

**CABINET  
(FURTHER MEETING)  
HELD ON 21 SEPTEMBER 2005  
(FROM 5.30 PM – 6.35 PM)**

**PRESENT:** Councillor Dr Gardner in the Chair. Councillors Jean Butterfield, Cooper, Ellington, Pat Jones, Skidmore and Sturdy.

**Late Arrivals:** None.

**Early Departures:** None.

57/05 - **APOLOGIES FOR ABSENCE:** There were no apologies for absence.

(5.30 pm)

58/05 - **DECLARATIONS OF INTEREST:** Councillor Cooper declared a personal interest in relation to any reference on the agenda in connection with the Harrogate International Centre, arising from the use of the facility by his employer for conference purposes.

(5.31 pm)

59/05 - **MINUTES:** The Minutes of the meeting of Cabinet held on 24 August 2005 were approved unanimously as correct record, and signed by the Chair.

(5.31 pm)

60/05 - **EXEMPT INFORMATION:** The relevant appendices of the reports referred to at Minute Nos 64/05 and 65/05 below were regarded as exempt in accordance with paragraphs 7 and 8 of Schedule 12A to the Local Government Act 1972 as amended. Discussion on the items was, however, held in open session.

(5.32 pm)

**MATTER REFERRED TO COUNCIL FOR CONSIDERATION**

61/05 - **MEDIUM TERM FINANCIAL STRATEGY/STRATEGIC PLAN 2005/2008:** Further to Cabinet Minutes 38/05 and 53/05 the Strategic Policy Officer submitted a written report on the outcome of the stakeholder consultation in connection with the Medium Term Financial Strategy 2006/07 to 2008/09/Strategic Plan for 2005/2008 previously approved by Cabinet for planning and consultation purposes.

As part of that consultation, the Leader invited Councillor Andrew Jones, Chair of the Council Resources Overview and Scrutiny Commission, to present the findings of both the Community Services and Environment Overview and Scrutiny Commissions and also those of the Council Resources Overview and Scrutiny Commission itself, which had taken an overview role in responding to the Executive on these issues. In submitting a summary of comments, Councillor Jones drew attention to the consensus of Scrutiny in respect of the most popular and least popular corporate

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priorities and, in respect of the Council's budget for 2006/2007, the most important area for additional expenditure, (should this become available), which had been identified as that of recycling and waste management. The Commissions had also made a number of detailed, but minor comments, which the Leader agreed to take into account when revising the strategic plan in conjunction with the Strategic Policy Officer.

The Strategic Policy Officer then acquainted Cabinet with the other stakeholder responses received which showed that, overall, each of the category groups consulted agreed with the Council's long term vision. In respect of the budget for the forthcoming year, a majority of the category groups agreed that in order to achieve the lowest Council Tax rise as a priority, the Council should not undertake additional expenditure. There was, however, as with Scrutiny, agreement across all category groups that any additional expenditure in 2006/2007 should be spent on recycling and waste collection.

In thanking Scrutiny and the other stakeholder respondents for their contribution to both the Medium Term Financial Strategy and Strategic Plan, the Cabinet concluded that the consultation exercise had indicated broad agreement with the future priorities and spending proposals and, therefore, recommended the adoption of these documents by Council on 12 October 2005.

### **RECOMMENDED (UNANIMOUSLY):**

That (1) the outcomes of the stakeholder consultation on the draft Strategic Plan and Medium Term Financial Strategy and its broad agreement with the proposals in the Plan and Strategy be noted and the Leader in conjunction with the Strategic Policy Officer agree the finalised versions of both documents, taking into account the number of detailed, but minor amendments, arising from the consultation process; and

(2) the Medium Term Financial Strategy 2006/2007 to 2008/2009 together with the Strategic Plan 2005-2008 as amended be approved.

(5.32 pm – 5.43 pm)

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**PRESENT:** Councillor Dr Gardner in the Chair. Councillors Jean Butterfield, Cooper, Ellington, Pat Jones, Skidmore and Sturdy.

