

Cabinet

A meeting of Cabinet was held on Thursday, 27th September, 2018.

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

Officers: Neil Schneider (CE), Julie Danks, Margaret Waggott, Peter Bell (DCE), Beccy Brown, Julie Butcher (HR&L), Garry Cummings (F&BS), Richard McGuckin (ED&D), Jamie McCann (CS), Reuben Kench (C,L&E).

Also in attendance: Gavin Barker (Mazars).

Apologies: Cllr Steve Nelson.

CAB 51/18

Welcome and Evacuation Procedure

The Chair welcomed everyone to the meeting and the evacuation procedure was noted.

CAB 52/18

Declarations of Interest

Councillor Bob Cook declared a personal non prejudicial interest in respect of agenda item 9 – Minutes of Various Bodies as he was a member of TVCA Cabinet.

Councillor Jim Beall declared a personal non prejudicial interest in respect of agenda item 9 – Minutes of Various Bodies as he was a member of SSP and TSAB.

Councillor Ann McCoy declared a personal non prejudicial interest in respect of agenda item 14 – Investors in People as she was the Chair of NEREO.

CAB 53/18

Minutes

Consideration was given to the minutes of the meeting held on 12 July 2018.

RESOLVED that the minutes of the meeting held on 12 July 2018 be confirmed and signed as a correct record.

CAB 54/18

Annual Audit Letter

Consideration was given to a report on the Annual Audit Letter for 2017/18.

In 2012 the Audit Commission appointed Mazars LLP to act as external auditors to the Council. Following the abolition of the Audit Commission, audit appointments were made by Public Sector Audit Appointments Limited.

A formal stage in the annual audit process was the production of the Annual Audit Letter. The Annual Audit Letter for 2017/18 had been received and was attached to the report.

The Annual Audit Letter summarised the auditor's findings from the 2017/18 audit. In line with previous practice, a copy of the Annual Audit Letter would be sent to all Members of the Council. Mazars LLP were required to submit the

Annual Audit Letter to Public Sector Audit Appointments Limited and it would appear on their website in due course.

Mazars LLP had issued an unqualified audit opinion on the Council's financial statements for 2017/18 and in their opinion they:-

- give a true and fair view of the financial position of Stockton-on-Tees Borough Council as at 31 March 2018 and of its expenditure and income for the year then ended; and
- have been prepared properly in accordance with the CIPFA / LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2017/18.

Mazars LLP had issued an unqualified value for money conclusion stating that in all significant respects the "the Authority had put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources".

The report set out a Forward Look in which future financial and operational challenges, many of them national, were highlighted. It highlighted that "The Council is well aware of the financial challenges it is facing in the future. The MTFP has been refreshed and updated for known pressures, events and assumptions as part of the 2018/19 budget setting process" and "The Council remains well placed to face these challenges and officers continue to keep the overall position under close review."

The Code of Audit Practice required Mazars to consider whether information published alongside the financial statements was consistent with those statements and their knowledge and understanding of the Council. In their opinion, the other information in the Statement of Accounts was consistent with the audited financial statements.

RESOLVED that the contents of the Annual Audit Letter be noted.

**CAB
55/18** **MTFP Update**

Consideration was given to a report that summarised the Council's financial performance and position at the end of the first quarter of the 2018/19 financial year and updated the Medium Term Financial Plan accordingly.

The report also updated Cabinet on national funding developments.

A table within the report detailed the projected budget outturn position for each directorate in 2018/19, based on information to 30th June 2018.

The reasons for any significant variances (In excess of £100,000) were set out for each directorate within the report.

Officers would continue to manage budgets carefully and explore opportunities to reduce the projected pressure.

The Capital budget for 2012/21 was attached to the report and summarised in a table within the report. Reasons for movements over £100,000 was also

detailed.

RESOLVED that:-

1. The Medium Term Financial Plan (MTFP) and the current level of General Fund balances be noted.
2. The revised Capital Programme attached at Appendix A of the report be noted.
3. The update on Local Government Funding Reform be noted.

**CAB
56/18**

Smarter Working in Stockton (SWiS) Update

Consideration was given to a report on the progress of the Smarter Working in Stockton Programme (SWiS) and outlined the principles and scope of the programme.

There had been significant reductions in staff numbers and capacity across the Council in recent years. Despite this reduction and increasing demands on services the Council continued to provide excellent and valued services and invest in the development of the Borough.

