

GATESHEAD METROPOLITAN BOROUGH COUNCIL

CABINET MEETING

Tuesday, 16 July 2019

PRESENT: Councillor C Donovan (In the Chair)

Councillors: J Adams, M Brain, A Douglas, M Foy, L Green, G Haley,
J McElroy and M McNestry

C30 APOLOGIES FOR ABSENCE

Councillor M Gannon

C31 MINUTES

The minutes of the last meeting held on 25 June 2019 were approved as a correct record and signed by the Chair.

C32 "A SUSTAINABLE FUTURE FOR CHOPWELL" - ERDF FUNDING BID

Consideration has been given to a full application to the North East European Regional Development Fund to progress the scheme 'A Sustainable Future for Chopwell'.

- RESOLVED -
- (i) That the submission of a full application for £5.8m of grants to the NE ERDF Low Carbon fund be approved.
 - (ii) That the awarding of contracts to Willmott Dixon Construction Ltd for the design, preconstruction works and pilot installations in relation to the Scheme be approved.
 - (iii) That the Acting Strategic Director, Communities and Environment be authorised, following consultation with the Strategic Director, Corporate Resources, to agree detailed terms, scope of contracts with Willmott Dixon Construction Ltd, within the agreed capital budget of £0.5m.

The above decisions have been made for the following reasons:

- (A) To support the delivery of the Chopwell and Blackhall Mill 10 Year Plan.
- (B) To support the Thrive agenda, by reducing energy costs and fuel poverty in Chopwell, and supporting housing

improvements and their associated benefits.

- (C) To continue to reduce carbon emissions of housing in Gateshead, in line with Gateshead's Climate Change Strategy.

C33

HOUSING MANAGEMENT - VARIATION OF HOUSING MANAGEMENT AGREEMENT AND REVIEW OF DELIVERY MODEL

Consideration has been given to changes to the Council's management agreement with Gateshead Housing Company to update and strengthen the Council's oversight of the Company.

- RESOLVED -
- (i) That the immediate updating of the Management Agreement by way of a variation letter recording newly agreed performance metrics, reporting and monitoring processes between the Council and Gateshead Housing Company based on Appendices 2 and 3 in the report be approved and the Strategic Director, Communities and Environment be authorised, following consultation with the Leader of the Council and the Cabinet member for Housing, to approve any minor amendments to the proposed variations following further discussions with GHC or such amendments as might be required by the Regulator for Social Housing.
 - (ii) That the proposal to commence a comprehensive review of the delivery model for management of the Council's housing stock, including a full options appraisal of alternatives and all necessary consultation with stakeholders be endorsed.
 - (iii) That the Strategic Director, Communities and Environment be authorised, following consultation with the Leader of the Council and the Cabinet member for Housing, to agree to the renewal of the Management Agreement for a period of up to two years, to allow time for the review to be concluded and any revised arrangements implemented.

The above decisions have been made to ensure the Council's housing stock is managed, and housing services delivered, in the interests of the Council and its tenants as effectively and efficiently as possible.

C34

GATESHEAD ENFORCEMENT POLICY

Consideration has been given to the adoption of the Council's Enforcement Policy for the Communities and Environment Directorate.

RESOLVED - That Council be recommended to adopt the Enforcement Policy, as set out in appendix 2 to the report.

The above decision has been made to ensure that enforcement action is carried out successfully by the Council to protect and promote the health and safety of the public and residents and to protect the environment.

C35

CAPITAL PROGRAMME AND PRUDENTIAL INDICATORS 2019/20 – 1ST QUARTER REVIEW

Consideration has been given to the latest position on the 2019/20 capital programme and prudential Indicators at the end of the first quarter to 30 June 2019.

- RESOLVED -
- (i) That the Council be recommended to agree all variations to the 2019/20 Capital Programme, as detailed in Appendix 2 to the report, as the revised programme.
 - (ii) That the financing of the revised programme be recommended to the Council.
 - (iii) That it be confirmed to Council that the capital expenditure and capital financing requirement indicators have been revised in line with the revised budget and that none of the approved Prudential Indicators set for 2019/20 have been breached.

