

## Cabinet

A meeting of Cabinet was held on Thursday, 6th October, 2016.

**Present:** Cllr Robert Cook(Chair), Cllr Jim Beall, Cllr Nigel Cooke, Cllr Mrs Ann McCoy, Cllr Steve Nelson, Cllr Michael Smith, Cllr Norma Wilburn

**Officers:** Neil Schneider(CE), Julie Danks, Kirsty Wannop(DCE), Beccy Brown, Jonathan Nertney(HR&L), Garry Cummings(F&BS), Richard McGuckin(EG&D), Martin Gray, Diane McConnell (CHS), Reuben Kench(CL&E), Jamie McCann(CS), Julie Nixon(Transformation Team).

**Also in attendance:** Cllr Helen Atkinson, Cllr Carol Clark, Cllr Chris Clough, Cllr Gillian Corr, Cllr Phillip Dennis, Cllr Lynne Hall, Cllr Stefan Houghton, Cllr Paul Rowling, Cllr Norma Stephenson, Cllr Laura Tunney, Cllr Matthew Vickers, Cllr Sylvia Walmsley, Cllr Bill Woodhead and Members of the public.

**Apologies:** None

### **CAB 69/16 Evacuation Procedure**

The evacuation procedure was noted.

### **CAB 70/16 Declarations of Interest**

Councillor Bob Cook declared a personal non prejudicial interest in Agenda Item 5 - An Investment Strategy for Schools, Special Educational Needs and Early Years as he was a school governor at Norton and Billingham South Primary Schools.

Councillor Steve Nelson declared a personal non prejudicial interest in Agenda Item 5 - An Investment Strategy for Schools, Special Educational Needs and Early Years as he was a school governor at Frederick Nattrass Primary School and he has grandchildren who attended both Frederick Nattrass Primary School and Northshore Academy.

Councillor Norma Wilburn declared a personal non prejudicial interest in Agenda Item 5 - An Investment Strategy for Schools, Special Educational Needs and Early Years as she was a school governor at Stockton Riverside College.

Councillor Bob Cook declared a personal non prejudicial interest in Agenda Item 6 – Minutes of Various Bodies as he was a Board Member on Tees Valley Combined Authority.

Councillor Bob Cook declared a personal non prejudicial interest in Agenda Item 7 - Special Educational Needs and Disabilities (SEND) Update for Stockton as he was a school governor at Billingham South Primary Schools.

Councillor Jim Beall declared a personal non prejudicial interest in Agenda Item 7 - Special Educational Needs and Disabilities (SEND) Update for Stockton as he was a Chair of governors at Rosebrook Primary School.

Councillor Norma Wilburn declared a personal non prejudicial interest in Agenda Item 7 - Special Educational Needs and Disabilities (SEND) Update for Stockton as she had a grandson with SEN who attended Rosebrook.

**CAB  
71/16**      **Minutes of the meeting held on 1st September 2016**

Consideration was given to the minutes of the meeting held on 1st September 2016.

RESOLVED that the minutes of the meeting held on 1st September 2016 were confirmed and signed by the Chair as a correct record

**CAB  
72/16**      **An Investment Strategy for Schools, Special Education Needs and Early Years**

Consideration was given to a report on the investment strategy for Schools Special Education Need and Early Years. Members were aware that the Council received notification that it would receive £31m for capital allocation in recognition of shortages in school places in various parts of the Borough. Whilst the allocation is to support the increase in capacity, it was un-ring-fenced and therefore there was an option to spend some of the allocation to other areas within education. This allocation would be received in 2018/19 and in order to ensure sufficient time for detailed planning, this report outlined the proposed Strategy for investing in Schools, Early Years and Special Education Needs (SEN).

The Council had already invested approximately £30m to increase capacity in its schools through Basic Need Grant and capital receipts from disposing of surplus sites. This was in addition to working with a number of secondary schools to secure funding for building replacement schools.

Whilst the focus was on capacity, there was also the potential to use some of the money to invest in schools where condition needs to be improved, given that the allocation was un-ring-fenced and the Council could re-designate the capital receipts referred to above and potentially utilise the Section 106 contributions.

