

## CABINET

### CABINET HELD ON 26 JULY 2006 (FROM 5.30 PM TO 6.03 PM)

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

**Late Arrivals:** None.

**Early Departures:** None.

29/06 - **APOLOGIES FOR ABSENCE:** There were no apologies for absence.

( 5.30 pm)

30/06 - **DECLARATIONS OF INTEREST:** Councillor Cooper declared a personal interest relating to any reference on the agenda to Harrogate International Centre arising from the use of the Facility by his employer for conference purposes

( 5.31 pm)

31/06 - **MINUTES:** The Minutes of the meeting of Cabinet held on 28 June 2006 were approved unanimously as a correct record and signed by the Chair.

(5.31 pm)

32/06 - **EXEMPT INFORMATION:** The reports referred to at Minutes 33/06 and 40/06 below were regarded as exempt in accordance with paragraph 3 of Schedule 12A to the Local Government Act 1972, as amended. Discussion on the items was, however, held in open session. The relevant appendices of the reports referred to at Minutes 34/06 and 38/06 below were also regarded as exempt in accordance with paragraphs 3, 4 and 5, as appropriate of Schedule 12A to the Act.

(5.32 pm)

### **MATTERS REFERRED TO COUNCIL FOR CONSIDERATION**

33/06 - **PROPOSED COMPULSORY PURCHASE OF A LONG TERM EMPTY PROPERTY – LANDS LANE, KNARESBOROUGH:** The Director of Community Services submitted a written report which sought approval for the making and submission of a compulsory purchase order under the provisions of the Housing Act 1985 in respect of a long-term empty property at Lands Lane, Knaresborough. The property was in a poor state of repair and likely to deteriorate further currently blighting a pleasant neighbourhood and constituting a wasted housing resource in an area of high housing demand. The report acquainted Cabinet with discussions that had taken place with the owner of the premises and on the value of the property as a site for redevelopment. In the event of approval being forthcoming from the Cabinet and the Secretary of State to pursue the acquisition incidental expenses for its compulsory purchase would be budgeted as part of the Housing Investment Programme for 2007/08.

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### RECOMMENDED (UNANIMOUSLY):

That (1) the Director of Resources be authorised to make and submit to the First Secretary of State for confirmation an order made pursuant to Section 17 of the Housing Act 1985 ("the Act"), the Acquisition of Land Act 1981 and Section 13 of the Local Government (Miscellaneous Provisions) Act 1976 entitled: The Harrogate Borough Council (Nether Edge Knaresborough) Compulsory Purchase Order 2006, for the purpose of acquiring the land which is shown on the map attached to the report or lesser areas of land should this in his opinion be appropriate, this being land within its area which is suitable for and required in order to secure the carrying out of one or both of the following objectives in Section 17(i) of the Act, they being:-

- (a) acquire land as a site for the erection of houses;
- (b) acquire houses, or buildings which may be made suitable as houses, together with any land occupied with the houses or building;

(2) the Director of Resources be authorised to advertise the making of the orders referred to above, to finalise and publish the supporting statement of reasons and take all other relevant actions to promote the confirmation of the order;

(3) the Director of Development Services in consultation with the Director of Resources be authorised to negotiate with interested parties with a view to agreeing terms for the purchase by agreement or by payment of compensation in respect of any of the interests or rights over land included in the order; and

(4) the Director of Resources only exercise his authority to make the compulsory purchase order referred to above on the understanding that efforts will continue to be made to seek to acquire all land and interests included within the order by way of private treaty.

(5.30 pm – 5.33 pm)

### 34/06 - **MEDIUM TERM FINANCIAL STRATEGY 2007/08 TO 2009/10:**

The Head of Financial Management submitted a written report in relation to the Council's policy objectives, proposing a means of reconciling spending ambitions with resource projections over the medium term and providing for the appropriate resource reallocation. The report was to be considered in conjunction with the medium-term corporate strategy and one of the key issues before Cabinet was the determination of spending priorities, such decisions to be taken in light of the 2004 Simalto exercise undertaken to identify residents' views and preferences. The report emphasised the need for continued sound financial management in the face of difficult financial circumstances and identified for approval the budget parameters and policy approaches for 2007/08. In addition, financial targets for the three-year period to reflect the overall policy stance were identified for consideration. Unlike previous years the Council had been made aware of its Revenue Support Grant settlement for 2007/08 at an early stage, although the level of such grant for subsequent years was unknown. The external and internal Revenue spending pressures were outlined in the report, together with, in accordance with CIPFA's Prudential Code, the approach adopted to Capital. Section 10 of the report set out

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future strategy options and Appendix Four Revenue Budget illustrations for the years 2007/08 to 2009/10. In response to a question from Councillor Cooper the Director of Finance confirmed that future reports on the Medium Term Financial Strategy would include reference to the Environmental Initiative Fund.

In conclusion, the Director of Resources emphasised the necessity to, in the context of the proposed strategy, resist budgetary growth in order to achieve the target Council tax rises illustrated in the report and, in doing so, avoid the possibility of Government imposed tax capping.

