

Cabinet

A meeting of Cabinet was held on Thursday 13 July 2006.

Present: Councillor Gibson (Chairman), Councillors Mrs Cains, Coleman, Cook, Cunningham, Johnson, Kirton, Leonard, Nelson and Mrs O'Donnell.

Officers: G.Garlick (CE); Ms A.Baxter (CESC); M.Robinson, I.Thompson (DNS); D.E.Bond, M.Henderson, Mrs M.Waggott (LD); Mrs J.Danks ®.

Also in Attendance: Councillors Mrs Fletcher, Frankland and Lupton.

289 Declarations of Interest

Councillors Cunningham, Kirton, Cains, Leonard and Coleman each declared personal,/non prejudicial interests in respect of the item entitled 'Neighbourhood Nurseries' as they served on Sure Start Management Boards in the Borough. Councillor Gibson also declared a personal,/non prejudicial interests in respect of this matter.

Councillor Coleman declared a personal, non prejudicial interest in respect of the item entitled 'North Tees Shore Footbridge' as he was a Member of North Shore Board.

290 Minutes

The minutes of the meeting held on 15 June 2006 were signed by the Chairman as a correct record.

291 Local Education Authority Representatives on School Governing Bodies

Cabinet Members were requested to consider the nominations to school Governing Bodies in accordance with the procedure for the appointment of school governors, approved as Minute 84 of the cabinet (11 May 2000).

RESOLVED that the appointments to the following School Governing Bodies be approved in line with agreed procedures subject to successful List 99 check and Personal Disclosure:-

Bewley Junior School	Mrs M Rees
Durham Lane Primary School	Mr J. Clark
Junction Farm Primary School	Mrs. S. Robinson

The 'call-in' period ending at Midnight on Friday 21st July 2006 applies.

292 Neighbourhood Nurseries

Members considered a report that summarised the situation regarding Stockton's Neighbourhood Nursery programme and proposed an alternative management structure with which to ensure their future long term viability.

Members were informed that the national Neighbourhood Nursery Initiative (NNI) had been launched in 2000, to expand childcare provision in the 20% most disadvantaged areas in England. The intention was to reduce child poverty by providing high quality childcare and early learning for young children in areas of deprivation, so their parents could return to training or employment.

The funding allocation for Stockton was £714,440 capital with which to create new nursery provision and a total of £1,786,000 revenue to support the setting up and

revenue costs for the first few years, until the nursery became self-sustaining through fee paying customers.

In Stockton the decision was made to develop the provision by retaining and expanding Council provision. This had the advantage of allowing the development to be included within Stockton's Children's Centre programme and developed as part of the core offer. This had produced:

- Redhill Children's Centre Nursery 50 places
- Bath Lane Children's Centre Nursery 50 places
- High Flyers Children's Centre Nursery 70 places
- Riverbank Children's Centre Nursery 50 places
- Footsteps Children's Centre Nursery 50 places

This has enabled the creation of 270 new nursery places in areas that previously had little or no provision. Including them within each Children's Centre made them fundamental to the core offer and to the delivery of integrated children's services and would itself help to ensure their survival. However, in order to secure their future viability, changes must be made to the way they were managed and operated if they were to continue to be available to local families.

It was explained that during the course of 2004 after an extensive staff recruitment campaign, each nursery had become fully operational and capable of taking a limited number of children from 0 to 5 years old. Growth levels were calculated which planned to ensure a decreasing NNI revenue subsidy, matched by an increase in the

numbers of fee paying children, which would enable the nurseries to become self-financing by 2007.

Although extremely competitive fee levels were set, after 6 to 8 months of operation it became apparent that the necessary growth targets were not being achieved.

In July 2005, an options appraisal was carried out to examine alternative arrangements for the operation of the nurseries. This considered the advantages and disadvantages of retaining the service within the Local Authority, commissioning the service from independent providers or creating a charitable organisation. The options were:

- Option 1 Retain the management of the nurseries within the Local Authority
- Option 2 The creation of a charitable organisation to operate the nurseries
- Option 3 To commission an external nursery provider to deliver the nursery provision.