This strategy outlined developments required in areas other than Primary and focusses on Secondary schools, pre-school, and SEN provision.

In addition, the Government's commitment to create an additional 500 new free schools by 2020 opens up the potential that providers would come forward to provide new free schools within the borough which would be funded by the Education Funding Agency (EFA).

There were also some existing and potential Section 106 contributions associated with new housing development which would support development.

There was a significant opportunity to develop an investment plan to ensure that the capacity of our schools was appropriate for the needs of the Borough and also potential to address some key condition and suitability issues.

Member were provided with details of an analysis that had been undertaken of the requirements for additional Secondary School places by area and a desk top exercise to determine which schools could be developed / expanded to meet demand had been carried out. Whilst parental choice would remain an issue, for planning purposes the Council needed to focus on the strategy that we will provide a place within 3 miles of each child's home. Details were also

provided of secondary school suitability and sustainability and potentials areas for investment.

The Council had a shortage of nursery provision across the Borough, and this had been exacerbated by the Government's policy to increase the offer to 3 and 4 year olds to 30 hours per week.

In addition, it was vital that the Council ensured that the take up of the 30 hours offer does not impact on the sufficiency of places for 2 year olds. The Government had charged LA's with the responsibility of maintaining a high level of access for 2 year olds alongside maximising take up of the 30 hour offer. This would require constant monitoring and the facility to be pro-active in ensuring sufficient capacity exists to meet demand.

The Government had provided the Council with an estimate of 1,560 eligible 3 & 4 year olds, however early calculations show that this figure was likely to be higher. In addition, the recent consultation exercise shows that this would increase as parents of young children, who were currently not working, enter the labour market and require the additional hours.

The areas of the Borough where there were shortages were provided and plans were being developed to address these pressures.

The Government had announced a funding programme which allows 4 bids of up to £1m each to be submitted and detailed bids had been submitted. Based on the areas of need and the sites explored, the buildings being examined for development as part of the overall set of proposals were:

- Crooksbarrow Primary
- Priors Mill Primary
- St Marks CE Primary
- High Flyers Children's Centre

The bids needed match funding of 25% and therefore would need £1m allocating. Work was ongoing assessing additional requirements across the Borough and there could be some additional work required to develop further places. This could however link to the Children's Centre Review and also the review of SEN outlined below.

A review of SEN was currently underway looking at special school provision, Additional Resource Provision (ARP) at schools and considering what was required moving forward. This could potentially link with some of the school developments and also provide space to support nursery provision.

There was also significant interest in the development of new SEN free schools from a variety of Multi Academy Trusts (MATs). These were likely to be sub regional facilities, and may not be located in Stockton. Our approach would therefore be to support their development, as any new schools would be assessed and funded wholly by EFA.

The Pupil Referral Unit (PRU) operated from the former City Learning Centre (CLC) and technology block at Marsh House Avenue, and a leased building close to Stockton Town Centre. This building was at the end of its lease and

was not fit for purpose and there was a desire to co-locate all provision onto one site.

This would require some modest investment to re-configure the current facilities at the former CLC and extend to build 2 or 3 additional teaching spaces.

The site was close to the new Post 16 Skills Academy which was operated by Stockton Riverside College. The college were working with the Head of the PRU to examine how they could work closer and share facilities and this could lead to wider opportunities of shared use of space, development of vocational provision etc.

RESOLVED that:-

1. The Strategy be approved.
2. A further report be presented to Cabinet following development of detailed plans.

**CAB 73/16 Minutes of Various Bodies**

In accordance with the Council's Constitution or previous practice the minutes of the meeting of the bodies indicated below were submitted to Members for consideration:-

SLSCB – 26th July 2016  
TSAB – 6th September 2016  
TVCA Board Annual Meeting – 7th June 2016  
TVCA Board Business Meeting – 7th June 2016  
TVCA Board – 8th July 2016  
TVCA Board - 19th July 2016  
TVCA Board and Joint LEP – 19th July 2016

RESOLVED that the minutes of the meetings detailed in the appendices be approved / received, as appropriate.

**CAB 74/16 Special Educational Needs and Disabilities (SEND) Update for Stockton**

Consideration was given to a report on the proposal to reshape services to schools and provision commissioned from schools to improve outcomes for children with special needs.