**Late Arrivals:** None.

**Early Departures:** None.

**MATTERS DEALT WITH BY CABINET**

**62/05 - MAJOR CONSTRUCTION SCHEMES – PROJECT MANAGEMENT**

**CODE OF PRACTICE:** The Head of Property Management submitted a written report, together with an accompanying Project Management Code of Practice for major construction schemes to replace the Corporate Project Management Guidance Notes issued in 1997 for major schemes/works. The new Code of Practice followed from the break-out space investigation, and had been prepared having regard to the findings of the HIC Break-Out Space Panel of the Council Resources Overview and Scrutiny Commission. In undertaking this exercise one of the outcomes had been to produce a concise and usable Code, readily understood and one not being bureaucratic in its application. The Officer acknowledged the valued contribution made to this work by the Scrutiny Panel and, at this juncture, the Leader invited the Chair of the Council Resources Overview and Scrutiny Commission, Councillor Andrew Jones to speak to the report of Scrutiny, which was considered by Cabinet in conjunction with that of the Head of Property Management.

Councillor Jones explained the work undertaken by the Panel and reinforced the Officer view of the need to arrive at an appropriate Code which was not bureaucratic to administer. The Chair acknowledged that the vast majority of the findings of Scrutiny had been adopted in the revised Code now before Cabinet, with the exception of the view held by the Panel that all major Contracts, including those relating to housing “new build” should be subject to the requirements of the Code. Upon the advice of the Head of Property Management, Cabinet agreed that this should be the case. Councillor Jones also raised the concerns of the Panel regarding the definitions of Council and non-Council projects favouring the option to treat all projects on a similar basis, with an assessment being made as to the appropriate reporting procedures based on risk. In responding to this point in particular, those smaller projects with a significant risk exposure, the Head of Property Management referred Cabinet to 1.3 of the Code of Practice, which stated that the Code was to be used for guidance for small construction projects and which also required the production of a good quality brief, one of the conditions of such being a risk management register. Councillor Jones considered that this would now address the findings of the Scrutiny Panel.

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In noting the agreement now reached over the outstanding issues, Cabinet wished to record its appreciation for the work undertaken, both by the Scrutiny Panel and Officers in bringing forward the new Code of Practice.

### **RESOLVED (UNANIMOUSLY):**

That (1) the Project Management Code of Practice as set out in Appendix A to the report be adopted for general corporate use in respect of major construction schemes;

(2) the various modified forms as set out in Appendix B be adopted for use in conjunction with this Project Management Code of Practice and used in Departments of the Council in drawing up and administering construction contracts; and

(3) the incorporation of the findings of the HIC Break-Out Space Panel of the Council Resources Overview and Scrutiny Committee in the revised Code be noted.

### **Reason for making decisions:**

The previous guidance notes are now out of date and in need of revision and updating.

It is necessary, following the Cabinet adoption of the HIC Break-Out Space Panel findings to pay due regard to those findings by incorporating them into the new Code of Practice.

### **Alternative options considered and rejected:**

To continue with the present outdated guidance notes would expose the Council to a higher level of risk on large construction projects. This option is, therefore, rejected.

(5.43 pm –5.48 pm)

(D)

63/05 - **ANNUAL REVIEW OF RESERVES:** The Head of Financial Management submitted a written report providing an annual review of reserves and the uses to which they had been put in 2004/2005 together with their proposed use in 2005/06 and beyond. The report and respective appendices gave details of the committed and proposed uses of the reserves and in respect of their planned use, Cabinet was asked to review, for those proposals individually exceeding £10,000 whether or not they were considered to be of a significant high priority, when judged against the Council's corporate priorities and objectives.

A general discussion ensued on business unit reserves, and the process for assessment of their proposed uses against the Council's priorities and objectives.