Option 1 to retain the nurseries within the Local Authority, would require a funding allocation of approximately £500,000 per year. The present government subsidy will not be available beyond 2006/07, and no other resources are available.

Option 2 would create a Non-Profit Distributing Organisation (NPDO), with either charitable or non-charitable status. One of the main advantages of this kind of structure could be the access this may give to other external funding. However, it must be noted that this kind of funding is usually time limited and opportunities for the voluntary sector to access funds are diminishing. Similar difficulties may also arise in

attracting people with the necessary specialist skills and experience to lead the nursery business.

Option 3 proposes to commission the management of the nurseries by an external provider. This could be from the independent or voluntary sector. This option would require a Service Level Agreement with the provider to ensure the nursery operates within the Children's Centre offer. Staff would be transferred under TUPE regulations.

It was explained that the Council was required to retain the nursery places as part of the Children's Centres core offer and childcare had to continue to be at the heart of the community to enable parents to access training and employment. The decision to commission the management of the nurseries was necessary to ensure that they were able to compete fairly within the local childcare market and this could not be achieved if they remained within Local Authority control. Successful nursery provision depended upon good quality childcare being provided at affordable prices, the advantage of using a private provider would ensure that costs could be minimised in order to enable fees to be competitive and within reach of local parents. As fee levels, to parents, were slightly above the average for the borough, it was envisaged that fees would remain the same or possibly reduce as a result of the proposal.

As a result of the NNI programme, nurseries had been established in areas that had not attracted the private investment necessary to establish high quality childcare. This provision could be offered to the private childcare market under agreement from the Local Authority, to ensure that good quality childcare could remain in those areas as part of a local integrated package of provision. The terms and conditions to be agreed by the Local Authority would ensure that the nursery places would continue to be available as long as there was adequate demand in that area.

Members noted that the revenue deficit for the nurseries in 2005/2006 was £374,649, which represented the difference between the annual running costs of all 5 nurseries less the fee income. This deficit was met from the NNI subsidy budget. It was estimated that the actual cost of operating the 5 nurseries was nearer £500,000 pa when the true costs of management, Human Resources and Finance etc as a result of being a part of the Local Authority were taken into consideration.

Financial projections for 2006/2007, based upon nursery growth targets of fee paying customers against cost estimates, had been re-profiled to create an NNI subsidy surplus with which to finance the proposal. Also, until the reaction of the private nursery sector to this proposal was known, it was necessary to establish a contingency fund to accommodate any delay to the timescale or additional costs that may arise as a result of any contract with an external provider.

Members noted the concerns of Unions in terms of the affect the proposals may have on the Service, staff employed at the Nurseries and the method of consultation.

RESOLVED that the process to commission the management of Stockton's five Neighbourhood Nurseries be agreed.

The 'call-in' period ending at Midnight on Friday 21st July 2006 applies.

293 Social Care Capital Programme 2006/2007

Consideration was given to the known Social Care Capital Programme for the financial year 2006/2007.

Funding was recorded under five main headings; Single Capital Pot Formula allocations from Government, Mental Health Capital Resources to support Mental Health developments, Information Management Capital Funding to support the development of Information Technology infrastructure, Corporate Resources allocated to fund Adaptations and Equipment, and finally, specific resources to support the implementation of the Integrated Children's System (ICS).

RESOLVED that :-

1. Cabinet agree the Social Care Capital Programme of £677,000 be included in the Council's 2006/07 Capital Programme.
2. The Corporate Director for Children, Education and Social Care be authorised to approve the schemes and financial appraisals in consultation with the Cabinet Member for Adult Services and Health and the Cabinet Member for Children and Young People.

The 'call-in' period ending at Midnight on Friday 21st July 2006 applies.

294 Thornaby Town Centre – Approval of New Lease

Cabinet considered a report that sought approval for the terms and grant of a new lease for 3 Wrightson House, Thornaby Town Centre.

