

# Cabinet

A meeting of Cabinet was held on Thursday, 16th June, 2011.

**Present:** Cllr Robert Cook (Chairman), Cllr Jim Beall, Cllr David Coleman, Cllr David Harrington, Cllr Mrs Ann McCoy, Cllr Steve Nelson, Cllr David Rose and Cllr Michael Smith

**Officers:** N. Schneider (CEO); J. Danks, G. Cummings, J. Spittle, S. Reay, L. King, A. Kelly (R); J. Humphreys, B. Brown, L. Brown, S. McLurg, R. Hill, S. Willson (CESC); P. Dobson, R. Poundford, C. Straughan, J. Nixon, J. Edmonds (DNS); D. Bond, M. Henderson, M. Waggott

**Also in attendance:** Cllr E. Cunningham and Cllr P. Dennis

**Apologies:** Cllr Ken Dixon

## **CAB 1/11**      **Declarations of Interest**

Councillor Coleman declared a personal non prejudicial interest in the item entitled Task and Finish Review of the Impact of the Early Intervention Grant as he was a Governor at Abbey Road School.

Councillor Harrington declared a personal non prejudicial interest in the item entitled Capital Investment in Schools as he was a former Member of Barwick's Own Secondary School.

Councillor Smith declared a personal, non prejudicial interest in the item entitled Economic Climate Update as he was employed by one of the companies referred to in the report.

Councillor Beall declared a personal prejudicial interest in the item entitled proposed changes to Employee Policies as he had a close family member who would be affected by the proposals. Cllr Beall spoke on the matter but left the meeting room during debate and voting on the matter.

Councillor Nelson declared a personal non prejudicial interest in the item entitled proposed changes to Employee Policies as his employer was referred to in the report.

Councillor Harrington declared a personal non prejudicial interest in the item entitled proposed changes to Employee Policies as he was a member of Unison, which was referred to in the report.

Councillor Nelson declared a personal prejudicial interest in the item entitled Homes and Communities Agency – 2011 -15 Affordable Homes Programme Direct Implications for Tristar Homes Limited as he was a member of Tristar Homes Board. Cllr Nelson spoke in relation to the item but left the meeting room during debate and voting on the matter.

## **CAB 2/11**      **Minutes of the meeting held on 17 March 2011**

The minutes of the Cabinet meeting held on 17 March 2011 were confirmed as a correct record.

## **CAB**      **LA Nominations**

In accordance with the procedure for the appointment of school governors, approved at Minute 84 of the Cabinet (11th May 2000), Cabinet was requested to approve the nomination to school Governing Bodies as detailed within the report.

RESOLVED that appointment be made to the vacant Governorship subject to successful List 99 checks and Personal Disclosures, as follows:-

Grangefield School – Carol Clark

Harrow Gate Primary School - Councillor Norma Stephenson  
Paul Halligan

Junction Farm Primary School – Lesley Lewis

Myton Park Primary School – Councillor Gillian Corr

Oakdene Primary School – Pastr C. Henderson

Our Lady and St Bede RC School – Councillor Michael Clark

The Links Primary School – Mr R. Long

Thornaby CE Primary School – Councillor Derrick Brown  
Mrs Val Brooks

Whitehouse Primary School - Councillor Elliott Kennedy

**Task and Finish Review of the impact of the Introduction of the Early Intervention Grant**

Cabinet considered a report that provided an update on the progress of a Review on the impact of the introduction of the Early Intervention Grant (EIG) and the challenges associated with the 25% cut in annual funding. The report also sought approval to implement a number of stages of the review. Members were reminded that it had considered a report on this issue, which set out the scope for the review, at its meeting held on 17 March 2011.

Cabinet was provided with background to this issue including the key features of the new grant. It also noted that the review had been split into 3 work streams:

- Integrated Youth Support Services
- Other EIG related services and back office support
- Early Years Services

Details of costs and numbers of staff involved in the 3 work streams were provided. Members were reminded that work on Integrated Youth Support Services were advanced and noted decision Cabinet had already taken in this area.

The “Other EIG related” work-stream was established to look at a small range of front line services which cross age ranges (eg. support for disabled children and

parenting intervention programmes) and also to look at the back office functions which supported delivery of EIG related services.

The impact of the cut in funding associated with the implementation of the EIG and the coincident cessation of joint management arrangements with the PCT was so significant that it was agreed in March that this work-stream would move swiftly to ensure all possible savings were achieved in back office functions as soon as possible to ensure that maximum funds were available for front line services. This work had now been completed and the reorganisation of staff was being implemented following a 90 day consultation with staff, which ended on 7th June 2011.

