

Cabinet

A meeting of Cabinet was held on Thursday, 7th September, 2006.

Present: Cllr D Coleman (Chairman), Cllr R Cook, Cllr A Cunningham, Cllr E Johnson, Cllr P Kirton, Cllr K Leonard, Cllr S Nelson, Cllr Mrs J O'Donnell

Officers: J. Danks (R); N. Schneider, I. Thompson, M. Robinson (DNS); A. Baxter (CESC); D. E. Bond, M. Waggott, M. Henderson (LD); J. Haworth (ACE)

Also in attendance: Cllr Mrs Beaumont, Cllr K. Lupton, Cllr L. Narroway and Cllr Mrs M. Rigg

Apologies: Cllr Mrs P. A. Cains and Cllr R. Gibson

513 Declarations of Interest

Councillor Cunningham declared a personal, prejudicial interest in item 5 entitled 'Review of Provision for Children with Complex Needs: Proposal to enlarge Abbey Hill School as he was a Governor of Abbey Hill School. Councillor Cunningham left the meeting room during consideration of this item.

Councillor Mrs Rigg declared a personal, non prejudicial interest in item 5 entitled 'Review of Provision for Children with Complex Needs: Proposal to enlarge Abbey Hill School as she was a Governor of Durham Lane School.

Councillor Mrs Beaumont declared a personal, non prejudicial interest in item 5 entitled 'Review of Provision for Children with Complex Needs: Proposal to enlarge Abbey Hill School as she was a Governor of King Edwins School.

Councillor Cunningham declared a personal, non prejudicial interest in item 6 entitled 'Variation to Education Capital Building Programme 2006 - 2007 as he was a Governor of Abbey Hill School.

Councillor Coleman declared a personal, non prejudicial interest in respect of item 8 entitled North Shore Compulsory Purchase Order and Disposal of Land in Council Ownership as he was a Member of North Shore Board.

Councillor Cunningham declared a personal, non prejudicial interest in item 11 entitled 'Medium Term Financial Plan - Financial Update' as he was employed as a consultant for an energy company.

Councillors Leonard and Nelson declared personal, non prejudicial interests in respect of item 14 entitled Equal Pay/Value Update as they were Members of Tristar Homes Limited's Board.

514 Minutes

The minutes of the meeting held on 10th August were signed by the Chairman as a correct record.

515 Appointment of Local Education Authority Representatives to 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 at Minute 84 (Cabinet-11th May 2000).

RESOLVED that the appointment to the following School Governing Body be approved in line with agreed procedures subject to successful list 99 check and personal disclosure:-

Barley Fields Primary School - Cllr R. Patterson and Mr P. Peacock
Hardwick Primary School - Mr. R. Crawford
Levendale Primary School - Cllr A. Sherris

516 Review of provision for children with complex needs: Proposal to enlarge Abbey Hill School

Cabinet was informed that Section 315 of the Education Act 1996 required that local authorities with responsibility for education kept under review their arrangements for special education provision. The establishment of a Children's Trust in Stockton-on-Tees and the publication of the first Children and Young People's Plan had drawn further attention to the need to ensure that services in the Borough supported the five Every Child Matters outcomes for all children. Members were provided with a summary of the outcome of a review of provision for children with complex needs, carried out in consultation with the headteachers and governing bodies of the four special schools and three other specialist settings maintained by the Authority.

The review had concluded that some changes to the pattern of special needs provision across the Borough was necessary to secure improved educational outcomes for some groups of pupils. One objective was to ensure that pupils with complex needs were educated in the most appropriate setting, in particular that children with emotional, social and behavioural difficulty (BESD) should not be educated in the same setting as those with learning difficulty or autistic spectrum disorders (ASD). It was explained that this could be achieved if all secondary-age pupils with ASD were accommodated at Abbey Hill School and Technology College, a school whose ASD provision had earned accreditation from the National Autistic Society. The Authority would then cease to provide for pupils with ASD at Westlands School.

