

COUNCIL AGENDA



13 September 2012

at 7.00 p.m.

**in the Council Chamber,
Civic Centre, Hartlepool.**

1. To receive apologies from absent members.
2. To receive any declarations of interest from members.
3. To deal with any business required by statute to be done before any other business.
4. To receive questions from and provide answers to the public in relation to matters of which notice has been given under Rule 10.
5. To approve the minutes of the last meeting of the Council held on 2 August 2012, as a correct record (copy attached).
6. Questions from Members of the Council on the minutes of the last meeting of the Council.
7. To answer questions of members of the Council under Council Procedure Rule 11;
 - (a) Questions to members of the Executive about recent decisions of the Executive (without notice)
 - (b) Questions to members of the Executive and Chairs of Committees and Forums, for which notice has been given.
 - (c) Questions to the appropriate members on Police and Fire Authority issues, for which notice has been given. Minutes of the meetings of the Cleveland Police Authority held on 14 June 2012 and the meetings of the Cleveland Fire Authority held on 8 June 2012 and 22 June 2012 are attached.

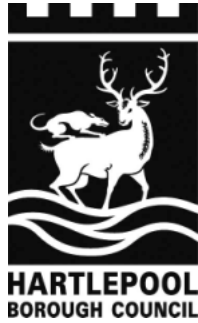
8. To deal with any business required by statute to be done.

Special Urgency Decisions – No special urgency decisions were taken in respect of the period April 2012-June 2012.

9. To receive any announcements from the Chair, the Mayor, members of the Cabinet or the head of the paid service.
10. To dispose of business (if any) remaining from the last meeting and to receive the report of any scrutiny forum or other committee to which such business was referred for consideration.
11. To receive reports from the Council's committees and working groups other than any overview and scrutiny committee and to receive questions and answers on any of those reports;

Report of Constitution Committee – Consultation on Code of Independence for Local Government (*attached*)

12. To consider any other business specified in the summons to the meeting, including consideration of reports of the overview and scrutiny committees for debate and to receive questions and answers on any of those items;
13. To consider reports from the Executive:-
 - (a) Proposals in relation to the Council's budget and policy framework
 - (b) Proposals for departures from the budget and policy framework
14. To consider any motions in the order in which notice has been received.
15. To receive the Chief Executive's report and to pass such resolutions thereon as may be deemed necessary.



Chief Executive's Department
Civic Centre
HARTLEPOOL

3 September, 2012

The Mayor (Stuart Drummond)

Councillors Ainslie, C Akers-Belcher, S Akers-Belcher, Beck, Brash, Cook, Cranney, Dawkins, Fisher, Fleet, Gibbon, Griffin, Hall, Hargreaves, Hill, Jackson, James, Lauderdale, A E Lilley, G Lilley, Loynes, Dr. Morris, Payne, Richardson, Robinson, Shields, Simmons, Sirs, Tempest, Thompson, Turner, Wells and Wilcox.

Madam or Sir,

You are hereby summoned to attend a meeting of the COUNCIL to be held on THURSDAY, 13 September, 2012 at 7.00 p.m. in the Civic Centre, Hartlepool to consider the subjects set out in the attached agenda.

Yours faithfully

N Bailey
Acting Chief Executive

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Public Questions for Council

Meeting: 13 September 2012

1.	From: C Blakey
	To: Regeneration and Neighbourhoods Portfolio Holder
	<p>Question</p> <p>"In light of topical debate around planning for housing developments, why did Hartlepool Borough Council not have checks and balances in place to ensure that houses are built for the residents (whether current or future) of Hartlepool rather than builders and in the experience of Middle Warren Housing Estate, what is HBC going to learn from the fact that residents are left to point out lack of parking, dangerous roads and controversial siting of play parks, resulting in huge delays in building of essentials such as a play park and rifts across what could be a fabulous new community in Hartlepool?"</p>
2.	From: F Corbett
	To: Finance and Corporate Services Portfolio Holder
	<p>Question</p> <p>"Can you inform me of the total milage allowance paid to HBC staff in the last full year that figures are available & what is the actual figure per mile paid by HBC"</p>
3.	From: D Riddle
	To: The Mayor, Stuart Drummond
	<p>Question</p> <p>"Could the Mayor provide an update as to the progress of the retail revival strategy please?"</p>
4.	From: S Moore
	To: The Mayor, Stuart Drummond
	<p>Question</p> <p>"Mr Mayor, I was pleased to see a report from the Taxpayers Alliance earlier this month which commended this council for reducing the amount it spent on</p>

	air travel over the past three years. Can you confirm if you, your cabinet, members & officers use information contained in reports from outside organisations like the TPA when working on budgets and looking for possible savings?”
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<p style="text-align: center;">COUNCIL</p> <p style="text-align: center;">MINUTES OF PROCEEDINGS</p> <p style="text-align: center;">2 August 2012</p>
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The meeting commenced at 7.00 pm in the Civic Centre, Hartlepool

PRESENT:-

The Chairman (Councillor S Akers-Belcher) presiding:

COUNCILLORS:

Ainslie	C Akers-Belcher	Beck
Brash	Cook	Cranney
Dawkins	Fisher	Fleet
Gibbon	Griffin	Hall
Hargreaves	Hill	Jackson
James	Lauderdale	A Lilley
G Lilley	Loynes	Dr. Morris
Payne	Richardson	Robinson
Shields	Sirs	Tempest
Thompson	Turner	Wells
Wilcox		

Officers:

Nicola Bailey, Acting Chief Executive
Andrew Atkin, Assistant Chief Executive
Peter Devlin, Chief Solicitor
Chris Little, Chief Finance Officer
Dave Stubbs, Director of Regeneration and Neighbourhoods
Louise Wallace, Director of Public Health
Denise Ogden, Assistant Director, Neighbourhood Services
Graham Frankland, Assistant Director, Resources
Sally Robinson, Assistant Director, Prevention, Safeguarding and Specialist Services
Alastair Rae, Public Relations Manager
Denise Wimpenny and Angela Armstrong, Democratic Services Team

29. APOLOGIES FOR ABSENT MEMBERS

The Mayor, Stuart Drummond and Councillor Simmons

30. DECLARATIONS OF INTEREST FROM MEMBERS

None

31. BUSINESS REQUIRED BY STATUTE TO BE DONE BEFORE ANY OTHER BUSINESS

None

32. PUBLIC QUESTION

None

33. MINUTES OF PROCEEDINGS

The Minutes of Proceedings of the Extraordinary Council meeting held on the 14 June and the Council meeting held on the 21 June 2012, having been laid before the Council.

RESOLVED - That the minutes be confirmed.

The minutes were thereupon signed by the Chairman.

34. QUESTIONS FROM MEMBERS OF THE COUNCIL ON THE MINUTES OF THE PREVIOUS MEETING OF THE COUNCIL

None

35. QUESTIONS FROM MEMBERS OF THE COUNCIL

- (a) Questions to Members of the Executive about recent decisions of the Executive

None

- (b) Questions to Members of the Executive and Chairs of Committees and Forums, for which Notice has been given

The following question had been submitted by Councillor Keith Fisher to the Chair of the Health Scrutiny Forum :-

'What are the current actions of the Health Scrutiny Committee to address the wishes of the general public to have the Accident and Emergency Services returned to Hartlepool's Holdforth Road Hospital site'.

In response the Vice-Chair of the Health Scrutiny Forum advised that the questioner, as a Member of the Health Scrutiny Forum, would have been aware of the format and programme of Health Scrutiny Forum meetings. Details of when the issue had been debated were provided. Particular reference was made to a meeting held on 28 June when it was agreed that the Health Scrutiny Forum would engage with health professionals and administrators in relation to this issue, issue invitations to Health professionals to attend and answer questions in public meetings and ensure every opportunity was afforded to the residents of Hartlepool to participate in discussion. Members had been informed at that meeting of the proposed relocation of services from Holdforth Road and the clinical reasons for the decision.

In a supplementary question, reference was made to a letter from the previous Chair of the Council dated 24 February 2012 and clarification was sought as to what progress had been made in bringing accident and emergency services back to the Holdforth Road site.

The Vice-Chair of the Health Scrutiny Forum responded by referring to the meeting in which a vote of no confidence had been taken regarding the NHS Foundation Trust and the emphasis placed upon effective communication and consultation in relation to any changes in service provision. In relation to any proposals to relocate services, there would be an opportunity to debate this further at future Health Scrutiny Forum meetings as necessary. It was highlighted that Members were keen to maintain the viability of the University Hospital of Hartlepool and reiterated the Council's continued support for maintaining and bringing services back to the hospital.

In a second supplementary question further clarification was sought with regard to what progress had been achieved since the motion of no confidence in the NHS Foundation Trust had been taken.

The Vice-Chair of Health Scrutiny Forum went on to outline the arrangements in place to facilitate public engagement with the Foundation Trust.

Members made comment upon and debated the issues raised by the questioner including the implications of the Government's current proposals to change the guidance around the powers of Health Scrutiny, the impact of the withdrawal of hospital based accident and emergency services on public health, the pressures placed on the ambulance service, the contents of the letter from the former Chair of the Council outlining the Council's vote of no confidence in the NHS Foundation Trust and the limited powers available to the Council to address the concerns raised.

The following question had been submitted by Councillor Geoff Lilley to the Chair of the Council:-

"Can the Chairman outline what allowances and expenses are available to him in his role as Chairman?":-

In response the Chair of Council referred Members to a written response, a copy of which was tabled at the meeting, which indicated that the role of

Chairman of the Council attracted a special responsibility allowance of £4,614.00 per annum. This was the amount previously recommended by the Independent Remuneration Panel and approved by full Council.

The following supplementary questions were raised at the meeting:-

- (i) *“In your role have you been involved in any discussion regarding an increase in allowances or expenses available to you.”*
- (ii) *“Given the current financial constraints facing the Council, why is oral evidence between Group Leaders and Independent Remuneration Panel taking place in private session.”*

The Chair indicated that he was not aware of such discussions and would seek clarification following the meeting and provide a response to all Members of the Council under separate cover. In response to the questioner's request for clarification that the responses would be made public and presented to full Council, the Chair stated that a full written response outlining the consultation process in relation to the Review of Members' Allowances would be provided and made available for public inspection.

Members debated issues arising from the questions during which it was highlighted that information of this type was currently publicly available.

- (c) Questions to the appropriate Members on Police and Fire Authority issues, for which notice has been given.

None

The Minutes of the meeting of the Cleveland Fire Authority held on 30 March 2012 had been submitted.

36. BUSINESS REQUIRED BY STATUTE

None

37. ANNOUNCEMENTS

The Chair paid tribute to the fantastic efforts and success of Jemma Lowe and Savannah Marshall, local young people who were currently taking part in the London Olympics 2012. It was reported that a civic reception would be held in recognition of their success upon their return to Hartlepool.

The Chair announced that a family fun day would be held on 25 August in Rossmere Park. Members were encouraged to support this charity event

38. TO DISPOSE OF BUSINESS (IF ANY) REMAINING FROM THE LAST MEETING AND TO RECEIVE THE REPORT OF ANY SCRUTINY FORUM OR OTHER COMMITTEE TO WHICH SUCH BUSINESS WAS REFERRED FOR CONSIDERATION.

None

39. TO RECEIVE REPORTS FROM THE COUNCIL'S COMMITTEES AND WORKING GROUPS

- (a) Report of the General Purposes Committee – Models of Senior Officer Structure

The report provided background information in relation to the Senior Officer Structure and outlined the discussions and recommendations from the Council's General Purposes Committee from their meeting held on 2nd July, 2012. This meeting followed earlier reports from the Council's Corporate Management Team to Cabinet and to the General Purposes Committee on 25th June, 2012. Also included on this agenda was a report of the Executive which considered this report and the reports submitted to General Purposes Committee.

The General Purposes Committee on reviewing the available models under consideration, had expressed a preference for the "Chief Executive option". This option was elaborated under paragraph 14 of the earlier report to General Purposes Committee and Cabinet.

It was highlighted that the Council had a "Remuneration Strategy" which specifically related to the determination of "rewards" (including remuneration) for officers at Chief Officer level, details of which were set out in the report. The remuneration strategy outlined certain principles which had resonance to the discussions of the Committee and its recommendations. Those considerations were included in the report.

Reference was made to the Council's Pay Policy Statement as adopted under Section 38 of the Localism Act, 2011, which outlined the levels and elements of remuneration for Chief Officers and indicated that salaries attributable to Chief Officer posts were subject to job evaluation and based on:-

- clear salary differentials which reflect the level of responsibility attached to any particular role; and
- rates which are reasonably sufficient to recruit and retain Senior Officers taking into account market conditions.

The Pay Policy Statement also described the "relationship between Chief Officer and non-Chief Officer remuneration" by a pay multiplier which compared the hourly pay for the highest paid employee against that of a mean basic hourly pay for the organisation as a whole. As required under Section 39(5) of the Localism Act, 2011, any amendments to a Pay Policy Statement during the course of a financial year, which was intended to reflect changes or

development in the authority's Pay Policy, could only be made by resolution of full Council and any amended statement must be published as soon as was reasonably practicable.

The Committee had considered the salaries of Chief Executive's within the North East region and in particular the authority comparisons within the Tees Valley area, details of which were included in the report. It was noted in the report to the Corporate Management Team as dated 25th June, 2012, that most local authorities combined the statutory role of Head of Paid Service with that of Chief Executive Officer. Furthermore, it was duly noted "the statutory posts were accountable to this role and they provided focus for internal and external leadership". Given the significant challenges facing public authorities it was accepted that there should be a continuation of the statutory role of Head of Paid Service being combined with that of a Chief Executive Officer and the same should be reflected in the job description and person specification of the Chief Executive Officer.

Having regard to a comparative analysis of the remuneration of Chief Executive Officers within other unitary based authorities, particularly within the Tees Valley area, it was felt that a salary banding of £140,000 - £150,000 was appropriate. Further, this salary band should be based upon five increments and it should be measured against defined performance targets including reference to the Council's annual governance requirements and to other specific and measurable criteria to be developed between Council and the successful applicant. It was also indicated that although there was a clear differential being maintained between the Chief Executive Officer and those Officers at Director level, that some element of communication should be undertaken with those officers, as part of the authority's proper workforce arrangements.

In view of the report of the Executive in relation to the Senior Officer Structure it was agreed that the report of the Executive be presented prior to taking a decision on this item of business and that both decisions be taken collectively (minute 40 refers).

40. TO CONSIDER ANY OTHER BUSINESS SPECIFIED IN THE SUMMONS OF THE MEETING

- (a) Executive Report – Models of the Senior Management Officer Structure for the Authority

The Finance and Corporate Services Portfolio Holder reported on the conclusions of Cabinet's considerations of the potential models of Senior Management Officer Structure for the authority.