Members were provided with a table setting out the proposed savings in this work-stream together with details of how those saving would be achieved (paragraphs 8 - 22 of the report under consideration refers)

It was explained that the Early Years work-stream was looking at the provision of early years services within the Borough. Members noted how the Service was provided.

- A central team
- A Children's Centre Team
- the Educational Improvement Service

A list of the 11 Children's Centres delivered through 15 buildings was provided to members together with a summary of the services offered in the Centres.

The aim of the review was to try to identify the best approach to accommodate the reduction in funding, whilst retaining an absolute commitment to the aim and purpose of Children's Centres. It was proposed, therefore, that the key principle of the review would be to refocus the Early Years Service to target its delivery to those most in need. This approach would meet the DFE guidance "that Children's Centres should be retained but focused much more effectively on those families who need them most".

To support this aim, work had been undertaken to identify areas of most need within the Borough using a range of measures - deprivation indices, a basket of child-related health indices, Early Years Foundation Stage educational performance data and the projected number of children under 5. A summary of this work was provided. The aim of the work had been to identify areas where Early Years need was concentrated, so that work could be targeted in those areas. A more targeted approach to delivery of services would need to be supported by an improved borough-wide support and information system which would identify and support children with needs in the non-targeted areas of the borough.

It was proposed that if this principle was accepted a consultation document and process would be developed along these lines which would be used to consult widely with service users, stakeholders, partners and the public about the priorities for the service within this context.

It was anticipated that the consultation would take place for 12 weeks up to the middle of October 2011 with the aim of informing a final set of proposals to be

considered by Cabinet in late October / November 2011. Following Cabinet consideration these proposals would then be implemented in the final quarter of 2011.

Members noted that Risk Assessments and Equality Impact Assessments had been completed for all of the proposed changes. Copies of the Equality Impact Assessments undertaken were provided to Members.

RESOLVED that

1. the implementation of proposals to reshape front-line EIG related Services as set out in paragraphs 8 to 22 of the report be approved.
2. the principle of greater targeting of Early Years Services in the Borough, to allow for services to be focussed in areas of greatest need, and the development of a Public Consultation Document be approved. The Consultation Document would be brought to Cabinet for approval in July.
3. Cabinet receive a report in November setting out a final set of proposals for the redesign of Early Years Services in the Borough.

## **CAB 5/11**      **Capital Investment in Schools**

Cabinet considered a report that provided an update on the current position in respect of school capital funding. Members were reminded that from the report to Cabinet on 14 October 2010, there was an anticipated reduction in national funding available for investment in schools and a national review of funding methodology underway (the James Review).

The James Review had recently been published and details were provided to members including the 16 specific recommendations made. The review recommended a fundamental change in how Schools Capital was administered with significant implications for Local Authorities as well as DfE, Partnerships for Schools, Diocese and Schools. If implemented, the Local Authority would be responsible for developing an investment strategy for all schools (including Diocesan, Academies etc) which would focus on building condition issues and pupil capacity. Funding for routine maintenance would be issued to Councils to manage with major schemes delivered by a National agency.

The Government had yet to formally respond to the James Review report and recommendations and there were a number of areas of uncertainty including no indication of the level of funding to be allocated.

It had been anticipated that funding announcements would have been made earlier in the year which would have enabled the Council's school capital strategy to be developed and finalised. Once the funding position and the Government's response to the James Review were known, the Council would finalise the investment strategy and report the position to Cabinet.

Funding allocations had been notified to the Academies in the Borough and an update was provided along with the current status of the free school application.

With regard to Academies, Cabinet noted that Partnerships for Schools (P&S) were managing the Academy developments at a National level on behalf of the Department of Education, and discussions to date had indicated that the preferred delivery option was for the schemes to be procured via the Local Authority. Officers had been in discussion with Sponsors and PfS but the Council was still awaiting formal clarification of the delivery mechanism and their formal approval for the schemes to commence procurement. Whilst this delivery mechanism would allow the Academies to benefit from Council expertise, the Council needed to be mindful that this could transfer financial risk to the Council as it would be responsible for the schemes. Discussions would be held with sponsors and PfS to mitigate or transfer this risk.

RESOLVED that:

1. the Borough-wide strategy for Capital Investment in Schools be developed in line with the outcome of the Government's response to the James Review and to reflect the outcome of the free school application in Ingleby Barwick.
2. Cabinet approve the Council as lead organisation on the procurement of the Academy developments in the Borough, in line with funding allocations received.