The Council also had a strong history of delivering excellent customer service, however the Council needed to ensure it was equipped to keep pace with changes expected by staff and customers and to ensure that it was operating efficiently.

Given the reduction in capacity, it was important to ensure that the Council had the infrastructure in place for staff to work efficiently and effectively and engage with customers in the most effective way. The Smarter Working Programme was a wide ranging programme which was challenging and changing the way the Council thought about work, it was fundamentally around how it worked and in how it delivered services in the most effective way.

The report and previous reports of the Shaping a Brighter Future Programme outlined the key aim of developing and empowering skills. The SWiS programme would aim to provide staff with the equipment, technology and working environment to support this development.

RESOLVED that:-

1. The progress of the programme be noted.
2. The principals and the scope of the programme be agreed.

**CAB
57/18**

Local Government Ombudsman Annual Report for Stockton-on-Tees 2017/18

Consideration was given to a report that provided details of the Ombudsman's Annual Review Letter for the Council for 2017/18.

The Ombudsman had published the annual summary of statistics on the complaints and enquiries received about the Council and the decisions made in that respect for the year ended 31 March 2018.

It was positive to note that all complaints were considered very seriously and all recommendations and learning were adopted, there had been no formal public interest reports issued during the year and only five decisions upheld following detailed investigation by the LGO. Nationally the Ombudsman had seen a 40% increase in the number of public interest reports published.

A copy of the 2018 review letter and statistics tables were attached to the report. A useful guide to interpretation of the Ombudsman's statistics was available on the LGO website. A copy of the 2017 statistics table was also provided at for comparison purposes.

RESOLVED that:-

1. The report which sets out that no formal public interest reports have been received be noted.
2. It be noted that the effective procedures remain in place to ensure that all learning from Ombudsman findings takes place.

**CAB
58/18** **Minutes of Various Bodies**

Consideration was given to a report on the 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 for consideration:-

Tees Valley Combined Authority Cabinet – 14 May 2018
Safer Stockton Partnership – 10 July 2018
Teeswide Safeguarding Adults Board - 29 June 2018

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

**CAB
59/18** **LA nominations**

In accordance with the procedure for the appointment of school / academy governors, approved as Minute CAB 27/13 of the Cabinet (13 June 2013), Cabinet was invited to consider the following nominations to school / academy Governing Bodies:-

Harewood Primary School - Mr R Jordinson
Ingleby Mill Primary School - Mr S Watson
Mandale Mill Primary School Councillor S Bailey (Lab)
Myton Park Primary School - Cllr G Corr (IBIS)
St. Cuthbert's RC Primary School - Mr S Dowson

RESOLVED that the above appointments be made to the vacant Governorships subject to successful List 99 check and Personal Disclosure.

CAB **Revised Legionella Control & Water Hygiene Policy**

60/18

Consideration was given to a report on the revised Legionella Control & Water Hygiene Policy.

The Council as a Local Authority had responsibility for the effective management of water systems to control Legionella bacteria in Council controlled property. A Legionella Control Policy & Water Hygiene Policy was previously approved by Cabinet in April 2015 which set out the responsibility, accountability and measures required to reduce the risk of exposure of Legionella Bacteria.

Legionnaire's disease was a potentially fatal form of pneumonia. The bacteria reproduce to high numbers in warm, stagnant water (between 20°C and 46°C). Typically plumbing systems and hot water tanks, pools, showers, fire and sprinkler systems installed in Council buildings that use water and operate at temperatures in excess of 20°C can generate an aerosol containing Legionella bacteria and presenting a Legionella risk in particular to people aged over 45 years, smokers, drinkers and those suffering from chronic heart or respiratory disease, diabetes or with an impaired immune system. Higher temperatures of 60°C and over will kill the bacteria.

The aim of this policy was to reduce and control the risk associated with Legionella by correct; system design and operation, methods of control monitoring, and water treatment.

RESOLVED that:-

1. The revised policy for Water Hygiene and Legionella Control be approved.
2. The revised roles and responsibilities within the policy be noted.
3. Responsibility for the implementation of the revised policy for Legionella Control and Water Hygiene Policy be delegated to the Director of Community Services.

CAB **Tees Valley Joint Waste Management Strategy (JWMS)**

61/18

Consideration was given to a report on the Tees Valley Joint Waste Management Strategy (JWMS).

The Strategy following approval would be published on each of the Council's website prior to 5 October 2018.

