Mr Catchpole commented that TVU had approached government both before and after the development of the Gamesa bid for a series of assurances/assistance which included a single point of contact within

government and a call for level playing field across the UK. Welsh and Scottish governments should not be able to offer more money than the UK government. The Gamesa case was something of a test case for these issues, though the Mayor did comment that it would be of no benefit to Hartlepool if Gamesa chose Dundee, test case or not.

Cabinet questioned the sizes of business that were being attracted to the EZs as the capital allowances seemed to be aimed at the larger private sector enterprises. Mr Catchpole commented that the whole scheme did rely on private sector input and only those larger companies that could make the significant investment needed to attract the capital grants would be coming to the larger EZ sites. In themselves, this investment would not bring significant new jobs; the jobs growth for the Tees Valley would be in the supply chain to these sites.

During the debate Cabinet also raised the issue of the part the education sector had to play in providing the 'workforce in waiting'. Mr Catchpole highlighted that in the engineering sector for example, the workforce in the Tees Valley area was an older workforce. TVU was working with the colleges in the area to tackle the need for trained young people for the growth that was to come. Mr Catchpole believed that the real growth in the Tees Valley would be in the supply chain companies and TVU would look to work with these companies, possibly in groups to provide training and apprenticeships to meet the new demand. New ideas would need to be considered such as third sector business development in EZs and should apprentices be able to access borrowing in the same way as university students to fund their training.

Decision

That the progress report be noted and Mr Catchpole be thanked for his attendance and presentation to Cabinet.

128. Revision to the Local Development Scheme *(Director of Regeneration and Neighbourhoods)*

Type of decision

Budget and Policy Framework

Purpose of report

To seek approval for a revision to the current Local Development Scheme (LDS) of October 2010 to take account of recent changes within planning at a national and regional level and changing circumstances locally.

Issue(s) for consideration by Cabinet

The Mayor reported that since the last revision to the Local Development Scheme in October 2010 a number of new issues have arisen which need to be reflected in the Local Development Scheme programme. These relate not only to changes to the planning system proposed by the new Government, but also specifically to reflect Cabinet's decision to undertake

a 2nd Preferred Options Document on the Core Strategy. The number of responses to the document was unprecedented and it had taken far longer than anticipated to collate. The cabinet meeting on 24th September 2011 considered the issues raised by the consultation. Cabinet had requested officers to work towards a Publication Document in January 2012 and this approval was part of that process.

Decision

That the Revised Local Development Scheme (October 2011) for consultation with the Planning Inspectorate and, subject to their acceptance of the programme, the revised LDS be submitted to the Secretary of State.

129. North East Retrofit Project (*Director of Regeneration and Neighbourhoods*)

Type of decision

Key Decision. Forward Plan reference Number RN 86/11

Purpose of report

To provide detail of a project being led by Newcastle City Council to retrofit energy efficiency measures to housing which all Councils in the north east of England have been invited to join.

Issue(s) for consideration by Cabinet

The Regeneration and Economic Development and Skills Portfolio Holder reported on a project being led by Newcastle City Council to retrofit energy efficiency measures to housing which all Councils in the north east of England have been invited to join. The project arose from discussions in 2010 regarding borrowing substantial sums of money from the ELENA fund and the European Investment Bank for large scale Carbon reduction programmes. The feasibility work for the project had been undertaken with the agreement of Elected Mayors/Leaders in Region, had been part-funded by the Regional Improvement Efficiency Partnership and led as a pathfinder by Newcastle City Council (NCC).

The aim of the project was to retrofit houses (privately owned and the social rented sector) to make them more fuel efficient and so lower fuel poverty rates, improve health and reduce CO2 emissions. The project should help the Council to meet its Covenant of Mayors target (20% reduction in CO2 emissions by 2020).

The report set out in detail the options for council involvement in the project, the benefits and risks associated with the options. At this time the recommendation being made to Cabinet was not to join the project as an initial partner but to potentially join the project at a later date when the government scheme had been fully developed.

The Mayor questioned why the recommendation was not to be an initial member of the project. The concerns in relation to government policy did

not seem to put Newcastle off the project. The Director of Regeneration and Neighbourhoods commented that there were risks associated with the scheme as the government was reviewing its support to green energy and there was no guarantee that the current tariff arrangements would continue. The council would not lose anything by waiting until the new legislation was clear. Other authorities may be prepared to take the risk with the initial investment of £50,000.