Working in partnership with Thornfield Properties Plc, the selected developers for the regeneration of Thornaby Town Centre, the Council had been seeking to obtain

vacant possession of both residential and commercial premises in Appleby and Brus Houses, both of which were earmarked for demolition. All the maisonettes had now been vacated and only a handful of commercial tenants had yet to agree terms, either for relocating within the new scheme or for compensation to vacate the centre.

One tenant in Brus House, the gaming company Luxor Leisure, wished to relocate within the town centre to premises in Wrightson House which was not to be demolished. Planning consent was granted in December 2005 for the change of use from retail to a gaming arcade.

The grant of the lease would not only ensure continuity of trading and the retention of local staff in employment, but it would also assist in securing vacant possession of Brus House without the delay and expense of seeking compulsory purchase powers.

RESOLVED that the Grant of the lease, on terms set out in the appendix to the report be approved.

The 'call-in' period ending at Midnight on Friday 21st July 2006 applies.

295 North Shore Tees Footbridge

Cabinet considered a report relating to the construction of a footbridge to link Teesdale with North Shore. Members noted that the construction of the bridge would have a number of economic benefits for the borough:-

- improved access to employment
- expansion of the University of Durham's Queens Campus

- an iconic structure to attract investment.

Following Stockton-on-Tees Borough Council's recent successes in delivering large scale capital projects on time and to budget, with regard to South Stockton Link, Tees Valley Regeneration had requested that the Council deliver this prestigious project to reduce risks from cost and time over runs. Members were provided with details of the financial package, delivery timetable and the associated risks that the Council would be accepting.

Cabinet were informed that it would be necessary to construct the bridge in advance of all or some developments at North Shore due to the required working area. A delivery timetable had been produced and was already progressing with invitations for tenders having been invited through the formal European system for open and competitive tendering. The process was being managed by Stockton-on-Tees Borough Council's Engineers. White Young Green had already been appointed by English Partnerships to act as project manager for the scheme. This appointment would be taken over by the Council, subject to receiving copies of the official notice of appointment from English Partnership.

A Bridge Order, detailing the clearance of the structure above the navigable waters of the River Tees, had been advertised. The granting of this order by Government Office North East was an essential pre-requisite to enable the structure to proceed. The purpose of the Order was to give interested parties the right to object to the scheme. If objections were received a Public Inquiry would be needed, although this would prolong the approval process this would not have any effect on the start date for the construction of the bridge, however, if the objections were upheld then the project could not proceed. The construction of the bridge would require the acquisition of land on the southern side of the river. Negotiations were well advanced

to acquire this land by agreement. However, if necessary, it was the intention to advertise a compulsory purchase order to ensure that land for the scheme was available. All purchases would be undertaken by English Partnerships.

The programme of works was being driven by both this requirement and the need for time limited funding to be defrayed by 31 December 2008.

Project Milestones	Date to be Achieved	On Target
Proceed with all formal approvals (planning consents etc.)	Feb 2006	✓
Category 3 checking begins	Feb 2006	✓
Production of tender package	Feb 2006	✓
Produce OJEU Notice	March 2006	✓
Submit Single Programme Application	May 2006	✓
Submit ERDF application	May 2006	✓
Planning Approval	June 2006	✓
Announce tender short list	August 2006	
Issue tender documents	Sep 2006	
Approval of Public Sector Funding	Dec 2006	
Award design and build contract	May 2007	
Construction on site commences	Oct 2007	
Construction works complete	Oct 2008	
Official bridge opening	Oct 2008	

The pre tender estimate for the bridge was £11,133,000 with all costs associated with the construction being found through external sources. This was in addition to £610,000 already incurred and funded by English Partnerships. The estimated funding at this stage was broken down in the table below. These figures were subject to further discussions with funding agencies regarding possible ineligible items such as commuted lump sums. Council officers and TVR were in the process of firming up the allocations.

