

NORTHAMPTON BOROUGH COUNCIL

CABINET

Wednesday, 17 March 2010

PRESENT: Councillor B Hoare (Chair); Councillor P. D.Varnsvery (Deputy Chair);
Councillors Beardsworth, Church and Crake

1. APOLOGIES

Apologies were received from Councillors B Markham and Perkins.

2. MINUTES

Subject to amending Minute 11 "Leisure and Sport Strategic Business Review Management Options Appraisal" the last line of the first paragraph on page 10 to read "He wanted to support the recommendations but also proposed that the formation of the Trust be subject to an Overview and Scrutiny appraisal.", the minutes of the meeting held on 3 March 2010 were signed by the Chair.

3. DEPUTATIONS/PUBLIC ADDRESSES

That Councillor Clarke be granted leave to address the Cabinet in respect of Items 6, Corporate Asset Management Strategy 2010-13; 7A, Performance Monthly Report - January 2010; 7B, General Fund Revenue Budget Monitoring Period 10 – January 2010; 7C, Housing Revenue Account Monitoring – January 2010; 7D Capital Programme 2009-10 Position as at End of January 2010; and 9, Implementation of the Second Generation Managed Service Agency Staff Contract.

That Councillor Mildren be granted leave to address the Cabinet in respect of Items 6, Corporate Asset Management Strategy 2010-13; 7A, Performance Monthly Report - January 2010; 7B, General Fund Revenue Budget Monitoring Period 10 – January 2010; 7D Capital Programme 2009-10 Position as at End of January 2010; and 9, Implementation of the Second Generation Managed Service Agency Staff Contract.

4. DECLARATIONS OF INTEREST

Councillor Church declared a personal interest in Item 6, Corporate Asset Management Strategy 2010-13; as a close family member occupied business premises owned by the Council.

Councillor Church declared a personal and prejudicial interest in Item 7D, Capital Programme 2009-10 Position as at End of January 2010, insofar as the report and discussion related to The Racecourse, as a member of Friends of The Racecourse.

5. ISSUES ARISING FROM OVERVIEW AND SCRUTINY COMMITTEES

None.

6. CORPORATE ASSET MANAGEMENT STRATEGY 2010 - 2013

Councillor Mildren commented that the report was comprehensive and he was pleased to see the new signage around the One Stop Shop. He noted that the report mentioned "City

Status” but did not mention “Unitary Status” and queried whether some aspects of the report invited a County-wide Unitary Authority. Councillor Mildren also commented that where community assets were transferred to the local community, they would need to be capable of maintaining those assets. In respect of the proposed Corporate Asset Board, he queried whether this would include cross-party membership and he also queried whether there was an estimated value for the sale of Cliftonville House. The Chair noted that this report was about a strategy and not about individual properties.

Councillor Clarke commented that the report left several unanswered questions and he referred to page 9 of the Strategy, paragraphs 2.3 to 2.6, and stated that he believed that this would alter the basis on which decisions were made. Property decisions were currently brought to Cabinet, which allowed for challenge, but how would this work with the formation of a Corporate Asset Board, who would sit on it and where would the challenge come from. The proposal appeared to be taking decision making away from Councillors; Cabinet should retain sovereignty over this matter.

The Director of Finance and Support submitted a report, which sought adoption of a Corporate Asset Management Strategy for the period 2010-13. The Strategy related to all the Council's non-Council housing assets. The Director referred, in particular, to the Key Directions and to the objectives and outcomes set out in paragraphs 3.2.1 and 3.2.2 of the report and noted that the proposed Corporate Asset Board would make recommendations to Cabinet. The Board itself would not have any executive decision making powers. The Chief Executive commented that there were no proposed changes to the responsibilities of Portfolio Holders or Cabinet. The aim of the Board was to provide a forum for the Portfolio Holder to seek advice from officers. Any decisions taken under Delegated Powers would be advertised through the normal processes. In answer to a question, the Director noted that a similar Board had existed up to 2006/07 and had had wider powers than those currently proposed.

RESOLVED: That the draft Corporate Asset Management Strategy for the period 2010/13, as attached at Appendix 1, be adopted and that the implementation of the key directions and objectives set out in the Strategy in order to achieve the desired outcomes, that were respectively summarised at paragraphs 3.2.1 and 3.2.2 of the report, be agreed.

7. PERFORMANCE

7.1 PERFORMANCE MONTHLY REPORT - JANUARY 2010

Councillor Mildren noted that the use of museums appeared to be down and presumed that this was because they were not open as long as previously. He also noted that the average length of stay in bed and breakfast appeared to be up in January and queried whether this had subsequently reduced. Councillor Beardsworth noted that the average stay in bed and breakfast had been influenced by the bad winter weather.