Cabinet expressed its concern for those in fuel poverty and did feel that schemes such as this should be considered carefully. The Director commented that the scheme did rely on the householder investing as well so wasn't free. In response to Member questions, the Director indicated that those schemes for the free installation of electro-voltaic panels essentially meant that the householder rented out their roof-space to the company that owned the panels.

Cabinet was informed that the Council was moving towards becoming an approved installer of the panels and there were staff trained in designing schemes and panel installation.

Decision

That Cabinet agrees not to join the North East Retrofit Project as this time but expresses a desire to reserve the right to join at a later date.

130. Regeneration and Planning 2012/13 Savings *(Director of Regeneration and Neighbourhoods)*

Type of decision

Key Decision (test (i) applies). Forward Plan reference Number RN79/11, RN80/11, RN81/11

Purpose of report

To inform Cabinet of the full review of all services carried out within the Regeneration and Planning Division.

Issue(s) for consideration by Cabinet

The Regeneration and Economic Development and Skills Portfolio Holder reported on the full review of all services carried out within the Regeneration and Planning Division. This proposals within the report covered the Public Protection Section (Trading Standards, Licensing, Environmental Health, Commercial Services and Environmental Protection); Housing Services; Economic Development, Regeneration, Planning Service and Building Regulations; and the Housing Options Centre. Details of previous management savings were also detailed.

The options set out in the report were analysed and details of the financial savings detailed, which total a projected £634,000. Full details of the proposals together with a Diversity Impact Assessment were set out in detailed appendices to the report.

The Mayor sought clarification on the elements that had been seen by scrutiny. It was indicated that some elements of the Housing Service had recently been discussed at scrutiny where the comments were supportive of the proposals.

In response to Members concerns, the Director commented that there were no reductions in front line public services proposed through the cuts in the Public Protection Section. In relation to the changes in the Housing Section it was indicated that the changes that would include staff reductions, would lead to a more focussed service. The extensions to the selective licensing area would still come forward, though not as quickly as had originally been intended due to factors previously reported. Work on bringing empty properties back into use would also continue and a report would be submitted to a meeting of Cabinet in the near future on this.

The Mayor commented that with the scale and magnitude of the cuts that the whole council was facing it was inevitable that people would lose their jobs. As far as was possible, front line services would be protected and in the case of this report, officers needed to be congratulated at bringing forward proposals that saved money and protected services.

The status of the Housing Options Centre was questioned as a Cabinet Member considered that the council should withdraw the service from its current location due to the high rents. The Director indicated that the authority was tied into a lease with a break clause which would make withdrawing at this time more expensive than staying. The Centre also worked well in its current location and was highly visible to the public.

Cabinet also queried the potential re-gradings that were raised within the report. The Director indicated that as a result of some of the changes proposed, some staff would be asked to take on more responsibility. Under the Job Evaluation agreement, these posts would need to be re-evaluated with the potential that the grading for the post could increase. In response to concerns expressed at the potential for these re-evaluations to impact on the JE appeals, the Chief Customer and Workforce Services Officer stated that they would be done in parallel with the ongoing appeals that were still on scheduled to be completed by December.

Decision

That the proposals for the achievement of the £634,000 savings as summarised in the main report and the detailed appendices be approved

131. Early Intervention Strategy *(Director of Child and Adult Services)*

Type of decision

Key Decision Tests (i) and (ii) apply. Forward Plan Ref. CAS 99/11.

Purpose of report

The purpose of this report was to provide Cabinet with an opportunity to comment and give a strategic steer to the emerging Early Intervention Strategy which was being developed through consultation with service users, partners and stakeholders. The Strategy would determine how best the local authority could make use of the Early Intervention Grant beyond March 2012 to improve outcomes for local children, young people and their families.

The report also sought to alert Cabinet to specific services that would need to be commissioned to deliver identified priorities and sought approval to advertise tenders for the delivery of parenting support services and services for young people who were misusing substances. It was a priority to publish these tenders to prevent a significant break in services for service users when current contracts expire in March 2012.

Issue(s) for consideration by Cabinet

The Children's Services Portfolio Holder gave an overview of the emerging Early Intervention Strategy and the background to this key local initiative. The report outlines a working Vision and Aim for the future delivery of services and goes on to highlight strategic principles and priorities that have been developed through consultation with service users, partners and stakeholders.