Members were referred to the background to the proposal and the recommendations of the General Purposes Committee which had been considered and agreed by Cabinet, as detailed in the report.

The following recommendations were moved and seconded:-

1. The statutory role of Head of Paid Service of Hartlepool Borough Council should be combined with the duties of a Chief Executive Officer.
2. A Chief Executive Officer should be remunerated through a salary banding of £140,000 - £150,000.
3. The above salary banding, should be based upon five annual increments and performance should be based against measurable criteria including the Council's Annual Governance Statement.
4. That amendment to the Chief Executive's remuneration and relationship between Chief Officer and non-Chief Officer remuneration should be reflected through amendments to the Council's Pay Policy Statement and will require the consent of Council.
5. That an Appointment Panel should be convened in line with the Council's Officer Employment Procedure Rules to make appropriate recommendations to Council.

In accordance with Council Procedure Rule 17.4 of the Constitution a recorded vote was taken in relation to the recommendations:-

Those in favour:

Councillors Ainslie, C Akers-Belcher, S Akers-Belcher, Beck, Brash, Cook, Cranney, Dawkins, Fisher, Fleet, Gibbon, Griffin, Hall, Hargreaves, Hill, Jackson, James, Lauderdale, A E Lilley, G Lilley, Loynes, Dr. Morris, Payne, Richardson, Robinson, Shields, Sirs, Tempest, Thompson, Turner, Wells and Wilcox.

Those against:

None

Those abstaining:

None

The vote was carried.

39. TO RECEIVE REPORTS FROM THE COUNCIL'S COMMITTEES AND WORKING GROUPS

(b) Report of the Constitution Committee – Business Report

A report was presented on behalf of the Constitution Committee in respect of the changes to the Standards Framework and membership of the Civic Honours Committee.

(i) Standards Framework – Localism Act 2011

With regard to the Standards Framework, following the introduction of the Localism Act 2011 there was no statutory requirement to have a Standards Committee. However, arrangements needed to be in place for dealing with complaints, proposals of which were set out in the report. Council had recommended the retention of a non statutory Standards Committee that would deal with the new arrangements. Article 9 of the Council's Constitution covered the role and function of the Standards Committee which was also replicated within Part 3, "Responsibility for Functions".

It was therefore recommended that, as at present, seven Councillors (other than the Mayor) comprise the Standards Committee and that the appointed "Independent Person(s)" sit on that Committee in a strictly advisory capacity. Having regard for the role and functions of the Committee under 9.03 was recommended to Council that the following roles and functions be applied to the Standards Committee;

- (i) Promoting and maintaining high standards of conduct by Members and Co-opted Members of the authority.
- (ii) Assisting Members and Co-opted Members to observe the requirements of the Council's Code of Conduct.
- (iii) To advise and offer guidance to Members and Co-opted Members on the adoption or revision of the Code of Conduct.
- (iv) To grant dispensations to Members and Co-opted Members (including Parish Council representatives) from requirements relating to interests as set out within the relevant Code of Conduct.
- (v) To delegate to a Hearing Sub-Committee, the conduct of a hearing upon a complaint and to make recommendations and report findings, as appropriate.
- (vii) To assist in making recommendations through the better governance of the Council insofar as it relates to the maintenance and promotion of high ethical standards.

It was also recommended that the quorum for the Committee be maintained as being four (three elected Members and an Independent Person), and that the Hearing Sub-Committee should similarly comprise three Members with the attendance of an Independent Person, which should also reflect the quorum to transact the business of the Sub Committee. Finally, under para 9.05 reference should be made to the appointment of the Independent Person(s) and the same should be approved by Council following receipt of an application and recommendations made by the Standards Committee. As before, Parish representation (two representatives suggested) would be through nominations by the Parish Councils, on a rota basis, where Parish Councils have agreed to operate such arrangements.

(ii) Civic Honours Committee

In relation to the Civic Honours Committee, an invitation had been extended to leaders of the political groups and independent Members of the Council to make

nominations for appointments to various Committees, Forums and Other Bodies. Nominations submitted were as follows:-

Chair of Council (Chair)
The Mayor
Councillor Wells (Vice Chair)
Councillor Tempest
Councillor Richardson
Councillor G Lilley

In accordance with a decision taken by the Constitution Committee on 23rd January 2009, the appointments of the Mayor and Chair of Council were outside the requirements for the Civic Honours Committee to be 'politically proportional'.

Following receipt of the notifications set out above, it was noted that the Constitution Committee, at its meeting on 29th March 2012, had agreed that the Civic Honours Committee should comprise 6 Members including the Mayor, Chair of Council and the Chair of the Scrutiny Co-ordinating Committee. Therefore, only 3 additional appointments were required based on proportionality calculations.

Members of the Constitution Committee considered that the self selecting position on the Committee for the Chair of Scrutiny Co-ordinating Committee should also be outside the requirements of political proportionality. To enable a full representation of Members' views, it was agreed to recommend to Council an increase in the Civic Honours Committee membership to seven Members as follows:

Chair of Council (Chair)) outside the
The Mayor) requirements of
Chair of Scrutiny Co-ordinating Committee) political proportionality

4 Other Members based on proportionality requirements.

It was moved and seconded as follows:-

Standards Framework

1. That Council approve the amendments to Article 9 ('The Standards Committee') and Part 3 ('Responsibility for Functions') applying to the Standards Committee as outlined within this report
2. The Chief Executive Officer being authorised to make such factual, grammatical, presentational and other changes that are necessary to comply with legislation and any applicable statutory guidance.

Civic Honours Committee

1) That the Civic Honours membership be approved:-

Chair of Council (Chair)) outside the
The Mayor) requirements of
Chair of Scrutiny Co-ordinating Committee) political proportionality

4 Other Members based on proportionality requirements.

In accordance with Council Procedure Rule 17.4 of the Constitution a recorded vote was taken:-

Those in favour:

Councillors Ainslie, C Akers-Belcher, S Akers-Belcher, Beck, Brash, Cook, Cranney, Dawkins, Fisher, Fleet, Gibbon, Griffin, Hall, Hargreaves, Hill, Jackson, James, Lauderdale, A E Lilley, G Lilley, Loynes, Dr. Morris, Payne, Richardson, Robinson, Shields, Sirs, Tempest, Thompson, Turner, Wells and Wilcox.

Those against:

None

Those abstaining:

None

The vote was carried.

(c) Report of the Standards Committee – Business Report

The Vice-Chair of the Standards Committee presented the report which sought approval of the following recommendations:-

1. That Council adopt the revised Code of Conduct as appended herewith (Appendix 1) and associated documentation (Appendix 2 – 6).
2. That Council Procedure Rule 23 be amended in accordance with paragraph 4 of this report.
3. The applications of Mr Ted Jackson, Mr Brian Footitt and Reverend John Lund as Independent Persons be approved until 30 June 2013.
4. A letter of appreciation from the Chair of Council be sent to Mr Barry Gray as the former Independent Chair of Standards Committee.

5. In unison with the report to Council from the Constitution Committee that all necessary changes as approved by Council be incorporated into the Council's Constitution by the Chief Solicitor and the Acting Chief Executive.

Following presentation of the report and in order to ensure clarity in relation to the Register of Members' Disclosable Pecuniary Interests, attached at Appendix 6 to the revised Code of Conduct, it was moved and seconded:-

'That the revised Code of Conduct and associated documentation be approved subject to an amendment to Appendix 6 section 9, deletion of the words "...in which you have a substantial interest" '

Members debated issues arising from the report including a concern that the proposals would result in Councillors operating from a different Code of Conduct dependent upon their date of election.

In accordance with Council Procedure Rule 17.4 of the Constitution a recorded vote was taken on the amendment:-

Those in favour:

Councillors Ainslie, C Akers-Belcher, S Akers-Belcher, Beck, Brash, Cook, Cranney, Dawkins, Fisher, Fleet, Gibbon, Griffin, Hall, Hargreaves, Hill, Jackson, James, Lauderdale, A E Lilley, G Lilley, Loynes, Dr. Morris, Payne, Richardson, Robinson, Shields, Sirs, Tempest, Thompson, Turner, Wells and Wilcox.

Those against:

None

Those abstaining:

None

The vote was carried.

In accordance with Council Procedure Rule 17.4 of the Constitution a recorded vote was taken on the substantive Motion:-

Those in favour:

Councillors Ainslie, C Akers-Belcher, S Akers-Belcher, Beck, Brash, Cook, Cranney, Dawkins, Fisher, Fleet, Gibbon, Griffin, Hall, Hargreaves, Hill, Jackson, James, Lauderdale, A E Lilley, Loynes, Dr. Morris, Payne, Richardson, Robinson, Shields, Sirs, Tempest, Thompson, Turner, Wells and Wilcox.

Those against:

G Lilley

Those abstaining:

None

The vote was carried.

The Chair conveyed his congratulations on behalf of Council to Mr Ted Jackson, who was present at the meeting, on his reappointment as an Independent Person.

41. REPORT FROM THE EXECUTIVE

(a) Proposals in relation to the Council's budget and policy framework

None

(b) Proposals for Departure from the Budget and Policy Framework

(1) Development of Children's Home

The report provided Council with details of Cabinet's proposed variation to the approved 2012/2013 Budget and Policy Framework to allocate up to £0.1m from the final 2011/12 Early Intervention Grant underspend of £0.135m transferred to the General Fund Reserve to fund one off adaptation/set up costs of developing a Children's Home in Hartlepool. It was noted that if the costs were less than £0.1m the uncommitted monies would remain within the General Fund.

A detailed report had been considered by Cabinet on 9 July outlining the business case for developing a Children's Home within Hartlepool as a result of a recommendation from a Scrutiny investigation into the provision of services for children looked after by the Council, details of which were set out in the report.

The substantial benefits to a young person being placed within their own community was referred to in the report. In relation to the financial aspects of the business case the report detailed the costs of the Council operating a children's home compared to the cost of placing children in the independent sector. This analysis anticipated there would be an annual saving associated with the Council providing its own children's home in Hartlepool ranging from £28,000 to £110,000 depending on the final model adopted, with an expectation of an annual saving of at least £45,000.

It was moved and seconded that Cabinet's proposals to allocate up to £0.1m from the final 2011/12 Early Intervention Grant underspend of £0.135m and be

transferred to the General Fund Reserve to fund one off adaptation/set up costs of developing a Children's Home in Hartlepool be approved and note that if the costs were less than £0.1m the uncommitted monies would remain within the General Fund.

In accordance with Council Procedure Rule 17.4 of the Constitution a recorded vote was taken:-

Those in favour:

Councillors Ainslie, C Akers-Belcher, S Akers-Belcher, Beck, Brash, Cook, Cranney, Dawkins, Fisher, Fleet, Gibbon, Griffin, Hall, Hargreaves, Hill, Jackson, James, Lauderdale, A E Lilley, G Lilley, Loynes, Dr. Morris, Payne, Richardson, Robinson, Shields, Sirs, Tempest, Thompson, Turner, Wells and Wilcox.

Those against:

None

Those abstaining:

None

The vote was carried.

(2) Medium Term Financial Strategy – ICT (Information and Communications Technology) Services

The report submitted by the Executive provided Council with details of Cabinet's proposed variation to the approved 2012/13 Budget and Policy Framework to allocate £80,000 to fund one off external support costs for the bid management and evaluation team for the ICT procurement.

It was noted that a comprehensive report on the options for the Council's ICT Services had been considered by Cabinet on 11th June and 9th July and Scrutiny Co-ordinating Committee on 29th June 2012. Cabinet and Scrutiny Co-ordinating Committee had considered the issues detailed in the report and concluded that the Council should seek a private sector ICT solution, using a competitive dialogue. It was clear from the Scrutiny Co-ordinating Committee discussion that Members wished to disregard the public/public and in-house contract options at the current time with the aim of securing the best outcome to be achieved through a private sector arrangement. In addition, Members of Scrutiny Co-ordinating Committee were keen to ensure that the principles in relation to the retention and growth of jobs and the incorporation of scalability in terms of services and potential expansion to other local authorities should flow through the outsourced arrangement or contract.

The report advised Members that the existing ICT contract would terminate in September 2013 and it would be extremely challenging to complete the

procurement process within a timescale of just over 12 months, as this type of procurement normally took around 18 months. Members were provided with a breakdown of how the net costs for external support were made up, details of which were included in the report. One-off funding had previously been identified to fund potential one-off costs of the proposed ICT/Revenues and Benefits contract. Following the decision not to proceed with this proposal an element of the available one-off funding had been allocated to support the 2012/13 budget and the uncommitted one off funding of £0.545m transferred to the General Fund Reserve.

Council was requested to approve Cabinet's proposals to allocate £80,000 of the uncommitted one off funding held within the General Fund Reserve to fund the one-off costs detailed in paragraph 3.4 of the report and to note that the remaining funding of £0.465m would remain held within the General Fund Reserve.

Following presentation of the report the following amendment to the proposal was moved and seconded:-

"Council resolved that the one-off costs detailed in paragraph 3.4 of £80,000 which need to be incurred to achieve significant ICT procurement savings should be a first call on any 2012/13 underspends against the overall budget for the Chief Executive's Department, including the ongoing saving from 1 April 2012 arising from the temporary Acting Chief Executive together with savings from the vacant Chief customer and workforce Services Officer post and associated backfilling arrangements. Only in the event that this funding was not available should these costs be funded from the uncommitted one off funding held within the General Fund reserve and if this is necessary to note that the remaining funding of £0.465m will remain held within the General Fund Reserve."

In accordance with Council Procedure Rule 17.4 of the Constitution a recorded vote was taken on the amendment:-

Those in favour:

Councillors Ainslie, C Akers-Belcher, S Akers-Belcher, Beck, Brash, Cook, Cranney, Dawkins, Fisher, Fleet, Gibbon, Griffin, Hall, Hargreaves, Hill, Jackson, James, Loynes, Dr. Morris, Payne, Richardson, Robinson, Shields, Sirs, Tempest, Thompson, Turner, Wells and Wilcox.

Those against:

Councillors A E Lilley and G Lilley

Those abstaining:

Councillor Lauderdale

The vote was carried.

In accordance with Council Procedure Rule 17.4 of the Constitution a recorded vote was taken on the substantive Motion:-

Those in favour:

Councillors Ainslie, C Akers-Belcher, S Akers-Belcher, Beck, Brash, Cook, Cranney, Dawkins, Fisher, Fleet, Gibbon, Griffin, Hall, Hargreaves, Hill, Jackson, James, A E Lilley, G Lilley, Loynes, Dr. Morris, Payne, Richardson, Robinson, Shields, Sirs, Tempest, Thompson, Turner, Wells and Wilcox.

