

CABINET

MINUTES AND DECISION RECORD

23 October 2006

Present:

The Mayor (Stuart Drummond) - In the Chair

Councillors: Cath Hill, Deputy Mayor

Pam Hargreaves, Children's Services Portfolio Holder

Robbie Payne, Finance Portfolio Holder

Victor Tumilty, Culture, Leisure and Transportation Portfolio Holder

Ray Waller, Adult and Public Health Portfolio Holder

Officers:

Paul Walker, Chief Executive

Andrew Atkin, Assistant Chief Executive

Adrienne Simcock, Director of Children's Services

Tony Brown, Chief Solicitor

Mike Ward, Chief Financial Officer

Chris Little, Assistant Chief Financial Officer

Stuart Green, Assistant Director of Planning and Economic Development

Alistair Rae, Public Relations Officer

Alan Dobby, Assistant Director of Adult and Community Services

Charlotte Burnham – Scrutiny Manager

Angela Hunter – Principal Democratic Services Officer

Denise Wimpenny – Principal Democratic Services Officer

96. Apologies for Absence

Councillor Peter Jackson, Performance Management Portfolio Holder

97. Declarations of interest by members

None

98. Confirmation of the minutes of the meeting held on 9 October 2006

Confirmed

99. Prudential Borrowing Limits and Capital Programme (Chief Financial Officer)

Type of decision

Budget and Policy Framework

Purpose of report

To report sought approval to the variations to the approved 2006/2007 Prudential Borrowing Limits and Capital Programme to reflect the requirements in relation to the following housing regeneration schemes:-

- North Central Hartlepool Housing Regeneration Scheme
- NDC Area Remodelling Project

Issue(s) for consideration by Cabinet

Members had previously been informed of the difficulties resulting from the timing of funding not matching the timing of expenditure in relation to the above mentioned schemes. Although these projects were fully funded, there was a temporary funding shortfall arising from the timing of the capital receipts and grant funding. The Council had previously determined to bridge these temporary funding shortfalls from Prudential Borrowing. Approval was subsequently obtained on 23 June 2005 to increase the budget for North Central Hartlepool and on 27 October 2005 for the NDC scheme. These approvals covered the Council's funding requirement for 2005/2006 and totalled £4.812m.

Developers had now been secured for each site and were committed to purchase, with receipt of monies likely to be within the current financial year. However, there was a risk of the cash being received later than expected which could result in a temporary funding gap in 2006/2007. Accordingly, there was a need to extend the Prudential Borrowing for a further year and revise the budgets to reflect the latest estimated cost of the schemes.

It was therefore recommended that the budget for these schemes be increased by an additional £650,000 to cover the temporary funding shortfall. The temporary Prudential Borrowing would be repaid when the capital receipts were received.

The Council was also pursuing an additional grant allocation from 2007/2008 to reduce the amount which needed to be funded from Prudential Borrowing.

The report provided details of the revenue cost of funding these schemes in 2006/2007 and it was therefore suggested that this cost be funded from reserves.

Decision

That approval be sought from Council to:-

1. increase the 2006/2007 Capital Budget for the North Central Hartlepool Housing Regeneration Scheme and NDC Housing Remodelling Scheme by £650,000.
2. in the event that the capital receipts were not received before 31 March 2007 to fund the resulting MRP of £104,000 from General fund balances.
3. the necessary technical adjustments to the 2006/2007 revenue and capital budget and prudential limits to reflect the recommendations.

100. Budget and Policy Framework 2007/08 – Initial Consultation Proposals *(Corporate Management Team)*

Type of decision

Budget and Policy Framework

Purpose of report

To enable Cabinet to determine the initial 2007/2008 Budget and Policy Framework proposals to submit for consultation.

Issue(s) for consideration by Cabinet

Following recognition by the Government that local authorities needed greater financial certainty to enable them to plan services effectively, from 2006/2007 the Government began to issue multi-year grant settlements. However, the first three year settlement for the period 2008/2009 to 2010/2011 would not be known until the Government had completed the 2007 Comprehensive Spending Review (CSR07), details of which would not be available until November 2007. This position clearly had implications for the development of the Council's own three year budget strategy.

It was clear from announcements by the Chancellor that the current period of growth in total public sector expenditure would not be maintained beyond 2007/2008. It was anticipated that local authorities would face a difficult financial position over the next few years.

The report gave details in relation to policy drivers and the Outturn Strategy for 2006/2007 which included centralised estimates, strategic contingency and other corporate budgets.

The report gave details of the 2007/2008 Capital Programme including allocations and proposed allocations which required Members approval. Members were requested to consider the following possible elements for funding of local priorities as outlined in the report:-

- Release of LPSA Reward Grant
- Capital Receipts
- Use of Unsupported Prudential Borrowing

The report included details of terminating grant issues, budget pressures, budget priorities, permanent corporate savings, temporary corporate savings, efficiency savings, use of reserves, proposed Council Tax increases and the revised 2006/2007 budget gap.