Services would be reshaped to allow earlier support and intervention for children when they first present with special needs. This was in line with the successful early support work in social care and would be aimed at reducing demand for specialist placements and addressing needs earlier.

The provision commissioned from schools, presently in Additionally Resourced Provisions (ARPs), would be remodelled into hubs in localities which could provide cross phase provision for special needs across the Borough and allow more children to attend a school near to where they live. This would also reduce the need for transport across the Borough. The proposal would not

mean that children would be moved. Any changes would be phased in and transitional arrangements would be put in place to accommodate children in their placement until the end of the key stage.

The SEND offer in Stockton-on-Tees was made up of:

- specialist academies: Ash Trees Primary Academy; Abbey Hill, Greengates, Westlands (all part of Horizons Trust)
- 19 commissioned Additionally Resourced Provisions (ARPs) across Stockton schools and the Pupil Referral Unit, Bishopton
- an Early Support Nursery, based in High Flyers Children's Centre
- an independent specialist school, King Edwin.

There was an imperative to review the offer of SEND provision in Stockton-on-Tees for the following reasons:

- The High Needs Funding currently relies on £1.7 million from the schools block. This is not sustainable and will be undeliverable with the new funding formula.
- The ARPs were designated for needs which were not now in proportion with the cohort needs.
- The ARPS were not configured to provide support within a child's locality so transport costs across Stockton-on-Tees were extremely high.
- The ARPs were not planned to allow pupils to progress through the key stages so that pupils were being moved to different ARPs at the end of key stages. The present emphasis on transition had highlighted this.
- The application levels for High Needs Funding for pupils in mainstream was extremely high.
- Outcomes data for SEN pupils in Stockton-on-Tees mainstream schools need further improvement. Pupils with special needs at the end of KS4 demonstrate less progress than those pupils nationally (2015).
- Earlier intervention and support to schools when a pupil first presented with special educational needs would enable more pupils to remain in their home schools.
- The number of pupils with statements or Educational Health and Care Plans (EHCPs) was in line with national and regional averages but more of these pupils compared to national and regional averages were in special schools rather than mainstream schools. The difference was around 10% more in Stockton-on-Tees.
- Many children were being sent out of the Borough to access specialist, independent placements which were very costly.
- The area wide SEN inspection framework would challenge the contribution of the Local Authority and schools to SEN support.

It was proposed to move to a model with the following principles:

- Provision to match the four areas of need as defined in the SEN code of practice in proportion to the cohorts in Stockton - Communication and Interaction, Social, Emotional & Mental Health (SEMH), Physical and Medical, Cognition and Learning, Visual and Hearing Impairment.
- Provision to provide cross phase pathways so children do not need to make transition after the end of every key stage and could progress to

secondary provision ARPs.

- Provision to be located in locality hubs in three areas of Stockton-central, south and north.
- Provision to provide support for earlier support and intervention by specialist services. Resources such as Occupational Therapy, Speech and Language, Educational Psychology advice, to be available in a hub to offer advice, support, guidance and challenge to schools on an outreach and in reach basis. Staff within council services to be possibly located within the hubs. Hubs to also be responsible for the allocation of High Needs Funding for the area.
- Where locality SEN hubs cannot meet need, specialist provision would better match the cohort needs. This would require exploring an additional, specialist School.

The report also presented an overview of the Ofsted framework for Local Area SEND inspections.

RESOLVED that:-

1. The report be noted.
2. The consultation with parents over the proposed remodelling of support for children with special educational needs be approved.
3. The responses be brought back to Cabinet to inform the future re-commissioning of places for children with special needs in Stockton-on-Tees.
4. The information about the local SEND Area Inspection Framework and the implications for work going forward be noted.
5. The potential opportunity to develop a new specialist school be noted.
6. The decision to submit an expression of interest to the DFE be delegated to the Director of Children's Services in consultation with the Cabinet Member for Children and Young People.

**CAB 75/16**      **Review of Community Libraries**

Consideration was given to a report on the review of the community libraries and the public consultation associated with proposed changes to library provision.

