

Council

A meeting of Council was held on Wednesday, 19th November, 2014.

Present: The Worshipful the Mayor (Cllr Barbara Inman), Cllr Mrs Lynne Apedaile, Cllr Paul Baker, Cllr Jim Beall, Cllr Derrick Brown, Cllr Mark Chatburn, Cllr Julia Cherrett, Cllr Carol Clark, Cllr Michael Clark, Cllr Robert Cook, Cllr Nigel Cooke, Cllr Gillian Corr, Cllr Evaline Cunningham, Cllr Ian Dalgarno, Cllr Phillip Dennis, Cllr Ken Dixon, Cllr Kevin Faulks, Cllr John Gardner, Cllr Robert Gibson, Cllr David Harrington, Cllr Ben Houchen, Cllr Mohammed Javed, Cllr Elliot Kennedy, Cllr Jean Kirby, Cllr Paul Kirton, Cllr Terry Laing, Cllr Colin Leckonby, Cllr Ken Lupton, Cllr Ray McCall, Cllr Mick Moore, Cllr Mrs Kathryn Nelson, Cllr Steve Nelson, Cllr Mrs Jean O'Donnell, Cllr Ross Patterson, Cllr Maurice Perry, Cllr Mrs Maureen Rigg, Cllr Andrew Sherris, Cllr Norma Stephenson O.B.E, Cllr Mick Stoker, Cllr Steve Walmsley, Cllr Mrs Sylvia Walmsley, Cllr David Wilburn, Cllr Norma Wilburn, Cllr Mrs Mary Womphrey, Cllr Mick Womphrey and Cllr Bill Woodhead.

Officers: N Schneider (CE); J Danks, L King (R), J Humphreys (CESC); P Dobson (DNS); P Kelly (DPH); D E Bond, P K Bell, J McDonald (LD).

Also in attendance: Members of the public.

Apologies: Cllr David Coleman, Cllr Eileen Johnson, Cllr Tina Large, Cllr Alan Lewis, Cllr Mrs Ann McCoy, Cllr David Rose, Cllr Michael Smith, Cllr Andrew Stephenson, Cllr Tracey Stott and Cllr Barry Woodhouse.

C Former Councillor Hilary Aggio

76/14

Members stood in a minute's silence as a mark of respect for former Councillor Hilary Aggio.

C Declarations of Interest

77/14

Councillor Cooke declared a disclosable pecuniary interest in respect of agenda item 7 - Transforming Rehabilitation - Support the Local Bid as he was an employee of Tees, Esk and Wear Valleys NHS Foundation Trust. Cllr Cooke had been granted a dispensation in this regard.

Councillor Javed declared a disclosable pecuniary interest in respect of agenda item 7 - Transforming Rehabilitation - Support the Local Bid as he was an employee of Tees, Esk and Wear Valleys NHS Foundation Trust. Cllr Javed had been granted a dispensation in this regard.

Councillor Nelson declared a personal non prejudicial interest in respect of agenda item 7 - Transforming Rehabilitation - Support the Local Bid as he was a member of Tristar Board.

Councillor Norma Stephenson declared a personal non prejudicial interest in respect of agenda item 7 - Transforming Rehabilitation - Support the Local Bid as she was a member of Tristar Board.

Councillor Gibson declared a personal non prejudicial interest in respect of agenda item 7 - Transforming Rehabilitation - Support the Local Bid as he was a member of Tristar Board.

C Minutes

78/14

The minutes of the meeting held on 22nd October, 2014 (Minutes C 61/14 – C 75/14) were signed by the Worshipful the Mayor as a correct record.

C **Public Question Time**

79/14

The Director of Law and Democracy informed the Worshipful the Mayor that no Public Questions had been received.

C **Members Policy Seminar Programme**

80/14

Consideration was given to a report that provided Members with an overview of content from the Members Policy Seminar in November 2014 that included a presentation on the statutory process and local arrangements regarding school organisation and admissions to schools.

RESOLVED that the report be noted.

C **Recording and Web Broadcasting of Council Meetings**

81/14

Consideration was given to a report on recording and web broadcasting of Council meetings.

The report updated Members regarding the outcome of the meetings of the Members Advisory Panel (“the Panel”) and of Cabinet held on the 5 September and the 6 November 2014 respectively.

