

CABINET

MINUTES AND DECISION RECORD

10th February 2006

Present:

The Mayor, Stuart Drummond - In the Chair

Councillors: Peter Jackson (Finance and Performance Management Portfolio Holder)
Robbie Payne (Culture, Housing and Transportation Portfolio Holder)
Ray Waller (Adult and Public Health Services Portfolio Holder)

Officers: Paul Walker, Chief Executive
Andrew Atkin, Assistant Chief Executive
Peter Scott, Director of Regeneration and Planning Services
Adrienne Simcock, Director of Children's Services
Nicola Bailey, Director of Adult and Community Services
Ian Parker, Director of Neighbourhood Services
Stuart Green, Assistant Director (Planning and Economic Development)
Tony Brown, Chief Solicitor
Mike Ward, Chief Financial Officer
Chris Little, Assistant Chief Financial Officer
Alastair Rae, Public Relations Officer
Charlotte Burnham, Scrutiny Manager
Peter Turner, Principal Strategy and Development Officer
David Cosgrove, Principal Democratic Services Officer
Angela Hunter, Principal Democratic Services Officer

Also Present:

Councillor: Geoff Lilley, Vice-Chair of Adult and Community Services and Health Scrutiny Forum
Steve Nicklin, Les Watson and Campbell Dearden, Audit Commission

178. Apologies for Absence

Apologies for absence were received from Councillors Stanley Fortune and Cath Hill.

179. Declarations of interest by Members

None.

180. Confirmation of the minutes of the meeting held on 24th January 2005

Received.

181. Audit Commission Annual Audit and Inspection Letter 2004/05 (*Chief Executive*)

Type of decision

Non key

Purpose of report

To inform the Cabinet of the content of the Audit Commission Audit and Inspection Letter 2004/05.

Issue(s) for consideration by Cabinet

The Assistant Chief Executive reported that the Annual Audit Letter attached to the report summarised the conclusions and significant issues arising from the Audit Commission's recent audit and inspections of the Council.

The District Auditor/Relationship Manager and Audit Manager gave a brief overview of the key issues. Although being judged with a 4-star rating under the CPA assessment was a significant achievement, there were still a number of areas of concern for the upcoming year. In particular, supporting people and use of resources including managing reserves and internal control of financial management.

Particular areas of success that were highlighted were the direction of travel of the Council, the Council's broader community role and the quality of services across education, social care and environment.

Members agreed that the excellent rating had shown that the Council was improving well and although there were some areas of concern indicated that measures had already been implemented to mitigate these.

Decision

The contents of the report and the Annual Audit and Inspection Letter 2004/05 were noted.

182. Budget Consultation: Draft Budget and Policy Framework 2006/07 to 2007/08 Proposals (*Scrutiny Co-ordinating Committee*)

Type of decision

Non key

Purpose of report

To inform the Cabinet of the Scrutiny Co-ordinating Committee's formal response to the Draft Budget and Policy Framework Proposals for 2006/07 to 2007/08, as part of the Authority's budget consultation process.

Issue(s) for consideration by Cabinet

In the absence of the Chair of Scrutiny Co-ordinating Committee, the Vice-Chair of the Adult and Community Services and Health Scrutiny Forum outlined the report. Members of the Scrutiny Co-ordinating Committee had considered the proposals over the last four months and had sought evidence from various Chief Officers and Cabinet Members.

Whilst Members felt it would be inappropriate at this time to make recommendations on service reductions to Cabinet, it was agreed that the following comments/observations should be taken into account by the Cabinet and Council thereafter.

- (a) That the delivery of services to the public, in particular vulnerable groups, must be of the utmost importance when finalising the Budget and Policy Framework Proposals for 2006/07 to 2007/08;
- (b) That there should be sufficient provision with the Budget and Policy Framework for 2006/07 to 2007/08 to protect frontline services including Libraries and Community Centres;
- (c) That the Authority's Overview and Scrutiny Function be adequately resourced in relation to a dedicated budget and additional scrutiny officer support;
- (d) That every effort must be made to protect the proposed reduction to the Community Pool budgetary allocation, given the very nature of its work;
- (e) That the use of Gershon efficiency savings should continue;
- (f) That there is a need for the Authority to pro-actively manage the exit strategies of grant funded staffing positions;

- (g) That the work of the Vacancy Monitoring Panel should continue to scrutinise the need to fill vacant posts as and when they arise;
- (h) That every effort should be made to fill job vacancies internally;
- (i) That the use of consultants and agency workers across the Authority is far greater than realised, with some individuals being employed on a temporary basis for in excess of 2 years. Concerns were expressed with regard to a recent Employment Tribunal currently pending appeal which argues a strong case for agency workers to potentially gain employment rights as directly employed staff. Members were advised that the judgement was anticipated in late February 2006, hence depending on the outcome of such appeal, it is suggested that this Authority explores the compilation of an exit strategy for its agency staff arrangements in light of the possible financial implications to the Authority;
- (j) That it is the role of Council to set the Authority's Budget and Policy Framework for 2006/07 to 2007/08 in consultation with the Cabinet and the Scrutiny Co-ordinating Committee.