A capital grant of £800,000 had been secured from Government to fund the enlargement of Abbey Hill for this purpose. The proposed work included the addition of five flexible teaching spaces, an ICT suite, meeting hall, staffroom and seminar room with associated storage and toilet facilities. This would increase the planned capacity of the school from 230 to 270 places and allow all secondary-age pupils with ASD to be accommodated in one centre. This change constituted a "prescribed alteration" under Section 31 of the School Standards and Frameworks Act 1998. The Act required that the Authority first consulted all those likely to be affected by the proposed change and then publish a Statutory Notice of its proposal.

RESOLVED that

1. consultation take place with interested parties on a proposal to enlarge Abbey Hill School to provide an additional 40 places for pupils aged 11-19 so that all secondary-age pupils with ASD may be accommodated at that site;

2. subject to the outcome of the statutory decision-making process, the enlargement scheme be added to the 2006-07 education capital building programme approved by Cabinet on 20 April 2006, and the Corporate Director for Children, Education and Social Care be authorised to approve the financial appraisals in consultation with the Cabinet Member for Children and Young People.

517 Variation to Education Capital Building Programme 2006 - 2007

Cabinet was informed of proposed variations to the 2006-2007 Education Capital Programme.

It was explained that Billingham Campus School had been successful in gaining specialist school status as a Arts College with effect from 1st. September 2006. The DfES had allocated £100,000 to the school for alterations/refurbishment to be undertaken to enhance the facilities for teaching the specialist subject.

In addition Members noted that a bid was submitted to the DfES under the Targeted Capital Funding programme (Federated Schools) for capital works to be carried out at Abbey Hill Special school and for ICT infrastructure at Westlands Special school. The DfES had allocated the Authority £800,000 for this project.

RESOLVED that

1. an allocation of £100,000 from the DfES for a capital project at Billingham Campus School and £800,000 from the DfES for capital projects at Abbey Hill and Westlands schools be included in the Borough's 2006-2007 Capital Programme.
2. The Corporate Director of Children, Education and Social Care be authorised to approve the schemes and financial appraisals in consultation with the Cabinet Member for Children and Young People.

518 Tower Street Car Park Disposal

Cabinet considered a report that sought approval to dispose of Tower Street car park to Lathe Investments, so that the access could be achieved to the proposed foodstore at the Castlegate Centre, Stockton.

Members were informed that in August 2006, planning permission had been granted to Lathe Investments, developers acting on behalf of the Castlegate Centre owners, for a foodstore with limited small retail units and decked car parking for 643. The proposal required the use of Tower Street car park for a ramp to access the decked car park.

Cabinet were informed that as well as the foodstore proposals at this end of the town centre, a number of opportunities to acquire properties were being considered as part of wider land assembly in this area. The creation of a significant entrance to the town was being sought at this key strategic location and it was considered that the development of a quality foodstore at Castlegate would not only assist in significantly enhancing footfall and anchoring this end of the town centre, but it would also kickstart the wider regeneration of this

gateway into the centre.

It was explained that Tower Street car park was a charging car park and its closure car park would clearly have implications in terms of loss of parking spaces and loss of revenue to the Council. 34 existing public car park spaces would be lost to the development and not replaced, whilst significant revenue accruing to the Council through pay and display ticket machine takings would also be forfeited.

Cabinet noted that negotiations between the Council and Lathe Investments were ongoing regarding the agreement of a sale price for Tower Street car park. Disposal of land by a Council did not need to achieve best consideration if there were significant economic, social or environmental benefits coming out of the disposal. In this particular case the site disposal would enable economic and retail benefits at the southern end of the Castlegate Centre, as well as initiating regeneration and environmental benefits for the wider Southern Gateway area. It was proposed that these benefits would be built into the negotiations on price for the sale of the site. Should the agreed price exceed £250,000 then delegated approval was sought for the Corporate Director Development and Neighbourhood Services, in consultation with the lead Cabinet Member for Regeneration and Transport, to agree terms with Lathe Investments. Should the agreed sale price not exceed £250,000 then agreement could be reached as part of the existing scheme of delegation. A Development Agreement would also need finalising between the Council and Lathe Investments. This was a conditional document which bound both the Council and Lathe to progress the sale of the site and implement the approved planning consent. The Agreement would focus on when the car park was to be closed and handed over to the developer, when the capital receipt was to be paid to the Council, and when the ramp was to be developed in relation to the foodstore at the Castlegate centre.