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

That (1) the following proposal for the medium term financial strategy be agreed;

(a) the revenue budget targets for 2007/08 to 2009/10 be agreed (illustrative figures shown in exempt Appendix 4).

(b) the following 2007/08 budget parameters be agreed:-

Fees and charges – Inflation at District Council level (subject to service considerations and market forces)

Pay increase provision – 2.5%

Other non demand-led expenditure budgets – 0%.

Efficiency savings illustrations (provisional targets) – 2% (of which 0.75% to be cash-based).

(c) a continued working balance target of £2m to £2.75m.

(d) the cash limit for HIC be applied as outlined in the report.

(e) the cash limit for cultural services as outlined in the report be continued for one further year.

(f) the emerging requirements in respect of resource reallocation as set out in paragraph 12 of the report be noted;

(2) given the continued validity of the 2004 Simalto exercise, the Council contains its formal consultation to the District Panel on the draft medium-term financial strategy for this year;

(3) a revised process for verification and validation of efficiency savings submission be agreed between the Executive Director (Corporate Policy and Improvement) and the Director of Resources and endorsed by CMT and the Cabinet Member for Finance and Resources; and

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(4) the Governance Panel of the Corporate Overview and Scrutiny Commission be allowed until 31 October 2006 to report on its deliberations on the medium term financial strategy 2007/08 to 2009/10.

(5.33 pm – 5.41 pm)

### **35/06 – LOCAL GOVERNMENT WHITE PAPER AND IMPROVED TWO-TIER**

**WORKING:** The Chief Executive submitted a written report with regard to the above together with a report of the same title prepared by the Association of North Yorkshire County Councils and placed before the Constituent Authorities for consideration and approval. The latest Government indications were that in the clear majority of county areas two-tiers of Government would remain subject to the establishment of better joint working arrangements. The report of the Association therefore provided background on meetings that had taken place to discuss improved two-tier working as an option against anticipated content of the Local Government White Paper on further Local Government reorganisation which was now expected to be published in Autumn 2006. The Association sought to establish principles to underpin partnership working and had identified areas for such partnership working which were required to be endorsed to enhance such working ahead of the publication of the White Paper.

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

That the recommendations of the Association of North Yorkshire District Councils with regard to enhanced joint working be approved and the Council await the more detailed proposals and timed actions for further consideration to be brought forward by the North Yorkshire Chief Executives Group.

(5.41 pm)

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

**Late Arrivals:** None.

**Early Departures:** None.

#### **MATTERS DEALT WITH BY CABINET**

36/06 - **ICT STRATEGY:** The Head of Information Technology and Development submitted a written report which sought approval to an ICT Strategy together with associated expenditure and strategic principles as outlined in the strategy for 2006/07 to 2008/09 now before the Cabinet. The strategy brought together both ITD and Access to Services development under one document and recognised the need for ICT to be developed in specific areas and sought to provide a service and infrastructure that was flexible enough to cater for any future changes which arose. In addition the strategy also catered for the more robust development of plans and solutions and for significant development and improvements in ITD's management systems and the standards of service provided in order to ensure high standards of performance were maintained. Whilst more detailed work would be required on the implementation of such principles, the strategy also set out training requirements for both Members and officers. Cabinet noted the investment proposed under the strategy, particularly for the current year and also the on-going investigations into "voice over the internet" possibilities.

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

That (1) the proposed ICT strategy be approved;

and (2) the expenditure outlined in Appendix 4 of the strategy be approved;

(3) the strategic principles outlined in paragraph 4.5 of the report be endorsed, subject to a further report outlining how they would be achieved and at what cost.

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

To have an approved strategy in place in order to meet the identified objectives outlined in the strategy.

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

Not to approve the strategy. This would seriously undermine the Council's ability to achieve its own strategic objectives, to respond to present and future Government

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initiatives and would result in a progressive deterioration in the Council's ability to support its front-line services in an effective way. It would also remove significant opportunities to improve the quality, effectiveness and efficiency of its service delivery and support functions.

(5.41 pm – 5.50 pm)

(D)

37/06 - **GENERAL FUND REVENUE MONITORING REPORT 2006/07:** The Head of Financial Management submitted a written report in connection with general fund revenue monitoring for 2006/07. The report explained that system interface problems with the new AGGRESSO financial ledger meant that there had been a delay in processing income and payroll information on the financial ledger (both issues now resolved). Whilst this made for financial reporting difficulties in these areas and was a particular problem for the Department of Community Services leisure sites, every attempt had been made to identify variances, particularly in the more significant areas of income generation. Current information suggested an underspend of £215,500 compared to the original estimate. Paragraph 3.4 of the report explained the reasons for the variation in the forecast spending the major of which related to additional general fund interest income of £150,000 due to higher forecast interest rates, a saving of £134,000 resulting from correction of a budget error and an anticipated increase of £70,000 in the cost of homelessness.