The Mayor thanked the Vice-Chair for his presentation and asked for any further comments after the next item.

Decision

The formal response of the Scrutiny Co-ordinating Committee was received as part of the budget consultation process.

183. Budget and Policy Framework 2006/07 – 2007/08 (Corporate Management Team)

Type of decision

Key Decision - Test (i) applies

Purpose of report

To enable Members to finalise details on the proposed 2006/2007 to 2007/2008 Budget and Policy Framework to be referred to Council on 16th February 2006. The report covered:

- Outturn Strategy 2005/2006
- Capital Budget 2006/2007 and Prudential Code
- General Fund Budget Requirement and Council Tax 2006/2007

- General Fund Budget Requirement and indicative Council Tax 2007/2008

Issue(s) for consideration by Cabinet

The Chief Financial Officer indicated that the Budget and Policy Framework 2006/2007 was a comprehensive detailed report and the presentation outlined the key issues to be considered.

It was highlighted that the net budget gap had initially been reduced in light of £200k reduction in budget pressures due mainly to the securing of grant provision within Economic Development. In addition, the budget gap has been reduced by £80k as a result of Cabinet's decision to withdraw the Promotion of Tourism Strategy and an increase of £130K in the final 2006/07 grant allocation. However, additional issues not identified in the report were detailed in the presentation which committed these amounts and resulted in a revised net budget gap of £4,039.

Cabinet's views were sought on the proposals outlined in the report, covering the Outturn Strategy 2005/06, the Capital, Prudential Indicators and Treasury Management, the General Fund and Council Tax, Local Government Finance Settlement 2006/07 and Local Budget Issues. The recommendations made by Scrutiny Co-ordinating Committee (minute 182 refers) regarding revised arrangements for the Vacancy Monitoring Panel and the development of an exit strategy for grant funded schemes which terminate in 2007/08 were included within the recommendations of this report.

The Mayor thanked everyone involved in compiling the Budget and Policy Framework Proposals for 2006/07 and 2007/08 as it had been a very difficult process. He indicated that he was aware of the additional issues detailed in the presentation and felt that they were all justified in being included within the 2006/07 financial year. The Mayor added that he was minded to agree with option 1 with regard to the Council Tax increase and was pleased with all the recommendations made in the report.

Members agreed that this process had proven difficult and a lot of hard work had been undertaken. The funding for the Celebrating Achievement was for a 2-year period depending on the next Government settlement, and it was agreed that this was a good way of encouraging the talent of young people in the town. The following additional issues detailed in the report were for one-off expenditure only:

- Briarfields
- Foggy Furze
- Contaminated Land
- Brinkburn Pool

Members agreed that due to the additional resources received in the Local

Government Settlement they would favour option 1, whilst highlighting that a significant amount of town-wide issues were being included within this budget framework. Members indicated that the monitoring of human resources to maximise potential across the Council should be on-going. They indicated that a lower council tax increase would inevitably have an adverse effect on front-line services and this was not what the people in the town wanted. A Member indicated that he was thankful to see Briarfields back on the agenda and that reinstatement should be considered at the earliest opportunity.

Decision

The following recommendations were approved and referred to Council.

- i) Approve the proposed outturn strategy detailed in paragraph 4.3 of the report.
- ii) Approve the proposal that in the event that the capital receipt for the North Central Hartlepool Scheme is not received (or cannot be accrued) before 31st March, 2006, the potential temporary shortfall be funded from Prudential Borrowing, which will be repaid when the capital receipt is received.
- iii) Note the position in relation to the impact of Briarfields on the Capital Programme and the strategy for managing this position (paragraph 4.12 of the report).