Councillor Clarke commented that the new format of the report was moving in the right direction and queried, in respect of fly tipping, what 48 hours meant, ie whether this meant 2 days or 48 working hours, ie over a week. He noted that within Castle Ward most fly tips were not collected within 2 days but were dealt with after six or seven days. He queried exactly what the position was.

Councillor B Hoare submitted a report, which showed the Council's performance of monthly and quarterly Performance Indicators for January 2010. The report was presented in a new format, which would be further refined, but would now not only show performance but also outcomes and it would enable the Council to align the Indicators to the Corporate Plan

priorities. It would help the Council and the public understand performance against the Corporate Plan Objectives. Any red Indicators would be highlighted and Cabinet would be enabled to make decisions about them. What this particular report indicated was that the Council was generally on target to deliver the Corporate Plan both in overall terms and within each corporate priority. In respect of the query raised by Councillor Clarke, the Chair noted that the definitions for performance were those given in the national Performance Indicator Set and, specifically in this case, 48 hours meant 2 days. He believed that Councillor Clarke had already been written to with this information.

RESOLVED That the report be noted.

7.2 GENERAL FUND REVENUE BUDGET MONITORING P10 JANUARY 2010

Councillor Mildren noted the current projected £601,000 underspend net of management action and referred to the current overspend forecast for Environment and Culture. He also noted the situation of replacing permanent staff as they left with temporary staff and the situation in respect of the Concessionary Fares Scheme and the difficulty of predicting whether take-up in the next financial year would be the same as for the current financial year.

Councillor Clarke referred to the proposed closure of public toilets and the introduction of the so called "Richmond Scheme" and noted that currently nothing seemed to be happening, although the funding for the public toilets would shortly end. He also referred to savings on grounds maintenance and the reductions in grass cutting and queried whether the Council had tendered for these services, assuming that these reductions would be in place.

The Chair commented that the opportunity for Councillors to address Cabinet was in respect of the recommendations on the report and that the specific questions that had been raised would not be answered.

The Director of Finance and Support submitted a report, which identified the projected outturn position for the current financial year and further background information. The report also included management action to be taken in response to the forecast and to minimise the impact on the Council's General Fund Reserves at the end of the current financial year. The Director noted that the overspend in Environment and Culture was reducing and that some of the overspend was related to delivering the budget set for 2010/11. In respect of concessionary fares, the Director noted that the bad winter weather had led to lower than anticipated reimbursement of concessionary fares. The Director also noted that in respect of NNDR payments, although this was a one off figure, the Council would benefit from reduced rates in future years. In answer to a question, the Director clarified that the forecast £601,000 was not an actual monetary saving; this would most likely reduce, once all the year end processes and adjustments were completed.

RESOLVED That the report and forecast underspend of £601,000 net of management action be noted.

7.3 HOUSING REVENUE ACCOUNT MONITORING - JANUARY 2010

Councillor Clarke sought clarification from the Monitoring Officer in respect of the Chair's comments on the previous item in respect of the questions he had raised. The Monitoring Officer commented that the meeting was a Cabinet meeting at which Councillors could address. Addresses should help to clarify any decision that Cabinet was to make. If an address did not do this then the Chair could legitimately take the view he had expressed.

The Monitoring Officer also commented that the Council's Constitution could not take into account every circumstance that might arise.

Councillor Clarke referred to the underspend on community centres and noted that this information had not been given to Overview and Scrutiny Task and Finish Group, which was currently looking at community centres. He also queried the projected outturn of income of £1.4m from the cleaning and decoration of communal areas and queried whether tenants were getting value for money, as in some instances no work appeared to be undertaken and in others the cleaning might take place or cleaning and decoration might take place. There appeared to be no uniform standard. Councillor Clarke requested that if an answer could not be provided at the meeting, that he be written to with a response.

The Director of Finance and Support submitted a report, which identified a projected outturn position for the current financial year for the housing revenue account. The report also included further background information and also referred to the management action being taken in response to the forecast and to minimise the impact on the HRA's working balances at the end of the financial year. The Director noted that the HRA had remained stable over the preceding quarter and that the projected overspend had also stabilised. She noted that the final outturn would probably be around the budget figure. It was expected that some works under Repairs and Maintenance would be capitalised. The Director commented that the special services part of the HRA did not relate to community centres, which were part of the General Fund. The cost referred to in this report related to community rooms and were mainly employee based. Councillor Beardsworth noted that the community rooms referred to were the ones usually associated with sheltered housing schemes.