The Tees Valley authorities; Redcar & Cleveland Borough Council (RCBC), Stockton-on-Tees Borough Council (SBC), Middlesbrough Borough Council (MBC) and Hartlepool Borough Council (HBC) had an existing waste treatment

solution under contract with Suez (formerly SITA) until 2020. The arrangement was put in place as part of a joint procurement between the four local authorities which made up Cleveland County in 1995 and led to a 250,000 tpa (tonnes per annum) Energy from Waste (EfW) incineration facility being built by Suez at Haverton Hill. The facility came online in 1998 and had been in operation for over 20 years. Darlington Borough Council (DBC) had a separate waste disposal contract.

The Tees Valley Authorities excluding Darlington Borough Council delivered approximately 180,000 tonnes of municipal waste into the Haverton Hill site. This was the non-recyclable residual waste collected both at the Kerbside and at our Household Waste Recycling Centre. The local authorities pay a gate fee for the processing of each tonne of waste which was delivered to the plant. The waste was in turn converted to energy which was fed in to the national grid.

The contract with Suez for waste disposal now runs to 2025 which was agreed by Members as part of the 2018 Medium Term Financial Plan (MTFP). Darlington Borough Council's contract was coterminous and would end 2025.

In order to plan for the future and place the Tees Valley in the strongest position, a strategic outline business case had been developed to progress options for post 2025. Key to this was providing not only a long-term solution for dealing with waste but also to contribute to local economic growth, and supporting the circular economy.

The Strategic Outline Business case the following outcomes for this programme of work were detailed within the report.

RESOLVED that the public consultation on the draft JWMS be agreed.

**CAB
62/18** **Democracy Diary 2019-2023**

Consideration was given to a report on the Democracy Diary 2019-2023.

In an attempt to give clarity for Members and Officers regarding the diary of scheduled Council and Committee meetings for the next entire electoral period of office, work had commenced on the draft Democracy Diary of Meetings 2019 – 2023.

Cabinet were invited to note the draft diary and invite Council to consider a proposed change to the time of Council meetings with effect from the 2019/20 Municipal Year.

RECOMMENDED to Council that:-

- 1. The draft Democracy Diary for 2019/23 be noted and it be circulated to all Councillors / Officers for information.**
- 2. Council consider the proposed change of time for Council meetings suggesting that the meetings commence at 6.00pm with effect from the 2019/20 Municipal Year.**

CAB **Investors in People (IIP)**
63/18

Consideration was given to a report on Investors in People (IIP).

The Investors in People (IIP) award sets out the criteria for high performance through people. The Council had held the IIP Accredited award since 2003 and had maintained accreditation ever since. Following the recent assessment the Council had received confirmation that it had retained its Investor in People (IIP) until 2021.

The Council had a long history of investing in its employees and was 4 years into the Shaping a Brighter Future (SBF) programme which was investing heavily in the potential and heart of our employees. SBF was building organisational capacity and driving change in the way the Council worked so that it could cope with the challenge of working in Local Government in 2018.

As with any major investment the Council had welcomed the opportunity to test its effectiveness, the IIP reaccreditation had been particularly timely as a means of providing an independent assessment of and challenge to everything the Council was doing in SBF. The Council had always welcomed the insight and challenge provided by the IIP assessors and value the quality and comprehensive nature of the IIP assessment model. The Council was delighted to receive the detailed inspection feedback and the headline finding that the:

“SBF programme in 2018... has evolved substantially, unleashing energy for the benefit of the people served by the Council.”

The assessment was conducted in July 2018 and focused on evidence from employees on an individual and group basis. A total of 137 employees were interviewed through the assessment process. There was also the opportunity for the Assessors to review various information in support of the Council’s approach to people management, a wide range of Shaping a Brighter Future evidence, video clips, the Scrutiny Review of Sickness Absence, Hive results and Employee Survey 2016 Reports and Action Plans. In addition the Assessors attended a Setting the Standard session, which provided “an excellent overview of the Council’s achievements and strategic developments”; and a Headway Bite-Size session, which focused on staff engagement.

Evidence gathered during Interviews provided significant evidence of good practice across all Indicators of the Standard and feedback in the report and directly from the Assessors was excellent. The Assessment suggested that the Council was working beyond the ‘Developed’ level in many areas and would be well positioned to achieve IIP Gold accreditation at a future Assessment.