Capital Programme 2006/2007 and Prudential Indicators 2005/2006 (Revised) to 2008/2009

- iv) Approve the capital allocations identified at Appendix B and authorise the relevant Portfolio Holder approves the detailed Capital Programmes for using these allocations.
- v) Approve that the replacement of the Cremators be funded from Prudential Borrowing and Option 2 (phased increase in fees from 2007/2008) be explored in more detail, as detailed in paragraph 5.3 of the report.
- vi) Approve the use of Prudential Borrowing for the Restoration and Cleaning of the War Memorials and for the additional archaeology costs on the Headland Town Square development. (The resulting revenue costs can be funded from the revenue proposals if these are approved).
- vii) Approve the establishment of an ICT investment fund of £0.5m, subject to this amount only being used for projects achieving a seven year pay back and contributing a savings towards the overall efficiency target and detailed schemes being approved by Cabinet.

- v) Approve the Prudential Indicators detailed at Appendix C.
- viii) Approve the proposed Treasury Management Strategy, as detailed in paragraph 5.8.

2006/2007 Revenue Budget and Council Tax

- a) Approve a 4.9% increase in Council Tax and subject to approval of this proposal approve the following supporting resolutions: -
 - i) Approve an increase in all departmental resource allocations of 3% and the resulting budget allocations as detailed at Appendix 1 to this report, with specific top-up for specific pressures and/or priorities, as detailed in (ii) below.
 - ii) Approve the proposed pressures and priorities identified in Appendix E, schedules 1 and 2, including the revised Economic Development Priority of £100,000, the withdrawal of the Promotion of Hartlepool Priority of £80,000 and the additional commitments identified.
 - iii) Approve the proposal to support the Ground Work Trust, as detailed in paragraph 10.8 and to meet this commitment from the strategic contingency.
 - iv) Approve the proposals not to fund the pressures and priorities identified in Appendix E, schedules 3 and 4.
 - v) Approve the proposal to mainstream the services previously funded from grants which have been terminated as identified in Appendix F note 3.
 - vi) Approve the use of corporate savings of £1.12m to reduce the budget gap, detailed in paragraph 12.2 of the report.
 - vii) Approve the use of additional temporary corporate savings of £1.645m to reduce the 2006/2007 budget gap, detailed in paragraph 12.3 of the report.
 - viii) Approve the proposed service cuts identified in Appendix G.
 - ix) Approve the proposal to examine eligibility criteria to enable changes to be implemented from 1st April 2007.
 - x) Approve the proposal to earmark any LABGI income to support the 2007/08 budget.
 - xi) Approve the establishment of a specific Equal Pay Risk Reserve from the resources identified by Scrutiny Co-ordinating Committee. In the event that the whole of this amount is not needed for Equal

Pay costs any unused monies be returned to General Fund reserves.

- xii) Approve the development of revised arrangements for the Vacancy Monitoring Panel be considered by Cabinet at their meeting on 27th February, 2006.
- xiii) Approve the commencement of work to develop exit strategies for grant funded regimes be commenced in April, 2006.

2007/2008 Revenue Budget and Council Tax

- ix) Approve an indicative Council Tax increase for 2007/2008 of 4.9% and to note that the actual 2007/08 increase will be referred to Council at this stage next year.
- x) Approve the proposal that Cabinet prepares options for bridging the 2007/2008 budget gap and submits these to Scrutiny Co-ordinating Committee by the end of September 2007.

184. Progress in Preparing Hartlepool's Local Area Agreement (LAA) *(Chief Executive)*

Type of decision

Key Decision – Test (ii) applies

Purpose of report

To consider and agree Hartlepool's Local Area Agreement submission to the Government Office for the North East.

Issue(s) for consideration by Cabinet

The Chief Executive reported that Hartlepool's Local Area Agreement (LAA) had been developed in partnership with other agencies and the voluntary and community sector. The draft agreement was attached to the report as an appendix and included:

- priority outcomes, both national and local with associated baselines, indicators and targets;
- from among these priorities, about twelve priority outcomes for improvement, where stretched performance will be delivered over the following three years in return for the payment of reward grant (formerly the LPSA and now to be known as the reward element of the LAA);
- details of how the partnership will operate and the performance

- monitoring and management arrangements in place
- details of how local people and the VCS have been involved in the design and will be involved in the delivery of the LAA;
- an explanation of why funding streams are being proposed for inclusion; and
- the reasoning behind the requests for freedoms and flexibilities.

The Chief Executive reported that the draft LAA would be submitted to GONE today once Cabinet's views had been received and then there will be a further two weeks for negotiation with civil servants, with Ministers due to formally sign the LAA by the end of February. The draft LAA will be considered by the Hartlepool Partnership on 24th February.