The sale of Tower Street car park would produce a capital receipt to the Council and this was likely to be received in 2007/08 and be available for general capital expenditure in the future.

RESOLVED that

1. the sale of the Council's freehold interest in Tower Street car park to Lathe Investments, developers of the foodstore at the Castlegate Centre, Stockton-on-Tees Borough Council be authorised.
2. the Corporate Director of Development and Neighbourhood Services, in consultation with the lead Cabinet Member for Regeneration and Transport, be authorised to agree terms for the above sale.
3. the completion of a Development Agreement between the Council and Lathe Investments in respect of the land to be disposed of in accordance with the terms outlined in the report or such other agreements as may be deemed necessary by the Director of Law and Democracy to give effect to the sale of the land in the best interests of the Council be authorised.

Cabinet considered a report that provided an update on the progress of the North Shore project and requested approval for the use of the Council's Compulsory Purchase Order (CPO) powers to acquire land to facilitate the development and to delegate authority to agree the terms of the sale of land in Council ownership needed to facilitate the development.

Cabinet was reminded that Tees Valley Regeneration (TVR) were the responsible agency for the delivery of the North Shore project in Stockton. The core North Shore site was a 56 acre development project proposed for the site which occupies a prime waterfront position on Stockton's Riverside between the Tees Barrage and Princess Diana Bridge.

AMEC/Urban Splash had been chosen as the private sector partners with TVR to implement the scheme, and Heads of Terms had been agreed.

Acquisition of land and premises was needed to enable the scheme to progress. TVR had requested that the Council allow the use of its compulsory purchase powers to back up the acquisition process. The relevant powers were vested in the Council through the Town and Country Planning Act 1990 (as amended by section 99 of the 2004 Planning and Compulsory Purchase Act). The extent of land known to be required for the North Shore scheme, and not in English Partnership's (EP) or TVR's control, was provided on a plan for Members information. EP and/or TVR would continue to attempt to acquire the required land by agreement, however the CPO would become necessary if agreement could not be reached. All of the land was required for the project to be successful.

It was explained that there were several pockets of land in Council ownership within the area designated for development for the North Shore scheme. These were also provided to Members on the plan referred to above. It was proposed that negotiations take place between relevant officers and that the decisions regarding agreements of the sale to EP/TVR be delegated to the Corporate Director of Development and Neighbourhood Services in consultation with the Director of Law and Democracy and the Cabinet Member for Regeneration and Transport.

Cabinet were informed of a number of Financial issues relating to the CPO and the Sale of Council Owned Land:-

- The financial costs of the CPO would be met by English Partnerships (EP) / Amec / Urban Splash including but not exclusively the legal costs of the making and confirmation of the CPO, any Inquiry costs, the acquisition costs and compensation payable.

- Land acquired by Stockton on Tees Borough Council (SBC) through the CPO process would be transferred to EP at price of £1 subject to the Council being reimbursed for its CPO compensation and CPO costs. (The Council would not retain the land)

- VAT issues regarding the CPO and the sale of Council land to EP/ Amec /Urban Splash were being investigated and discussions were ongoing. The future agreements would ensure that VAT implications on the Council were

eradicated or minimised.

-All fees, including legal and surveyors fees, incurred by the Council in the disposition of the land, would be paid for by English Partnerships / Amec / Urban Splash

-A capital receipt would be received from the sale of the land in Council ownership and negotiations with English Partnerships on the purchase price were ongoing.

RESOLVED that

1. approval be given to the use of the Council's Compulsory Purchase powers under section 226(1)(a) of the Town and Country Planning Act 1990 (as amended by section 99 of the Planning and Compulsory Purchase Act 2004) to acquire the land and premises required for the implementation of the North Shore regeneration scheme indicated in the plan attached to the report at Appendix 1 or such other land as may be agreed with the Corporate Director of Development and Neighbourhood Services and in relation to the authority to use CPO powers hereby given, members agree:

1.1 That the acquisition of the land will facilitate the carrying out of development, re-development or improvement on or in relation to the land

1.2 That the development, re-development or improvement is likely to contribute to the achievement of the promotion or improvement of the economic, social or environmental well-being of the area

2. Authority be delegated to the Corporate Director of Development and Neighbourhood Services in consultation with the Director of Law & Democracy and Cabinet Member for Regeneration and Transport to take all actions necessary in accordance with the serving of Requisitions for Information, the making of the CPO, the representation of the Council in relation to any Inquiry, the confirmation of the CPO if authorised to do so by the Secretary of State, the actions necessary following the confirmation of the CPO either by the authority or the Secretary of State, and consequent orders including the service of Notices to Treat or General Vesting Declaration, and all other notices, orders or actions required to give effect to the authorisation to acquire the land compulsorily.