As a result of a request from Cabinet (at its meeting on 13 March 2014), the Panel met on 5 September 2014 to consider the possibility of the Authority recording and web-broadcasting its own meetings. Cabinet asked the Panel to report the findings to a future Cabinet meeting.

The Panel agreed that:-

(i) Subject to both a technical and financial appraisal being carried out and reported to Members (of the Panel) initially, and thereafter to Cabinet/Council, agreement in principle be given to the Council recording/web-broadcasting the following meetings, being meetings most likely to engage members of the public:-

- Council
- Cabinet
- Planning Committee

(ii) A further report on the results of the appraisals be reported to the next meeting (of the Panel).

A copy of an extract from the Panel’s minutes was attached to the report.

At its meeting on 6 November 2014, Cabinet considered and agreed with this proposed approach. Details of Cabinet’s decision were attached to the report.

Council endorsed the approach proposed and agreed that further work be undertaken and reported to the Panel’s next meeting.

RESOLVED that:-

1. The proposed approach be endorsed.
2. Further work be undertaken and reported to the Members Advisory Panel's next meeting.

**C
82/14**

Transforming Rehabilitation - Support for the Local Bid

Consideration was given to a report that updated Members on the position in respect of the local bid to deliver offender management services in relation to adult offenders assessed as medium and low risk, and sought agreement to the Council acting as the main guarantor for the local bid.

Members were reminded that a report on the Government's Transforming Rehabilitation programme was submitted to Cabinet on 5 September 2013. In brief, the report outlined the Government's intention to abolish the then system of 35 local Probation Trusts across England and Wales and to replace them with a single National Probation Service, remaining in the public sector and managing those adult offenders assessed as 'high risk', and 21 Community Rehabilitation Companies ('CRCs') dealing with the offenders assessed as 'medium and low risk', in which shareholdings were to be sold to interested bidders, with the emphasis in Government commentary on this process being on bidders from the private and voluntary sectors.

The report went on to explain that the then Durham Tees Valley Probation Trust occupied an enviable position as one of the top three performers among the 35 Trusts while also operating at some of the lowest unit costs.

There were significant concerns about the potential impact of the outsourcing process on local levels of reoffending, and therefore on crime levels, leading to increased budget pressures across a range of Council functions, and Cabinet agreed a series of recommendations, the most important of which was that the Council subject to a viable business plan should support the proposal for a consortium of local organisations to bid to take over the Durham Tees Valley CRC.

In the intervening period the process had unfolded, with some minor changes to timetable. A Community Interest Company (CIC) without shareholdings, known as ARCC ('Achieving Real Change for Communities') had been established. The partner organisations, in addition to this Council, were Darlington Borough Council; Tees, Esk and Wear Valleys NHS Trust; Thirteen Housing Group; the Wise Group (a social enterprise with significant experience of working with offenders in Scotland and main contractor to the Department of Work and Pensions for its Work Programme in the North East); Safe in Tees Valley; the Vardy Foundation (a registered charity); and Changing Lives in the North East, a CIC established to represent staff of Durham Tees Valley CRC. Redcar & Cleveland Borough Council had also been closely associated with and fully supportive of ARCC, and was anticipated to become a full formal member of the consortium prior to 'go live'.

A more detailed understanding of the requirements had been established and a bid and risk register developed. A high level summary of the bid was attached to the report. The consortium submitted its bid in June and received feedback in

August. Nineteen bidding organisations had submitted a total of 84 bids for the 21 CRCs. None of these bids were deemed to be fully compliant with the requirements of the Ministry of Justice (MoJ), but all bidders were provided with detailed feedback on 15 August and offered the opportunity to resubmit their bids by 5 September. The ARCC bid was deemed to be one of the stronger bids received. A revised bid was duly submitted, and a process of due diligence, including an independent external assessment of the financial viability of the bid and risks attached to it, was planned to take place immediately if and when ARCC was notified that it had achieved preferred bidder status, and this would inform the final delegated decision on whether to provide the Guarantee.