Those against:

None

Those abstaining:

Councillor Lauderdale

The vote was carried.

(3) Housing Market Renewal – Raby Road Corridor Development

The report submitted on behalf of the Executive provided Council with details of Cabinet's proposed variation to the approved 2012/2013 Budget and Policy Framework to vire £0.366m allocated for Land Remediation costs to cover increased Housing Market Renewal costs.

A preferred developer had been appointed in December 2010 to undertake the redevelopment of the Raby Road Corridor. Officers had continued to work with the preferred developer to progress this site. An update of the scheme viability assessment had been completed in June 2012 and this highlighted an unfunded scheme deficit of £0.366m owing to a number of factors as set out in the report. In order to address the scheme deficit and to enable the scheme to proceed the preferred developer was seeking funding from the Council to fund the shortfall by contributing to the demolition of existing properties. Benchmarking of demolition costs had taken place and this indicated that there was a considerable cost saving (approximately £500,000) to the Council in taking forward the demolition in the proposed way. If the Council did not progress with demolition at this stage there would be a number of significant risk and cost implications as referred to in the report.

It was reported that at this stage it was anticipated that the additional costs identified within the report in relation to Housing Market Renewal commitments should be able to be funded from the overall funding allocated for one-off strategic financial risks. Funding these additional costs may increase the risk that the total cost of one-off strategic issues exceeding the resources set aside for these issues. At this stage this risk was anticipated to be manageable, although this position would need to be managed carefully over the next few years and regular update reports would be submitted to Members to manage the position.

During the discussion that followed support was expressed for reports of this type being presented at Council which demonstrated Elected Members more active role and commitment to managing budgets to ensure the most appropriate outcome for the town. A Member commented on the importance of clarity of information included in reports and suggested that the term 'a developer' be utilised as opposed to the term 'preferred developer' to avoid any misinterpretation regarding the number of developers involved in the development.

It was moved and seconded that Cabinet's proposals to vire £0.366m allocated for Land Remediation costs to cover increased Housing Market Renewal costs be approved.

In accordance with Council Procedure Rule 17.4 of the Constitution a recorded vote was taken:-

Those in favour:

Councillors Ainslie, C Akers-Belcher, S Akers-Belcher, Beck, Brash, Cook, Cranney, Dawkins, Fisher, Fleet, Gibbon, Griffin, Hall, Hargreaves, Hill, Jackson, James, Lauderdale, A E Lilley, G Lilley, Loynes, Dr. Morris, Payne, Richardson, Robinson, Shields, Sirs, Tempest, Thompson, Turner, Wells and Wilcox.

Those against:

None

Those abstaining:

None

The vote was carried.

42. MOTIONS ON NOTICE

None

43. CONSTITUTIONAL CHANGE

The Acting Chief Executive presented the report which referred Members to the last meeting of Council held on 21 June when it was resolved that a referendum be held on 15 November 2012 to be combined with the ordinary election in respect of the Police Crime Commissioner subject to recommendations coming forward from Constitution/General Purposes Committee back to Council on the proposed constitutional changes. The Committee decided that although the legislation had changed in that statutory consultation was no longer required, that there should be some consultation which was covered further in the report.

The Localism Act 2012 allowed for the following permissible forms of governance which a local authority must operate:-

- Executive arrangements, comprising either an Elected Mayor and Cabinet Executive or that of a Leader and Cabinet Executive
- A Committee system, or
- Prescribed arrangements

Members were reminded that such “prescribed arrangements” would require the approval of the Secretary of State

It was reported that the holding of a referendum required a local authority to draw up proposals for a change in its governance. Those proposals must include;

- (a) a timetable with respect to the implementation of the proposals,
- (b) details of any transitional arrangements which were necessary for the implementation of the proposals, and
- (c) a statement of a change in governance arrangements that was to be subject to approval in a referendum.

After drawing up such proposals the local authority was required to make available a document setting out those proposals at its principal office for inspection by members of the public at all reasonable times and to publish a notice in one or more newspaper circulating in its area. It was envisaged that such notification would ideally be given during the week commencing 20 August and not later than 29 August. It was also recommended that the Acting Chief Executive be given authority to provide this statement and proposals in consultation with the Chairs of General Purposes and Constitution Committees.

Members were referred to the consultation process in relation to the alternative governance options together with feedback on the responses, details of which were included in the report. Hartlepool residents were asked to tell the authority which alternative system they would like to express a view about at the November referendum, in addition to the current system. In total 893 responses had been received with 74% in the initial sample and 75% in the final sample expressing a preference for Option B, a committee system.

Following presentation of the report, it was moved and seconded:-

1. That Council agree to the question to be put in a Referendum as specified in conjunction with paragraph 5 of Schedule 1 to The Local Authorities (Conduct of Referendums) (England) Regulations, 2012.
2. That on the basis of the decision under recommendation 1 that Council reaffirms its resolution to hold a Referendum on 15th November, 2012 as a combined poll taken with the election of the Police Crime Commissioner.
3. That the Acting Chief Executive be delegated responsibility in accordance with provisions of Section 9MA of the Local Government Act, 2000 (as amended) relating to the Council's

proposals and a statement as to the question to be asked at the Referendum and such other required information as prescribed through legislation.

In accordance with Council Procedure Rule 17.4 of the Constitution a recorded vote was taken:-

Those in favour:

Councillors Ainslie, C Akers-Belcher, S Akers-Belcher, Beck, Brash, Cook, Cranney, Dawkins, Fisher, Fleet, Gibbon, Griffin, Hall, Hargreaves, Hill, Jackson, James, Lauderdale, A E Lilley, G Lilley, Loynes, Dr. Morris, Payne, Richardson, Robinson, Shields, Sirs, Tempest, Thompson, Turner, Wells and Wilcox.

Those against:

None

Those abstaining:

None

The vote was carried.

44. APPOINTMENTS PANEL – CHIEF EXECUTIVE

Members were referred to the two previous reports on this agenda in respect of the Chief Executive Post.

Council was, therefore, requested to approve membership of the Appointments Panel. In line with the Officer Employment Procedure Rules the Panel would consist of eight members, as follows:-

The Mayor

The Chairman of the Council

4 Labour Group nominations

1 Putting Hartlepool First nomination

1 Conservative Group nomination

In addition, as identified in the Officer Employment Procedure Rules, Council was also requested to reflect the gender balance of the Council when nominating to the Panel. It was suggested, therefore, that Council's nominations to the Panel include female Councillors. Council was requested to approve the establishment of the Appointments Panel and nominate members accordingly.

The Chair noted concerns expressed by a Member that no nominations were sought from Independent Members.

RESOLVED - That the following nominations to the Appointments Panel be approved:-

Labour Group – Councillors C Akers-Belcher, James, Richardson and Tempest
Conservative Group- Councillor Wells
Putting Hartlepool First – nomination to follow

45. VOLUNTARY AND COMMUNITY SECTOR STEERING GROUP

At the Cabinet meeting on Monday 9th July 2012, the final Voluntary and Community Sector Strategy was endorsed. The governance arrangements for the future implementation of the strategy were also approved. However, in addition to the proposed membership of the steering group (representation from the VCS Infrastructure organisation, elected representation from the Voluntary and Community Sector (x4) incorporating representation from smaller VCS organisations (2) and from VCS service provider organisations (2), representation from 3 Hartlepool Borough Council Departments and from each of the Theme Partnerships (nominated by the Theme Partnership)) it was suggested that there should also be Elected Member representation.

Therefore nominations were being sought from Council for 3 Elected Members, including the Mayor as the relevant Portfolio Holder, to participate in the Voluntary and Community Sector Strategy Steering Group.

The role of the VCS Steering Group would be to oversee the implementation of the strategy and the key responsibilities of the group were detailed in the report:

The elections for representatives from the Voluntary and Community Sector would take place on Tuesday 24 July. It was anticipated that the first Steering Group would be held in September 2012. A Chair would be nominated from within the membership for the Steering Group.

RESOLVED - That the following nominations to the Voluntary and Community Strategy Steering Group be approved:-

Councillors Cranney and James

46. APPOINTMENTS TO CIVIC HONOURS COMMITTEE

Following Council's adoption of the recommendations of the Constitution Committee set out in Minute 39 (b) above, Council was requested to nominate four Councillors based on the current proportionality requirements.

Following receipt of the notifications set out above, it was noted that the Constitution Committee, at its meeting on 29th March 2012, had agreed that the Civic Honours Committee should comprise 6 Members including the Mayor,

Chair of Council and the Chair of the Scrutiny Co-ordinating Committee. Therefore, only 3 additional appointments were required based on proportionality calculations.

Members of the Constitution Committee had subsequently agreed on 12 July 2012 that the self selecting position on the Committee for the Chair of Scrutiny Co-ordinating Committee should also be outside the requirements of political proportionality. To enable a full representation of Members' views, it was also agreed to recommend to Council an increase in the Civic Honours Committee membership to seven Members as follows:

Chair of Council (Chair)) outside the
The Mayor) requirements of
Chair of Scrutiny Co-ordinating Committee) political proportionality

4 Other Members based on proportionality requirements.

Members were reminded that through the discussions prior to Extraordinary Council on 23 May 2012, the following nominations had been submitted:-

Councillor Wells (Vice Chair)
Councillor Tempest
Councillor Richardson
Councillor G Lilley

Council's instructions were sought.

RESOLVED - That the following nominations to the Civic Honours Committee be approved:-

Councillors G Lilley, Richardson, Tempest and Wells

47. OUTSIDE BODY APPOINTMENTS

Details of the Executive appointments to outside bodies had been submitted for information purposes.

RESOLVED - That the Executive appointments be noted.

The meeting concluded at 8.16 pm.

CHAIR

CLEVELAND POLICE AUTHORITY EXECUTIVE

The Annual General Meeting of Cleveland Police Authority Executive was held on Thursday 14 June 2012 in the Members Conference Room at Police Headquarters.

PRESENT: Councillor Ron Lowes, Councillor Chris Abbott, Councillor Ray Goddard, Councillor Terry Laing, Councillor Sean Pryce, Councillor Norma Stephenson, Mayor Stuart Drummond (Chair), Councillor Carl Richardson and Councillor Bernie Taylor.

Independent Members

Miss Pamela Andrews-Mawer, Mr Aslam Hanif, Mr Geoff Fell, Mr Mike McGrory JP, Mr Peter Hadfield, Mr Ted Cox

OFFICIALS: Mr Stuart Pudney, Mr Michael Porter and Mr John Bage (CE)

Mrs Jacqui Cheer, Mr Sean White, Mrs Ann Hall and Miss Kate Rowntree. (CC)

15 APOLOGIES FOR ABSENCE

Apologies for absence were received from Mr Chris Coombs

MR STUART PUDNEY IN THE CHAIR

16 ELECTION OF CHAIR

The Chief Executive informed Members that the first item on the agenda was the election of Chair. Members were informed that there had been two nominations received for that position from Mayor Stuart Drummond and Cllr Norma Stephenson and that a ballot was to be held.

The two nominees were given the opportunity to give a brief statement prior to the ballot. Both nominee's did so.

Following the ballot Mayor Stuart Drummond was duly elected as Chair of the Police Authority.

MAYOR STUART DRUMMOND IN THE CHAIR

17 ELECTION OF VICE CHAIR

The Chair informed Members that only one nomination had been received for the position of Vice Chair.

Mr Aslam Hanif was duly elected as Vice Chair of the Police Authority.

18 DECLARATIONS OF INTEREST

There were no declarations of interest.

19 OPEN MINUTES OF THE SPECIAL POLICE AUTHORITY EXECUTIVE HELD ON 5 APRIL 2012

The minutes were accepted as a true record of the meeting.

20 **OPEN MINUTES OF THE SPECIAL POLICE AUTHORITY
EXECUTIVE HELD ON 17 APRIL 2012**

The minutes were accepted as a true record of the meeting.

21 **MINUTES OF THE POLICE AUTHORITY EXECUTIVE HELD ON
29 FEBRUARY 2012**

The minutes were accepted as a true record of the meeting.

22 **BUSINESS TRANSFORMATION**

The Chief Constable informed Members that the purpose of the report was to update Members on the business transformation taking place across the Force and the establishment of a Business Transformation Unit.

Members were informed that the Business Transformation Unit (BTU) was established in March 2012 to establish and lead ongoing transformation programmes which will ensure the long term, sustainable success of the Force.

The Business Transformation Unit's current assignments are:

- Transition to Police and Crime Commissioners
- Leadership development including Force Vision & Values
- Headquarters relocation
- Orbis – Sustainable Operating Model

Members were informed that the Business Transformation Unit will assist the Force to become an adaptive organisation capable of successfully meeting the challenges of an increasingly difficult operating environment.

Members queried the effect on future promotions of Officers and the effect on the training budget.

The Chief Constable informed Members that it would be more difficult for Officers to gain promotion but a process is being put in place to assist in the selection process next year. Members were also informed that although the Training Budget had been cut,, the Force were utilising the Leadership Development programme to support the process.

Members queried how long the process would take and what monitoring of the process would be.

The Chief Constable informed Members that the initial process should be in place by the Autumn 2012, and when the Transition programme and the Autumn Comprehensive Spending review has been put in place, the rest of any outturn from those will be concluded by April 2013.

ORDERED that'

1. the content of the report be noted.

LONG TERM FINANCIAL PLAN UPDATE

The Assistant Chief Officer (Finance & Commissioning) informed Members that at their meeting on 29th February 2012 Members approved the budget for 2012/13 and the Long Term Financial Plan (LTFP) for 2013/16. The report was to provide an update to that position.

Members were updated on the following;

- Police Grant
- Precept
- Localisation of Council Tax
- Pay and Inflation
- Winsor
- and other revised assumptions

The Treasurer informed Members that Risk formed a key part of the regular monthly monitoring of budget delivery and throughout 2012/13 it will be reported to and scrutinised by Members of the Policy & Resources Panel.

Members were informed that for the longer term, the uncertainty around both the future levels of government funding for 2013/14 and beyond and how the design of local council tax benefit schemes will impact on the funding of the Police Authority create some significant risks. These risks significantly reduce the ability of the Authority and Force to put in place realistic plans for even the year ahead.

ACO F+C informed Members that given the significant amount of change that is currently on going and the timeframes that are being worked to on a national level, there is a risk that the Authority receives firm details of funding at such a point that there is very little time to plan or take remedial action. Unless there are any significant developments a further update report will be brought to Members in September.