3. Authority be delegated to the Corporate Director of Development and Neighbourhood Services in consultation with the Director of Law and Democracy and Cabinet Member for Regeneration and Transport to agree terms with English Partnerships regarding the sale of land in Council ownership required as indicated on the plan to the report or as otherwise agreed by the Corporate Director of Development and Neighbourhood Services, enabling the delivery of the North Shore scheme.

4. Authority be delegated to the Corporate Director of Development and Neighbourhood Services in consultation with the Director of Law and Democracy and Cabinet Member for Regeneration and Transport to authorise the stopping up or closure of any necessary highways under the most appropriate legislation to facilitate the implementation of the North Shore

project.

520 Local Enterprise Growth Initiative (LEGI)

Cabinet considered a report informing it of the current status of the Round 2 bid for Local Enterprise Growth Initiative (LEGI) funding. The LEGI would provide flexible, devolved investment for the Borough's most deprived areas - determined by the Neighbourhood Renewal Fund areas - to support locally developed and owned proposals that pursued new or proven ways of stimulating economic activity and productivity through enterprise development. The report also sought endorsement of the proposal to be submitted to the Government Office for the North East on the 14th September 2006. A copy of the current draft of the bid was provided for Members consideration.

Members were provided with details of the development of the Round 2 bid. Cabinet noted that a lot of the information and some project ideas from round 1 had been carried forward. However this had been strengthened by additional consultation, research and project development work. Overall the round 2 proposals were more specifically targeted in terms of the key disadvantage areas and groups that would benefit.

It was explained that in line with feedback received the LEGI funding applied for would be similar to that applied for in Round 1. The draft bid asked for approximately £17 million over 3 years.

Members noted that there were two new projects within the overall bid that could have implications for the way that Council operated in Procurement and Property/Investment. Brief details were provided.

RESOLVED that

1. the submission of the Stockton Middlesbrough Local Enterprise Growth Initiative proposals to Government Office for the North East be approved.
2. the Director of Development & Neighbourhood Services, be authorised to, in consultation with the Cabinet Member for Regeneration and Transport, approve the final version of the Stockton Middlesbrough Local Enterprise Growth Initiative bid.

521 Second Stockton-on-Tees Local Transport Plan 2006-2011 : Major Scheme Bids and Tees Valley Initiatives

Cabinet considered a report that sought approval for the submission of a Major Scheme Business Case for the Tees Valley Bus Network Review to the Department for Transport (DfT) and the Government Office for the North East (GO-NE), and outlined the current position regarding two other emerging sub-regional transport initiatives - the Tees Valley Metro and joint working with the Highways Agency to address development issues affecting the trunk road network. Finally, the Report set out the current position regarding the East Billingham Transport Corridor, and sought approval for the proposed way forward.

Members noted that a recent review of the operation of the Tees Valley bus

network recommended a new approach based on the adoption of a stable, hierarchical network and the development of high demand and high quality links to key centres.

Details of the preferred scheme were being finalised in partnership with the other Local Authorities within the sub-region, the Tees Valley Joint Strategy Unit (TVJSU) and the principal bus operators. The Major Scheme bid would be focused on the Super Core and Core Routes, which offered the most attractive alternative to the car and, consequently, the greatest potential for modal shift. By securing the stability of the commercially operated network, the Major Scheme would allow the Council and its partners to take a long-term approach to the development of the tertiary network, thereby ensuring that revenue support for socially necessary bus services was allocated as cost-effectively as possible and that Community Transport's contribution to enhancing local accessibility was maximised. An appendix to the report set out the elements of the Major Scheme bid in more detail.