It was envisaged that the actual position for 2008/2009 was likely to be worse than currently forecast as no provision had been made for future pressures/priorities/terminating grants. Members were asked to consider whether they wished to balance the budget over a longer period by increasing the level of reductions in 2007/2008 and carry forward a specific budget support fund to help address the position in 2008/2009. The impact of increasing the 2007/2008 savings by 1% on the saving required in each of the next three years was outlined in the report.

In financial terms the greatest risk facing the Council related to Equal Pay claims and the implementation of Single Status. Beyond 2007/2008 the greatest risk was the level of Government grant. At this stage a prudent increase of 2% had been included, although even that may be optimistic. The position would need to be reviewed after the Government conclude the CSR07.

With regard to consultation on the draft Budget and Policy Framework, Members were requested to determine if they wished to adopt similar arrangements for 2007/2008 as in previous years, details of which were outlined in the report.

The report outlined the financial issues affecting the 2007/2008 Budget and Policy Framework proposals and Cabinet were requested to determine the specific proposals it wished to refer to Scrutiny in relation to the following:-

- 2006/2007 Provisional Outturn Strategy
- 2007/2008 Capital Proposals
- 2007/2008 General Fund and Council Tax

Members supported the proposal to ear mark £0.5m of the 2006/2007 corporate underspend to meet the shortfall on resources set aside for the Phase 2 Equal Pay settlements. It was felt that a further report should be provided with an overview of this issue.

The Portfolio Holder for Finance expressed a need to streamline services, establish what services should be provided and suggested that Cabinet discuss this matter further whilst consultations were ongoing. He expressed concern regarding the 4.9% increase and the impact this would have, particularly for people on fixed incomes. The Mayor advised that whilst he acknowledged that the current Council Tax system was not a fair system this was controlled by Central Government with little that the authority could do about it. A four year budget setting would be an ideal solution to enable

better planning. The Portfolio Holder for Children's Services expressed a need for the consultation process to be as simple and clear as possible to ensure residents were not confused with the detail and that they be made aware of what services were included in their Council Tax payment.

The Mayor added that efforts had been made in the past to simplify the information provided for consultation although this was difficult as some of the issues were complex.

Decision

1. Cabinet agreed that the following issues be referred for consultation:-

Provisional Outturn Strategy

- (i) to support the proposal to earmark £0.5m of the 2006/2007 corporate underspend to meet the shortfall on resources set aside for the Phase 2 Equal Pay settlements and a further report be provided with an overview of this issue.
- (ii) to earmark the remaining £1m of the 2006/2007 corporate underspend to support the 2009/2010 revenue budget, thereby maintaining support at £2m for a further year.

2007/2008 Cabinet Proposals

- (iii) to maintain service based capital expenditure at the level of Government allocations.
- (iv) to continue to support locally funded Prudential Borrowing projects at current levels as set out in paragraph 5.2 of the report.
- (v) to provide £0.1m within the revenue budget to support additional unsupported Prudential Borrowing of £1.2m per year from 2007/2008.
- (vi) to package the above resources, the LPSA Capital Reward Grant and anticipated capital receipts to address capital issues and one-off commitments and to consider proposals for utilising this funding at a future meeting.

2007/2008 General Fund and Council Tax

- (vii) to support the proposals to mainstream the terminating grant regimes as set out in Appendix A.
- (viii) to support the identified budget pressures as set out in Appendix C.

- (ix) to support the identified budget priorities as set out in Appendix D.
 - (x) to confirm the indicative Council Tax increase of 4.9% subject to further discussions of Cabinet.
 - (xi) to support the identified budget savings as set out in Appendix E.
 - (xii) to adopt the suggested consultation arrangements as set out in paragraphs 10.2 and 10.3.
2. Cabinet made the following comments for consideration during the consultation process:-
- (i) consultees to note that Cabinet had placed on hold the Safer Stronger Communities Fund item of £25,000 within Terminating Grants schedule and Anti-Social Behaviour item of £65,000 within Budget Priorities, subject to pending review.
 - (ii) concerned over the Connected Care priority of £50,000 and funding roll out of service, relationship with other partners and need for more information and clearer view of outcomes required.
 - (iii) concerned at the additional sum required for Scrutiny on top of pressures funded in budget last year (2006/2007).
 - (iv) requested a review of the current 2% salary turnover allowance and the implications of an increase of 2.5% to be undertaken.
 - (v) endorsed the use of reserves £2.5m in 2007/2008 and £2m in 2008/2009 and 2009/2010.
 - (vi) acknowledged that a detailed review of reserves had been completed last year and there had been no significant changes in the financial position, with the exception of resources set aside for potential grant repayment. As this risk had reduced, £0.5m could be released and it was suggested that this amount be earmarked for the Tall Ships.
 - (vii) to review level of pressure included for utility costs in light of current market volatility and completion of current tendering exercise.