ACO F+C

ORDERED that;

1. the report be noted.
2. that a further update will be presented to Members in September be agreed.
3. to engage with the Local Councils to ensure that the concerns of the Police Authority are communicated and taken into account when the schemes relating to Localisation of Council Tax Benefits are designed be agreed.

ANNUAL GOVERNANCE STATEMENT

The Treasurer reminded Members that Authorities, including Police Authorities, are required to prepare an Annual Governance Statement (AGS). Though the statement is published within the Annual Statement of Accounts, it should be considered and agreed as a separate document.

Members were informed that CIPFA envisages that the statement is reviewed by a Member group during the year and that the Audit and Internal Control Panel had been tasked with this role in the light of its other remits, the AGS is presented to the Police Authority Executive having been scrutinised and recommended by that Panel.

The Treasurer informed Members that the purpose of the Annual Governance Statement process is to provide a continuous review of the effectiveness of an organisation's governance arrangements including internal control and risk management systems. This is intended to give assurance on their effectiveness or otherwise leading to an action plan to address identified weaknesses.

Members queried what the processes the new Police & Crime Commissioner (PCC) would have to adopt.

The Treasurer informed Members that the PCC has to have an Audit Committee made up of independent members, however not from those sitting on the Police & Crime Panel.

ORDERED that;

1. Members approve the 2011/2012 Annual Governance Statement as at Appendix A to the report be agreed.

25

APPOINTMENT OF INDEPENDENT MEMBERS FOR MISCONDUCT HEARINGS

The Chief Executive informed Members that the purpose of the report was to re-appoint members to the list of independent members available to sit on misconduct hearings.

Members were informed that regulations apply to both Chief Police Officers and non-Chief Officers although the procedures are slightly different in that the 'appropriate authority' for chief officers is the Police Authority and for other officers, the Chief Constable.

The 2008 regulations require a person 'selected from a list of candidates maintained by the Police Authority for the purpose of the regulations' to sit on:

- Misconduct hearings involving officers other than senior officers (reg 25)
- Misconduct hearings involving Chief Constables (reg 26)
- Misconduct hearings involving other senior officers (reg 27)

ORDERED that;

1. the following three independent members be appointed to the list of candidates available to sit on misconduct hearings in accordance with regulations 25-27 of the Police (Conduct) Regulations 2008.
 - a) Mrs Gillian Siddle
 - b) Mrs Deborah Lilley
 - c) Mr Gerrard Walsh

be agreed.

26

DECISION MAKING PROTOCOL IN THE PERIOD LEADING UP TO THE ELECTION OF A PCC

The Chief Executive informed Members that the Police Authority is committed to ensuring that an organisation 'fit for purpose' and 'ready to go' will be handed over to the new Police & Crime Commissioner (PCC) on 22nd November 2012.

Members were informed that as in any transition of this type there comes a point when decisions, despite being of importance, are best put on hold until the new regime takes over. This can become particularly significant for decisions:

- that will commit the PCC to significant programmes/spend/priorities.
- that could (unhelpfully) become part of the election debate.

The Chief Executive informed Members that decisions made by the Authority in the run-up to the election may become part of the election debate and may result in candidates making a public commitment to overturning any decision – without having had the opportunity to fully consider the facts. With the above in mind it is necessary to consider how the Authority might conduct its business in the months before the election in relation to taking significant decisions.

Members were informed that providing that a mechanism is in place for urgent decisions to be taken right up to the PCC taking over on 22nd November (and such mechanisms will be in place) then there are no risks in adopting an approach. Not to adopt such would present a number of risks as outlined in the report.

Prior to Members considering a set of recommendations a proposed amendment to the second recommendation with-in the report was agreed.

ORDERED that;

1. the report be noted
2. in the months leading up to the election (and certainly beyond mid August 2012) that the Authority adopts a policy of prudany avoidance when making decisions that:
 - would commit the PCC to significant programmes/spend/priorities.
 - could (unhelpfully) become part of the election debate.

be agreed

3. decisions that need to be taken in that period in order for urgent action/implementation must be supported by comprehensive reasoning as to why the decision could/should not wait until after the PCC is appointed be agreed.

27

COUNCILLOR MEMBERSHIP, ANSWERING QUESTIONS AT COUNCIL MEETINGS AND PANEL MEMBERSHIP

The Chief Executive reminded Members that a meeting of the Cleveland Police Joint Committee was held on Friday 10 June 2011. It agreed the appointment of the nine Councillor Members from the four Unitary Authorities to serve on Cleveland Police Authority.

Members were reminded that on 15th September 2011, the Police Reform & Social Responsibility Act 2011 received Royal Assent, and the election of new Police & Crime Commissioners will take place on 15th November 2012, with the new Commissioner taking up their post on 22nd November 2012. At this time Police Authorities will cease to exist and Members currently serving on the Police Authority will end their membership of the Police Authority.

The report confirmed the Local Authority representation as agreed by the Cleveland Police Joint Committee (with amendments since 10th June 2011). One of the key roles of the Members will be to answer questions on the discharge of the functions of the Police Authority at meetings of their relevant Councils.

Members were reminded that Cleveland Police Authority annually reviews its Panel Structure and membership of each of those Panels taking into consideration any changes in legislation and requirements to ensure we remain efficient and effective.

ORDERED that;

1. the appointment of the following Councillors to the Police Authority:
 - Hartlepool – Mayor Stuart Drummond and Councillor Carl Richardson
 - Middlesbrough – Councillor Bernie Taylor¹ and Councillor Ron Lowes
 - Redcar and Cleveland – Councillor Chris Abbott, Councillor Ray Goddard and Councillor Sean Pryce
 - Stockton – Councillor Norma Stephenson² and Councillor Terry Laing.

1 Replaces Councillor Barry Coppinger
2 Replaces Councillor Paul Kirton

be noted.

2. the above Councillors be appointed as representatives to answer questions on the discharge of the functions of the Police Authority at meetings of their relevant Councils be agreed.

3. the Panel structure at Appendix A to the report be agreed.

28

UNAUDITED STATEMENT OF ACCOUNTS 2011/12

The Treasurer informed members that under the Account and Audit Regulations 2011, local authorities, including police authorities, are required to receive and approve the Statement of Accounts for 2011/12 before the end of June 2012.

Members were informed that the draft statement of accounts had been the subject of review at the Audit and Internal Control Panel on the 12th June 2012, the full report that was submitted to that meeting was attached to the report at Appendix A. The role of the Audit and Internal Control Panel in this process is set out in Appendix D of the Code of Corporate Governance and includes:

- To review the Annual Statement of Accounts. Specifically to consider whether appropriate accounting policies have been followed and whether there are concerns arising from the financial statements or from the audit that need to be brought to the attention of the Authority.

The Statement of Accounts gives a true and fair presentation of the financial position of the Authority and the Police Pension Fund for the year ended 31st March 2012.

ORDERED that;

- 1 Members review the accounting policies as set out in the Statement of Accounts on pages 22 to 29 inclusive, which the Authority had followed in producing these accounts be noted.
- 2 Members consider the analytical review of the accounts contained within the body of the report and specifically within paragraphs 3.10 to 3.29, to provide Members with confidence in the financial statements be noted.
- 3 the establishment of earmarked reserves totalling £5,764k. (3.30 refers) be agreed.
- 4 Subject to the above, to recommend acceptance of the Statement of Accounts (Appended to this report) to the Police Authority Executive on the 14th June 2012, together with any matters that Members may wish to be brought to the attention of the Authority be agreed.

29

TRANSITION UPDATE

The Chief Executive presented Members with a verbal update on the Transition to date. This included;

- HMIC Transition Inspection on readiness preparedness. No formal report had been received to date however communication had been received from HMIC to indicate that they had 'no concerns' and that this should give Member's suitable assurances.

- The Transition Board had now met on two occasions, work was progressing very well, to such an extent that the nine workstreams were to be amalgamated in certain areas reducing the number down to six in total. Implementation Plans are well under way, give assurance that the hand over will be in good order.
- The Workstreams had been worked on by Officers to the extent that the Transition Risk Register had been amended from its original scoring of 0 Green, 2 Yellow, 5 Orange and 5 Red to a new improved level of assurance of 1 Green, 3 Yellow, 6 Orange and 2 Red.
- Candidate information was now on the Police Authority website and also informed via structured meetings throughout the summer and autumn.
- Clarity was being sought as to how the Police & Crime Panel was going to operate. Once established members will be informed.
- A Legacy document was to be created to inform how decisions, priorities and the recent history of the Police Authority had been taken.

ORDERED that;

- 1 the verbal report be noted.
- 2 an additional Police Authority Executive to be held on a date to be set between 15th and 22nd November 2012 be agreed.

30

ADDITIONAL CAPITAL SPENDING

The Treasurer informed Members that the final piece in the Police Authority's asset management jigsaw is the disposal of Ladgate Lane and the creation of a brand new fit-for-purposed Headquarters building.

The disposal of Ladgate Lane and the relocation of the Police Headquarters had been the subject of many discussions that can be traced back over the last 8 years. This culminated in Members approving, in November 2010 that Planning Permission be sought for the current site at Ladgate Lane and for the development of a purpose built HQ to be located at Hemlington.

Members were informed that at the time of considering the disposal of Ladgate Lane and the movement of the Police HQ to Hemlington a number of risks were identified in relation to the project.

To mitigate these risks, required Members to authorise some significant work both on the Ladgate Lane site and also the proposed build site at Hemlington.

At the time this initial work was expected to cost £1,138k and it was all expected to have been completed during the 2010/11 financial

year. As indicated to Members, at their briefing on the 1st May 2012, there had been some significant delays from this timeframe, predominantly as a result of not being able to secure the necessary sign off from the Highways Agency within the timeframes previously expected.

Primarily as a result of the delay of over a year but also as a result of some unexpected costs as the project had developed the initial budget will no longer be sufficient to develop the project to the point at which a decision can be made on the financial viability of the proposed move. It is estimated that a further £200k will be required to complete this work.

Members were informed that as Planning Permission had been granted for both the current site and the proposed site there is a risk in that the scheme proved unaffordable and therefore didn't go ahead. If this were to happen then the £1,338k will need to be funded from Reserves or further one-off savings.

Members sought a number of areas of assurance around the 'cost neutral' aspect and where the money was going to.

The Treasurer informed Members that the additional spending was required to position the Police Authority to give an answer on cost neutrality. Similarly Members were informed that spending was required for additional survey's and consultants. Members were referred to a paper provided to Members in November 2010 which gave a full explanation of costings.

Members queried if the decision could wait for the new Police & Crime Commissioner.

The Chief Executive informed Members that the costs are increasing and any further delay would mean requesting further monies at a later date.

Members requested that consideration be given to the formation of a small panel to oversee this area of work.

ORDERED that;

- 1 the contents of the report be noted.
- 2 the spending of up to a further £200k to develop the project to a point where planning permission for Ladgate Lane is received, detailed plans for a fit-for-purpose new HQ are delivered and a full business case for a decision as to whether to proceed further is delivered be agreed.
- 3 a small working group to be created to monitor the progression of work be agreed.

EXCLUSION OF THE PRESS AND PUBLIC

ORDERED that pursuant to the Local Government Act 1972 the press and public be excluded from the meeting under Paragraphs 1, 2, 3, 4 and 5 of Part 1 of Schedule 12A to the Act.

32 **CLOSED MINUTES OF THE SPECIAL POLICE AUTHORITY
EXECUTIVE HELD ON 5 APRIL 2012**

The minutes were held as a true record.

33 **CLOSED MINUTES OF THE SPECIAL POLICE AUTHORITY
EXECUTIVE HELD ON 17 APRIL 2012**

The minutes were held as a true record.

CLEVELAND FIRE AUTHORITY

MINUTES OF ANNUAL MEETING

8 JUNE 2012



PRESENT:

CHAIR:-

Cllr Payne – Hartlepool Borough Council

HARTLEPOOL BOROUGH COUNCIL

Cllrs James, Richardson, Wells

MIDDLESBROUGH COUNCIL

Cllrs Biswas, Brunton, Clark, Hussain, Pearson, Sanderson

REDCAR & CLEVELAND BOROUGH COUNCIL

Cllrs Briggs, Cooney, Dunning, Hannon, Moses, Ovens

STOCKTON ON TEES BOROUGH COUNCIL

Cllrs Corr, Cunningham, O'Donnell, Stoker, Walmsley, Woodhead

AUTHORISED OFFICERS

Chief Fire Officer, Director of Corporate Services, Legal Adviser/Monitoring Officer, Treasurer

BRIGADE OFFICERS

Director of Community Protection, Head of Corporate Support

APOLOGIES FOR ABSENCE: Councillor Gardner – Stockton on Tees Borough Council

Councillor O'Donnell in the Chair

Councillor O'Donnell opened the meeting and welcomed Councillor James from Hartlepool Borough Council, Councillors Hussain and Sanderson from Middlesbrough Council and Councillors Hannon and Moses from Redcar & Cleveland Borough Council to the Authority.

1. APPOINTMENT OF CHAIR FOR THE ENSUING YEAR

The Director of Corporate Services sought nominations for the position of Chair of Cleveland Fire Authority for 2012/2013. Councillor Robbie Payne was subsequently proposed and seconded whereupon nominations were closed.

RESOLVED – that Councillor Robbie Payne be appointed Chair of Cleveland Fire Authority for the ensuing year.

Councillor Payne in the Chair.

The Chairman thanked Members for their nominations and stated that he was looking forward to working with Members and Officers on the challenges facing the Authority in the coming year. The Chairman welcomed the new Members to the Authority and also extended the Authority's thanks to Councillors Akers-Belcher, Lancaster, Morby and Jeffries for their commitment and support as Members of Cleveland Fire Authority.

The Chairman placed on record his personal thanks to Councillor Jean O'Donnell and presented her with a token of appreciation from the Authority. Councillor O'Donnell thanked Members and in particular Councillor Payne for his assistance and support as Vice Chair.

2. DECLARATIONS OF MEMBERS INTEREST

It was noted no Declarations of Interests were submitted to the meeting.

3. APPOINTMENT OF VICE CHAIR FOR THE ENSUING YEAR

The Chairman sought nominations for the position of Vice Chair to Cleveland Fire Authority for 2012/2013. Councillor Brian Briggs was proposed and seconded whereupon nominations were closed.

RESOLVED – that Councillor Brian Briggs be appointed as Vice Chair of Cleveland Fire Authority for the ensuing year.

4. MINUTES

The Chief Fire Officer updated Members with regard to Minute No 122.5 - Land at Marine Fire Station and confirmed that the Easement has now been granted to Middlesbrough Council on the terms agreed at the meeting on 30 March 2012.

RESOLVED – that the Minutes of the Cleveland Fire Authority on 30 March 2012 be confirmed.

