

CABINET

MINUTES AND DECISION RECORD

5 March 2012

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

Present:

The Mayor, Stuart Drummond - In the Chair

Councillors: Cath Hill (Culture, Leisure and Tourism Portfolio Holder)
Hilary Thompson (Performance Portfolio Holder)

Also Present: Councillors James and Wells
John Maxwell, Resident Representative

Officers: Andrew Atkin, Assistant Chief Executive
Chris Little, Chief Finance Officer
Alyson Carman, Solicitor
Dave Stubbs, Director of Regeneration and Neighbourhoods
Damien Wilson, Assistant Director, Regeneration and Planning
Graham Frankland, Assistant Director, Resources
Jill Harrison, Assistant Director, Adult Social Care
Steve Hilton, Public Relations Officer
Louise Wallace, Assistant Director, Health Improvement
Denise Wimpenny, Principal Democratic Services Officer

243. Apologies for Absence

None.

244. Declarations of interest by Members

None.

245. Minutes of the meeting held on 20 February 2012

Received.

246. Former Henry Smith's School Site *(Director of Regeneration and Neighbourhoods)*

Type of decision

Key – tests (i) and (ii) apply

Purpose of report

To seek Cabinet approval to arrangements for the disposal of the Former Henry Smith's School site.

Issue(s) for consideration by Cabinet

The Mayor presented the report which provided background information relating to the proposed disposal of the school site for which a development brief had been prepared, a copy of which was attached at Appendix 2. As a result of soft market testing to identify the potential of developer interest in the site, a number of expressions of interest had been received from a range of regional and national house builders willing to undertake a mixed development to include affordable and houses for sale. The Home and Communities Agency had allocated funding for up to 45 affordable housing units on the site to Housing Hartlepool and developers had indicated that they would be willing to incorporate these within the scheme. The report outlined the suitability and funding implications for the development of the site for a mixed residential development as set out in a confidential appendix to the report.

The sale of the site needed to commence in order to achieve the capital receipts target set in the Medium Term Financial Strategy (MTFS).

Whilst a soft marketing exercise had been undertaken it was necessary to market the site on a competitive basis to ensure the Council achieved best consideration in terms of price and a scheme that fulfilled the Council's housing and regeneration objectives.

The Mayor advised that part of the site was currently being utilised by parents for parking and drop off purposes and this issue would need to be considered as part of the development brief.

In response to a request for clarification, the Director of Regeneration and Neighbourhoods outlined the soft market testing process.

In terms of expectations of the developer, a Member commented on the importance of providing affordable and appropriate house types to meet the needs of the aging population in the town and that this should be emphasised in the development brief.

A Resident Representative, who was in attendance at the meeting, highlighted the importance of ensuring that the appropriate conditions were attached to any residential development. The Mayor provided assurances

that a consultation process would be undertaken in relation to the proposed development and any concerns would be considered as part of the planning decision making process.

Decision

- (i) That officers be authorised to commence the marketing of the site in order to secure the funding to achieve the capital receipts targets of £4.5 m included in the MTFS to meet one-off strategic financial issues including funding to continue delivery of the Housing Market Renewal Programme.
- (ii) Officers be authorised to undertake a comprehensive but flexible approach to marketing providing options for developers to bid based on a range of options to include different percentages of affordable housing and methods of delivery from comprehensive development to part sale of the affordable land with indicative layouts and design proposals to form part of the bid submissions.

247. Mayfair Centre Development, Seaton Carew *(Director of Regeneration and Neighbourhoods)*

Type of decision

Key – tests (i) and (ii) apply

Purpose of report

To inform Cabinet of potential developments at the Mayfair Centre, Seaton Carew and seek approval for arrangements in connection with the release of a covenant on land previously owned by the Council.

Issue(s) for consideration by Cabinet

The Mayor presented the report which included background information as well as considerations in relation to the facilitation of a major new leisure complex in Seaton Carew together with the development of a substantial residential site which was dependent on the release of covenants by the Council for which terms had been agreed as detailed in a confidential appendix to the report.

Whilst it was important that the Council facilitated this development it was also essential that the Council gained appropriate financial benefits from its land interests and therefore negotiations had reached a compromise reflecting these objectives.

Members welcomed the development and commented on the benefits as a result.