Funding Body	Amount	Approval
English Partnerships	£6,000,000	22/12/06
Tees Valley Single Programme	£2,349,750	22/12/06

European Regional Development Fund	£2,783,250	22/12/06
Total	£11,133,000	

As the accountable body for the funding, Stockton-on-Tees Borough Council would be responsible for managing the project cash flow with claims to the funding organisations being submitted quarterly in arrears.

The funding package was interdependent and would only be realised when all three organisations had completed a satisfactory appraisal of the proposals that would include value for money, economic impact and deliverability. The acceptance of the funding would ultimately be subject to a binding legal agreement between the Council and English Partnerships covering the individual and mutual obligations of the two organisations. This was currently being drafted with the final agreed document to be signed by both parties on receipt of tenders from contractors.

Ownership of the bridge would be vested in Stockton-on-Tees Borough Council with a sum of £300,000 available for future maintenance. However, negotiations were continuing regarding mechanisms to cover cost overruns on the project. Potentially the Council could be requested by English Partnerships to offer up part, or all of this allocation, therefore there would be some risk that there would be no commuted lump sum remaining to fund the future maintenance of the bridge and this would need to be found from the Council's capital programme, subject to future approval. However officers were making every effort to ensure that this would be a measure of last resort.

On the north side, it was anticipated that the freehold of the Central Plaza would pass into the Council's ownership. AMEC and Urban Splash would be granted a long-term lease and a management company would undertake future maintenance. On the south side, land being acquired by English Partnerships from the University of

Durham would pass into Council ownership. The freehold of this land would pass into Council ownership as part of the adoption agreement, which would include the bridge structure itself.

As the project was being delivered through a partnership, the risks would be shared by all funding partners. A risk register was in place that detailed the risks in delivering the footbridge under the following categories, political, financial, contractual, external, design and construction. This would be maintained as part of the project management. The following were the specific risks to Stockton-on-Tees Borough Council, as the lead applicant and accountable body to the funding organisations and the suggested mitigation to those risks.

Risk Area	Factor	Level	Impact	Effect	Mitigation
Physical Delivery of the scheme	Contractual problems	Low	High	Delays in completion of project. Cost overruns	Diligence in the appointment of the preferred contractor and management of the contract.
Time overrun	All funds must be defrayed by 31 st December 2008, any costs incurred after this date cannot be funded through ERDF	Medium	Medium	Additional funding required	Diligence in project planning to ensure that construction is completed within the allocated timeframe
					Legal agreement with English Partnerships to underwrite any costs incurred after this date
Cost overrun	Unforeseen factors cause costs in addition to those of the tender package	Medium	Medium	Additional funding required	Diligence in project planning and contracting on a design and build basis to project accurate costs

					Legal agreement with English Partnerships to underwrite any unforeseen costs
Claw Back	Low delivery of outputs	Low	High	ERDF clawed back by European Auditors	Strong justification put forward on the ability of the bridge to open access to employment opportunities for residents of deprived areas. Clawback risk mitigation to be included in legal agreement with English Partnerships
	Non compliant procurement	Low	High	ERDF and One Northeast funding clawed back	Full open and competitive tendering through the Official Journal of the European Union.
Adoption Costs	Insufficient funds to cover future maintenance	Low	Medium	Additional budget required from Stockton-on-Tees Borough Council	Maintenance plan in place to identify future requirements
	Reduction to commuted lump sum as a result of cost overrun in project delivery	Medium	Medium	Additional budget required from Stockton-on-Tees Borough Council	Diligence in project planning and contracting on a design and build basis to project accurate costs

RESOLVED that:-

1. The principle of the Council taking over responsibility as Client for the North Shore Footbridge, subject to satisfactory mitigation of the risks as set out in the report and detailed above.

2. Delegated authority be given to the Corporate Director for Development and Neighbourhood Services, in consultation with relevant Cabinet Members, to sign all legal agreements and delegated decisions associated with the project, subject to the funding being in place and satisfactory mitigation of risks as set out in the report and detailed above

The 'call-in' period ending at Midnight on Friday 21st July 2006 applies.