There were statutory requirements with regard to the provision of library services (Public Libraries and Museums Act 1964). Local Authorities must provide a comprehensive and efficient library service for all persons in the area that want to make use of it, taking into account local needs and within available resources.

Local Council's must:

- Have regard to encouraging both adults and children to make full use of the

library service.

- Lend books and other printed materials free of charge for those who live, work or study in the area.

A comprehensive service as defined by case law does not mean that every resident had to live close to a library. It was about delivering services accessible to residents, including using digital technology and making use of available resources. There were currently ten libraries in the borough.

In February of this year Cabinet considered the Medium Term financial Plan and associated strategy to 2020. Members were advised that a budget reduction of a minimum of £130K per year was the targeted saving for the library service.

At the March Cabinet, reference was made to the 2011 Library Strategy which set out a differentiated approach to services, with six town centre libraries providing the widest range of services and smaller co-located branches giving access to a more basic offer. The report highlighted to members that two remaining branches at Egglecliffe and Fairfield were not town centre libraries; neither had they co-located on this basis. Their future should be considered as part of the requirement for cost savings.

In addition to day to day provision of a range of library services, a number of other activities were held at Egglecliffe Library:

- Stay & Play.
- Homework sessions (late night).
- Children's craft sessions during school holidays.
- Summer Reading Challenge (during main school holidays).
- Learning Support Assistant (help with ICT for adults) twice a month.
- Staff are involved in the delivery of Stockton Children's Book of the Year.
- Staff visit local schools promoting the Library Service, events and activities.
- Printing and photocopying.

Closure would primarily impact on older, more isolated people and young mothers and their children. Mobile library stops were already provided in the Egglecliffe area and it would be possible to provide new stops if necessary as part of the three weekly route cycle. Those who could not make their way to Yarm Library and who may find the mobile inaccessible, could be included in the housebound library service delivery schedule.

Yarm Library had been subject to significant investment with improved disabled access and overall refurbishment. Parking provision in Yarm had been recently increased and improved.

Local ward members were invited to meet with the Cabinet member for Arts, Leisure and Culture to discuss the proposed closure and consider if there were any alternative proposals coming forward from the local community, which hadn't already been considered and could mitigate the impact. An approach had been made from the Committee running the local community centre and a meeting was held on 16 August with two representatives of the centre. Discussions would take place on joint working to mitigate the impact of closure. The closure of Egglecliffe library would contribute to the overall required

savings for this review.

Following closure of Eggescliffe Library, the library building would be transferred to the Council's Asset Team who would appraise options for future use of the building.

Opening hours at Fairfield Library were halved during the last review in 2013; it currently opens 3.5 days per week (22 hours) and was popular.

In addition to the usual range of library services, Fairfield library provided a range of other activities such as:

- Monday Group (Adult Social).
- Parent & Toddler/Rhymetime.
- Funky Feet.
- Chair Dance (Adults).
- Children's craft sessions during school holidays.
- Summer Reading Challenge (during main school holidays).
- Learning Support Assistant (help with ICT for adults) twice a month.
- Staff are involved in the delivery of Stockton Children's Book of the Year.
- Staff visit local schools promoting the Library Service, events and activities.
- Faxing, printing/copying for people within the community.

Two options had been under consideration with regard to the future of this library: closure or the identification of a third party to enable co location into or out-with the library; therefore reducing both running and staffing costs. Co-location would however mean that less savings would be achieved in this location and therefore further staffing reductions would have to be sought elsewhere in the library service (through reduced staffing costs).

Co-locating to an alternative site would incur considerable capital costs as it would be necessary to purchase new shelving (the original shelves at Fairfield are built into the wall and the wooden island units were not suitable for flexible use elsewhere), install computer lines and connections and fit out the space for library use. If an alternative provision was identified, costs would have to be reasonable and proportionate. A co-location in the existing building would be much less costly as the infrastructure was mostly in place and the library could be separated off.