5. MINUTES OF COMMITTEES

RESOLVED – that the Minutes of the Executive Committee held on 18 May 2012 be confirmed.

6. COMMUNICATIONS RECEIVED BY THE CHAIR

The Chairman informed Members that a letter had been received from Neil O'Connor of CLG regarding Payment of 2012/13 Fire Capital Grant and Fire Capital Revenue Grant.

RESOLVED :-

- (i) that the communications be noted.**
- (ii) that a copy of the letter be circulated to Members.**

4 REPORT OF THE LEGAL ADVISER

4.1 Business Report 2012/13

The Legal Adviser/Monitoring Officer (LAMO) sought Members views regarding the principles to the Corporate Governance framework outlined at paragraph 3 and sought Members views regarding the Corporate Governance Framework as outlined at Appendix A which detailed the following:

- CFA Membership 2012/13
- Calendar of Meetings 2012/13
- Terms of Reference
- Committee Structure
- Delegation Scheme
- Financial Procedure Rules

4.1 Business Report 2012/13 (cont)

- Standing Orders of the Authority
 - Standing Orders in Respect of Proceedings
 - Contract Procedure Rules
- Code of Corporate Governance
- Members Allowance Scheme

Members were asked to consider and comply with the Ethical Governance Framework outlined at Appendix B which included:

- Anti-Fraud and Anti-Corruption Strategy
- Standards and Partners
- Member Code of Conduct
- Register of Member Interests
- Declaration of Gifts and Hospitality
- Hearing Procedures
- Complaints Procedure

The LAMO informed Members that a new Code of Conduct is expected to be agreed nationally in July 2012 and consequently the above framework will be reviewed to reflect these changes.

Members were also asked to consider the Member Development Framework 2012/14 at Appendix C which detailed:

- Training & Development
- Induction Programme
- Mentoring Scheme
- Member Development Plans
- Guide to Members Roles
- Resources/ Assessment

The LAMO asked Members to consider the Member Development's Group recommendation that re-application of the Member Development Charter should not be made and the Authority establish their own Charter (attached at Appendix D).

The LAMO sought nominations for the ensuring year for Committees, Outside Bodies and Member Champions.

Following the resignation of Councillor O'Donnell, as a Trustee of the Cleveland Fire Support Network, Members nominated Councillor Biswas as a Trustee to the Fire Support Network.

RESOLVED:-

- (i) That the Corporate Governance Framework principles as outlined at paragraph 3 be approved.**
- (ii) That the Corporate Governance Framework as outlined at paragraph 4 and Appendix A be approved.**
- (iii) That the Ethical Governance Framework of the Authority as outlined at paragraph 5 and Appendix B be approved and complied with.**
- (iv) That the Member Development Framework which includes the Role of Members outlined at paragraph 6 and Appendix C be approved.**

4.1 Business Report 2012/13 (cont)

- (v) That a Cleveland Fire Brigade Member Development Charter as outlined at Appendix D be approved.
- (vi) That Member attendance at the associated meetings as outlined at paragraph 7 be noted.
- (vii) That Councillor Shamal Biswas be appointed the Cleveland Fire Authority representative on the Board of Trustees for the Cleveland Fire Support Network.
- (viii) That Members appointments to Committees and outside bodies as outlined at paragraph 8 be approved as follows:

EXECUTIVE COMMITTEE 4-1-1-1

LAB	PAYNE	CHAIRMAN
LAB	BRIGGS	VICE CHAIR
LAB	O'DONNELL	STOCKTON ON TEES
LAB	BRUNTON	MIDDLESBROUGH
LD	OVENS	REDCAR & CLEVELAND
CONS	WOODHEAD	STOCKTON ON TEES
IND	CORR	STOCKTON ON TEES

TENDER COMMITTEE 2-1 (AD HOC)

LAB	PAYNE	CHAIR
LAB	BRIGGS	VICE CHAIR
CONS	WELLS	HARTLEPOOL

OVERVIEW AND SCRUTINY COMMITTEE 4-1-1-1

LAB	JAMES	HARTLEPOOL
LAB	DUNNING	REDCAR & CLEVELAND
LAB	CUNNINGHAM	STOCKTON ON TEES
LAB	BISWAS	MIDDLESBROUGH
CONS	WELLS	HARTLEPOOL
CONS	COONEY	REDCAR & CLEVELAND
IND	SANDERSON	MIDDLESBROUGH

AUDIT AND GOVERNANCE COMMITTEE 4-1-1-1

LAB	STOKER	STOCKTON ON TEES
LAB	HUSSAIN	MIDDLESBROUGH
LAB	HANNON	REDCAR & CLEVELAND
LAB	RICHARDSON	HARTLEPOOL
CONS	PEARSON	MIDDLESBROUGH
LD	MOSES	REDCAR & CLEVELAND
IND	WALMSLEY	STOCKTON ON TEES

STANDARDS COMMITTEE 2-1-1 plus 3 Independent persons

LAB	BRIGGS	REDCAR & CLEVELAND
LAB	CLARK	MIDDLESBROUGH
CONS	WOODHEAD	STOCKTON ON TEES
IND	SANDERSON	MIDDLESBROUGH

4.1 Business Report 2012/13 (cont)

APPEALS COMMITTEE 4-1-1-1 (AD HOC)

LAB	HUSSAIN	MIDDLESBROUGH
LAB	BISWAS	MIDDLESBROUGH
LAB	RICHARDSON	HARTLEPOOL
LAB	HANNON	REDCAR & CLEVELAND
LD	MOSES	REDCAR & CLEVELAND
CONS	COONEY	REDCAR & CLEVELAND
IND	SANDERSON	MIDDLESBROUGH

JOINT CONSULTATIVE COMMITTEE 4-1-1-1

LAB	JAMES	HARTLEPOOL
LAB	RICHARDSON	HARTLEPOOL
LAB	CLARK	MIDDLESBROUGH
LAB	DUNNING	REDCAR & CLEVELAND
LD	OVENS	REDCAR & CLEVELAND
CONS	PEARSON	MIDDLESBROUGH
IND	WALMSLEY	STOCKTON ON TEES

REPRESENTATIVES FOR OUTSIDE BODIES 2012/13

LGA FIRE COMMISSION REPRESENTATIVE	Cllr PAYNE
Substitute	Cllr O'DONNELL
SAFER PARTNERSHIP REPN - HARTLEPOOL	Cllr RICHARDSON
SAFER PARTNERSHIP REPN - MIDDLESBROUGH	Cllr BRUNTON
SAFER PARTNERSHIP REPN – R'CAR & C'LAND	Cllr BRIGGS
SAFER PARTNERSHIP REPN - STOCKTON	Cllr CUNNINGHAM
LOCAL STRATEGIC PARTNERSHIP - HARTLEPOOL	Cllr JAMES

MEMBER CHAMPIONS 2012/2013

SAFER COMMUNITIES CHAMPION	Cllr HANNON
CHILDREN AND YOUNG PEOPLE CHAMPION	Cllr BRUNTON
HEALTHIER COMMUNITIES CHAMPION	Cllr COONEY
NEIGHBOURHOODS CHAMPION	Cllr HUSSAIN
EMPLOYER OF CHOICE CHAMPION	Cllr WELLS
PARTNERSHIP CHAMPION	Cllr WOODHEAD
DIVERSITY CHAMPION	Cllr BISWAS
IMPROVEMENT AND VALUE FOR MONEY CHAMPION	Cllr PAYNE

5. REPORTS OF THE CHIEF FIRE OFFICER

5.1 Year End Performance and Efficiency Report 2011/12

The Chief Fire Officer highlighted some of the key achievements against our strategic priorities for 2011/12.

The Director of Corporate Services reported that as part of the performance management arrangements, the Brigade produces an annual performance and efficiency report that acts as a 'one-stop-shop' for the provision of financial, risk, performance and audit information at a summary level. The report supports enhanced decision making to ensure that resources are better aligned to initiatives that bring about improved services, improved performance, the achievement of the Authority's strategic priorities and most importantly improved outcomes for citizens.

Councillor Clark referred to the increase in long term sickness of 72% and asked if a strategy for dealing with this had been determined. The Director of Corporate Services confirmed that Work Health and Wellbeing has been identified as a priority for 2012/13 including Occupational Health and Attendance Management. Councillor Briggs asked if it has been considered to reward staff for no sickness. The Director of Corporate Services confirmed that this is being considered as part of the Work Health and Wellbeing priority.

Councillor Biswas raised the issues of non-domestic automatic false alarms calls and deliberate fires and suggested that the media is made aware of the costs involved in attending these incidents. The Director of Community Protection agreed that this would help Members of the Public to understand the financial impact to the local economy.

Councillor Walmsley commented that the time of the incident would have a big impact on the attendance time and that this is something that cannot be influenced. The Director of Corporate Services explained that ELT have commissioned an analysis report and the recommendations have resulted in improved attendance times, also the new command and control system, SEED, operates on dynamic response which means the nearest appliance is mobilised.

Councillor James suggested that closer working with the PCTs and GPs in areas such as electronic cigarettes and HFSVs could assist in tackling the number of accidental dwelling fires. The Director of Community Protection agreed that this would be an excellent opportunity.

Councillor Ovens queried the cost of total fire calls and asked why Redcar & Cleveland had the highest cost per person. The Chief Fire Officer confirmed that this figure was increased by the geography of the area which includes Eston Hills.

RESOLVED:-

- (i) that the Year End Performance and Efficiency Report 2011/12 be noted**
- (ii) that the media be made aware of the cost of non-domestic false alarm calls and deliberate fires.**
- (iii) that closer working with the PCTs and GPs in areas such as electronic cigarettes and HFSVs be explored**

- 5.2 Information Pack - June 2012**
- 5.2.1 Fire and Rescue Service Monthly Bulletins
 - 5.2.2 Employers Circulars
 - 5.2.3 National Joint Circulars
 - 5.2.4 Appointment of Interim Auditor

RESOLVED – that the Information Pack be noted.

6. REPORT OF THE DIRECTOR OF CORPORATE SERVICES
6.1 Corporate Governance Information Pack – June 2012

- 6.1.1 Member Attendance at Conference
- 6.1.2 Requests for Brigade Information

RESOLVED – that the Information Pack be noted.

7. REPORTS OF THE CHAIR OF THE OVERVIEW & SCRUTINY COMMITTEE
7.1 Information Pack

- 7.1.1 Energy & Environmental Strategy
- 7.1.2 Sprinklers

RESOLVED – that the Information Pack be noted.

7.2 Sprinkler Presentation

The Director of Community Protection gave Members a presentation on the benefits of installing domestic sprinklers. He detailed the Brigade's recent success in having sprinklers installed into a Vela Group social housing project in Hartlepool and outlined some of the myths surrounding the use of sprinklers.

Members discussed the issue in depth including the work being carried out with Northumbrian Water to solve the problems of the diameter of pipes and water pressure.

Councillor James suggested a greater involvement of the Fire Authority at the planning application stage. The Director of Community Protection reported that the Authority could not insist on the installation of a sprinkler system as it is not required under current Building Regulations, however recommendations could be made. The LAMO commented that supplementary planning guidance for home safety could be developed on a local basis.

The Director of Community Protection added that he and the Chief Fire Officer had attended a meeting at the House of Lords regarding Sprinklers and in order to gain a change in Building Regulations opposition from the builders lobby would have to be overcome.

Councillor Biswas agreed that a collective voice in support of Sprinklers was needed. Councillor Briggs suggested that the four local Planning Committees be contacted. Councillor Richardson added that the issue should be raised publically and Councillor James suggested that the local MPs be lobbied.

7.2 Sprinkler Presentation (cont)

The Chairman moved that that CFA instigate an on line petition with regard to making the installation of sprinklers compulsory in new build properties. He explained that if the petition gets over 100,000 signatures then it would be eligible for debate in the House of Commons. Members agreed that this would be a good approach and they would move this issue forward in their constituent councils.

RESOLVED:-

- i) that the presentation be noted.**
- ii) that an on line petition be instigated to make the installation of sprinklers compulsory in new build properties.**

8. REPORT OF THE CHAIR OF THE AUDIT & GOVERNANCE COMMITTEE

8.1 Information

- 8.1.1 Audit Committee Update
- 8.1.2 Organisation Performance Report April – March 2011/12
- 8.1.3 New Performance Management System
- 8.1.4 Target Setting 2012/13
- 8.1.5 Internal Audit Reports 2011/12
- 8.1.6 Review of the Authority's Anti-Fraud and Anti-Corruption Strategy
- 8.1.7 Review of the Effectiveness of Internal Audit
- 8.1.8 Internal Audit Outturn Report 2011/12
- 8.1.9 Review of Authority's Annual Governance Statement

RESOLVED – that the Information Pack be noted.

9. ANY OTHER BUSINESS

The Chairman proposed that item 17.1 – Social Enterprise Progress Report be discussed at a Special CFA Meeting to be convened on 22 June 2012 subject to member availability.

RESOLVED – that a Special CFA Meeting be convened on 22 June 2012 (subject to member availability) to discuss Social Enterprise.

- ## **10. LOCAL GOVERNMENT (ACCESS TO INFORMATION) (VARIATION ORDER) 2006**
- RESOLVED - "That 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 paragraph below of Part 1 Schedule 12A of the Local Government Act 1972 as amended by the Local Government (Access to Information) (Variation) Order 2006".**

Paragraph 3: namely information relating to the financial or business affairs or any particular person (including the authority holding the information).

11. **CONFIDENTIAL MINUTES**
RESOLVED – that the Confidential Minutes of the Cleveland Fire Authority Meeting held on 30 March 2012 be confirmed.

12. **CONFIDENTIAL MINUTES OF COMMITTEES**
RESOLVED – that the Confidential Minutes of the Executive Committee held on 18 May 2012 be confirmed.

COUNCILLOR ROBBIE PAYNE
CHAIRMAN

CLEVELAND FIRE AUTHORITY

MINUTES OF SPECIAL MEETING

22 JUNE 2012



PRESENT:

CHAIR:-

Cllr Payne – Hartlepool Borough Council

HARTLEPOOL BOROUGH COUNCIL

Cllrs James, Richardson, Wells

REDCAR & CLEVELAND BOROUGH COUNCIL

Cllrs Briggs, Cooney, Dunning, Hannon, Ovens

STOCKTON ON TEES BOROUGH COUNCIL

Cllrs Corr, Cunningham, Gardner, O'Donnell, Stoker, Walmsley

AUTHORISED OFFICERS

Chief Fire Officer, Director of Corporate Services, Treasurer

BRIGADE OFFICERS

Head of Corporate Support

**APOLOGIES FOR
ABSENCE:**

Cllrs Brunton, Clark, Hussain, Pearson, Sanderson – Middlesbrough Council

Cllr Moses – Redcar & Cleveland Borough Council

Cllr Woodhead – Stockton on Tees Borough Council

13. DECLARATION OF MEMBERS INTEREST

It was noted no Declarations of Interests were submitted to the meeting.