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### RESOLVED:

That (1) the following be noted:

- (a) the use of Business Unit Reserves in 2004/05 totalling £4,659,572 (as summarised in Column 3 of Appendix 1a).
- (b) the transfer of funds between Business Unit Reserves and from DSO Reserves and Other Earmarked Reserves following the corporate restructure (as summarised in Column 6 of Appendix 1a).
- (c) the proposed uses of Business Unit Reserves in 2005/06 totalling £546,090 which individually total £10,000 or less (as summarised in Column 8 of Appendix 1a).
- (d) the committed uses of Business Unit Reserves in 2005/06 totalling £1,993,854, which individually exceed £10,000 (as included in Column 9 of Appendix 1a and detailed in paragraph 5.12);

(2) the planned uses of Business Unit Reserves in 2005/06 totalling £490,644 which individually exceed £10,000 (as included in Column 9 of Appendix 1a and detailed in paragraph 5.13) be approved as being of sufficiently high priority, when judged against the Council's Corporate Priorities and Objectives;

(3) the following be noted:-

- (a) the use of DSO reserves in 2004/05 totalling £111,484 (as summarised in Column 3 of Appendix 1b);
- (b) the transfer of all remaining DSO reserves at 31 March 2005, totalling £118,335, to Business Unit Reserves following the corporate restructuring (as summarised in Column 6 of Appendix 1b); and

(4) the information in relation to other earmarked revenue reserves as summarised in Appendix 1c be noted.

### Reason for making decisions:

In accordance with good practice, it is important that the Council continues to ensure that all spending is in accordance with its corporate priorities as set out in the Corporate Action Plan.

### Alternative option considered and rejected:

Not to review the use of reserves and risk that spending could occur which is not in accordance with the Council's Corporate priorities.

(5.58 pm – 6.14 pm)

(D)

64/05 - **REPLACEMENT FINANCIAL MANAGEMENT SYSTEM – FORWARD PLAN REFERENCE NO: 06/05/DF08:** Further to Cabinet Minute 61/04 the Head of Financial Management submitted a written report on the results of the procurement process for the replacement of the financial management system to take effect from 1 April 2006. Tenders had, therefore, been invited for a replacement system and the report provided Cabinet with details of the evaluation undertaken by the Project Board on the tenders received. The implementation of a new financial management system would allow the Council to review its business processes, which would in turn assist with meeting the Government's modernisation agenda through the implementation of e-procurement and also achieve improvements in efficiency as required by Gershon. Tenders had, therefore, been invited for a replacement system and the report provided Cabinet with details of the evaluation undertaken by the Project Board on the tenders received. As a result of that process, the purchase of a solution considered to offer best value and within the agreed budget was that offered by Agresso Limited. In conjunction with this, authority was also sought to purchase a separate income management system and the necessary hardware, database licences and peripheral equipment.

**RESOLVED (UNANIMOUSLY):**

That (1) subject to further discussions regarding contractual terms, a contract be entered into with Agresso Limited for the purchase of its Business World integrated suite of financial systems and associated services as detailed in the report;

(2) a Contract be entered into with Spectrum Computer Services Plc for the purchase of its Income Management System; and

(3) authority be given to the Head of IT&D to purchase the necessary hardware, database licences and peripheral equipment in accordance with the quotation procedures provided within the Council's Standing Orders Relating to Contracts (SORC 2.2).

**Reason for making decisions:**

The product offered by Agresso Limited is considered by the FMS Project Board to offer the best overall solution in terms of value, risk and the current and future financial management and e-procurement needs of the Council.

**Alternation option considered and rejected:**

To enter into a Contract with one of the other short-listed suppliers for the purchase of an integrated suite of financial systems and associated services. This is not recommended as, for the reasons outlined in the report, neither is considered to offer the best overall solution in terms of value and risk.