A number of options had been considered for Fairfield:

i. Adult Learning

The possibility of converting part of this building to an adult learning centre was explored – an arrangement which had been successful elsewhere across the region. Initial discussions with Adult Learning had been encouraging but unfortunately, in recent months, as the emphasis nationally on adult learning funding had shifted to a different focus, the feasibility of any kind of partnership at Fairfield had gone. Fairfield would have been an ideal place to provide informal adult learning opportunities but under the new guidelines, these would not be funded by the FSA, removing the likelihood of supporting any kind of "centre" there.



ii. Post Office Co-location

Post office co-locations tend to be within retail outlets with a good business base. However, discussions took place with the regional manager who had responsibility for establishing partnerships and post office provision across local areas. His advice was that to establish a link with a library in the Fairfield area would not be feasible due to the good provision which already exists within the area. There were post offices at Rimswell, to the north of the library, and at Rosehill to the south of the branch in Hartburn. The only existing post office vacancy was in Grangefield, but much closer to the town centre and beyond the main catchment area of Fairfield Library. In all cases, the role of Postmaster would have to be agreed to, and this was usually a retailer or a community group. It was not usually appropriate for a local authority officer to take on this role. There were a couple of examples of post office and library co-locations across the country, but in both cases the role of Postmaster has been taken up by a community or retail organisation.

iii. Elmwood Centre

Onsite Building Trust were approached to discuss whether a small library service point could be incorporated within their building at Elmwood and a site visit was undertaken to look at potential space. Although Onsite were keen to explore options, their capacity to host a reduced size library space was very limited due to the high level of existing business at the Elmwood Centre. Two rooms would have provided a space to occupy, but because of regular usage by other groups and a lack of space, it would have been impossible to accommodate even mobile shelving and units to provide enough library stock to make this a viable alternative. Without displacing existing users, this building was not an option.

iv. Boys Club

A suggestion had been made that the Fairfield Boys Club building may be a useful place to look for a space. When contacted it became clear that this would not be a co-location as the building would generally not be occupied when the library was open and, therefore, a full staffing compliment would be required (negating the required staff savings).

v. Spark Building – Our Lady and St Bede’s

The former Spark building at Our Lady and St Bede’s was considered and discounted due to the location to the north of the current site coupled with the accessibility of the building. The vacant space was on the first floor with an inadequate lift for public use and was also controlled by a “reception” style access. The building was some distance from the main communities who use Fairfield Library.

vi. Co-location Within the Existing Building

Two suggestions for co-location within the existing library were explored. The challenge with this approach was for another organisation to take over responsibility (the majority of running costs) for the building, as running costs were around £16-17K per annum, plus any maintenance issues.

vii. Onsite

Onsite were spoken to about the possibility of their taking the building on and making alterations to provide an extra bookable room, and bookable dual use library spaces. Unfortunately, due to their ongoing commitment to develop other

sites within the Borough (as part of their business plan), taking on the Fairfield site was not a viable option.

#### viii. Nursery Provision

The Government had recently announced a commitment to providing 30 hours of free childcare for qualifying working parents of three and four year olds from September 2017. In response to this, the Council had been reviewing current nursery provision across the borough and identifying gaps in provision. This initial analysis led to an identified shortage of nursery provision within a number of other areas including Fairfield, as set out in a report elsewhere on this agenda. The requirement for nursery places means there was capital funding for building conversions such as would be required at Fairfield. This resource could be utilised to make the necessary changes to the library building including external play space, suitable toilet facilities, security etc. and to separate off the library provision. A nursery could be accommodated in either the full building, or part of it. It was anticipated that the new and significantly smaller library could operate from the area which was currently the children's Library and as such the services that could be provided here would be reduced, but nevertheless there would still be a library presence. For co-location at Fairfield Library to go ahead, it would be necessary for the Library to close on a temporary basis, to facilitate capital works and the new library service at Fairfield would be operational from September 2017 for the beginning of the academic school year. The mobile library would be utilised to provide a service within the area during the closure.

The Council had estimated the cost of continuing to provide a library service on a co-located basis and based the costs on similar co-located library provision in our borough. It was anticipated £24,061 for staffing (one senior library information assistant – 23 hours and one library information assistant – 18.5 hours), which would allow the library to open Monday to Friday in line with the nursery provision. In addition to staffing costs, it was estimated a maximum of £9,000 for running costs. The proposed staffing structure across library services had been adjusted to reflect the need to achieve more savings. It was necessary for the library to be closed on a temporary basis for capital work to be undertaken and the Council would have to procure the building works in addition to a nursery provider. The total saving at the site would be £33,741

The cost of closing Fairfield Library would be the full cost i.e. £66,802 but building back into the staff structure half-time Librarian to create capacity for outreach / mobile services at a cost of £15,592, would produce a net saving of £51,210.