**CAB  
6/11**

### **Children's Social Care Workload Pressures**

Cabinet considered a further report relating to workload pressures within Children's Social Care. Members were updated on those pressures and were provided with information to the end of March 2011.

It was explained that the number of referrals had increased to 277, which was the busiest month on record. This had been reflected in the numbers of initial assessments undertaken, with February 2011 (247) and March 2011 (267).

The overall number of children who were subject to a child protection plan had continued to reduce from the peak of 282 in February 2010 to 200 in February 2011.

The number of section 47 investigations had fallen although this had not impacted significantly on the number of child protection conferences and children becoming subject to a child protection plan.

The Overall number of looked after children remained very high, although this had dropped slightly from the peak of 303 in September 2010 to 292 in March 2011.

Reference was made to staffing issues which remained very positive and it was noted that there were no social work vacancies overall. However, a large number of staff were relatively inexperienced, so it would still take some time to reach full capacity.

Cabinet noted the budgetary pressures currently facing the service.

Members noted that the second annual unannounced inspection of contact,

referral and assessment services in Stockton-on-Tees was conducted by Ofsted on 10 and 11 May 2011.

The previous inspection, on 5 and 6 January 2010, had identified a number of areas for further development and two areas for priority action.

The outcome of the second inspection confirmed that significant progress had been made in addressing these issues, with the inspectors being satisfied that both priority actions and all but two of the areas for development had been satisfactorily addressed. The inspectors believed that further work was required on the outstanding two areas to fully address these. The inspectors also identified a small number of additional areas for further development.

It was explained that an action plan would be drawn up in response to these identified areas for development.

Whilst there was no room for complacency, this inspection highlighted the progress that had been made over the last 12-18 months in this area of service and members congratulated the staff involved.

The letter was published on 9 June 2011 and a copy of this was provided to members.

Cabinet was provided with details of the 15 recommendations coming from the Munro Review, which had looked at the child protection system in England.

RESOLVED that:-

1. the continued workload pressures within the social care system and the associated impact this was having on caseloads, performance and budget be noted.
2. further update reports be submitted to Cabinet, on a quarterly basis, in order to continue to monitor the impact of the workload pressures.

**CAB  
7/11**

#### **School Term and Holiday Dates 2012/13 and 2013/14**

Members considered a report that presented proposed calendars of school term and holiday dates for the 2012/2013 and 2013/2014 academic years.

RESOLVED that:-

1. the school term and holiday dates 2012/2013 be agreed.
2. the school term and holiday dates 2013/2014 be agreed.

**CAB  
8/11**

#### **Economic Climate Update Report**

Cabinet considered a monthly update report providing members with an overview of the current economic climate, outlining the effects that this was having on Stockton Borough, and the mitigations already in place and those being developed.

Members noted some of the positive and negative developments since the last report. Details of the support on offer to people and businesses was also provided.

RESOLVED that the content of the report be noted and the work being undertaken supported.

**CAB  
9/11**      **Development of Health and Wellbeing Board**

Members considered a report that outlined the proposals for a new Health and Wellbeing Board and related structures, including terms of reference.

The approach to the new Health and Wellbeing Boards had been developed from a range of regional and local work and members were provided with details of this.

Cabinet considered Terms of Reference and structures associated with the proposed way forward.

**RECOMMENDED to Council that the proposals for the establishment of a Health and Wellbeing Board, including the related structures and terms of reference, as detailed in the report, be approved.**

**CAB  
10/11**      **Minutes of Various Bodies**

Consideration was given to the minutes of the meetings of various bodies.

RESOLVED that the minutes of the following meetings be received/approved, as appropriate:-

Children Trust Board – 9 December 2010  
Local Safeguarding Children Board – 20 January 2011  
Safer Stockton Partnership – 15 February 2011  
Northern Area Partnership – 4 April 2011  
Northern Area Partnership – 9 May 2011

**CAB  
11/11**      **Outside Bodies**

Consideration was given to a schedule detailing nominations to Outside Bodies.

RESOLVED that the following appointments be made:-

ARC – Cabinet Member for Arts, Leisure and Culture

Bus Lane Adjudication Service Joint Committee – Cabinet Member for Regeneration and Transport with Councillor Cook acting as substitute.

Catalyst – Cabinet Member for Access and Communities

Centre for Local Economic Strategies – Cabinet Member for Regeneration and Transport

Child Placement Panel – Cabinet Member for Children and Young People

North Tees and Hartlepool NHS Trust – Cabinet Member for Adult Services and Health

Tees, Esk and Wear Valley NHS Trust – Cabinet Member for Children and Young People

Northumbria Regional Flood Defence Committee – Cabinet Member for the Environment

PATROL (Parking and Traffic Regulations Outside London) Adjudication Joint Committee – Cabinet Member for Regeneration and Transport with Councillor Cook acting as substitute.