One of the requirements of the bidding process was for every bidding organisation to provide a Deed of Guarantee to the MoJ from an organisation which would guarantee to reimburse the MoJ for significant failures in performance up to and including catastrophic failure requiring a recommissioning process, which would involve significant costs to the MoJ. A copy of this was attached to the report. A value of Guarantee had been set for each CRC and for Durham Tees Valley it was approximately £13.8 million. In the case of commercial bids the guarantee would usually come from the Group concerned, to eliminate the risk to the MoJ that would otherwise exist of the liabilities being contained within a subsidiary operating company which may cease trading.

Discussions within the consortium established that this Council was the partner best placed to stand as Guarantor for the bid, but also that the potential risk, and the contingent liability on accounts, should be shared among consortium partners.

For the purposes of the original bid submission in June an “in principle” decision was made under the Council’s Urgency Procedure to proceed on this basis, on the understanding that the decision would not come into effect until and unless a contract was concluded between ARCC and the MoJ.

The MoJ had not published a detailed timetable for the concluding stages of its procurement process, but the best current estimate was that preferred bidders may be announced at the end of October, with contracts to be signed shortly before Christmas, and the new arrangements to ‘go live’ from 1 February 2015. In view of this timetable it was timely to seek a substantive decision in relation to the Deed of Guarantee.

Without such a Guarantee the ARCC bid would be disqualified and the Community Rehabilitation Company would almost certainly end up under the control of a commercially driven organisation, which was exactly the outcome that the Council’s participation in the consortium was intended to avert. Members were reminded that the contract would be for at least 7 years, with options to extend up to 10 years, and that ARCC’s status as a CIC without shareholdings guarantees that any surpluses generated will be reinvested in social goods for Durham Tees Valley. Some further indications of the scale of the enterprise were attached to the report, which was confidential.

Cabinet considered the report at its meeting on 6th November 2014 and a copy of the relevant minute extract was attached to the report.

RESOLVED that:-

1. The Council should agree to act as main guarantor for the local bid, subject to satisfactory subsidiary guarantees being provided to the Council by other partners in the bid (including other local authorities), and to the Council being satisfied on completion of an independent assessment of the financial viability of the bid, and

2. A delegation to the Corporate Director of Development and Neighbourhood Services, in consultation with the Cabinet Member for Housing and Community Safety, Corporate Director of Resources and Director of Law and Democracy to finalise the Deed of Guarantee be agreed.

**C
83/14** **Members' Question Time**

The Director of Law and Democracy informed the Worshipful the Mayor that no Member Questions had been received.

**C
84/14** **Forward Plan and Leader's Statement**

The Leader of the Council gave his Forward Plan and Leaders Statement.

Since the last meeting of Council on the 22nd October, Cabinet met on the 6th November and, (in addition to the regular items) considered:-

- An update report on the impact of Welfare Reforms
- A report on Transforming Rehabilitation
- A report on Recording and Web Broadcasting of Council Meetings
- A report on driving up standards in private rented housing
- An update report on the Victoria Housing Estate regeneration project
- An update report on implementation of Individual Electoral Registration
- A report on the Service Review of Development and Neighbourhood Services
- A report on the 2013/14 Local Account of Adult Social Care Services

Looking ahead to the next cabinet meeting to be held on 4th December significant items on the agenda to be considered would be as follows:-

- The Quarter 2 Finance Outturn and MTFP Report
- The Quarter 2 Performance Report
- A report on Children's Social Care Activity & Performance
- A report on the School Organisation Plan
- A report on Combined Authority arrangements
- The Quarter 2 Welfare Reform Update
- A report on the Annual Assurance Statement
- A report on Ingleby Barwick Community Centre
- An update on the Northshore Regeneration Scheme

As always, there were many exciting events taking place across the Borough. The Council was delighted to be hosting the BBC North East Sports awards again at Billingham Forum next Wednesday and the Leader of the Council was particularly looking forward to the launch of Stockton Sparkles on 27th November when the new Christmas lights would be switched on, the Christmas market launched and the UK's first singing Christmas Tree would be unveiled.

The Leader of the Council also reminded Members about the Mayor's Carol service which would place on Friday 5th December at 1.30pm in the Parish Church.

Finally, the Council wished everyone a Merry Christmas and looked forward to seeing Members at the next Council meeting on 21st January.

C **Transforming Rehabilitation - Support for the Local Bid**

85/14

This item was the exempt information that was considered with the above agenda item 8 - Transforming Rehabilitation - Support for the Local Bid.