296 First Local Transport Plan – Five Year Delivery Report

Cabinet noted that the Council's Five-Year Local Transport Plan Delivery Report was due to be submitted to the Department for Transport and the Government Office for the North East by 31 July 2006. The Delivery Report set out, as concisely as possible, the impact on the Borough of the First Stockton-on-Tees Local Transport Plan (LTP1), which covered the period from April 2001 to March 2006.

Members were provided with a report that summarised the format of the Delivery Report, and requested approval for the draft document as the basis of the Council's final submission in July.

It was explained that the draft Five-Year Delivery Report had been prepared in line with guidance issued by the DfT in December 2005, and followed the following format:

- (i) Introduction;
- (ii) Impact of LTP1 on the Borough;
- (iii) How LTP1 contributed to delivery of the Council's wider policy objectives;
- (iv) Progress towards the targets set in LTP1; and

(v) Delivery of LTP1 Strategies.

Cabinet considered the achievements of the key achievements over the period of the LTP1 since April 2001:

- Substantial completion of the South Stockton Link some 12 months ahead of schedule and within 1% of the original budget.
- Decline in bus patronage within the Borough restricted to 2.4% per annum between 2001/02 and 2005/06.
- Passenger footfall at the Borough's railway stations up by 54.4% between 1999/2000 and 2005/06.
- Cycle trips at automatic count sites up by 32.8% between 2001/02 and 2005/06.
- Overall traffic growth within the Borough restricted to 2.7% between 2000 and 2005.
- Traffic flows across the Yarm Cordon decreased by 18% between 2000 and 2005.
- The total number of killed and seriously injured (KSI) casualties within the Borough fell by 19.3% between 1994/98 and 2005.
- Child KSI casualties within the Borough fell by 52.4% between 1994/98 and 2005.
- Child KSI accidents in the Borough's Priority Neighbourhoods fell by 60% between 1999 and 2005.
- 'Slight' casualties within the Borough fell by 24.5% between 1994/98 and 2005.
- No Air Quality Management Areas (AQMAs) declared within the Borough over the lifetime of LTP1.
- Local perception of air quality 13% better than the national average.

- 'Secure' status achieved for 18 of the 19 Council-operated car parks in Stockton town centre, resulting in an 81% decrease in recorded incidents of vehicle-related crime between 2001/02 and 2004/05.
- 100% effective coverage of the local bus fleet by CCTV cameras.
- Improved perceptions of personal safety amongst public transport users – 93.7% of those questioned in November 2005 felt safe when using Thornaby Station.

Members noted that, overall the picture was very positive, however there had been some areas where less progress had been made. The highest profile of these was the roll-out of the Tees Valley Real Time Bus Passenger Information System, which was delayed due to a number of factors outside the direct control of the Council. Other areas for improvement were traffic flows across the Thornaby Cordon, which were higher than the target set in LTP1 due to slippage in the Highways Agency's timetable for delivery of the A66 Surtees Bridge Replacement scheme (thereby delaying the full opening of the A66/South Stockton Link Interchange), and the average number of bus journeys made per year by 'Gold Card' concessionary bus pass holders, which fell below the target figure due largely to the long-term shrinkage of the local network. All three of these areas would be addressed over the life of LTP2.

The Council's excellent track record in terms of bringing projects to fruition was confirmed in 2005 by the award of 'Centre of Excellence' status in Local Transport Delivery by the DfT. The Council also received a number of other accolades for its performance over the period of LTP1, including:

- 'Beacon Council' Status for Rethinking Construction in 2003/04;

- 'Station Excellence of the Year' Award (HSBC Rail Business Awards 2003) for the Thornaby Station Improvement Scheme;
- 'Frontline Employee of the Year' at the National Transport Awards 2004 for the Cleveland Motorcycle Training Scheme;
- The Prince Michael of Kent Road Safety Award 2005, again for the Cleveland Motorcycle Training Scheme; and
- Winner of the 'Exceptional Customer Service' category of the British Parking Awards 2006.