The report details those services that will need to be commissioned promptly through use of the Early Intervention Strategy (EIS) Grant allocation for 2012/2013 to secure continuity of services for local children, young people and their families. It concludes by noting the risks, alongside the financial and legal implications that need to be considered as the strategy is developed further and approval is sought from Cabinet to begin implementation.

The Children's Services Scrutiny Forum undertook an investigation into 'Think Family – Preventative and Early Intervention Services' in late 2010/early 2011 to explore the provision of preventative and early intervention services including the provision of practical support for children, young people and their families and children on the cusp of care. The investigation enabled the Children's Services Scrutiny Forum to generate a series of recommendations which were detailed within the report.

The Portfolio Holder indicated that a key part of the Children's Scrutiny Investigation into 'Think Family – Preventative and Early Intervention Services' was to secure the views of local children, young people and parents/carers and this was achieved through the facilitation of a series of age appropriate focus groups, questionnaires and a local Think Family Conference. The feedback from this aspect of the investigation highlighted the need to improve access to services so that they are open to all families; raise awareness of services available; improve co-ordination between services and keep in contact with families.

An analysis of local need has been undertaken to inform the emerging strategy and this highlighted that whilst there have been great strides in improving outcomes for local children and young people in recent years, particularly in relation to educational attainment, some children and families would appear to have remained beyond the reach of too many initiatives. In relation to the current ward boundaries, the analysis highlighted the Stranton, Brus, Owton Manor, Dyke House and St. Hilda wards as key areas where high-level needs existed. It was stressed that needs extend beyond these wards to many areas of the town.

Cabinet had noted that due to delays in government announcements, the EI grant had been one of the last things reported to Cabinet before the budget was established earlier in the year. Fortunately, this year there would be an opportunity for scrutiny to look at the grant before Cabinet made its recommendations. There was comment that the procurement of services through the EIS should be open to third sector groups, as there were occasions when the services may simply be better provided by people/groups not associated with the authority in order to best work with families.

The Portfolio Holder agreed that there would be a need to use a mixed economy of provision in order to provide the most suitable service to families and young people. The reductions in grant had led to a much more focussed approach. The Assistant Director, Prevention, Safeguarding and Specialist Services, commented that the services that approval was sought for to commission would most likely be using third sector groups, particularly in providing recreational facilities to young children.

Cabinet supported the proposals being put forward in obtaining the best value for the money that was available. The Acting Chief Executive commented that should that mean working with other Tees Valley authorities to commission services on a Tees Valley basis that would also be considered. The Assistant Director was involved in a group that was looking at such cooperation and where it could be best implemented.

Decision

1. That the emerging Early Intervention Strategy be approved for consultation to be undertaken with a view to a final draft strategy report being presented to Cabinet in November/December.
2. That the advertising of tenders for the delivery of the Parenting Support and Young People's Substance Misuse Services be approved.

132. Parks and Countryside - Departmental Saving 2012/13 *(Director of Regeneration and Neighbourhoods)*

Type of decision

Non Key Decision.

Purpose of report

The report sought to provide an overview of the Parks and Countryside grounds maintenance income generating activities and to provide reassurance that an income generating stance was appropriate for the service and demonstrate this area has a track record of healthy and positive outturns.

Issue(s) for consideration by Cabinet

The Assistant Director, Neighbourhood Services reported that the Parks and Countryside service had an approximate £3.25m annual operating requirement. The core revenue budgets account for two thirds of the annual operating needs to maintain current expected frontline service standards. To bridge the annual operating shortfall the section operates many of its services through fee income and trading.

The Assistant Director highlighted that one of the most significant issues for this area was that at the start of 2011/12 the Schools Grounds Maintenance operation transferred from Facilities Management to Parks and Countryside due to approximately 50% of Hartlepool schools failing to renew contracts in favour of private landscaping contractors. This had placed the schools grounds maintenance team at risk. Two of the four school grounds operatives would remain primarily, but not exclusively, tasked to this area of work and it was anticipated that two others would be reassigned to vacancies within the general grounds maintenance service, enabling the remainder of schools contract work to be adsorbed. What was clear was that the service had failed to respond to a changed business environment and unless this was tackled it will become increasingly hard to recapture its lost position.