St Ann's Partnership Ltd – Cllr Coleman and Cllr Cook

Stockton Assistive Technology Group – Cllr Javed

Stockton Domestic Violence Steering Group – Cabinet Member for Housing and Community Safety, Cabinet Member for Adult Services and Health, Cabinet Member for Children and Young People

Stockton Renaissance Culture Partnership – Cabinet Member for Arts, Leisure and Culture

Stockton Renaissance Children's Trust Board – Cabinet Member for Children and Young People, Cabinet Member for Adult Services and Health, Councillor Mrs Womphrey, 1 vacancy

Stockton Renaissance Health and Wellbeing Partnership – Cabinet Member for Adult Services and Health, Councillor Mrs Womphrey, 1 vacancy.

Stockton Safeguarding Vulnerable Adults Committee – Cabinet Member for Adult Services and Health , 1 vacancy

Supporting People Commissioning Body – Cabinet Member for Adult Services and Health, 1 vacancy

Tees Valley Arts – Cabinet Member for Arts, Leisure and Culture

Tees Valley Environment Protection Group – Cabinet Member for Environment, Chair of Environment Select, vice chair of Environment Select Committee

Tees Valley Local Access Forum – Cabinet Member for Regeneration and Transport

Tees Valley Unlimited Leadership Board – Leader with Councillor Beall acting as substitute.



Consideration was given to a report proposing changes to employee policies.

Members were reminded that on 20th January 2011, Cabinet received a report, exploring the potential to review some terms and conditions of employment to assist in meeting the future budget gap identified in the Medium Term Financial Plan. Two areas were identified for further consideration, and Cabinet agreed that consultations should take place with the recognised Trades Unions with a view to amending the current Redundancy Policy and Policy in respect of Overtime Payments.

Negotiations had taken place with the Trades Unions and the outcome of those negotiations was provided.

Discussions were held directly with staff through a series of road shows in January and February and at the same time consultations were held with the Trade Unions, both through the Trade Union Liaison Group and the Schools Joint Consultative Forum with a formal offer made in writing on 13th April. The proposal was either to reduce the multiplier to 1.6 with effect from 1st October 2011 or to reduce the multiplier to 1.5 but to defer implementation until 1st April 2012. The basis of calculation would be retained as the employee's actual salary. This delay in implementing the change was in response to the consultations to date and recognised that the 1st April 2012 would coincide with the completion of the EIT programme. Unison, Unite, GMB had responded to indicate that they were willing to accept the proposed amendment on the basis of a multiplier of 1.5 to take effect from 1st April 2012 as the best that could be achieved through negotiation. They were willing to proceed on that basis. NASUWT had not formally responded but had also indicated, during consultations, their preference for this proposal.

It was explained that the Council paid overtime at a rate of time and a half for all hours worked in excess of 37 hours per week. All overtime worked was on a voluntary basis. Last year £428,536 was paid in enhanced overtime (excluding schools), so removal of the enhancement would realise savings of around £142,845. Although it would be useful to retain some flexibility within the scheme to ensure cover was maintained in some critical areas, removal of the premium would also bring the Council into line with other Tees Valley Authorities as well as providing a long term and ongoing saving to the Authority. Unison had indicated that it had no objection to the proposal but following advice nationally had indicated that it wished to ballot its members on the proposed change to the scheme. GMB had also indicated that it wished to ballot its members. Unite had indicated that it was not proposing to ballot and were willing to proceed on the basis that this was the best that could be achieved through negotiation. Again, no formal response had been received from the NASUWT either for or against the proposal.

It was reported to the meeting that notification had been received from GMB that its members had accepted the proposed change. The outcome of the ballot by Unison would not be known until the end of June.

Cabinet noted that provided agreement was reached with the Trade Unions the Council would be able to implement the proposals without any requirement to terminate current employment contracts and re-engage on the new terms and conditions. However, if the Trade Unions did not accept the proposals in

respect of the overtime payments, then members would need to consider whether they wished to impose the change whilst giving employees appropriate notice. It was therefore proposed that delegated authority was given to the Corporate Director of Resources in consultation with the Cabinet Member for Corporate Management and Finance and the Director of Law & Democracy, to agree an amendment to terms and conditions of employment in respect of the proposal to pay overtime at plain time rate if the outcome of the Trade Union ballot was positive. If the proposal was rejected through a negative ballot, then members would be asked to reconsider the proposal at a future Cabinet meeting.