The Secretary of State for Transport had confirmed that Tees Valley Bus Network Review had been included in an 'Indicative List' of schemes to be progressed to a stage sufficient to allow construction to start during the period between 2009/10 and 2015/16. However, it was hoped that this timetable could be brought forward, particularly as some of the schemes identified for funding within the region over the next three years were still at a relatively early stage of development.

Although the scheme had, provisionally, been allocated regional funding totalling £33 million, this funding was dependent on all statutory powers being secured and the submission of a supporting Major Scheme Business Case, produced in line with DfT requirements, that demonstrated that it would provide sufficient value for money. Officers from the TVJSU, which was leading on the preparation of the Business Case, had met with representatives of the DfT and GO-NE on 1 August 2006 to confirm that the current proposals meet the criteria for Major Scheme funding and to agree the format for the final submission.

It was recommended that the TVJSU should complete the preparation of the Major Scheme Business Case on behalf of the Council and the other scheme partners, and that it be submitted to GO-NE and the DfT on 29 September 2006.

Cabinet noted other emerging issues that related to two sub-regional transport initiatives that were being developed, namely the Tees Valley Metro and joint working with the Highways Agency to address development issues affecting the trunk road network.

Members were informed that the Tees Valley Metro aimed to enhance access to local centres and key attractors, proposals had been developed by Tees Valley Regeneration for a high quality, fast and reliable sub-regional transport system – the Tees Valley Metro – to assist regeneration and help to avoid the transport problems that would otherwise arise as economic activity gathered pace. Members were informed of the key benefits of the proposals.

The proposals would be worked up into an outline business case during the autumn of 2006, with the intention to work in partnership with DfT and Network

Rail to develop the proposals further, both in terms of the Metro and in relation to wider heavy rail issues within the Tees Valley. A key part of this work would be the added value in addressing passenger and freight demand in the long term within the Tees Valley, particularly the anticipated growth of Teesport and the rise in GVA that this would bring.

Members were also informed of Joint Working with the Highways Agency to address Development Issues affecting the Trunk Road network.

Members noted that the TVJSU – acting on behalf of the five Local Authorities – was currently working with the Highways Agency to improve the approach to future development proposals on the trunk road network.

Cabinet were informed that one of the key issues to emerge from the 'Mid-Term Review' of the First Local Transport Plan (LTP), carried out in 2003, was the number of heavy goods vehicles (in particular tankers carrying hazardous chemicals) using routes through residential areas of Billingham and The Clarendons. This issue was subsequently highlighted by the Stockton-on-Tees Freight Quality Partnership, as well as emerging as a priority for action within the Billingham Area Transport Strategy, which forms an integral part of the Second LTP.

An initial feasibility study, carried out by the Council's partner consultant Arup early in 2004, confirmed that there were no existing alternative routes away from residential areas and that the most appropriate solution was the construction of a new road linking A1046 Haverton Hill Road and A1185 Seal Sands Link Road to the east of Billingham. This route was, accordingly, named the East Billingham Transport Corridor.

More detailed work, by Arup, to identify and develop preferred route options commenced in April 2004. A two-stage process was adopted, firstly to narrow the 11 initial route options down to five, and then – following an appraisal of the highway, transportation, environmental, economic and geotechnical issues associated with each option – down to two potential routes. Those alignments were costed at between £17.2 and £17.9 million, with associated Cost:Benefit Ratios (based on a coarse assessment) of between 3.8 and 4.

Like the Tees Valley Bus Network Review, the East Billingham Transport Corridor was assessed in late 2005/early 2006 as part of the Regional Funding Allocation (RFA) process. However, unlike the Bus Network Review, the scheme did not emerge as a priority for funding during the period up to and including 2015/16. For this reason, discussions had been held with GO-NE to investigate alternative ways of funding the scheme over that period.

Although GO-NE had confirmed that the prospects for funding of either of the identified route options through the RFA process were poor, there may be potential for delivering at least part of the scheme through a phased approach, with construction of the northern section – providing a direct route between A1185 Seal Sands Link Road and the industrial areas to the east of Billingham, and valued at between £2-3 million – identified as the first priority. As there was no formal bidding process for Major Schemes costing less than £5 million, GO-NE had agreed to raise this issue directly with the DfT.