Satisfaction of customer's needs was a vital element in successful service delivery. The service had reviewed inherited approaches to work, for example saying 'yes' to every enquiry from potential clients. This practice had sometimes resulted in insufficient capacity to deliver work on time or to the requested client quality. The inherent danger being a reputation for broken promises, poor workmanship, late delivery and potentially little repeat work with outside customers.

The £45,000 efficiency saving for 2012/13 could be achieved through a combined approach. The removal of one vacant permanent post within the current grounds maintenance establishment not associated with income generation activities with a reallocation of responsibilities taking place to ensure service standards maintained. These measures would be combined with further control on overtime.

Cabinet was concerned at the loss of school grounds maintenance work to private sector companies and questioned if there was anything the division could have done to retain the work through better marketing for example. The Assistant Director indicated that the schools were aggressively marketed by the private sector companies. Some schools were now seeing

that the level of service quality may not be the same but had primarily been persuaded by cost. Officers were investigating all avenues on the marketing front such as clustering schools for contracts, offering longer contracts and potentially even discounting groups of services purchased together.

Cabinet conceded that this, and potentially other areas of the council, may have to be more aggressively market focussed in order to retain work. The Mayor was concerned that some of these services worked on very tight margins and there would be a 'tipping point' when the number of schools that withdrew eventually made any level of service unsustainable. Even if schools found that the new contracts they had entered did not provide the quality of service they were used to, there may not be a council service to come back to.

Decision

That the Parks and Countryside Service target for 2012/13 of £45,000 be taken from core grounds maintenance funding, which would be supported through income generation activities.

134. Inquorate Meeting

It was noted at the time that the above decision was made, that the meeting was not quorate. The Mayor indicated that (as permitted under the Local Government Act 2000 and the Constitution) he would exercise his powers of decision and that he would do so in accordance with the wishes of the Members present, indicated in the usual way. The decision set out above was therefore confirmed by the Mayor accordingly. The meeting returned to being quorate for the remaining items on the agenda.

135. Security Arrangements (*Chief Customer and Workforce Services Officer*)

Type of decision

Non-key.

Purpose of report

To request Cabinet consideration of a review undertaken of security arrangements in the Civic Centre which provide protection for staff, Elected Members, visitors and the public and seek a decision regarding the options identified.

Issue(s) for consideration by Cabinet

The Performance Portfolio Holder reported on the outcomes of a recent review of security arrangements in the council's building, providing options for Cabinet to consider. The Council delivered a range of different services from a number of different buildings. All buildings were subject to a regular health and safety inspection depending on the assessment of risk. Those buildings that were open to the public to access services are assessed

accordingly. The Council's budget and transformation programme had resulted in some buildings closing; the functions of some building changing and some services were being delivered from new locations.

The report outlined the results of the assessments of the Civic Centre primarily but also the other buildings from which the council operated. In relation to the Civic Centre, the Portfolio Holder highlighted that Members had recently requested increased security during larger council and public meetings and the provision of cctv in the Council Chamber. The additional costs of this provision would need to be considered against other budget pressures.

One of the options included within the report was for the maintenance of the security presence in the Contact Centre. This had been estimated at £19,000 and the Chief Customer and Workforce Services Officer indicated that currently the provision was being provided by savings elsewhere in the department, such as vacant posts. Members were concerned at the costs estimate and were informed that the estimate had been provided under the current contract and agreed by the contract manager.

Cabinet supported the retention of the current security provision, option 4 in the report, but agreed that it would need to be considered against the other budget pressures as part of the budget process.

Decision

That option 4 'Reinstate the Security Presence' as detailed in the report, at an estimated costs of £19,000, be supported by Cabinet for inclusion in the budget pressures to be considered later in the budgetary process.

136. Priority Schools Building Programme (*Director of Child and Adult Services*)

Type of decision

Non-key.

Purpose of report

To update Cabinet on the progress made in submitting expressions of interest to Partnerships for Schools (PfS) in connection with the recently announced Priority Schools Building Programme.

Issue(s) for consideration by Cabinet

The Children's Services Portfolio Holder referred to the declaration of interest he had made, as a Member of the Governing Body of West View Primary School, earlier in the meeting relating to this report.