(6.14 pm – 6.16 pm)

(D)

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65/05 - **INSURANCE RENEWALS – 2005:** The Head of Financial Management submitted a written report on renewal terms for the Council's insurance arrangements, covering the period October 2005 to September 2006. Appendix 1 to the report set out the renewal premiums for the insurance year, negotiations in respect of which had been favourable, and reflected the continued recognition of the importance placed by the Council on risk management issues.

### **RESOLVED (UNANIMOUSLY):**

That the insurance renewal premiums for the insurance year 1 October 2005 to 30 September 2006 as set out in Appendix 1 and summarised in paragraph 10.1 be approved.

### **Reason for making the decision:**

The authority needs to ensure that adequate arrangements are in place to protect its insurable risk. This requires cover to be in place with effect from the expiry of the current arrangements from 30 September 2005.

### **Alternative options considered and rejected:**

None.

(6.16 pm – 6.17 pm)

(D)

66/05 - **GENERAL FUND REVENUE MONITORING REPORT 2005/06:** The Head of Financial Management submitted a written report in connection with General Fund Revenue Monitoring for 2005/2006. Current information suggested an overspend of £332,220 compared to the original estimate. When taking into account appropriations to and from business unit reserves, the projected resultant overspend was £56,790. On the basis of previous years it was likely that the overspend would be met by underspends generated across the Council as the year progressed. The appendix to the report showed the major variations since the last monitoring report to Cabinet.

### **RESOLVED (UNANIMOUSLY):**

That the report and contents be noted.

### **Reason for making decision:**

To inform Cabinet and Council of the current position on revenue spending.

### **Alternative option considered and rejected:**

None.

(6.17 pm – 6.20 pm)

(D)

67/05 - **RENAISSANCE MARKET TOWNS INITIATIVE – KNARESBOROUGH AND BOROUGHBIDGE:** The Head of Economic Development submitted a written report on the key findings arising from the Renaissance Market Towns Initiative taking place in Knaresborough and Boroughbridge since April 2004. The initiative had been developed by the Regional Development Agency (Yorkshire Forward) to address regeneration aspirations and opportunities within the region's market towns. In addition to focusing on the delivery of the programme in Knaresborough and Boroughbridge, the report also sought to establish how the Council would wish to engage in this process for the future. Whilst Yorkshire Forward would support the project through a competitive bid process, there was a need to undertake a financial planning exercise to identify resources to support the delivery of the projects contained within both market town programmes and it was, therefore, recommended that funds available to the district through a new government initiative, the Local Authority Business Growth Incentive, be potentially utilised for rural and market town regeneration. A further report would, however, be submitted to Cabinet following consideration of priorities for delivery and identifying potential funding requirements.

**RESOLVED (UNANIMOUSLY):**

That (1) the progress of the RMT initiative in Knaresborough and Boroughbridge be noted and the broad ambitions for the two towns, as expressed in their respective Charters (see Appendix A(i) and A(ii)) endorsed;

(2) the proposed future delivery arrangements for both RMT towns be noted and the Leader of the Council be authorised to represent the authority in discussions leading up to the introduction of the new arrangements;

(3) the £5,000 per annum resources currently allocated to each of the existing partnerships in Boroughbridge and Knaresborough, together with other "in kind" support, be transferred to the successor organisations, as outlined in Paragraph 5.5.5 of the report;

(4) Cabinet confirms its willingness for Harrogate Borough Council to adopt a lead role in evaluating and, where appropriate, progressing the project ideas identified for the Council's involvement, in Appendices (C & D) to this report;

(5) the first £100,000 plus a third of any additional receipts over £300,000 due to Harrogate Borough Council under the Local authority Business Growth Incentive (LAGBI) Scheme be set aside to be used as a match fund for economic regeneration projects attracting Yorkshire Forward support under the Sub-Regional Investment Plan; and

(6) the Director of Resources and Head of Economic Development work with Yorkshire Forward and the two new partnerships to establish a shared view of priorities in Knaresborough and Boroughbridge with a view to submitting a further report to Cabinet, showing how the highest priority subjects in the two RMT business plans can be delivered.