14. LOCAL GOVERNMENT (ACCESS TO INFORMATION) (VARIATION ORDER) 2006

RESOLVED - “That 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 paragraph below of Part 1 Schedule 12A of the Local Government Act 1972 as amended by the Local Government (Access to Information) (Variation) Order 2006”.

Paragraph 3: namely information relating to the financial or business affairs or any particular person (including the authority holding the information).

15. CONFIDENTIAL BRIEFING BY THE CHIEF FIRE OFFICER

15.1 Social Enterprise

The Chief Fire Officer briefed Members on the Social Enterprise Business models.

**COUNCILLOR ROBBIE PAYNE
CHAIRMAN**

COUNCIL

13th September 2012



Report of: Constitution Committee

Subject: CONSULTATION ON CODE OF INDEPENDENCE
FOR LOCAL GOVERNMENT

1. PURPOSE OF REPORT

- 1.1 For Council to note and debate the Political and Constitutional Reform Select Committee's consultation on a Code of Independence for Local Government. Such a code is intended to formally state through legislation "the principles and mechanics of the relationship between central and local government".
- 1.2 This consultation was initially considered by the Constitution Committee on 24th August, 2012. The Committee recommended that this item should be placed before Council for a debate and such response to the Select Committee as Council deemed appropriate. This initiative has the support of the Local Government Association and comments are invited through pcrc@parliament.uk on or before Friday 5th October, 2012. A model resolution as produced through the Local Government Association is also set out within this report.

2. DRAFT CODE FOR CENTRAL AND LOCAL GOVERNMENT

- 2.1 In a joint initiative between the Political and Constitutional Reform Select Committee and the Local Government Association entitled "Independence from the centre: Does local government freedom lie in a formal acknowledgement of devolution?" there is an illustrative draft Code for central and local government. This Code is reproduced within this report at **Appendix 1**. Both the Local Government Association and Graham Allen MP the Chair of the Select Committee have initiated public discussion upon this item *"to make the roles of Whitehall and Councils dearer to local residents"*. The consultation exercise is based upon two key principles, namely;
- That local authorities must be created in law as independent and sovereign entities and their duties codified
 - That the political independence of Councils would mean nothing without financial independence from central government.

- 2.2 The draft Code therefore covers these points in the opening “preamble” to the Code and that local Councils should enjoy true independence, operating within the law, in order to “secure and improve the wellbeing of their citizens and communities”. The Code thereafter is arranged through various “Articles” as follows;

Article One – This recognises the fundamental rights and duties of local Councils and also a representation of a consensual agreement between central government and local authorities. Again, it is stressed that the operation of these principles should be given by law with proper accountability and transparency.

Article Two: Local Economy and Local Self-Government

Article Three: Scope of Local Government

Article Four: Inter-Governmental Activities

Article Five: Territorial Autonomy

Article Six: Council Governmental Systems

Article Seven: Local Government Financial Integrity

Article Eight: Councils’ Right and Duty to Co-operate and Associate

Article Nine: Local Referendum

Article Ten: Legal Protection of Local Government

- 2.3 Annexed to this illustrative Code is an “Explanatory Note” and this is also attached herewith as **Appendix 2**. This covers the rationale for codification of the relationship between central and local government, practicalities of codification including certain broad principles of governance and the applications of codification.

3. INDICATIVE DRAFT RESOLUTION

- 3.1 Accompanying the consultation document is an indicative draft resolution as prepared through the Local Government Association (although not endorsed by them) in order to assist discussion and debate upon this particular issue. This draft resolution is also attached herewith as **Appendix 3** and covers the recognition to “decentralised powers and increased local democratic accountability” whilst also acknowledging greater freedom and indeed flexibility from centralised control. The draft resolution also seeks an acknowledgment of this initiative through the Local Government Association and the Political and Constitutional Reform Select Committee to stimulate Council debate and for appropriate recommendations to be made back to

the Select Committee. There is also recognition that Council's may wish to involve their local MP in supporting this campaign and that support from local authorities could be a true representation of the engagement of political parties within local Councils through this Constitutional initiative. A prepared response from the Association of North East Councils is also attached to this report at **Appendix 4** to assist with Council's consideration of this item.

4. RECOMMENDATION

- 4.1 That Council makes such response to the Political and Constitutional Reform Select Committee as Council deems appropriate.

5. CONTACT OFFICER

Peter Devlin
Chief Solicitor
01429 523003
Peter.devlin@hartlepool.gov.uk

Political and Constitutional Reform Committee

Committee Office House of Commons 7 Millbank London SW1P 3JA
Tel 020 7219 5065 Fax 020 7219 2681 Email pcrc@parliament.uk Website www.parliament.uk/pcrc

Illustrative draft Code for central and local government¹

Preamble

Through this code Parliament recognises free and independent local councils in England accountable to local citizens. These include unitary, county, district, metropolitan district, and London borough councils. They shall enjoy independence in both powers and finance and be entitled to do all that is required at local level, within the law, to secure and improve the well-being of their citizens and communities. Parliament makes plain that within their spheres of competence, local councils have co-equal—not subordinate—status to central government and that their rights and duties shall enjoy equal protection in law.

Article One:

1. The fundamental rights and duties of local councils herein are defined protected and entrenched. They may only be changed by the consent of Parliament as authorised firstly by an elected joint committee of both Houses, and then by the approval of both Houses of Parliament as prescribed in the amendment to the 1911 Parliament Act [enabling the second chamber to reject changes to the fundamental freedoms of local governance].
2. The code represents a consensual agreement between central government and local councils. Councils, local government representative bodies, all ministers, government departments, MPs, civil servants, courts of law and all public agencies interacting with local government are bound by the articles within this agreement and will act in accordance with these articles.
3. All of the provisions of the code are subject to the law. The individual rights of citizens are not affected by this code and citizens may seek judicial review against any injustice or infringement of rights as now. Councils and government can seek legal adjudication should it be felt that a council, councils or central government are not acting in accordance with the code.

Article Two: Local Autonomy and Local Self-Government

¹ On 18 January 2011, the Committee agreed “that written evidence be sought from an academic witness, containing an illustrative draft code governing the relationship between central government and local authorities in England”. Professor Colin Copus of de Montfort University agreed to take on this work. On 23 March 2011, the Committee wrote to all those who had given oral evidence to the inquiry asking for their views on the draft code for relations between central and local government. Suggested revisions were received and at the request of the Committee incorporated by Professor Copus into the draft code.

1. Councils' accountability is to local citizens.
2. Councils shall operate within the rule of law and with regard and respect to human rights legislation.
3. Councils are autonomous, democratically elected bodies which independently decide upon, administer and regulate the public affairs of and deal with all matters of concern within their boundaries which are not dealt with or attended to by other governmental bodies.
4. Councils operate within a framework of an irrevocable general power of competence with a full legal personality. Powers rest with councils, acting in accordance with the national legal framework, to pass local legislation on matters affecting the affairs and interests of their area.

Article Three: Scope of Local Government

1. The powers and responsibilities of councils shall after due consultation be prescribed by statute subject to safeguards in Article 1.1.
2. Councils have full discretion to exercise their initiative with regard to any matter which is not excluded from their competence or assigned to any other authority or body.
3. Councils are to be consulted, early within the policy and decision-making processes, by the Government if it is proposing reform, which will affect any council and its communities.

Article Four: Inter-Governmental Activities

1. Central and local government acting jointly shall be allowed to create inspection regimes to set and maintain service standards.

Article Five: Territorial Autonomy

1. The boundaries of local authorities are an issue for councils and their citizens. Any proposal for boundary changes must be conducted with the involvement of the Local Government Boundary Commission for England and within the law and subject to a local referendum in the area concerned.

Article Six: Council Governmental Systems

1. Local citizens through their councils have autonomy to choose their internal political decision-making systems (including, whether to adopt a directly elected mayor and cabinet, cabinet and leader, committee system, or some other political decision-

- making arrangement). Changes to political decision-making systems must first be subject to a binding local referendum.
2. Councils must review their political decision-making system every eight years and produce a publicly available 'Political Governance' report setting out the effectiveness of the system and if appropriate considering alternative approaches.
 3. Councils or local citizens can adopt any electoral system for use in council elections, after consultation and a binding referendum.

Article Seven: Local Government Financial Integrity

1. Local councils shall to the greatest possible extent be financially independent of central government. Equalisation will be conducted by an independent Equalisation Board on an annual basis.
2. Local citizens through their councils may raise additional sources of income in their localities in any way they wish [subject to the rule of law and human rights legislation] if they gain the consent of their electorates through a binding referendum or local propositions.
3. Local government shall be given a guaranteed annual share of the yield of income tax. This share shall be increased as and when service provision responsibilities are transferred from central to local government so that councils are always able to benefit from the growth in buoyant tax resources available to the state as a whole.
4. The process of equalisation, ensuring fairness as between local councils, shall be undertaken by a body independent of central government.
5. Councils shall be able to raise any loans which their credit rating allows and will be exclusively responsible for repayment. For the purpose of borrowing for capital investment, councils shall have access to the national capital market at their own discretion. All councils shall operate an annual balanced budget so that all outgoings, including interest repayments on borrowings, shall not exceed income.
6. Central government will not cap, or in any way limit, councils' taxation powers. Central government must consult with councils on how it will distribute and allocate government funding when using local government as an agent to pursue its own policy objectives. Government funding to councils, in pursuit of central government policy objectives is to be based on a rolling three year budget cycle to coincide with the comprehensive spending review process. Once the three year medium term budget planning process has been agreed and announced no significant changes in funding levels will be made by central government.

7. The same financial transparency standards will apply to local and central government, alike.

Article Eight: Councils' Right and Duty to Co-operate and Associate

1. Councils as independent legal entities are entitled, in any undertaking, to co-operate in any way with other councils, public and private bodies, any voluntary, charity or third-sector organisation, or with any financial, commercial or private enterprise.
2. Where more than one Council is responsible for services in a geographic area, these Councils shall co-operate to maximise the well-being of those within that area.
3. Councils are able to belong to any association for the protection and promotion of their common interests and to belong to an international association of any sort. Councils are entitled to co-operate with councils in other countries for any matter.

Article Nine: Local Referendum

1. The administration of any local referendum process shall follow standards set by the Electoral Commission, and those responsible for the conduct of any such referendum shall be accountable to the Electoral Commission for their performance against those standards.

Article Ten: Legal Protection of Local Government

1. Councils have the right of recourse to a judicial remedy in order to secure free exercise of their powers and respect for the power of general competence and any other principles of local self-government or individual rights enshrined in law or contained within the code or evident in Human Rights legislation.

Annex – Explanatory Note

Prospects for Codifying the Relationship between Central and Local Government**Introduction**

The Committee set out nine principles to be expanded upon and to form the basis of a draft code governing the relationships between central and local government. The draft code could then be the basis for a wider consultation and discussion under the auspices of the Select Committee. The nine principles flow throughout the draft code and are developed in the clauses within each article. The Committee also asked for an assessment of the issues involved in implementing the principles through a code of central and local government relationships.

The first section of the paper sets out a rationale for the construction of a code of intergovernmental relationships and the rationale for each article contained within the draft code; the second section presents the draft code. The Third section assesses the feasibility and practicality of such a code. The paper concludes by drawing out the main issues that the Committee may want to consider in the development and decisions about the adoption of a code of intergovernmental relationships.

Section One: Rationale for Codification

The draft code is based on an assumption that it is required to re-establish and strengthen the position of local government within the constitution, to enable it to operate as a co-equal alongside central government and to provide a degree of protection for local government and its citizens from centralisation and over-regulation. If codification is to produce a balanced working relationship between central and local government it must explicitly recognise the value of local government and formally establish the degree of its political and governing autonomy. Without those underpinning assumptions a code is likely to see local government as little more than a means of providing or overseeing the provision of public services and consequently diminish its politically representative features.

Article Rationale

A **preamble** is required to set out a broad framework within which the articles sit and to set the context for operationalising the code in relation to principal authorities by stressing the underlying localist philosophy on which it is based.

Article One is required to emphasise the independence and autonomy of local government and to secure the code as an agreement between the entire centre and the localities. It is designed to ensure that all central government departments work with local government

through a shared set of practices. Constitutional protection for the code is required to prevent it being amended or abolished.

Article Two is required to achieve an agreed definition, between central and local government of the role, purpose, nature and constitutional status of local government and to emphasise that local government accountability is primarily to citizens. It asserts councils as governing and politically representative institutions with independent regulatory and legislative powers within their own boundaries.

Article Three establishes a consultative working relationship between central and local government based on a mutual acceptance of the broad remit of local government responsibilities.

Article Four is required to ensure a negotiated and mutually agreeable process of constructing a framework for ensuring service delivery quality.

Article Five establishes the territorial autonomy of local government and that council boundaries are to be agreed by councils and their citizens (through local referendum). Without territorial integrity and autonomy council boundaries can be re-organised for the benefit of central government and the national parties' ideological concerns.

Article Six is required to operationalise the freedom of councils and local citizens to decide the internal political decision-making arrangements of the council and the voting systems for local elections to suit local circumstances. The article recognises that central government is not required to decide how councils will be elected or how they will make decisions once they have been elected.

Article Seven recognises that local autonomy and independence is strongly related to financial freedoms, but also that financial responsibility and rectitude comes with a clear link of accountability to local citizens. Alignment is required between central and local government financial processes to add certainty and consistency to financial planning. The article recognises the importance of an independent equalisation process between councils and that local and central government should be co-equal partners in this process.

Article Eight is required to set out the broad parameters within which councils can co-operate with each other and with other bodies so that there is clarity and recognition of councils' rights to act in ways that they think beneficial to their areas.

Article Nine provides for local referendum to be the responsibility of the Electoral Commission. Such independence enhances the probity of and confidence in, the referendum process and that local referendum will be overseen by a body Independent of local and central government.

Article Ten by enabling local government to take legal action in any circumstances that might threaten the autonomy of a council serves to provide additional protection to local government independence from external control or interference.

The next section sets out a draft codification of relationships between central and local government.

Section Two: The Practicalities of Codification

The section is set out in two parts to ease consideration of the issues involved. The first part examines the key issues (identified as italicised sub-section headings below) involved in codifying the relationship between central and local government and the implications arising. It does this by using the draft code developed from the nine principles the committee articulated which have been collapsed where they consider similar issues, such as finance. The first part of this section considers the following issues: securing agreement to the principle of codification; central and local government policy consultation; council boundaries; local electoral systems and internal council political decision-making systems; local government financial freedom; quality of services; and, local government independence and autonomy.