The above decision have been made for the following reasons:

- (A) To ensure the optimum use of the Council's capital resources in 2019/20.
- (B) To accommodate changes to the Council's in-year capital expenditure plans.
- (C) To ensure performance has been assessed against the approved Prudential Limits.

C36

REVENUE BUDGET - FIRST QUARTER REVIEW 2019/20

Consideration has been given to the latest position on the 2019/20 revenue budget at the end of the first quarter.

RESOLVED - That the Council's revenue expenditure position at the end of the first quarter, as set out in Appendix 1, of the report be noted.

The above decision has been made to contribute to sound financial management

and the long-term financial sustainability of the Council.

C37

MAKING GATESHEAD A PLACE WHERE EVERYONE THRIVES - YEAR END ASSESSMENT OF PERFORMANCE AND DELIVERY 2018/19

Consideration has been given to the Making Gateshead a Place Where Everyone Thrives – Year End Assessment of Performance and Delivery Report for 2018/19.

- RESOLVED -
- (i) That the recommendations of all the Council's Overview and Scrutiny Committees in relation to the 2018/19 year-end performance report, as set out in Appendix 4 to the report, be approved.
 - (ii) That it be conformed that the activities undertaken during April 2018 to March 2019 are supporting delivery of the Thrive agenda.

The above decisions were made to ensure performance and focus supports the delivery against the strategic approach of Making Gateshead a Place Where Everyone Thrives.

C38

POST 16 SEND PROVISION IN GATESHEAD SPECIAL SCHOOLS

Consideration has been given to the response to the consultation exercise on the proposed changes to sixth form provision in Gateshead Special Schools and a proposed change to the designated age range for Hill Top and Dryden Schools.

- RESOLVED -
- (i) That the responses to the consultation exercise be noted.
 - (ii) That Council will continue to support funding for post 16 provision for two years of sixth form for children in the main school of Hill Top and Cedars, and commits to continuing to strengthen the Council's work with young people and families from Year 9 onwards to identify and secure the most appropriate post 16 pathway which will best prepare individual learners for adulthood and to ensure all children are offered a choice of provisions.
 - (iii) That a statutory consultation exercise be undertaken during the Autumn Term 2019 to change the designated age range of Dryden and Hill Top Schools to be 11-18 schools

The above decisions were made for the following decisions:

- (A) To meet the Council's statutory duty to promote high educational standards and to make effective use of

resources.

- (B) To comply with school organisation legislation.

C39

PROCUREMENT AND CONTRACTS

Consideration has been given to the procurement and award of contracts.

RESOLVED - That the Service Director, Corporate Commissioning and Procurement be authorised to invite or negotiate tenders or conduct other procurement processes (or to complete the relevant processes where they have already begun) in respect of the contracts, listed in Appendix 2 to the report, and to award the relevant contracts to the tenderers submitting the most economically advantageous tenders (or otherwise proving successful in accordance with other procurement processes) in accordance with the Contract Procedure Rules.

The above decisions have been made to enable the procurement of goods, works and services required for the efficient and effective delivery of services.

C40

APPROVAL OF SCHEMES, ESTIMATES AND TENDERS DURING THE SUMMER RECESS

Consideration has been given to the authorisation of the Acting Strategic Director, Communities and Environment and the Service Director, Council Housing, Design and Technical Services, following consultation with the Strategic Directors, Corporate Resources and Corporate Services and Governance, to jointly approve schemes and estimates, and to invite and accept tenders over certain thresholds, during the summer recess following this Cabinet meeting up to the Cabinet meeting on 17 September 2019.