### **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.

(5.50 pm – 5.52 pm)

(D)

38/06 - **REPLACEMENT OF PAYROLL/HUMAN RESOURCES MANAGEMENT SYSTEM:** The Head of Financial Management submitted a written report on the requirement to replace the Council's payroll/Human Resources management system, the consequent procurement process that had taken place, in full compliance with EU procurement regulations and which had identified a preferred solution offered by Midland HR. Section 10 of the report provided Cabinet with an assessment of the preferred software and supplier. The Head of Financial Management referred to previously circulated correspondence received from Northgate, who had tendered for the replacement system, challenging the evaluation process. The Cabinet Member (Resources) confirmed that he had reviewed the

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correspondence and was satisfied with the robustness and transparency of the process undertaken in the selection of a preferred supplier and Cabinet supported this view. It was agreed that Northgate would be informed of this decision.

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

That subject to further discussions regarding contractual terms, a contract be entered into with Midland HR for the acquisition of its Trent integrated suite of payroll/Human Resource management software and associated services as detailed in the report.

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

The product offered by Midland HR is considered by the payroll/HR Project Board to offer the best overall solution in terms of value, risk and the current and future payroll/Human Resource management needs of the Council.

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

To enter into a contract with the other short-listed supplier for the purchase of its integrated suite of payroll/Human Resource management software and associated services. This was not recommended, for the reasons outlined in the report, it was not considered to offer the best overall solution in terms of the Council's future needs.

(5.52 – 5.56 pm)

(D)

39/06 - **NOTICE OF MOTION REFERRED FROM COUNCIL – CARING FOR THE ENVIRONMENT:** In accordance with Standing Order 10 the Cabinet considered the following Notice of Motion in the names of Councillors Cooper and Andrew Jones referred from Council at its meeting held on 19 July 2006.

In May 2006 the administration established a new portfolio for the Environment.

Caring for the Environment is one of the council's corporate priorities but, recognising public concern over the sustainability of our natural resources and the need to decrease carbon emissions to prevent global warming, this council now makes Caring for the Environment its top priority.

Further, the Council will work towards:

- Improving the energy and water efficiency of its own buildings and work with local businesses to encourage them to do the same.
- Implement renewable energy and cleaner fuel technologies in council buildings including council housing.
- Use procurement policy to support environmentally-friendly initiatives.

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- Raise awareness of climate change and the simple actions that all in our community can take to help tackle this issue.

To support this priority, sustainable initiatives will be given a high priority when determining financial commitments in the council's budgeting process.

Councillor Cooper referred to the establishment of the Environmental Initiatives Fund set up to facilitate care for the environment and called on the Cabinet and Council to support the actions detailed in the motion together with any other initiative improving energy efficiency etc and, therefore, impacting on carbon emissions and global warming.

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

That Cabinet supports the principles set out in the notice of motion and calls for a report from the Executive Director (Corporate Policy & Improvement) to Cabinet on 23 August 2006 on how such principles can be enshrined in the existing corporate objectives for 2006/07 and the remainder of the strategic plan for 2005-08.

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

To consider the Notice of Motion referred from Council.

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

None.

(5.56 pm – 6.02 pm)

(D)

### **40/06 - RENEWAL OF REPAIRS AND MAINTENANCE CONTRACTOR FOR**

**AREAS C/D:** The Director of Community Services submitted a written report following a re-tendering exercise undertaken for the appointment of a repairs and maintenance contractor for reactive repairs to Council dwellings for Areas C and D. The report, therefore, detailed those tenders received and the evaluation process undertaken.

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

That A Baldwin and Co Ltd be appointed as the successful contractors for the contract for Areas C/D.

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

A Baldwin and Co Ltd has been confirmed by the Tender Evaluation Panel as the most suitable contractor. The tender evaluation process is both proven and robust, involving both experienced officers and representative tenants.

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The financial implications to the cost of repairs over a five year period if A Baldwin and Co were not appointed are significant.

The savings to the costs of providing the repairs service is significant and the potential to further develop the remaining two repairs contracts currently provided by A Baldwin and Co will produce continued savings into the future.

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

To appoint the second highest scoring contractor. However, the increase to the cost of repairs would be significant.

Alternatively, the contract could be re-tendered. This was not recommended for the following reasons:-

The select list was compiled following EU tendering protocols and is unlikely to produce differing contractors who might be interested in tendering.

Whilst response to the EU advert was good, the overall quality of the tenders were poor which might suggest that the size of the contract is unattractive and is likely to be unaffected by re-tendering.

The implications of re-tendering would put undue strain on the interim arrangements for both staff and contractors alike and would take upward of six months to undertake.

(6.02 pm – 6.03 pm)

(D)

41/06 - **IMPROVEMENT AND INVOLVEMENT MEMBER STEERING GROUP:** The Head of Legal and Democratic Services submitted for the consideration of Cabinet the Minutes of the meeting of the Improvement and Involvement Member Steering Group held on 12 July 2006.

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

That the Minutes be received.

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

To consider the deliberations of the Cabinet Working Group.

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

None.

(6.03 pm)

(D)