In addition, the successful delivery of the South Stockton Link – the Council's flagship Major Scheme over the lifetime of LTP1 – was recognised by a number of prestigious awards, including:

- The 'Green Apple' Award 2004;
- The Considerate Constructors 'Bronze' and 'Gold' Awards in 2004 for Major Scheme Construction;
- The ICE Robert Stephenson Award 2005 for Civil Engineering Delivery; and
- Finalist in the British Construction Industry Awards 2005, including nomination for the Prime Minister's 'Better Public Building' Award for Major Scheme Construction.

In recognition of these achievements, and its impressive record in terms of progress towards targets, scheme delivery and spend against budgets, the Council's LTP score and rating – as assessed by GO-NE and the DfT – remained consistently high throughout most of the lifetime of LTP1. As Members were reminded that the

Council's 2005 APR was scored at 89% and was one of only 11 out of 85 nationally rated in the top category of 'Excellent'.

The Five-Year Delivery Report would be assessed and scored by GO-NE and the DfT. The Council's score would contribute directly to its final LTP funding allocation for 2007/08, due to be announced in December 2006, and its indicative funding allocations for the three financial years from 2008/09 to 2010/11 inclusive.

RECOMMENDED to Council that:-

- 1. The draft Five-Year Delivery Report as outlined be approved as the basis of the Council's submission to the Department for Transport and the Government Office for the North East in July 2006;***

RESOLVED that:-

- 2. Subject to approval of Recommendation (1) above, the Corporate Director for Development and Neighbourhood Services be authorised to complete and submit the Five-Year Delivery Report in consultation with the Cabinet Member for Regeneration and Transport; and***
- 3. Members note the proposed format of the Delivery Report and the summary of the key achievements over the lifetime of the First Local Transport Plan contained in this Report.***

The 'call-in' period ending at Midnight on Friday 21st July 2006 applies in respect of Resolutions 2 and 3 above.

297 Learning and Development Strategy for Members

Members considered a report that detailed the progress of the current Member Learning and Development Strategy and future options for Member Learning and Development.

Members noted that the purpose of the Council's Learning and Development Strategy was to "provide elected and co-opted members with Learning and Development opportunities which would enable them to fulfil their multi-faceted role effectively." The aim being therefore to build on the skills and knowledge of Elected Members to ensure that they could fulfil their responsibilities to the local community, provide clear leadership, effective scrutiny of Council functions and respond to changing demands.

Members noted that the Council was committed to supporting the ongoing development of all elected members, in order to enable them to perform effectively in their current role, and to develop, so that they could meet future challenges. Stockton had made good progress in implementing Learning and Development support for Members.

In accordance with the Learning and Development Strategy for Members 2002, the following achievements had been made:-

- A comprehensive Induction Programme which covered the basic areas of knowledge necessary for newly elected Councillors.
- The opportunity for all elected members to undertake Personal Development Plans (PDP) which valued and recognised the skills, knowledge and experience

they brought with them; identified current learning and development needs; and offered a variety of ways to meet these needs. 50% of elected members currently had a PDP

- A nominated officer working to support the Member Development activities of the Council with an annual budget of £13,500.
- Mandatory training for members on quasi judicial committees
- The provision of effective learning and development opportunities based upon identified needs and delivered, where possible, to a member's preferred learning style.

Since the development of this Strategy in 2002, the IDeA and Regions had developed a Charter, based on 'The Accreditation Good Practice Guidelines for Member Learning and Development.' The guidelines were represented in the NE Charter which consisted of 5 criteria.:-

Criteria 1: Being fully committed to developing Elected Members in order to achieve the council's aims and objectives.

Criteria 2: Adopting a member led strategic approach to Elected Member development.

Criteria 3: Having a member learning and development plan in place that clearly identifies the difference development activities will make.

Criteria 4: Seeing that learning and development is effective in building capacity.

Criteria 5: Addressing wider development matters to promote work-life balance and citizenship.