RESOLVED that

1. an amendment to the Redundancy Scheme which reduces the current multiplier of 2.2 to 1.5 with effect from 1st April 2012 be approved

2. delegated authority be given to the Corporate Director of Resources in consultation with the Cabinet Member for Corporate Management and Finance and the Director of Law & Democracy, to agree an amendment to terms and conditions of employment in respect of the proposal to pay overtime at plain time rate if the outcome of the Trade Union ballot was positive. If the proposal was rejected through a negative ballot, then members would be asked to reconsider the proposal at a future Cabinet meeting.

**CAB  
13/11**

### **Xentrall Annual Report 2011**

Cabinet considered the Annual Report of Xentrall 2010 – 2011.

Members were reminded that Xentrall Shared Services the public/public partnership between Stockton and Darlington Councils went live on 1 May 2008 and this was its third annual report. The partnership business case previously approved by Members identified joint savings of £7.4m over 10 years and significant service improvements. During 2010 a fundamental review of the service identified further improvements and additional savings, increasing the projected savings from £7.4m to over £11m.

Members noted that the service continued to implement efficiency savings across all areas by working closely with both Councils.

During 2011/12 the new staffing structures would be implemented, following the review, and this would also improve the quality of the service in addition to delivering the additional savings mentioned.

Further major joint developments in 2011/12 included:

- Further development of HR Online – self service modules which would improve service for departments and for individual employees who would be able to access and update their own information.
- Implementation of desktop printing review – the objective was to reduce the overall cost of local printing across both Councils as this would also contribute to each Council's carbon reduction targets.

- Developing further opportunities to grow Xentrall, with a strategy for retaining existing business and identifying further opportunities to expand the service where appropriate.

- Reduce the overall number of computer servers and therefore reduce the cost of support. Funding of computer room was being achieved from within the business case.

RESOLVED that the report be noted.

**CAB  
14/11**      **New Executive Arrangements**

Cabinet considered a report that detailed the decisions taken by the Leader of the Council regarding Cabinet Members, Cabinet portfolio and executive functions and delegated powers under the Council's Constitution.

RESOLVED that the information be noted

**CAB  
15/11**      **Corporate Parenting Strategy**

Members noted that the Corporate Parenting Strategy set out the ambitions of the Council, in conjunction with its partners, to improve outcomes for children and young people in care and leaving care. The strategy reflected the statutory responsibility of the local authority to act as the corporate parent for those children and young people.

The strategy had been subject to review during the past year and a revised strategy, for 2011-2013, was now provided for approval

The current Corporate Parenting Strategy was developed in 2007. MALAP (the Multi-Agency Looked After Children Partnership which oversees the strategy) identified the need for the strategy to be reviewed in order to reflect the current needs of children and young people in care and leaving care.

A revised strategy had been drafted, building on work undertaken during 2010 by the Children in Care Council to develop a new Pledge for looked after children (LAC). The strategy had been developed subsequently to take account of a number of other influences:

- outcomes of the Year 1 EIT (Efficiency Improvement and Transformation) Review of Child Placements;
- the findings of the Safeguarding / Looked After Children Inspection undertaken by Ofsted in September 2010;
- the increasing number of looked after children and the overall profile of the LAC population;
- evaluation of performance and outcomes for LAC by MALAP over the past two years.

The strategy had been subject to regular discussion and consultation over the past year, through MALAP, the Children in Care Council, the Children's Trust Management Team, and the Children's Trust Board.

Once adopted by the Council, all other partners to the Children's Trust Board (who were expected to share the corporate parenting responsibility) would be asked to endorse the strategy and to sign up to the Pledge.

**RECOMMENDED to Council that:**

- 1. the Corporate Parenting Strategy be approved.**
- 2. all members of the Council sign up to the pledge included within the strategy.**
- 3. partner organisations represented on the Children's Trust Board be requested to adopt the strategy and sign up to the pledge.**

**CAB  
16/11**

**Annual Report of the Standards Committee 2010/11**

Cabinet considered a report that provided it with the opportunity to consider the Standards Committee's Annual Report for 2010/11 and to recommend it to the Council for approval.

The Report provided an overview of the work of the Committee in the past year. It set out the Committee's main Statutory responsibilities, summarised how they had been discharged and drew attention to some of the main issues that would require attention in the year ahead. In particular the Annual Report had been prepared in the context of significant changes proposed to the national standards regime, and identified in the Localism Bill.