Decision

Cabinet approved the release of covenant and financial arrangement to receive payments over 15 years and share in the future profits of the

business as detailed in a confidential appendix to the report.

248. Medium Term Financial Strategy – Collaboration Working – Cultural Trusts *(Assistant Director, Community Services)*

Type of decision

Non-key

Purpose of report

1. To outline the progress made to date to determine the most suitable option(s) available for the future management of a range of Cultural Services provision and to identify the most economic and sustainable option.
2. Consider the range of services to be included and the potential for a closer working relationship with other authorities.
3. The report seeks an 'in principle' consideration for the potential for the services identified to be transferred to a 'charitable trust' subject to further work to establish the best option for the Council. The first stage is to review the existing data and determine if a robust business case can be made, this will be reported back to Cabinet to seek approval of any further trust development.

Issue(s) for consideration by Cabinet

The Assistant Chief Executive reported on the initial conclusions of work completed in September 2011 which suggested a way forward for a single or a joint trust as a way of safeguarding and providing cultural services in the future whilst at the same time securing cost efficiencies without major impact on front line services. From the extensive assessment undertaken, the following options for future management delivery were identified as detailed in the report.

- (i) status quo
- (ii) development of a standalone cultural trust
- (iii) development of a joint trust
- (iv) consideration of service delivery by existing trust

The advantages and the disadvantages of the above options were outlined within the report along with the scope of services suggested for inclusion. The emerging potential changes to the manner of reallocation of mandatory non-domestic rate relief to Local Authority finance was an area which needed further investigation as part of the development of a business case. This was explored and the recommendations now suggested that it was prudent to undertake a review of the business case in the first instance.

The report outlined the views of the Trusts Working Group together with

conclusion and next steps, timescales and key milestones.

Councillor James, a Member of the Trust Working Group, who was in attendance at the meeting, summarised the views of the Working Group and raised concerns that some of the options that could be considered had not been fully explored. This included the need to consider maximising the financial benefits to the Council through an asset transfer/lease arrangement whereby the Council also transferred responsibility of property maintenance costs as opposed to the Council retaining responsibility of such costs in-house. In addition, Councillor James raised concerns on behalf of the Working Group that the timescales/key milestones did not include proposals to provide feedback to Council from which the Group had been established and emphasised that feedback should have been provided to Council prior to consideration by Cabinet.

In relation to the Working Group's view that it was difficult to determine if a trust arrangement was viable until such time as clarity was received from the government in relation to National Non-Domestic Rate Relief and VAT arrangements, whilst the Mayor acknowledged the benefits of clarity in this regard and, following advice from the Chief Finance Officer, was of the view that the various trust options should continue to be pursued in the meantime.

Further discussion ensued in relation to the financial implications of any changes in National Non-Domestic Rate Relief and VAT arrangements, the advantages, disadvantages and risks associated with the various trust options as well as the potential to secure capital and external funds. Reference was made to the benefits and risks of a joint authority trust arrangement and a query was raised in relation to the potential costs to the authority of a pension bond should this be necessary to which the Chief Finance Officer indicated that this issue would be considered as part of the business case. Whilst the potential savings of a joint trust arrangement was welcomed some concern was expressed regarding the financial impact of the requirement upon the Council to guarantee funding to support the proposal given the current budgetary difficulties. Emphasis was placed on the importance of ensuring that any changes did not adversely affect the service user and costs did not increase as a result.

Cabinet shared the views of the Working Group in terms of the need to explore all available options via a business case before a decision could be taken on the most appropriate model of delivery. However, it was reiterated that the various trust options should continue to be pursued pending receipt of clarification from the Government in relation to the position on rate relief. In view of the level of detail in working towards investigation of the establishment of a new cultural trust and the request that soft market testing be undertaken as part of the development of the business case, it was acknowledged that the timescales/key milestones, as set out in the report, would need to be extended.