The second part of this section makes a brief assessment of each article of the draft code.

1. Assessment of Broad Principles

Securing agreement of central government to the very principle of a codification of the relationship with local government has two key dimensions:

1. Central government accepting a permanent change to the current constitutional settlement between the centre and the localities
2. Ensuring that agreement to a code and abiding to its conditions extends across government, that it is not restricted to the DCLG alone and that it is adhered to by ministers and civil servants

Given the last Labour Government's policies of devolution to Northern Ireland, Scotland and Wales and given the current government's localism agenda and the Localism Bill, particularly section one's 'general power of competence', common ground should exist across the parties, for establishing a framework for the independence and autonomy of local government. Past governments, however, including the last government, have implemented policies which expressed little patience for local government autonomy and have viewed councils as a mechanism for little more than implementing central government policy. Currently however, each of main political parties appears to support greater autonomy for local government, so the time is right to develop and consult on a draft code. The feasibility of a code stands or falls on two aspects: first, Parliament and government re-balancing the constitutional

relationship and doing so on a permanent basis; and, second, local government being willing to use new found freedoms.

A code itself does not alter the fundamentals of the constitution; making that code constitutionally secure does however, create a re-balance to a more localist orientation in the governing system.

Government would not be able to change the structure, nature, functions or purpose of local government, without the due process necessary to respect the independence of local government including undertaking negotiations. Any change negotiated would require (under Article 1.1) a legislative process different to that normally employed. While this may create frustration for government and slow down its own policy implementation, it would also mean less legislation, wider consent and more localised decision-making. Parliament has become accustomed, very quickly, to constitutional change brought on by devolution to Northern Ireland, Scotland and Wales and what that means for Parliamentary and governing processes. If viewed in the same devolutionary and evolutionary way a codification of central-local relationships would soon establish itself as the standard operating procedure.

A failing of the current concordat is that it has not been taken up across government departments and across ministers as the means by which intergovernmental relations are to be conducted. The concordat's focus on the service role of councils has served to sideline the political, democratic and representative contributions made by local government. Experience has shown that production of a code alone is insufficient to change working practices and that a change of attitudes across central government is required to successfully operationalise any code.

Independent central and local government would need to devise effective arrangements to work together in partnership. Developing a forum for *policy consultation* between local and central government means a shift from a top-down, control relationship to a negotiated, consensual style. Such a relationship between the centre and local government exists in other governmental systems, both unitary and federal (Goldsmith and Page, 2010). Central government already consults and negotiates with local government and creating a forum would sharpen the focus of existing processes and enable more detailed consideration of policy development concerning local government. A negotiating forum may however, slow down policy decisions, delay the implementation of government policy and frustrate government intentions across a range of policy areas. Genuine consultation and negotiation comes with the expectation of compromise and concession and that would be an expectation on all parties to the process. As a consequence delay may be off-set by better policy decisions and policy outcomes.

Control of *council boundaries* resting with councils and local citizens rather than with central government, exemplifies local autonomy and independence. Devolving to councils and citizens, working with the Local Government Boundary Commission for England, the power to set and change boundaries, to amalgamate (in whole or in part) or to disaggregate councils, is easily achievable. Moreover, it avoids the danger of council boundaries being manipulated for national party political reasons; or for reasons that suit the needs of the central government machine.

There are examples across the globe where decisions about council boundaries rest with citizens and councils and there are no practical difficulties in switching to a system of local boundary control, which would remove the need for the expensive bidding process that has been seen in some past reorganisations (Chisholm and Leach, 2008). A question arises as to whether council boundaries should be something that citizens alone should control, rather than giving councils a say in the matter as councils will tend to want to maintain or extend existing boundaries.

Central government will, of course, have a view on proposed boundary changes and on the overall coherence of the structure of local government and will be able to express that view during any consultation process.

Local electoral systems and internal council political decision-making systems need not be the same across the country. Indeed, since the Local Government Act 2000, some choice in internal political decision-making systems has existed. Moreover, the Localism Bill widens that choice by making the committee system open to all councils. The implications of councils being able to adopt different internal decision-making systems fall on the councils concerned; although, government inquiries have explored the way councils make decisions in an attempt to speed-up and add clarity and accountability to the process and this will still be a central government concern (HMSO, 1967, HMSO, 1986).

If council decision-making is perceived to be slow then there is an impact on central government as local people look to it for a solution to be developed and imposed. In this case government continues to be the arbiter of local matters at a detailed level. Encouraging independent councils to develop local political decision-making processes, with local people, rather than government legislating across the entire local government system could lead to more refined processes developing. By devolving responsibility to councils and local people to set council political decision-making arrangements, central government will be faced with a possible array of systems when it comes to negotiating with councils. But, local decision-making forms would be the choice of local people rather than designed for the convenience of Whitehall.

The consequences of local electors choosing different electoral systems would again fall mainly on the councils concerned. Those council areas choosing a more proportionate electoral system are likely to have a wider range of parties and non-partisan groups represented on the council and would be more likely to be governed by some form of coalition, than those choosing to employ the first-past-the-post system; those areas retaining the current voting system for local elections are more likely to have a clearer one party outcome and governance. Central government will, of course, have a view on the matter and will be able to express that view during any consultation process, while the choice of electoral system should rest with the locality rather than Whitehall.

Securing *Local government financial freedom* is necessary to operationalising any of the nine principles and the draft code in section two. Central government control of local finances, both the source of finance and the way in which it is used by councils, would need to be fundamentally changed to give councils greater financial freedom (Layfield, 1976, Foster, *et al*, 1980).

Securing local government financial freedom from the centre is made difficult by: the role that local government expenditure has in the macroeconomic and fiscal policy fields; the control governments, of all parties, have been able to exert over local finances for national economic and political reasons; and, the current government's deficit reduction policy. Again, these issues are not insurmountable but rely on the formation of a different mind-set in the relationship between the centre and the localities when it comes to financial matters, rather than relying on an evolution of policy to secure change (John, 1999).

The Layfield Commission (1976) and the Lyons Review (Lyons, 2007) examined local government finance set within the wider context of the purpose of local government and central-local government relationships. Lyons was restrained in the reforms suggested, but the practical implementation of alternatives such as local income tax is not the issue, here. It is in local financial matters that we often see the conflation of local and national government in the public mind. Overall council expenditure and council tax levels are national issues and debated in the national media and thus government is required to have a view on their reasonableness. But, government holding and expressing a view about council financial decisions need not mean having control of them to ensure accountability; adding clarity to the system would enhance local financial accountability.

The current system of financing local government would be greatly simplified and accountability sharpened as a result of local people having freedom to endorse, or not, council access to diverse and buoyant sources of finance and to set their own taxation levels. With complete financial freedom given to local people however, central government would no longer be able to safeguard communities from excessive increase in local taxation, high levels of local expenditure or other financial adventures by individual councils. But, if local electors

continue to grant a mandate for such financial policies by re-electing controlling groups who pursue them, the choice is either for local citizens to be the arbiters of local affairs or for central government by claiming a national mandate (Wolman and Goldsmith, 1992). There are no practicalities only political choices involved here.

Financial freedom for local government is not an all or nothing choice. Structures created for negotiation and agreement between the centre and the localities over the financing of local government, financial equalisation, and the level and nature of grant support, can replace a top-down approach without the centre relinquishing all control or involvement (Goldsmith and Page, 2010). Enhanced financial freedom would provide stimulus for re-energising local political parties, local civic society and civic debate around local choices and value for money. Yet, there is a need for central government to provide funding in emergencies such as natural disasters or, if for some reason, a local authority's finances broke down entirely.

The *quality of high-profile services* provided or overseen by local government are an issue of national debate. Major policy areas, such as education and housing, will always provoke central government interest and concern for involvement beyond inspection and freedom for local government needs to be seen and set in this context. A balance must be drawn between services which can be left to local decisions reflecting local sensitivities and circumstances so as to recognise local differences and diversity; and, those areas in which government will negotiate with councils about service standards, while avoiding any centralising tendencies which the provision of public services generate and which has been long noted (Toulmin-Smith, 1851).

The solution to the nationalising pressures of national expectations of service standards is to be found in the construction of fora where central and local government can spread best practice and negotiate and agree service standards and inspection regimes in a broad sense. Negotiation and agreement avoids the need for heavy-handed inspection regimes – which have served to undermine local autonomy and the democratic mandate granted to a council (See, Leach 2010). Moreover, it avoids the need for central government to impose required service standards and thus treat local government as a means of implementing government policy.

Local government independence and autonomy from central government and changing the directional flow of accountability from the centre to local citizens are factors inherent in the nine principles and are reflected throughout the code in section two. If local government is to have autonomy from the centre it must have the freedom to be able to undertake any action. The feasibility of achieving local government autonomy rest on the same considerations as those required for securing agreement to codification in the first place: re-balancing the constitutional relationship between central and local government; and, acceptance across government of a new working relationship. To ensure the continual effectiveness of a code it

must be adhered to throughout the life of any government which is easier at the outset of a new government but becomes more difficult as time passes and governments become closer to the Whitehall machine.

The constitutional relationship required to secure local autonomy is something that has been achieved in federal and unitary states. Yet, there has been a recent trend across Europe for central government, in states which have constitutionally guaranteed local government freedom, to find ways of increasing control over local government (Goldsmith and Page, 2010). Again, the Localism Bill's 'general power of competence' nudges in the direction of autonomy – although the Bill does contain around 140 reserve powers for the Secretary of State, which indicates that local government autonomy will not be a direct outcome of the Bill, alone.

2. Brief Assessment of articles in the draft code

Article One: There is no reason why this article could not be implemented. A difficulty might occur around the issue of local government representation on the hopefully rare occasions when the joint committee proposed in the article, is convened. While Parliament might not accept non-MPs being full members of a Parliamentary committee, the local government representatives could be non-voting members, or hold their membership *ex-officio*.

Article Two: For the purpose of drafting a code general competence and local government autonomy are not fully articulated and these concepts would have to be defined in any consultation on the code undertaken by the select committee to avoid confusion. Indeed, general competence and local government autonomy are usually limited in constitutional settlements and are not left unrestrained. It is also necessary to set out elsewhere the distribution of functions and responsibilities between the levels of government and how disagreements can be resolved. Would the Supreme Court, or some other body, for example, be the final arbiter in any dispute?

Care would be needed in defining 'local citizens', either employing the current formulation for compiling the electoral register; or, a more extensive view of 'local citizenship' based on proximity to, but not residency within, a council area.

Article Three: Sets some limits on the autonomy of local government to that contained in article two. The scope and extent of the powers within article three and the nature of local government and community power over economic development would need to be agreed and defined in other documentation. It would rest on the agreed distribution of functions and responsibilities between levels of government. A *de minimis* rule may need to apply when it comes to this article.

Article Four: There are no practical problems as to why this cannot be achieved and implemented, quickly. But, it is likely that central government would want to have primacy in the process – again, the question of allocation of functions and responsibilities between levels and agencies would be required.

Article Five: There is no reason why this cannot be achieved. The question of the allocation of functions and responsibilities may be an issue in boundary setting, but, given that under article eight councils would be able to co-operate with each other in the provision of services, then boundaries are no longer linked to issues of service management and efficiency. The accountability of joint-provision would need to be ensured and mechanisms needed to enable voters to cast a judgment on jointly provided services.

Article Six: There are no difficulties in implementing article six. The article requires straightforward devolution of power over electoral systems and political decision-making arrangements to councils and citizens. Too frequent changes however, should be avoided and maybe there is a need to place a time limit on change – such as two electoral cycles – eight years.

Article Seven:

Clause 1: The concept of local government financial independence needs to be carefully defined and agreed, otherwise as a statement of principle it could become meaningless and easily ignored, unless otherwise set out in law.

Clause 2: The use of referendum provides for a specific democratic mandate for taxation and revenue raising policy. But, councils must be prepared to have their proposals overturned and thus have developed, through consultation, alternative plans.

Clause 3: Rests on the assumption that an agreement has been reached about the re-allocation of local services and the division of income tax. Such agreement is not impossible, but, would require detailed negotiations between central and local government and devolution of functions and power from the centre.

Clause 4: Rests on the assumption that existing rules will be agreed for equalisation and the mechanism for allocation will continue. It would also mean that central and local government was unable to unilaterally change the processes once they had been agreed and therefore they would both need government to accept this limitation.

Clause 5: The clause has implications for the PSBR and is something that the Treasury would need to be closely involved in and is likely to strongly oppose, given its on-going and long-standing reluctance to see any local government financial reform. It is possible that linking loans to council credit ratings would be limiting for councils if

resource bases were not equalised and thus poorer areas would suffer from their low credit rating, while more affluent areas may not need to borrow. On the other hand, prudent competent councils would be recognised by a revived local government bond market of the sort that has existed in the UK and that currently exists in the USA and elsewhere. The need to balance budgets would have to include the right to maintain reserves.

Clause Six: Easily implementable but rests on government's willingness to devolve final decision-making power on local taxation to local government. Financial and Partnership mechanisms imply a limitation to local autonomy by their very existence, so they would have to be voluntary and councils entering into partnerships do so without the expectation of government funding, so that those choosing not to operate in that way were not financially penalised.

Clause Seven: Difficulties may arise with this provision unless there are comparable disciplines on central government. Problems could arise from a general election and a change of government mid-Parliamentary or mid-budgetary cycle; or, if a severe financial crisis emerges; or, an event requiring immediate and large-scale financial commitment, such as an overseas military operation. These can be overcome by the agreement of a set of 'emergency provisions' that would allow central government to respond to mid-financial term emergencies.

Article Eight: The broad powers suggested here would have to be only for purposes which were legal and carried out within the legal framework setting out council powers.

Article Nine: Included to ensure probity in the referendum process and would require the allocation of the responsibilities and functions necessary to the Electoral Commission. Cost implications of the increased use of referendum would emerge, but linking them to the electoral cycle could reduce that cost.

Article Ten: The power for local government contained here would be under the rule of law which could result in legal challenge to abuses by central government action, policy and proposals and as with all issues covered by UK law could involve judicial review at Supreme Court or at the European level.

Conclusions

There are no real technical or practical reasons why the nine principles articulated by the committee or the draft code that is set out in section two, cannot be operationalised. The feasibility of codifying the relationship between central government and English local government rests not so much on practical and technical concerns. Rather, the feasibility of codification rests on political and ideological grounds and on the willingness of the centre to

accommodate a new constitutional settlement for local government which acknowledges for it a political, representative and governing purpose. Moreover, codifying the relationship between central and local government would sit well with the government's localism and the Big Society agenda. It would underpin these policies by reducing centralisation and by providing the ground on which councils and communities could experiment with local initiatives that reflected local priorities.