Consultation on the Report had previously taken place with Group Leaders and the relevant Cabinet Member; the Head of Legal Services as Deputy Monitoring Officer; the Head of Democratic Services; the Corporate Governance Group and the Corporate Management Team. The report would also be presented to the Audit Committee on 27 June. Once agreed the Report would also be placed on the intranet and the internet for the attention of all Members/Officers and would be made available to Town/Parish Councils. A hard copy would, in addition be made available to each member of the Standards Committee.

Members noted that when the Localism Bill became law, the current provisions in the Bill would mean that the existing standards regime would cease to operate. The Council would, therefore, need to consider what arrangements should be introduced in place of the existing ones. It was, therefore, proposed that a report be submitted to a future Cabinet meeting regarding the options available to the Council for introducing a new standards framework, including the adoption of a voluntary code of conduct, once the Bill had been enacted.

**RECOMMENDED to Council that**

- 1. the Standards Committee's Annual Report be approved.**
- 2. in advance of the Localism Bill becoming law, a report be submitted to a future Cabinet meeting regarding the options available to the Council for introducing a new standards framework, including the adoption of a voluntary code of conduct, once the Bill had been enacted.**

**CAB  
17/11**

## **Annual Report of the Monitoring Officer 2010/11**

Cabinet considered a report that provided it with the opportunity to consider the Monitoring Officer's Annual Report for 2010/11 and to recommend it to Council for approval.

As with the Standards Committee's Annual Report, the Monitoring Officer's Report outlined the Monitoring Officer's main Statutory responsibilities, summarised how they had been discharged during the year and drew attention to some of the main issues that would require attention in the year ahead.

Consultation on the Report had previously taken place with Group Leaders and the relevant Cabinet Member; the Head of Legal Services as Deputy Monitoring Officer; the Head of Democratic Services; the Corporate Governance Group; the Corporate Management Team; and the Standards Committee. The report would also be presented to the Audit Committee on 27 June. Once agreed the Report would also be placed on the intranet and the internet for the attention of all Members/Officers. A hard copy would, in addition be made available to each member of the Standards Committee.

**RECOMMENDED to Council that the Monitoring Officer's Annual Report be approved.**

**CAB  
18/11**

## **Core Strategy Review**

Members noted that as a result of the economic situation, malaise in the development industry and uncertainties in higher level planning and central government's funding policy a review of the housing element of the Adopted Core Strategy is necessary, and the detail of that Review and Issues and Options arising for consideration are to be found in the Core Strategy Development Plan Document (DPD) Review Issues and Options Document (the DPD Review Document).

Cabinet considered a report that summarised the main detail of the DPD Review Document. Cabinet noted that a Habitats Regulations Assessment of Core Strategy Review Issues and Options and Sustainability Appraisal of Core Strategy Issues and Options would accompany the Review Document. It sought consideration and approval of those documents for consultation. It also sought delegation of authority to officers to make minor changes to those documents prior to consultation and advised of the next steps towards Preferred Options and submission for independent examination. The DPD Review Document was provided to members, however, the Habitats Regulations Assessment of Core Strategy Review Issues and Options and Sustainability Appraisal of the Core Strategy Issues and Options were substantial documents and had therefore been made available for inspection in the Members' Library.

The report also advised that the Sustainability Appraisal Scoping Report of the Core Strategy Review was prepared earlier this year and consulted upon in March 2011. This document had informed the Sustainability Appraisal of the Core Strategy Issues and Options, and required adoption by the Council; this report also sought Members' agreement to adopt the Sustainability Appraisal

Scoping Report. This was also a substantial document and a copy had been made available in the Members' Library.

**RECOMMENDED to Council that**

- 1. the contents of the report be noted.**
- 2. the Core Strategy Development Plan Document Review Issues and Options Document, Habitats Regulations Assessment of Core Strategy Review Issues and Options and Sustainability Appraisal of the Core Strategy Issues and Options be approved for consultation.**
- 3. a period of public consultation upon the Core Strategy Development Plan Document Review Issues and Options Document, Habitats Regulations Assessment of Core Strategy Review Issues and Options and Sustainability Appraisal of the Core Strategy Issues and Options be agreed.**
- 4. the Sustainability Appraisal Scoping Report of the Core Strategy Review be adopted.**
- 5. Delegated authority be given to Officers to undertake any necessary minor amendments to the contents of the Core Strategy Development Plan Document Review Issues and Options Document Habitats Regulations Assessment of Core Strategy Review Issues and Options and Sustainability Appraisal of the Core Strategy Issues and Options prior to the public consultation period.**

**CAB  
19/11**

**Local Development Framework**

**Tees Valley Joint Minerals and Waste Core Strategy Development Plan Document (DPD)**

**Tees Valley Joint Minerals and Waste Policies and Sites Development Plan Document (DPD)**

Members considered a report that advised that following the Examination in Public of the Tees Valley Joint Minerals and Waste Core Strategy and Policies and Sites Development Plan Documents (DPD), the five Tees Valley Authorities had received the Inspector's Final Binding Report into the soundness of those documents.