The target saving for the library service review is £130K and the remaining cost savings would be delivered via a new and reduced staffing structure, which would be subject to staff consultation; with the assumed income of £12,000 (co-location of Newcastle Building Society in to Yarm Library) and £11,000 from Public Health to fund staffing for the Public Health Resource at Roseworth Library.

Members were provided with details of the consultation approach and results including the petitions that had been received. Copies were provided of the consultation documents.

Councillors and Members of the public were in attendance at the meeting and

were given the opportunity to speak on the item. Their comments could be summarised as follows:-

- The staff at the libraries were a hub of the community and were really helpful.
- Could the closure of Egglecliffe library be delayed to allow more time to find a co-location that would be suitable.
- The libraries were more than just a library providing services for all ages but specifically elderly and mothers and young children.

RESOLVED that:-

1. The results of the public consultation exercise on proposed changes to library provision be noted.
2. In line with the previously agreed Library Strategy and reflecting the significant investment in remaining core urban area libraries, the closure of the library at Egglecliffe be agreed and a collaboration with Egglecliffe Community Centre be pursued to mitigate the impact of closure.
3. The co-location of Fairfield library with a nursery provider be supported.
4. Commencement of consultation on a revised staffing structure across library services be acknowledged.

**CAB  
76/16**      **Street Lighting Policy**

Consideration was given to a report on the street lights managed and maintained that was in excess of 27,000 street lights and over 2,400 illuminated signs and bollards. The policy detailed how Stockton Borough Council (SBC), as responsible local Highway Authority would provide and maintain Street Lighting on the adopted highway subject to available funding.

The Councils vision was of a Borough that was more confident, more vibrant and more successful than ever before. A place where people can see that the Councils drive, integrity and imagination had delivered genuine improvements and exceptional value for money and was a place that every single one of us was proud of. Street lighting plays a vital part in supporting the 'key' aims of the vision by helping to provide safer communities, supporting regeneration, helping to keep Stockton moving, tackling the impact of climate change and being a key factor in improving the environment.

There was no legal obligation for local Highway Authorities to provide Street Lighting however, Section 97 of the Highways Act 1980 gives highway authorities powers to do so should it wish to in carrying out its duty of care for all road users of the public highway.

Where street lighting was provided on the highway the Council was then required by the Highways Act to keep it in a safe condition under Section 41 to maintain the highway free of danger for all road users. Highways England was the Highway Authority for street lighting on Trunk Roads (for example A19 and A66) and Motorways and had its own policies for the design, provision and maintenance of those installations.

To ensure that the Council have a quality street lighting asset throughout the Borough asset management principles would be embedded in the maintenance programme ensuring that informed long-term decisions were made about investment and maintenance funding, ensuring a more effective use of resources, delivering stakeholder needs and ensuring the integrity of the highway infrastructure.

The need for street lighting varied by location although it was generally accepted that urban and residential areas should be provided with street lighting, however the level and standard of lighting provided would be dependent on a number of variables. For example, town and large urban areas may have higher crime rates, significant traffic movements and may benefit from the provision of a high level of street lighting when compared to some rural areas.

The largest saving the Council can make within street lighting was through reducing the energy consumption associated with street lights and other illuminated highway infrastructure. It was the potential energy saving that resulted in the Council committing significant financial resource to commence work on an 'Invest to Save' project which would see the entire Borough's lantern stock replaced by using a Light Emitting Diode (LED) lantern. This method of lighting produces white light at various intensities at very low wattage levels thus significantly reducing the amount of energy consumption associated with street lighting. Another financial benefit of introducing LED type lanterns was that they were much less prone to maintenance issues, which therefore offers a further financial benefit. All the lanterns that had been utilised as part of this project are fitted with technology that will enable dimming to be considered in the future to realise further savings if required.