A sub-group consisting of the Member Champion, NEREO, CMT, Officers from the Democratic Services Unit and Training and Organisational Development had met and undertaken a desk top analysis of Stockton's position against the criteria for Charter Status. Whilst the Council was well on the way to achieving status, there was still room for improvement. Members noted the main themes for improvement under each criterion.

It was explained that there are five key stages in working towards the North East Charter for Elected Member Development, these are:-

- Stage 1 – Signing up to the Charter and Action Plan
- Stage 2 – Improving the development of Elected Members
- Stage 3 – Assessment
- Stage 4 – Awarding the Charter
- Stage 5 – Re-assessment

In order to gain accreditation, under the Charter the Council would incur costs of £850, which equated to all associated external support and assessment fees. Costs associated with delivery of the aforementioned action plan would need to be assessed upon approval. The timescale for achieving accreditation was estimated at 18months and would be firmed up on production and approval of the action plan.

Members noted that should the recommendation be approved, then the next steps were as follows:-

- Development of action plan to achieve accredited status in consultation with Member Champion, CMT, Map, Standards Committee, Cabinet and Council
- Delivery of action plan
- Assessment
- Accreditation
- On-going review and evaluation in preparation for re-assessment

RECOMMENDED to Council that:-

1. ***The Authority signs up to the North East Charter for Elected Member Development.***
2. ***The next steps for implementation, as detailed above, be noted and approved.***

298 Financial Position Update

Consideration was given to information on the final outturn, the medium term financial position (MTFP), current issues for the 2007/08 Revenue Support Grant settlement, and the Treasury Management Annual Report.

RECOMMENDED that :-

1. *The revised MTFP be noted.*
2. *Capital slippage of (£9,249,000) and cost variation of £261,000 be approved.*
3. *Members note the issues for the 2007/08 Finance Settlement.*
4. *The level of working balances be retained at £8,130,000 given the potential changes emanating from the reviews in local Government Finance and the potential pressures facing the Council.*
5. *The Treasury Management Annual Report for 2005/06 be approved.*

299 Exclusion of Public

RESOLVED that under Section 100 (A) of the Local Government Act 1972 the public be excluded from the meeting for the whole of the item of business on the grounds that it involved the likely disclosure of exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A of the Act.

300 Billingham Town Centre

Cabinet considered a report relating to the regeneration of Billingham Town Centre.

Members were reminded that at its meeting in December 2004 Cabinet had agreed to enter in to a Lock-Out Agreement of 12 months with Halladale Ltd, so that options

for refurbishing Billingham Town Centre could be fully assessed and consulted on. Halladale were the preferred partners of MARS Pensions Fund (MARS) for bringing forward the redevelopment of the Town Centre. The Lock-Out Agreement period provided Halladale with an exclusive opportunity to demonstrate they could deliver a development scheme which met the aspirations of MARS, the Council and the local community. Although good progress had been made with Halladale MARS had placed their interest in Billingham Town Centre on the market

Sale particulars were issued to the Council and officers were advised of a bid submission close date of 14 July. On that basis it was crucial that the Council was in a position to make a decision on how to respond. As a decision of Cabinet cannot be implemented for 6 days, following the meeting at which it had been taken, Members were informed that a bid **would be** submitted using the Special Urgency Provisions. Should the bid be successful and subject to the approval of the recommendation below, the Corporate Director of Development and Neighbourhood Services, in consultation with Leader, Cabinet Member for Regeneration and Transport, Chief Executive Officer and Corporate Director of Resources, would negotiate the Heads of Terms and take all necessary action to acquire the leasehold interest.

RECOMMENDED to Council that should the Council's bid for the Leasehold Interest be successful, the Corporate Director of Development and Neighbourhood Services be authorised, in consultation with Leader, Cabinet Member for Regeneration and Transport, Chief Executive Officer and Corporate Director of Resources, to:

- 1. Negotiate the Heads of Terms for the acquisition of the leasehold interest;***

2. ***To take all necessary action to acquire the leasehold interest.***

301 Items for Information

1. Details of Performance Report-Year End