Decision

- (i) That the work to date in respect of determining options for alternative delivery of front line cultural services with potential to reduce infrastructure costs, be noted.
- (ii) That the service areas, as set out in the service scope of Section 5 of the report be explored.
- (iii) That a review of the existing business case be undertaken to determine the impact on the current conclusions in respect of the emerging NNDR position and the impact of current service efficiencies since 2010/11 and determined for 2012/13 in conjunction with the potential of asset transfer arrangements.
- (iv) That an additional cost of £25,000 be approved to develop the business case and to fund this cost from the Future savings project investigation costs reserves in accordance with approval by Council in February 2011.
- (v) It was noted that an update report would be submitted to Cabinet in due course to recommend a way forward and that timescales/key milestones be reviewed.
- (vi) That officers continue to work with the Trusts Working Group in relation to future proposals and considerations of the Trusts Working Group be reported to Council as appropriate.

249. Medium Term Financial Strategy - Collaboration (Acting Chief Executive)

Type of decision

Non-key

Purpose of report

The report was based on the following recommendation to Cabinet which was agreed at the meeting on 7 November 2011.

“That Cabinet receive for consideration a more detailed work programme and plan (assuming agreement to the other recommendations in this report.”

Issue(s) for consideration by Cabinet

The Assistant Chief Executive referred to the decision of Cabinet on 7 November which provided the opportunity to progress a collaboration programme. The design and subsequent evaluation criteria for each phase was reemphasised as set out in the report. It was the intention of the programme of work, when agreed by Cabinet, that in the first instance it would be limited, though not exclusively to the exploration of the potential for collaboration between Hartlepool and Darlington Councils but with the potential to be scalable and to include other organisations. As part of these considerations, discussions had been ongoing with a number of authorities and the scope of the feasibility work had been extended in certain areas, and at this stage to include Redcar and Cleveland Council.

Members were referred to the overall programme of work in respect of collaboration which was phased in line with the decision of Cabinet in respect of Child and Adult Services, Culture, Corporate Services and Darlington's review of Place Services, the timescales for which were set out in an appendix to the report.

The report included a summary of the key milestones and currently identified decision points for Cabinet, the arrangements that had been developed to manage the overall programme and associated work and any further and related work which would be undertaken in the context of collaboration.

The Mayor commented on the benefits of referring the draft collaboration agreement to scrutiny which may assist in addressing a number of Member questions in terms of sovereignty.

In the discussion that followed Members were pleased to note the proposal to hold regular meetings between respective leaders, portfolio holders and executives to ensure there was an ongoing and clear understanding of the programme as it developed. In response to the Chair of Scrutiny Co-ordinating Committee's concerns that there was no provision in the decision making process to scrutinise any joint decisions of the Executive, the Mayor stated that decision making in respect of the potential options to take project areas forward would be maintained with each individual executive and would not be taken jointly. The Chair of Scrutiny Co-ordinating Committee commented on the need for all partners to be reminded of scrutiny's duty to scrutinise any decisions taken.

With regard to internal management arrangements, assurances were sought that the appointment of a project manager to manage the programme would be a temporary appointment, the Assistant Chief Executive clarified that this was a temporary appointment and would be funded from REIP legacy funding. In response to a request for clarification, Members were provided with details of the internal management recruitment arrangements, as set out in the report.

Decision

- (i) That the contents of the report, proposed draft milestones and currently identified decision points for Cabinet and associated arrangements be noted.
- (ii) That the report be referred to Scrutiny for consideration.

250. Final Draft – Hartlepool Public Health Transition Plan (Acting Chief Executive)

Type of decision

Non-key

Purpose of report

To present to Cabinet the final draft of the Hartlepool Public Health Transition Plan prior to submission on 16 March 2012 to the Regional Director of Public Health. The paper builds on the previous paper on this issue presented to Cabinet on 23 January 2012. The paper would provide an update on key national, regional and local issues relating to the development and subsequent implementation of the plan.

Issue(s) for consideration by Cabinet

The Assistant Director of Health Improvement presented the final draft version of the Public Health Transition Plan. The Plan, attached at Appendix 1, highlighted the key issues, actions, timescales, responsible officer and progress regarding the transfer of public health from NHS Hartlepool to Hartlepool Borough Council. The transfer of public health to local authorities was a key proposal of the Health and Social Care Bill 2011. The Bill was currently progressing through the parliamentary process.

Members were pleased to note the level of progress relating to the development of the plan.

Decision

- (i) That the contents of the plan be noted.
- (ii) That the Plan be submitted to the Regional Director of Public Health by 16 March 2012.

The meeting concluded at 10.35 am.

P J DEVLIN

CHIEF SOLICITOR

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