All street lighting designs whether part of the mass replacement scheme or associated with new developments shall comply with the requirements set out in the current edition of the Street Lighting Design Guide and Specification to ensure that wherever practicable the Councils desired lighting level was achieved and met the appropriate British Standard.

There were several different types of defects which could affect street lighting and those which were within the control of the Council were generally rectified within timescales that have been previously agreed and were listed in their entirety within the Street Lighting Policy. However, street lighting and illuminated signs could also rely on electrical supplies from the Distribution Network Operator (DNO), with the provider for Stockton being Northern Power Grid (NPG). If defects occur on the DNO network that affect street lighting then these problems were outside the control of the Council to resolve and although the electrical providers had to adhere to statutory performance targets determined by the electricity industry regulator these targets were occasionally not always met, particularly on the LED mass replacement scheme where additional complexities arise due to contractor and sub-contractor involvement.

The Council had committed to reduce greenhouse gas emissions from its own operations by 21% on 2014/15 levels by March 2020 and reduce total emissions from Stockton Borough by 18% on 2013 levels by 2020. Street lighting could play a significant part in assisting in achieving these targets as LED lighting

contains minimal toxic materials and was 100% recyclable. The long operational life time span also means that one LED light bulb could save material and production of several other alternative methods helping contribute towards a green future.

New developments would generally have highways that would ultimately be adopted and subsequently maintained at public expense by the Council under Section 38 of the Highway Act 1980 and the Council would require developers to follow this policy document should they wish the Council to adopt street lighting. In addition the Councils Design Guide and Specification Street Lighting Section would also provide developers with all the details necessary to enable a design to be progressed that encompasses the principals of our street lighting vision for the future.

Requests for additional street lighting would be considered using a number of different variables and a risk based approach that balanced the risks presented against the costs associated with implementing a new street lighting scheme.

RESOLVED that:-

1. The Street Lighting Policy be approved.
2. The benefits of implementing a formal Street Lighting Policy be noted.

**CAB  
77/16**      **Economic Climate**

Cabinet considered the subsequent quarterly update that provided Members with an update on information published in Stockton's Local Economic Assessment 2014 as well as key recent economic announcements on the People Theme.

The thematic report provided at appendix 1 was presented in four sections:-

- i. Economic Dashboard – presented a number of key indicators which were monitored at least quarterly
- ii. Updates – summarising key announcements and developments:
  - Updates – announcements with implications across key sectors, the region and nationally
  - Business announcements – announcements from some of the key businesses within the Borough
  - Strategic locations – a brief update on any new development at strategic employment locations across the Borough
  - Training & skills – provides an update on emerging news relating to skills needs and provision
- iii. Theme Review – An in depth focus, and the substantive part of the report, on key statistics affecting business, people or place. Most of the referenced statistics in the review were produced annually and could not be updated quarterly
- iii. Case Study – A relevant case study for the theme. For example, the people case study in this report focused on a multi-agency approach to secure employment for young people.

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

**CAB 78/16 Report on the potential local economic impact of the UK's withdrawal from the European Union**

Consideration was given to a report that identified the possible implications for economic development in the Borough following the recent referendum decision for the withdrawal of British membership of the European Union ('Brexit').

Early indications suggest economic growth would be lower than previously forecast before the Brexit vote and this could result in a reduction in government spending power. Macroeconomic impacts of the uncertainty around the decision to leave the European Union (EU) and leaving itself were purely speculation and would depend on the speed and success of trade negotiations and the UK government's post-Brexit industrial strategy.

The proposed movement away from full membership of the EU including membership of its single market would have impacts on the following economic functions:

- Trade and Exporting
- Funding and Investment
- Foreign Direct Investment
- Regulatory Environment
- Attraction and retention of talent
- International knowledge transfer

Members were provided with more detail of the above including the main risks and potential mitigations.

RESOLVED that the content of the report be noted.

**CAB 79/16 Internal Audit Shared Services**

Cabinet considered a report that sought its agreement to accept in principle the delegation of the Internal Audit function from Darlington Borough Council to Stockton Borough Council and to establish an Internal Audit Shared Service. The service would operate under a Shared Service Agreement and Service Level Agreement.