**Reason for making decisions:**

Harrogate Borough Council has previously engaged in the RMT process, by supporting expressions of interest from Knaresborough Town Council and Boroughbridge Town Council, to be included in Yorkshire Forward's RMT programme from April 2004. The RMT programme has provided access to considerable professional expertise at no cost to Harrogate Borough Council. This expertise has helped to inform future development proposals for two of the district's principal market towns, Knaresborough and Boroughbridge. Decisions are required in order to achieve development within both market towns, based on the framework identified by the Town Teams and WSP consultants.

**Alternation options considered and rejected:**

The alternative option would be to disengage from the RMT process. This would potentially undermine relationships with Knaresborough and Boroughbridge Town Councils, community representatives and Yorkshire Forward. In addition, this would isolate Harrogate Borough Council from financial resources, which are potentially available to assist in the regeneration and future development of market towns in the district.

(6.20 pm – 6.25 pm)

(D)

**68/05 - CPA 2005, VALUE FOR MONEY SELF-ASSESSMENT – INITIAL**

**DRAFT:** The Strategic Policy Officer submitted a written report presenting the initial draft Value For Money (VFM) Self-Assessment document for consideration and approval by Cabinet. The assessment was a statutory requirement of the CPA 2005 process, and necessitated the final self-assessment document being submitted to the Audit Commission by the end of September 2005. The Strategic Policy Officer explained that the self-assessment provided an overview of the Council's costs and performance in 2004/05 compared to the other 15 Councils in the CIPFA family comparator group. In that regard, Cabinet were referred to Appendix 3 of the report in respect of which the Strategic Policy Officer and Chief Executive explained the care needed in making direct comparisons with all of the Councils in the family group for certain of those core services. The exercise concluded by the Strategic Policy Officer had indicated that the Council's current value for money arrangements were "adequate" and the report, therefore, suggested measures for improving these arrangements over the next twelve months to "good".

The report had also been considered by the Council Resources Overview and Scrutiny Commission at its meeting held on 19 September 2005 and the Chair, Councillor Jones, attended the Cabinet meeting and submitted a summary of the Commission's comments arising from that meeting. Councillor Jones advised that the assessment also provided a framework for identifying future issues on which the Overview and Scrutiny Commissions could examine and comment upon. In thanking Councillor Jones for the work of his Commission, the Leader advised that he would take those views into account when finalising, in conjunction with the Strategic Policy Officer, the initial draft self-assessment document.

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### **RESOLVED (UNANIMOUSLY):**

That (1) the Value for Money Self-Assessment initial draft be approved, subject to those minor amendments to be made by the Leader in conjunction with the Strategic Policy Officer and the final self-assessment document be submitted to the Audit Commission by 30 September 2005; and

(2) the Council Resources Overview and Scrutiny Commission be thanked for its contribution to this work.

### **Reason for making decision:**

To provide Cabinet with an opportunity to agree and amend the initial findings of the Council's VFM Self-Assessment for approval prior to its submission to the Audit Commission by the statutory deadline.

### **Alternative options considered and rejected:**

None.

(6.25 pm – 6.35 pm)

(D)

### **69/05 - IMPROVEMENT AND INVOLVEMENT MEMBER STEERING GROUP:**

The Head of Legal and Democratic Services submitted the minutes of the meetings of the Improvement and Involvement Member Steering Group held on 17 August and 14 September 2005. In considering those Minutes, Cabinet noted the further work was to be undertaken in connection with the finalisation of a "job role" for Members, which would culminate in an approved document being adopted by Council at its meeting in December 2005.

### **RESOLVED (UNANIMOUSLY):**

That the Minutes be received.

### **Reason for making decision:**

To consider the work of the Cabinet Working Group.

### **Alternative options considered and rejected:**

None.

(6.35 pm)

(D)

# CABINET