The general implications of codification would be:

- Freeing local people to make many more decisions effecting their lives at a local level
- A shift to a more negotiated set of relationships between central and local government
- Enhancement of the constitutional status of local government
- A freeing of central government from the detailed control of local government
- Improvements to the clarity of the financial relationships between central and local government
- Other documents would be required to fully elaborate how the code would be operationalised, to set definitions and agree areas of responsibility
- Possible delays because of the time needed to build a consensus for central government in the development and implementation of policy and legislation as it impacts on local government
- Limitations on the central executive machine to use a Parliamentary majority in regard to local government policies, which would reflect similar limitations resulting from devolution to Northern Ireland, Scotland and Wales
- At a time of national financial constraint the costs associated with creating a new settlement between local and central government and of the consultation process may be seen to be prohibitive
- Considerable cultural change will be required to ensure that all central government ministries were aware of and adhered to the code in all activities and to recognise that a constitutional rebalancing had occurred as a result of the codification of the relationship between central and local government
- Mechanisms for dealing with disagreement between central and local government about the code and breaches of it would have to be decided upon by agreed structures

- As now, court action either involving the Supreme Court or at the European level would ensure the rule of law
- Greater freedoms for local people to make choices could result in wide diversity in the quality, type and nature of public services chosen
 - Involvement and education of public and media around the choices available would be essential
 - Strengthened localism could stimulate a revival of civic culture and activity and encourage local parties to forge greater links with local civil society
 - The conflation, in the minds of the public and the media, of local and national politics and government may lead to central government suffering at the polls for local government failings or *vice versa*. But, a clear understanding of the roles of councils and governments could lead to them being elected on their own record and merits
- Enhanced financial freedom for councils would impact on central government economic and fiscal policy
- Robust mechanisms would be required for financial equalisation and central financial assistance in the event of local emergencies
- If local electors are to judge local issues central Government would find it difficult, if not impossible, to intervene where individual councils acted in ways that generate public concern or outrage, or are unnecessarily bureaucratic and meddlesome. Court action, as we see currently with central government, may be the only redress for citizens and the cost may be prohibitive and it would be necessary to ensure this was not repeated by local government.

The key to successfully implementing codification of inter-governmental relationships is the centre's willingness to permanently devolve political and governmental power to councils. Given that intention, the negative implications of codification can be overcome through the creation of safeguards and by negotiation and compromise. The forging of a new relationship between central and local government must go hand-in-hand with forging a new relationship between citizens, councils and councillors. The principle of codification and the draft code

contained in this report, provide the basis for forging those new sets of relationships and a framework within which they can be explored.

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This is an indicative draft resolution prepared as an aid to debate with the advice of [but not endorsed] by the LGA

1. This Council recognises the stated aim of Governments to decentralise powers and increase local democratic accountability.
2. Council also recognises there is an appetite for more opportunities for local decision-making and greater freedom from centralised control.
3. Council welcomes:
 - a) the joint campaign between the Local Government Association (LGA) and Political and Constitutional Reform Select Committee (PCRSC) to stimulate debate about the relationship between central and local government.
 - b) the opportunity, through the Select Committee's inquiry on the prospects for codifying the relationship between central and local government, to comment on these issues.
4. Council resolves to consider local experiences of the central-local relationship and make recommendations to Cabinet (or other such committee as appropriate) on an appropriate response to the Select Committee's inquiry.
5. Further, Council resolves to write to local Members of Parliament supporting the joint LGA and PCRSC campaign and outlining local ambitions for the central-local government relationship.
6. Finally, Council urges all political parties and central government to engage with the Select Committee and the LGA to consider whether an entrenched statutory codification of the independence of local government should be part of our constitutional settlement.

**CODIFYING THE RELATIONSHIP BETWEEN
CENTRAL AND LOCAL GOVERNMENT**

**RESPONSE TO THE HOUSE OF COMMONS
POLITICAL AND CONSTITUTIONAL
REFORM COMMITTEE**

ASSOCIATION OF
NORTH EAST COUNCILS



Introduction

1. The Association of North East Councils is the political voice for local government in the North East. It represents all 12 local authorities in the North East, throughout Northumberland, Tyne and Wear, Durham and the Tees Valley on issues of concern to them and the communities they serve. It is a cross-party organisation, with all of its members democratically elected and accountable politicians.
2. As the representative body for local government in the North East, the Association welcomes the opportunity to comment on this issue, which is of profound importance for local government and goes to the heart of its constitutional position.

Principles

3. The Association supports the principle of a Code that would establish the position of local government within the constitution and enable it to operate as a co-equal alongside central government. For too long, English local government has been in an inferior position, as regards dependence on central government, to its counterparts in other western democracies. This is now having real consequences for our ability to deliver the services that people and communities need and expect.
4. We consider that the right of local government to manage local affairs, within a framework of law and of accountability to local people, should be recognised in the same way as the right of central government to set national policy and manage national affairs is recognised.
5. Further, the weak constitutional position of English local government is thrown into stark relief by devolution to Scotland, Wales and Northern Ireland, and the prospect of independence – or further devolution – to Scotland. At a time when more powers are being devolved to territorial administrations, local authorities in the largest country in the United Kingdom remain subject to extensive legal, financial and regulatory constraints. This cannot be right or equitable.
6. The current economic position makes it all the more important to pursue this agenda. If, as seems likely, local authorities are going to be subject to a further round of cuts in the next spending review, it is imperative that they should be allowed to be innovative and creative in working out their own solutions to how

they are going to continue to meet demands for services in a changed financial climate.

7. It should be emphasised that a clear position for local government would be beneficial both for central government, which would be free to concentrate on national issues and macroeconomic policy, and for MPs who would no longer find themselves held to account for local service issues. It would be a means of re-engaging the trust and interest of local citizens, and unlocking the creativity and enterprise of local councillors and officers.

Specific provisions

8. Specifically, we consider that the Code should provide for the following:
 - financial independence for local government anchored in the full retention of, as far as possible, uncapped and locally determined council tax and business rates, subject to clear and transparent mechanisms for fairness and redistribution for all authorities;
 - entrenching local accountability by removing unnecessary central government supervisory powers, accepting that Government has a legitimate role in certain areas;
 - removing central government power to intervene in councils' boundaries, structures and governance models;
 - making it a default position that local government should have power to provide or commission any public service not explicitly assigned to another body;
 - entrenching local government's constitutional position so that it is not subject to re-regulation (whether this is done through the 1911 Parliament Act or some other mechanism); and
 - clarifying the right of councils to set up formal or informal joint arrangements, at regional or sub-regional level, to deliver or support their functions.

Conclusion

9. The Association fully supports the Select Committee in the work it is doing on this issue and hopes that the above comments will assist the Committee.

COUNCIL

13 September 2012



Report of: Chief Executive

Subject: BUSINESS REPORT

1. CLEVELAND POLICE AND CRIME PANEL

The Police Reform and Social Responsibility Act, 2011, provides for each police area to have a Police and Crime Panel, with the specific function of scrutinising the actions and decisions of the Police and Crime Commissioner for the police area. The panel will operate as a joint committee of the relevant local authorities. Once established, with the permission of the Secretary of State, a Panel is able to co-opt additional members (both elected and independent). The Cleveland Police and Crime Panel is to consist of twelve elected councillors and two independent members, divided as follows;

Stockton on Tees – 4 members
Middlesbrough – 3 members
Redcar and Cleveland – 3 members
Hartlepool – 2 members

Council has previously been informed of representations as made to the Home Office to increase the representation of Hartlepool upon the Panel. The Home Office have asserted '*the best panels will be those that are agreed and established locally; Home Office intervention is intended to be a measure of last resort only*'. It would appear that if the Home Office were to intervene, seats would be allocated so far as is reasonably practicable, upon the 'balanced appointment objective' which would not lead to an '*equal split*' amongst the local authorities comprising the Cleveland Police force area.

The 'balanced appointment objective' entails that the local authority members of the Police and Crime Panel (when taken together) represent all parts of the police area, representing the political make up of the relevant local authorities when taken together, and have the skills, knowledge and experience necessary for the panel to properly discharge its functions effectively. The main functions of the Police and Crime Panel will be as follows;

- Making reports and recommendations on the Police and Crime Plan and the Annual Report,

- Holding public meetings to discuss the Annual Report and to question the Police and Crime Commissioner.
- Report and make recommendations on the level of precept (the council tax charge for the police)

The 2011 Act at schedule 6 paragraph 33 places a duty upon a local authority to nominate the elected mayor to be a member of the panel. On the basis of the political make up of the Cleveland police area and in order to achieve so far as reasonably possible, the 'balanced appointment objective' the other Council nomination would be from the Labour Group. Stockton Borough Council are the host authority for the Cleveland Police and Crime Panel and 'shadow' arrangements have already come into being with discussions upon panel arrangements including relevant terms of office, rules of procedure and it is of note, that the panels will allow the use of substitute members, provided those Members have undergone appropriate training. The Council are therefore requested to invite a nomination from the Labour Group and as mentioned each representative to the Panel should in turn nominate a substitute to facilitate arrangements and the workings of the Panel.

Recommendations

1. That a nomination be received from the Labour Group for appointment to the Cleveland Police and Crime Panel and that it be noted that the Elected Mayor has also been duly nominated to the Panel.
2. The Council's representatives do designate a substitute and that notification be given to the Acting Chief Executive.

2. ADDITIONAL COUNCIL MEETING

The Government are implementing new arrangements which will come into effect for 2013/14 to replace the existing national Council Tax Benefit System with Local Council Tax Support schemes approved individual Authorities. Individual authorities need to approve their local schemes before 31st January. Therefore, an additional ordinary meeting of Council is required to approve the Local Council Tax Support Scheme for 2013/14.

Council is therefore requested to approve the holding of an additional meeting at 7.00pm on 24 January 2013

COUNCIL
13 September 2012



Report of: Chief Executive

Subject: BUSINESS REPORT (2)

3. JOB EVALUATION APPEALS

3.1 On 24th August, 2012, a report was submitted to the Constitution Committee at the Committee's request, providing additional information in relation to the Job Evaluation Appeals process. Subsequently, a request has been made through the Committee for that information to be shared by Council. This Business Report therefore draws from that earlier report with minor supplementary up-dating.

3.2 The Single Status Agreement which incorporates a revised pay and grading structure was implemented with effect from 1st April, 2007 although final agreement was not obtained until the following year. The National Job Evaluation (JE) Scheme comprised 13 factors, each with a different weighting and each factor had a number of levels which then equated to a particular number of JE points. Job Evaluations are undertaken by trained, experienced Job Analysts and the scheme is applied consistently thereby ensuring the robustness of the Council's pay and grading structure. Materially, employees have the right to appeal against the outcome of Job Evaluation in respect of their posts. A significant number of appeals have been submitted, and then determined by an Appeals Panel and ratified by the relevant Executive Member with responsibility for workforce matters and the appropriate governing body in relation to schools. It has been noted, that employees also have the right to pursue an equal pay claim before an Employment Tribunal.

3.3 The National Agreement at Part 4 includes the following guidance;

"The appeal will be heard by a joint panel at authority level. The panel will consist of representatives from the recognised Trade Unions and management and/or elected Members. An Independent Person may be appointed to chair the panel".

3.4 The National Agreement also indicated that any decision of the Panel should be considered as being final and that equality training was essential for all Union and employer representatives who are involved in the Job Evaluation

process. On 17th March, 2008, Cabinet considered representations received through the Trade Unions that “it is essential that the employees have trust in the appeals process and the Trade Unions welcome the acceptance of a “totally” Independent Chair for the Appeals Panel”. It was therefore determined as part of the Executive decision making, that the Appeals Panel would comprise an Independent Chair, Senior HR representation, together with senior Trade Union representation, all of whom have been trained in the Job Evaluation Scheme. The Appeals Panel have therefore operated since 1st July, 2008, with one management representative and one Trade Union official, with an Independent Chair, all of whom have been trained in the use of the scheme. Once the remaining 5 appeals arising from the implementation of the Single Status Agreement/revised pay and grading structure have been fully addressed, the composition of the Appeals Panel will change to two management representatives and two Trade Union officials (with no Independent Chair) all of whom will, again, have been trained in the use of the scheme. Exceptionally, where the Appeals Panel have a “failure to agree” the Regional Joint Secretaries will be requested to assist. If no agreement can subsequently be reached, the original match and pay band will apply. This approach is consistent with other Councils regionally.

3.5 The Trade Unions have previously commented as follows;

“The Trade Unions are confident that the current agreed process will resolve the majority of Job Evaluation appeals in accordance with the agreed Job Evaluation Scheme. It was the stated contention of HJTUC throughout the negotiations to maintain the independent element of a JE appeals process and in the event of a “failure to agree” this was achieved through the inclusion of referral to the Regional Joint Secretaries in accordance with the National Guidance and as inserted in Part 3 SSA (current process) and Part 2 SSA (future process). HJTUC are therefore satisfied to maintain the current process as stated within Part 2 and 3 of the agreed SSA”.

3.6 A further meeting was held with Trade Union representatives on 6th September, 2012 wherein there was a reaffirmation of the Trade Union position, as mentioned above. Further, it was accepted that any suggested change should only come through full and proper consultation and where there was justification for the same. The Chief Solicitor’s advice is contained within the report of the Constitution Committee as dated 24th August, 2012 which notes that the current Appeals Panel operates in accordance with the terms of the National Agreement. The Chief Solicitor also made comment that any suggested change “*should be based on a clear rationale for doing so, at a suitable juncture and following appropriate consultation*”.

3.7 Members are asked to note the information contained within this report, the commentary provided through the Trade Unions and that of the Council’s Chief Solicitor. Should Members wish to initiate any change to the Job Evaluation appeals process, then they are reminded that under the Council’s Constitution any “*changes to existing policies and procedures likely to have a significant impact on service provision or the organisation of the Council*” is

the preserve of the Council's Executive. In addition, the Council could be exposed to significant risk in the absence of a clear justification for any change, adequate reasoning behind such a change, and supported through full and meaningful consultation.

RECOMMENDATION

For Members to note the content of this report.

4. COUNCILLOR TURNER RESIGNATION

- 4.1 Members will be aware of the recent resignation of Councillor Mike Turner. Arrangements are being put in place for the resulting by-election.

The following vacancies arise as a consequence of the resignation:-

Member Audit Committee

Vice-Chair Audit Committee

Member Regeneration and Planning Services Scrutiny Forum