It was recommended that the Corporate Director for Development and Neighbourhood Services be authorised to continue to work in partnership with GO-NE to investigate the potential for delivering the scheme on a phased basis.

RESOLVED that

1. the Tees Valley Joint Strategy Unit – acting on behalf of the Council and its partner authorities in the sub-region – be authorised to develop and submit a Major Scheme Business Case for the Tees Valley Bus Network Review to the Department for Transport and the Government Office for the North East at the end of September 2006.
2. Members note the current position regarding the proposed Tees Valley Metro and joint working with the Highways Agency to address development issues affecting the trunk road network.
3. the Corporate Director for Development and Neighbourhood Services be authorised to work in partnership with the Government Office for the North East to investigate the potential for delivering the East Billingham Transport Corridor on a phased basis.

522 Billingham Town Centre - Regeneration

Cabinet considered an update report on Billingham Town Centre Regeneration.

Members were reminded that the Council had submitted a bid to try to secure MARS Pension Fund's leasehold interest in Billingham Town Centre.

On Friday 28th July, the Council was informed that it was not the preferred bidder for the MARS leasehold interest in Billingham Town Centre. The Council was also informed that Heads of Terms (HoT) were being negotiated with the preferred bidder with a view to completing these in early August, however, the Council bid would remain on the table pending the due diligence period.

Although commercial confidentiality prevented the naming of the preferred bidder, it was confirmed that they were a developer with a proven track record in regenerating smaller town centres. They had widespread and relevant experience in both new retail development and refurbishment of existing centres across the country.

Council officers were investigating the viability of a regeneration scheme with the preferred bidder, who was keen to progress quickly with the regeneration of the town centre and to work with the Council to ensure a successful scheme.

It was anticipated that, subject to due diligence, the new owner would be formally announced by mid September.

Members noted the next steps for the Council:-

Work with the Council's consultants, DTZ, with a view to obtaining the appropriate valuation advice in respect of the Council's freehold interest in the

Town Centre

Open negotiations with the new owners regarding their town centre interests to agree a joint regeneration scheme which may include the possible sale of some or all of the Council's interest, subject to Member approval

Produce more detailed modelling of the cash flow for various options before making recommendations to Cabinet

Make recommendations to Members regarding the future of Billingham Town Centre

Brief The Billingham Partnership on progress to date and on the proposed way forward.

RESOLVED that the report be noted.

523 Medium Term Financial Plan - Financial Update

Consideration was given to a report that provided Members with information on the projected outturn position based on information to the end of June 2006 and the medium term financial position (MTFP).

Members also noted that Officers had identified the need for the replacement of a boiler that served Thornaby Pavillion, library and rent office. It was suggested that an allocation of £155,000 be made from the Repairs and Maintenance budget allocation of £425,000.

RECOMMENDED to Council that :-

1. That the revised MTFP be noted.
2. Members approve the allocation of £155,000 from the Repairs and Maintenance budget allocation for the replacement of the boiler at Thornaby pavilion.
3. The revised level of working balances be noted.

524 Q1 Performance Report - Quarter ended 30.06.06

Members were provided with an information report that outlined the Council's performance during the first quarter of 2006/2007, providing detail of performance against targets and improvement trends.

525 Exclusion of the Public

RESOLVED that under Section 100A(4) of the Local Government Act 1972 the public be excluded from the meeting for the following item of business on the grounds that it involved the likely disclosure of exempt information as defined in paragraph 1 of Part 1 of Schedule 12A of the Act.

526 Equal Pay/Value Update

Members considered a report that provided details of the progress achieved to date towards resolving the current equal pay/value Employment Tribunal claims and negotiations with the trade unions to avoid claims being submitted.

In addition Members considered a request from the Tristar Board in relation to developing their own pay and grading structure.

RESOLVED that:-

1. The progress to date be noted.
2. Approval be given to Tristar Homes Limited to develop terms and conditions of employment, including a new pay structure, which would meet their business aims, objectives and aspirations. This would be subject to:-
 - a) the Council's Human Resources and Legal Services being kept informed.
 - b) the Council, as sole shareholder, considering the final proposals.