The Assistant Director, Resources reported that on 19 July 2011, Michael Gove, Secretary of State for Education, set out how the Government proposed to ensure that a new school rebuilding programme would be launched, targeted at those schools in the worst condition. The Secretary

of State had written to Local Authorities, schools and other parties setting out the full details of the announcement and the application process. Applications to be part of the programme had to be submitted electronically to PfS before 1200 noon on Friday 14 October 2011.

The Local Authority had carried out an analysis of condition data across Hartlepool schools which identified four schools as having exceeded the 30% value for money threshold set out by PfS. The applications for these schools were in line with Cabinet's existing strategy under the now abandoned Building Schools for the Future and Primary Capital Programmes.

Following PfS's receipt of applications, schools would be ranked in accordance with condition information, followed by a consideration of the shortcomings of the existing premises and cases of severe pressing basic need. If we were successful in one or more of the applications, it was only at that stage we would understand better the level of resource commitment required by both the Council and schools to move forward although the Government had made a clear statement that it wished to reduce the amount of time and resourcing required by all parties in order to deliver this programme. Cabinet would receive further updates on these issues as decisions were announced later in the year.

The Assistant Director highlighted that following the analysis of condition data across Hartlepool schools, there were four schools identified as having exceeded the 30% value for money threshold set out by PfS. The four schools were:

- Manor College of Technology (35%)
- Barnard Grove Primary (37%)
- Holy Trinity Church of England Primary (33%)
- West View Primary (31%)

The Mayor commented that when the coalition government had withdrawn funding for Building Schools for the Future, they had insisted that it was the quality of teaching that made the difference to children and young people, not the buildings, yet not much more than a year later they were allocating money to build new schools. The procurement method, PFI, was however the biggest concern. The Assistant Director indicated that the Treasury were understood to be reviewing PFI funding but that for this scheme, only around £200m was being made available so the chances of success were limited.

Cabinet discussed the issues surrounding PFI funded public sector schemes, particularly the long-term financial problems caused by being locked in to expensive maintenance contracts. There was concern that the scheme did appear to be designed to lock out local authorities from any involvement in the design, build and maintenance elements of any new school built through this funding. Cabinet also expressed concern at how schools would be expected to fund their element of the PFI.

Decision

That the progress made to date with applications for the Priority Schools Building Programme and to receive further updates on this matter as decisions by the Secretary Of State for Education were announced.

- 137. Temporary Re-structure of the Chief Executive's Division in line with Joint Head of HR role** (*Acting Chief Executive*) This item contained exempt information under Schedule 12A Local Government Act 1972, namely information which is likely to reveal the identity of an individual (para. 2).

Type of decision

Non-key.

Purpose of report

To set out a two-phased approach to the proposed temporary re-structure of the Chief Executive's Department in line with the arrangements for a Joint Head of HR with Darlington Borough Council and on-going consideration of the ICT and Revenues and Benefits procurement exercise.

Issue(s) for consideration by Cabinet

The reason for the report being considered as exempt was questioned by a Cabinet member. The Chief Solicitor advised that in accordance with Access to Information rules as set out in the constitution, it had been considered that the report contained information that was likely to reveal the identity of an individual officer and was therefore included on the agenda as exempt under paragraph 2 of the rules. If Cabinet were to focus its consideration of the general issue it may be possible to continue the discussion though it still may be necessary to move into closed session if details that may refer to specific individuals were discussed.

The Mayor indicated that this was an opportunity to work with another authority and save money. The Acting Chief Executive indicated that the arrangements behind the sharing of the post would be reviewed after six months to allow the arrangement to be evaluated with a view to continuing the arrangement if deemed to be effective.. This review would be reported to Cabinet. The unions and the staff concerned had been consulted and supported the proposal.

One Cabinet Member recorded their opposition to the proposal as they considered that the changes needed to be subject to re-evaluation under the Job Evaluation procedures.

Decision

That the temporary re-structure of the Chief Executive's Department in light of the agreement to share a Head of HR with Darlington Borough Council be agreed and that a further report be submitted to Cabinet once the outcome of the six-monthly review of the joint Head of HR arrangement had

taken place and the outcome of the ICT and Revenues and Benefits procurement exercise was known.

Councillor Payne requested that his vote against the above decision be recorded.

The meeting concluded at 12.15 p.m.

P J DEVLIN

CHIEF SOLICITOR

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