It summarised the main issues considered by the Inspector and set out his conclusion that the DPDs provided an appropriate basis for the planning of minerals and waste in the Tees Valley for the periods of the plans. Furthermore, he took the view that the Councils had sufficient evidence to support the Core Strategy and the Policies and Sites DPDs, and could show that each had a reasonable chance of being delivered. The Inspector considered that both plans were sound and required no further changes, other than those proposed by the Councils, to make them so. Both plans were considered consistent with the principles contained in the Ministerial Statement "Planning for Growth". A copy of the Inspector's Report was made available to

members and was also available for Inspection at the Members' Library or to download from the Council's website.

The report set out that the next stage was for the Council to adopt the DPDs and seeks approval of those documents for that purpose. It also sought delegation to the Head of Planning the authority to make any necessary minor amendments to the documents prior to adoption.

It advised that once the Councils had adopted the documents, any person aggrieved by the Core Strategy or Policies and Sites DPDs may make an application to the High Court on the grounds that the document was not within the appropriate powers and/or a procedural requirement had not been complied with could be made within six weeks from the date of adoption.

The DPDs were substantial documents and had therefore been made available for inspection in the Member's Library and the Council's website.

**RECOMMENDED to Council that**

**1. the contents of the report be noted.**

**2. the Joint Minerals and Waste Core Strategy and Policies and Sites Development Plan Documents for adoption be approved.**

**3. Delegate authority be given to the Head of Planning to make any necessary minor amendments to the Joint Minerals and Waste Core Strategy and Policies and Sites Development Plan Documents prior to adoption.**

**CAB  
20/11**

**Homes and Communities Agency '2011-15 Affordable Homes Programme'  
Direct implications for Tristar Homes Limited**

Members considered a report that provided an overview of the Home and Communities Agency '2011-2015 Affordable Homes Framework' and highlighted the direct implications for all Registered Providers seeking to secure grant funding to build new affordable housing. The report also advised Members of the broader implications (of the above) for Tristar Homes Limited, specifically Tristar Homes proposal to move to 'Affordable' and 'Target' rents for all new tenants.

The Government had announced a range of reforms to the way social housing will be delivered and funded in future. These reforms included for example:

- Giving greater flexibilities to Registered Providers (formerly known as Housing Associations or Registered Social Landlords) to determine the types of tenancies they grant to new tenants and;
- The introduction of a new 'Affordable' Rent product. 'Affordable' homes will be made available to tenants at a rent of up to 80% of the market rent and will be let in the same way as existing social housing.

Building upon the reforms the Department of Communities and Local Government (DCLG) Homes and the Communities Agency (HCA) published

the '2011-15 Affordable Homes Programme Framework'; and invited bids from all Registered Providers (RPs) seeking to secure grant funding to enable them to deliver new build housing (the deadline for bids was the 3.5.11).

The Government was seeking to maximise the number of new homes built in the future and as such '2011-2015 Affordable Homes Programme Framework' detailed a number of fundamental changes to the way new build housing would in the future be funded. For example:

(a) There was a clear expectation that the majority of new build properties (with very limited exceptions) would be allocated on the basis of the new Affordable Rent product i.e. a move away from the current 'social' housing rent level.

(b) The level of 'grant' support provided via the HCA would from 2011 be significantly reduced. The Framework advised this could be achieved by either:

i. Additional borrowing capacity generated by RPs from the conversion of social rented properties to 'Affordable' Rents at relet.

ii. The use of cross subsidy (i.e. provider surpluses or other incomes).

(The concept was that RPs could generate income themselves and should therefore be less reliant on public subsidy).

And/or

iii. Other sources of funding or means of reducing costs such as free or discounted public land.

As part of the new bidding process, all RPs were 'strongly encouraged' by the HCA to assess the additional financial capacity that they could generate by 'converting' from social rent levels (rents charged now) to the new, higher 'affordable' rent, as/when properties are re-let. With this additional financial capacity used to build new housing supply.