Councillor B Hoare noted that a report had already been notified on the forward plan, which would review the service given in respect of communal areas and agreed that there should be a consistent approach.

RESOLVED: That the report and forecast overspend of £99,000 on the net cost of services to the Housing Revenue Account be noted.

7.4 CAPITAL PROGRAMME 2009-10 - POSITION AS AT END OF JANUARY 2010

Councillor Church left the room in accordance with his earlier declaration of interest.

Councillor Mildren noted the budget increase to meet the WNDC management fee for the Market Square project and also noted the capitalisation cost to meet redundancy and pension costs and that these needed to be met from capital receipts and not borrowing. He queried whether there was a need to generate more capital receipts. He also queried whether the Cabinet was confident that given the overspend on the General Fund Capital Programme to date that the balance would be spent in the two remaining months of the financial year.

Councillor Clarke, in referring to the Market Square Lighting Scheme, noted that the WNDC whilst making this increased charge to the Council, would also provide the Council with the funding with which to pay their fees. This seemed ludicrous. He queried how the fee had been determined and why the Council was not similarly charging WNDC for planning and other advice that it gave them. He did not believe that the Council was getting value for money from WNDC. In respect of the One Stop Shop Project, he stated that the extra facilities that were being provided for partners should be paid for by them.

The Director for Finance and Support submitted a report, which sought approval for a capital scheme to be added to the programme for 2009/10; approval for variations to the programme for 2009/10; to advise Cabinet on the latest Capital Programme monitoring

position; to advise the Cabinet how the 2009/10 Capital Programme would be funded and to seek approval to the addition of a further scheme. The Director noted that approximately half of the projected slippage of the programme related to disabled adaptations where awards had been made but applicants had not yet acted on them. In respect of the One Stop Shop, the Director confirmed that the Council was not funding the extra works but money for this had been granted by the Regional Partnership. In practice there was an overall saving to the Council of £10,000. The Director circulated the details of an additional scheme to be added to the programme in respect of Northampton Racecourse and a successful bid from the Friends of Northampton Racecourse for £49,000 of Play Builder funding, which was to be used to provide a new adventure play area aimed at eight to thirteen year olds on the Racecourse. The funding would purchase a variety of new play equipment, as had been identified through local consultation.

Councillor P D Varnsvery welcomed the additional scheme, as it would help to improve the health of young people by providing this new play opportunity. He commented that the Friends of Northampton Racecourse should be congratulated on their initiative.

RESOLVED (1) That approval be given to the following scheme to be added to the capital programme for 2009/10.

| Scheme Reference, Description & Directorate | Narrative | 2009-10 £ | Future Years £ | Funding Source |
|---|--|--------------|----------------------|---------------------------|
| 2009-10/GF074 Capitalisation Directive January 2010 Finance & Support | Capitalisation directives awarded January 2010 for statutory redundancy costs and pension strain incurred 1 April 2009 to 31 March 2010. | 210,000 | - | GF Capital Receipts |

(2) That approval be given to the following variations to schemes in the capital programme for 2009/10.

| Scheme Reference, Description & Directorate | Narrative | 2009-10 £ | Future Years £ | Funding Source |
|---|---|--------------|----------------------|-------------------|
| Budget Increase | | | | |
| 2009-10/GF031 V01 One Stop Shop Transformation Finance & Support | The original plan for this project did not include co-locating with external partners. An application was submitted to NIEP, which delayed the start of the project in 2009-10. NBC has been awarded £260k towards the cost of co-locating. Additional building works of £150k are required to accommodate the partners, which will take place in 2010-11. This will result in improved service delivery for all partners. There is an overall saving to NBC of £10k (prudential borrowing) | (185,000) | 335,000 | NIEP |
| Budget Increase | | | | |