The Mayor indicated that he welcomed the LAA which he felt would keep decision-making at a local level. However, there were some concerns from Members about funding being used in areas not deemed a priority by the Council. The Chief Executive added that budgets would be aligned with pooled budgets as far as possible, being kept to the minimum.

Decision

- i) The draft LAA was approved for submission to GONE.
- ii) That the Chief Executive, in consultation with the Mayor, agrees any further amendments required as a result of negotiations via GONE.

185. Lyons' Inquiry (*Chief Executive*)

Type of decision

Non key

Purpose of report

To consider the invitation from Sir Michael Lyon to participate in, and provide views for, his Inquiry into local government.

Issue(s) for consideration by Cabinet

There were three main issues identified as central to the enquiry. They were:

- The strategic role of local government
- Devolution and decentralisation
- Funding

Although Chief Executives were being encouraged to respond, the timescales were very tight with submissions having to be provided by 13th March 2006. The issues raised in the Lyon's Inquiry were closely allied to the considerations that had been inherent in the development of the Local Area Agreement (LAA). The draft response had therefore been compiled using in part the LAA submission which included principles closely allied to the terms of reference for the Lyon's Inquiry.

Members agreed with the proposed response, however they were concerned at the short time-scale given for responses. The Mayor added that Hartlepool Council were highly thought of by the ODPM and it was imperative that a response be forwarded. However, he added that there may be scope to do some consultation on how local people see the future of Hartlepool local government.

Decision

- i) It was agreed that a response be forwarded to the Lyon's Inquiry.
- ii) That the Chief Executive be given the authority to make any amendments to the submission as considered appropriate.

185. Corporate Plan (BVPP) 2006/07 – Proposed Objectives and Actions *(Assistant Chief Executive)*

Type of decision

Non key.

Purpose of report

To enable Cabinet to discuss the objectives and actions proposed for inclusion in the Council's Corporate (Best Value Performance) Plan for 2006/7.

Issue(s) for consideration by Cabinet

The Portfolio Holder for Finance and Performance Management indicated that the Corporate Plan was being developed in parallel with the Local Area Agreement and would continue to be based around the Hartlepool Partnership's seven Community Strategy aims. Cabinet were asked to consider whether the objectives and actions identified, properly reflect the Council's priorities for the year ahead and suggest amendments if they so wished.

The Scrutiny Co-ordinating Committee were to consider the proposed

Council priorities identified in the Plan with final approval of the Plan being made by Council in June 2006. It was indicated that at this stage, some information was as yet not available, due to the deadline for publishing the plan. However, this information would be included in the final draft to be presented to Cabinet in May.

Decision

The objectives and actions identified for inclusion in the draft Council's Corporate (Best Value Performance) Plan for 2006/07 be approved for consideration by Scrutiny.

187. Pandemic Influenza – Contingency Planning – Final Report *(Adult and Community Services and Health Scrutiny Forum)*

Type of decision

Non key

Purpose of report

The report presented Members of the Cabinet with a Final Report of the Adult and Community Services Scrutiny Forum's investigation into Pandemic Influenza – Contingency Planning.

Issue(s) for consideration by Cabinet

The report set out the details and findings of the Adult and Community Services and Health Scrutiny Forum's investigation into Pandemic Influenza – Contingency Planning. Following that investigation, the Adult and Community Services and Health Scrutiny Forum had reached the following conclusions:

- (i) Members were pleased to see that there is a great deal of work underway, globally, nationally, regionally and locally in order to anticipate and respond effectively to an influenza pandemic, should one occur.
- (ii) The Forum noted that protecting the public from pandemic influenza was an integral part of ongoing work by Hartlepool Borough Council, Hartlepool PCT and the Health Protection Agency.
- (iii) Members wished to endorse the first generation contingency plan presented by Hartlepool Borough Council.
- (iv) Members endorsed the approach adopted by Hartlepool PCT in

relation to its activities, both in contributing to the development of a Local (SHA-area wide) contingency plan and, the PCTs own business continuity plan.

- (v) Members recommend that in the event of a pandemic, Hartlepool Borough Council and the Health Agencies would undertake to publicise good basic hygiene that would reduce the risk of influenza spreading.

Decision

That the Scrutiny report be received and that the Adult and Community Services and Health Scrutiny Forum be thanked for the work undertaken during its investigation.

J A BROWN

CHIEF SOLICITOR

PUBLICATION DATE: 16th February 2006