In responding to the current financial challenges faced by both Darlington and Stockton Councils, discussions had taken place with Darlington Council regarding the benefits of a shared service arrangement for internal audit. This would complement the Xentrall shared service partnership established in 2008 for the provision of ICT, Transactional Finance and HR and Print and Design that had proven successful in delivering efficiencies and developments with no diminution in the quality and performance of services.

Stockton's internal audit service had audited the Xentrall partnership since its inception and already reports the annual audit plan covering Xentrall and progress against/outcomes from delivery to the Darlington Audit Committee in

the same manner as the Council report to its own Audit Committee.

The proposal would mean the formal sharing of internal audit services between the two authorities and bringing the management of the shared service under one manager.

The internal audit service in both Stockton and Darlington were well regarded and considered to provide an effective service. However, individually they were relatively small with staffing of six and a half and four respectively possessing a mix of skills and experience and budgets for 2016/17 of £274,000 and £176,000.

The opportunity would be taken to review methods of working, explore the greater use of technology and establish a shared internal audit structure to deliver a modern resilient service that satisfied service requirements. In particular, in accordance with the Accounts and Audit Regulations 2015 each Council had a statutory duty to undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes taking into account public sector internal auditing standards or guidance. Such standards and guidance are the UK Public Sector Internal Audit Standards (PSIAS) and Local Government Application Note.

It was proposed that Stockton be the host authority for the shared service due to the following reasons:

- The number of staff affected by transferring to the host authority was less;
- Stockton had expressed a willingness to act as the host authority and had experience of delivering shared services; and
- The Audit Manager at Darlington had expressed a willingness to take early retirement/ voluntary redundancy

Subject to approval by both Councils, and to appropriate legal agreements being put in place, the target date for implementation of a shared internal audit service was 1 April 2017.

In summary, it was felt that the shared service proposal represents opportunities across the two authorities that include:

- Economies of scale from the employment of a single Audit Manager;
- Pool expertise to strengthen service delivery to the benefit of the clients;
- Provide critical mass and improved business resilience e.g. enabling the risk of sickness and vacancies to be better managed;
- Enhanced ability to undertake thematic reviews across the two authorities to share best practice across the shared service utilising a combined audit plan;
- Enabling succession planning, career opportunities and development for staff;
- Achieving economies of scale through shared training and procurement;
- Increased capacity, flexibility and specialist knowledge from pooling staff resources; and
- Benefits of adopting common day to day audit reporting and procedural approaches driven by the single Audit Management System operated by the service, along with common audit committee reporting protocols/ methodologies/ formats.

The shared service model proposed would need effective governance in place to work. The precise details would need to be captured through the shared service agreement that would need to be drawn up. They would have to include the ability of the shared service hosted by Stockton to access within Darlington such as:

- Rights of access of the joint Head of Audit or his delegated representative to the Chief Executive and Chair of the Audit Committee.
- Briefings for the Chair and other Members of the Audit Committee and attendance at Audit Committee meetings.
- Meetings as required with the Director of Neighbourhood Services and Resources (Chief Finance Officer), Assistant Director Law and Governance (Monitoring Officer) and the Chief Executive.
- Attendance at Senior Management Teams or other relevant meetings with Directors, for example to address significant audit findings, assist in audit planning and risk identification and to progress confidential matters.
- Liaison with external auditors as appropriate
- Assurances as to the level and quality of service to be provided.
- Procedures to follow to address complaints or other issues of service quality, including ultimately both parties rights to terminate the agreement.

**RECOMMENDED to Council that:-**

- 1. The establishment of an Internal Audit Shared Service be supported in principle with Stockton Council acting as host authority, on the basis set out in the report.**
- 2. Delegated powers be accepted from Darlington Borough Council to allow Stockton Council to provide a shared Internal Audit service.**
- 3. Authority be delegated to the Director of Finance and Business Services, in consultation with the Director of HR, Legal and Communications, to finalise the arrangements for a shared service partnership.**
- 4. Authority be delegated to the Director of Finance and Business, in consultation with the Director of HR, Legal and Communications, to agree the commencement of the shared service (the target date being the 1 April 2017).**