It was particularly pleasing to receive such positive feedback and recognition of the Council’s ambition and approach to valuing our workforce, notwithstanding the significant financial challenge and change, including reduction in headcount, that employees had been part of over the recent years. The report endorsed the Council’s value, care and investment in employees encapsulated in the long term commitment to the SBF programme and more recently the Smarter Working in Stockton (SWiS) programme.

RECOMMENDED to Council that:-

- 1. The Stand-out Strengths and recommendations from the IIP Assessment be noted.**
- 2. The actions in response to the IIP Assessment recommendations be agreed.**

CAB 64/18 Victoria Estate Redevelopment

Consideration was given to a report on the Victoria Estate Redevelopment.

The Victoria site had been a long established component in the journey to re-purpose Stockton Town Centre to reflect the modern role of the Town Centre. With the Hampton by Hilton Hotel due to open in early 2019, the Globe restoration well under way and the demolition of Elm House scheduled for late 2018, the opportunity to provide an appropriate, modern residential offer to meet need across the community remained at the heart of this proposal.

In March 2018, Cabinet granted approval to support a procurement exercise to seek a potential Joint Venture partner to bring forward a comprehensive housing redevelopment proposal for the Victoria site. Following the conclusion of this exercise Cabinet were asked to support the establishment of a Joint Venture Company and to appoint Keepmoat Homes Limited as the Councils joint venture partner. If appointed as the Councils partner, Keepmoat Homes proposed to bring forward a contemporary and exciting new housing development providing both inclusive and adaptable homes in a quality, green, landscaped environment.

The close proximity of Victoria to the heart of the Town Centre provided an ideal opportunity to ensure that the physical connection was seamless where practical. The demolition of Elm House provided the opportunity to enhance public realm and bring forward additional residential development in the form of a future development phase. The connection to Norton Road played an equally significant role and it was essential that later phases of Victoria explore improving this vital connection.

The establishment of a Joint Venture partnership would allow for risk and reward sharing with a partner who had extensive commercial house building experience without the Council ceding full control of the Victoria site.

With regard to the next steps should Cabinet approve the establishment of a Joint Venture Company and appointment of Keepmoat Homes Limited as the Councils JV partner it was proposed to enter into immediate discussions with Keepmoat (who will work 'at risk'). Work would run concurrently in terms of progressing the contractual documentation and the establishment of a joint technical group which would be tasked with ensuring the timely submission of a formal planning application for the site and the completion of necessary site survey and investigation work.

A table within the report provided an indicative site development timeline.

As highlighted in previous reports, the sites connectivity with Norton Road (as a key gateway into the Borough) was significant and work was ongoing to ensure the Victoria sites redevelopment complemented ongoing town centre regeneration, improvement activity (i.e. Townscape Heritage).

RESOLVED that:-

1. The business case set out in the report to establish a Joint Venture Company be approved, the principal business of the Joint Venture Company will be the acquisition of the Victoria site and the development of homes on the site.
2. The governance arrangements recommended in the business case be approved, and specifically the establishment of a Joint Venture Company limited by shares.
3. Keepmoat Homes Limited be appointed as the Council's Joint Venture partner.

RECOMMENDED to Council that:-

- 4. Prudential borrowing of £1.6m be approved to fund a loan to the Joint Venture Company to support the cash flow requirements of the scheme. This loan will be repayable at a market rate (as detailed in para 14/15 of the report).**

RESOLVED that:-

- 5. Subject to Council approval of the necessary budget, the allocation of up to a maximum of £1.6m be approved to on-lend to the Joint Venture Company to enable it to deliver its business plan for the development of new homes on the Victoria site.**
- 6. Delegated authority be given to the Directors of HR, Legal and Communications, Economic Growth and Development and Finance and Business in consultation with the Cabinet Member for Regeneration and Housing to determine the appropriate shareholdings for the JV Company, approve the Articles of Association, Shareholder Agreement and reserved matters for the company, registration of the company and appointment of any additional Directors and such other matters and agreements as are required in order to enable the establishment and ongoing operation of the company (as referenced in the body of the report of this report), to enable the Joint Venture Company to bring forward the development of new homes on the Victoria site.**
- 7. Conditional upon completion of the agreements set out in recommendation 6, Cabinet authorises the transfer of the freehold site at Victoria to the JV Company on terms to be agreed (land identified by the Council for the purpose of housing redevelopment).**
- 8. The Director of HR, Legal and Communications be authorised in consultation with Leader of the Council and the Cabinet Member for Regeneration and Housing to establish and implement a process for the**

selection and appointment (and appropriate training) of Directors to the Board of the Joint Venture Company.