| 2009-10/GF069 V01 Market Square Lighting Planning & Regeneration | The original budget for this project did not include WNDC's management fee. The budget needs to be increased by £18,125 to include this fee; additional funding will be received to cover this. | 18,125 | - | WNDC |
|--|---|----------------------|-------------------------------|---------------------------|
| Scheme Reference, Description & Directorate | Narrative | 2009-10 £ | Future Years £ | Funding Source |
| Budget Decrease | | | | |
| 2008-09/GF061 V02 Out of School Hours Play Activities 2008-09/GF062 V01 Holiday Play 2008-09/GF064 V01 Innovative Play Days 2008-09/GF063 V02 Improving Access Environment & Culture | The funding for these projects were originally classified as capital, however due to the nature of play and the equipment used in play, The Big Lottery has agreed to reclassify this funding as revenue. The income and expenditure budgets will be moved from the capital programme to the revenue budget. Project variations have been submitted for each scheme, detailing the amount for each project and the split between financial years. | (19,466) | (9,400) | Big Lottery |
| 2009-10/GF061 V01 Capitalisation Directive October 2009 Finance & Support | The costs to which this project relates are now due to be incurred in Autumn 2010. As the capitalisation directive will have expired by then a new bid will need to be made to CLG in 2010-11. | (300,000) | - | Prudential Borrowing |
| Neutral Budget Impact | | | | |
| 2007-08/PR0010 V02 Hot Property Housing GF | Additional budget is required due to the increased demand for this initiative. This will reduce the number of homes in Northampton that are suffering from fuel poverty. | 10,000 | - | Prudential Borrowing |
| 2007-08/PR0011 V02 Renovation Grants Housing GF | The variation is required due to the increased demand for funding under the Hot Property initiative. Transferring funds from this budget will allow Northampton Borough Council to address the most urgent and unmet needs in society. | (10,000) | - | Prudential Borrowing |

(3) That the following be noted:

- (a) The capital programme monitoring position as at end of January 2010, including forecast outturns, revenue expenditure funded by capital and slippage into 2010/11, as set out at Annex C, D and E.

(b) The funding arrangements for the 2009/10 capital programme as set out at Annex F.

(4) That approval be given to the addition of the following scheme.

| Scheme Reference, Description & Directorate | Narrative | 2009-10 £ | Future Years £ | Funding Source |
|---|--|--------------|----------------------|-------------------|
| 2009-10/GF073 Play builder Racecourse | – Northampton Borough Council, with Friends of Northampton Racecourse (FONR), have successfully bid for £49k of Play builder funding. The funding will be used to provide a new adventure play area, aimed at 8-13 year olds, on the Racecourse. The need for improved play opportunities throughout the Borough was identified in the NBC Play Strategy. The funding will purchase a variety of new play equipment as identified through local consultation | 49,000 | | Grant DFCSF |

8. EXCLUSION OF PUBLIC AND PRESS

The Chair moved that the public and Press be excluded from the remainder of the meeting on the grounds that there was likely to be disclosure to them of such categories of exempt information as defined by Section 100(1) of the Local Government Act 1972 as listed against such items of business by reference to the appropriate paragraph of Schedule 12A to such Act.

The Motion was Carried.

9. IMPLEMENTATION OF THE SECOND GENERATION MANAGED SERVICE AGENCY STAFF CONTRACT

Councillor Mildren commented that it would have been helpful had the report included the numbers of agency staff that the Council currently used and a forecast for the future. He noted that the Council's budget indicated that permanent staff as they left would be replaced with temporary staff "on a permanent basis". He noted that this initiative was being led by the County Council but that several authorities were also included. He also noted the comments as to risk and possible challenge by an unsuccessful bidder. He queried whether this meant Carrilion. He noted that under the new charge rates if we employed our own people the cost would be lower, however, if pension fund costs were added then the cost would be £1 to £3 per hour higher.

Councillor Clarke commented that an Overview and Scrutiny Task and Finish Group was looking at this area of work and that it was unfortunate that Cabinet was to make a decision on this before that report had been completed. He commented that the reality of the situation was that there were migrant workers at Westbridge who came in each day to see if they had a day's work; agency workers had no employment rights and no adequate training. He queried whether the Council should be taking part in this.

The Director of Finance and Support submitted a report, which sought approval to the continuation of provision of agency staff to the Council through a managed serviced contract from April 2010 and to update Cabinet on the outcome of procurement basis taken in conjunction with Northamptonshire County Council, Northamptonshire District Council, Northamptonshire Police and the Welland Partnership. She noted that the existing contract

had ended in August 2009 and had been extended to allow for the tendering process. The Director confirmed that the County Council had led on the procurement process in conjunction with the other partners. A new contract would be for two years with the option of a two year extension. The Director noted that there was no connection to the County Council's Carrilion contract. In answer to another question, the Director noted that prior to 2007 the Council used agency staff on an ad hoc basis, paying higher agency rates. It was noted that all the partner authorities were currently considering approval of new contracts.

- RESOLVED**
- (1) That the Council's participation in a new contract of provision of agency staff to the Northamptonshire Area Procurement Services' (NAPS) partners, as detailed in the report, be confirmed.
 - (2) That the amendment to the policy attached as Appendix 1 to the report to use the named company as detailed in the report in place of the current provider with effect from 1 July 2010 be approved.

The meeting concluded at 19.25