101. Future of Locality Based Health Care Services in Hartlepool – Proposal to Conduct a Local Poll *(Chief Executive)*

Type of decision

Key Decision (Test (ii) applies)

Purpose of report

To seek agreement from the Cabinet to conduct a Local Poll in Hartlepool to determine the strength of feeling of the town with regard to the future of locality based health care services in Hartlepool and to provide additional information in relation to the associated costs and options of conducting a local poll, a suggested date for the Poll together with a suggested question for the actual ballot paper to assist the Cabinet in reaching a decision on whether to conduct a Local Poll.

Issue(s) for consideration by Cabinet

The report provided background information relating to the future delivery and viability of health care services within the town together with Cabinet's decision from the last meeting. Details of discussions arising from the last meeting of the Cabinet held on 9 October 2006 were outlined in an additional report, a copy of which was circulated to Members at the meeting.

In addition, Full Council at their meeting on 26 October 2006, would consider the release of additional resources to cover any related expenditure incurred to conduct the Local Poll, based on the outcome of this report.

The Chief Executive provided details in relation to the options for a Local Poll and indicative costs as outlined in Table 1 to the additional report. Having considered the various time constraints in determining a proposed date for the Local Poll, the following two dates had been identified as suitable to conduct a Local Poll:-

- (a) Thursday 14 December 2006 or
- (b) Saturday 16 December 2006

In determining the appropriate wording of the question for the ballot paper, it was necessary for the question to be fair thereby allowing voters a true opportunity to record their views. A potential question was detailed in the report together with a copy of the Electoral Commission's Question Assessment Guidelines was attached as Appendix A.

The Deputy Mayor expressed concern regarding the cost of conducting a Poll and felt that a Local Poll was not necessary to establish what the people of Hartlepool wanted to which the Mayor advised that a Local Poll was an opportunity to clearly display local people's views to Government.

The Portfolio Holder for Children's Services advised that whilst she acknowledged the comments of Councillor Hill in relation to the cost element, she supported the suggestion to conduct a Poll and highlighted the importance of Members input to encourage people to vote and increase turnout figures.

The Portfolio Holder for Adult and Public Health supported the principle of undertaking the Poll, however, highlighted the possibility of criticism from Ministers in the event of a low turnout.

Following discussion, Members felt that a Local Poll would be appropriate. This was also an opportunity for Members to engage with the media and the community to encourage people to take part and provide the public with clarification of the reason for the Poll.

Following discussion regarding the proposed date, Thursday 14 December was suggested as a preferred date to conduct the Poll provided that the Council meeting scheduled for that date could be rescheduled.

The Chief Solicitor advised that this would be acceptable provided this was rescheduled prior to any notice of meeting being despatched.

Following discussion regarding the wording of the question, it was suggested that the Chief Executive be authorised to finalise the wording.

Decision

1. that Cabinet agreed to conduct a Local Poll in Hartlepool to determine the strength of feeling of the town with regard to the future of locality based health care services in Hartlepool.
2. that Option A (on a week day) was agreed as the preferred option for the conducting of the Local Poll.
3. that the proposed date for conducting of the Poll be Thursday 14 December 2006.
4. that the wording of the question for the Local Poll's ballot paper be finalised by the Chief Executive.

102. Regional Spatial Strategy (RSS) for the North East – Panel Report *(Director of Regeneration and Planning)*

Type of decision

Non-key Decision

Purpose of report

To advise on the main matters arising in the report of the Panel conducting

the examination in public of the Regional Spatial Strategy (RSS) for the North East as they relate to Hartlepool.

Issue(s) for consideration by Cabinet

The Regional Spatial Strategy was submitted to the Secretary of State in June 2005. In general, the Council supported the document, particularly in relation to its overall vision and the strategy for focussing development in the conurbations and main towns. However, formal objections were made jointly with the Hartlepool Partnership in relation to the designation of Hartlepool as a main town and its exclusion from the core area of the Tees Valley city region conurbation because of concern that the potential role of Hartlepool in the economic development of the city region could be underplayed.

An Examination in Public into the Regional Spatial Strategy led by a Panel appointed by the Secretary of State was conducted during March and April 2006, the findings of which were outlined in the report.

The report provided a summary of the Panel's report which was generally positive in its references relevant to Hartlepool. It was noted that the Panel had not addressed the issue of Hartlepool and the conurbation, but that subsequent work in producing the Tees Valley City Region Business Case and the related Investment Plan (previously reported to Cabinet) had served to reinforce Hartlepool's economic role within the City Region.

Decision

That the contents of the report of the Panel conducting the examination in public of the Regional Spatial Strategy, be noted.

J A BROWN

CHIEF SOLICITOR

PUBLICATION DATE: 27th October 2006