In order to ensure that this was achieved, each RP was required to submit (as part of their bid to the HCA) details of the proportion of their re-lets that they propose to convert.

Members were reminded that Tristar Homes were a key partner of the local authority and were committed to working with the Council to address both current and future housing need via the delivery of new build housing. This commitment was clearly documented in the 'Offer Document' issued to tenants as part of the stock transfer process.

However in order to secure future HCA funding, Tristar Homes (like all RPs) would be required to convert to affordable rents as/when properties were re-let. The requirement to convert rents does not sit comfortably with the commitments made by Tristar in the 'Offer Document' issued to all tenants (before the tenant ballot) in March 2010. The Offer Document contained a number of commitments from Tristar covering a 5-year period and in relation to rents it included the following:



Offer Document extract - page 36 extract: Would tenants' rents stay affordable?  
- Yes, Tenants would pay no more in rent than if homes stayed with the Council

Offer Document extract - page 38 extract: What rents would new tenants pay? -  
New tenants would be charged the same rents as existing tenants

Even in the short time since the stock transfer had taken place (December 2010) Government policy had moved on and the HCA had made it clear that 'conversion' to affordable rents was now essential in order to stretch financial capacity for new build. However, should Tristar implement a 'conversion' policy without the support of the Council they would be in breach of the Transfer Agreement agreed with the Council.

Tristar recognise the importance of protecting rents for existing tenants and were not proposing to charge 'affordable rents' for tenants transferring into current Tristar stock.

Tristar had formally approached the Council and asked to be released from the commitment made to new tenants. In summary Tristar Homes were proposing:

(a) To charge an 'affordable rent' for all new tenants moving into houses and if further additional financial capacity is required to then include relets to new tenants in bungalows. (New tenants were any that were not existing Tenants of Tristar Homes at the point that they moved. This would exclude previous Tenants and current Tenants from other landlords).

(b) For the remaining property types, all new tenants would commence their tenancy at the 'target rent' level.\*

\*Members were reminded that pre-transfer the Council was following a Rent Restructuring policy; the Council would have reached 'target' rent levels by 2015/16.

An example of the difference between current rents, target rents and affordable rents was demonstrated in the example below which was based on average rent for a three bed house for the current rent year:

Current rent £70.54  
Target rent £78.32  
Affordable rent £102.58

In terms of how many potential new tenants this proposal would effect, during the last financial year 9.5% of Tristar stock became vacant (985 properties) of which 791 properties were relet to new tenants. Assuming this pattern continued, in the region of 7.6% of Tristar properties would change to the new 'affordable' and/or 'target' rent on an annual basis. 75% of all Tristar tenants were in receipt of Housing Benefit, new tenants moving in at affordable and/or target rent levels would continue to be eligible for Housing Benefit at the new rent levels.

Members were asked to note that the proposed changes in rental charges to new tenants could not be implemented until the outcome of the Tristar bid for funding to the HCA was known (anticipated to be July 2011 at the earliest).

Tristar were clearly aware of the implications of these proposed changes for new tenants and had sought the views of existing tenants via their existing tenant consultation mechanisms and had advised that involved tenants supported their proposal.

Given that Tristar were seeking to be released from this commitment to new tenants so soon after the date of transfer, the views of the HCA were sought. In particular the HCA were asked if they were prepared to allow an 'exception' for Tristar Homes not to convert rents. Whilst the HCA acknowledged the position of Tristar and specifically the relative short period of time since the date of transfer they could not provide any comfort that an exception would be made. On this basis it was determined that not to include details of 'conversions' in their bid to the HCA would be too risky.

As all RPs were required to submit their bids for HCA funding by the 3.5.11. Due to the purdah period it was not possible to bring a report to Cabinet (and Council) at an earlier date. As such the Council's Corporate Management Team (CMT) considered Tristar's request and agreed to refer the matter on the basis of urgency, to the Cabinet Member for Housing and Community Safety and the Mayor to consider 'in principle', pending a detailed report being presented to Cabinet (before being referred to Council) for consideration.

Cabinet were asked to note the departure by Tristar from the transfer obligation on rent levels for new tenants and to formally support them in securing funding for new build housing from the HCA.

#### **RECOMMENDED to Council that**

- 1. the requirements placed on all Registered Providers seeking grant funding to build new housing be noted.**
- 2. the introduction by Tristar Homes of 'Affordable' and 'Target' affordable rents for all new tenants be agreed in line with new Government policy.**
- 3. Tristar Homes be formally supported in its bid to the Homes and Communities Agency to secure grant funding to deliver new housing for rent in the Borough.**