RESOLVED - That the Acting Strategic Director, Communities and Environment and the Service Director, Council Housing, Design and Technical Services be authorised, in consultation with the Strategic Directors, Corporate Resources and Corporate Services and Governance, to jointly approve the letting of any contracts relating to the Cabinet approved 2019/20 Capital Works Programme which exceed £250,000 in value: such approval is to be in the form of either:

(a) an authorisation to invite or negotiate tenders in accordance with Rule 6 of the Contract Procedure Rules (“the Rules”) or to conduct some other procurement process in accordance with the Rules and to award the contract to the economic operator submitting the most economically advantageous tender as determined by the Service Director, Corporate Commissioning and

Procurement in accordance with the stated terms of the tender or other process and, where applicable, the Regulations; or

- (b) an authorisation subsequent to the conduct of a tendering process or other procurement process in accordance with the Rules to award the contract.

The above decisions have been made to enable projects to progress and to avoid delay in delivery of the capital programme and its related expenditure.

C41 PETITIONS SCHEDULE

Consideration has been given to an update on petitions submitted to the Council and the action taken on them.

RESOLVED - That the petitions received and action taken on them be noted.

The above decision has been made to inform the Cabinet of the progress of the petitions.

C42 EXCLUSION OF THE PRESS AND PUBLIC

RESOLVED - That the press and public be excluded from the meeting during consideration of the remaining business in accordance with paragraph 3 of Schedule 12A to the Local Government Act 1972.

C43 GIBSIDE SCHOOL - NEW BUILD SPECIAL SCHOOL

Consideration has been given to the scheme and estimate to create a new expanded school on a new site to replace the existing Gibside School.

- RESOLVED -
- (i) That the scheme and estimate be approved.
 - (ii) That the Service Director, Council Housing, Design and Technical Services be authorised to place an order through the SCAPE Major Works Framework within the agreed overall budget limit.

The above decisions have been made for the following reasons:

- (A) To enable the Council to fulfil its statutory duty to ensure a match between the predicted demand for school places and the number of schools and places maintained, and to ensure efficient use of resources.
- (B) To meet the required timescale for delivery of the

additional school places.

C44

CLASPER VILLAGE HOUSING DEVELOPMENT - ENABLING WORKS CONTRACT

Consideration has been given to a proposal to enter into a contract with Wates Construction Ltd. (WCL) for the enabling works and site remediation ahead of delivery of the residential development and regeneration of the former Clasper Village housing site.

- RESOLVED -
- (i) That the entering into a contract with WCL be approved , via the Scape Framework for the site enabling works up to the value of £6.7m and the Service Director, Council Housing, Design and Technical Services be authorised to place an order for the works, subject to the form and content of the contract being approved by the Strategic Director, Corporate Services and Governance in accordance with the Constitution.
 - (ii) That the total scheme cost estimates be noted and further reports be received on the next phase of delivery.
 - (iii) That the Service Director, Council Housing, Design and Technical Services be authorised to progress the scheme and to establish full contract estimates for the construction works and sales and marketing activity to deliver the housing development.

The above decisions have been made for the following reasons:

- (A) To promote the accelerated delivery of homes within the Borough.
- (B) To help meet housing need in the Borough.
- (C) To realise the Council's policies and objectives in relation to housing growth.

C45

GATESHEAD QUAYS SUPPORTING INFRASTRUCTURE

Consideration has been given to an update on the supporting infrastructure needed to bring forward the development of Gateshead Quays and the progression of initial designs and pre-construction work to develop the supporting infrastructure for Gateshead Quays.

- RESOLVED -
- (i) That the progression of initial design and pre- construction work to develop the supporting infrastructure for Gateshead Quays be

approved.

- (ii) That the development of a Gateshead Quays Development Framework to coordinate site development and infrastructure improvements be approved.

The above decisions have been made to progress the development of the Gateshead Quays site.

C46

HIGH STREET SOUTH DELIVERY PLAN

Consideration has been given to the conclusions of the High Street South Delivery Plan.

- RESOLVED -
- (i) That comprehensive development of the High Street South regeneration area be approved, as set out in the report.
 - (ii) That the provision of a 5 year capital allocation, as detailed in the report, be approved.
 - (iii) That the Strategic Director, Corporate Services and Governance be authorised, following consultation with the Leader of the Council, and with the Strategic Directors, Communities and Environment and Corporate Resources, to negotiate and agree the necessary legal documentation to give effect to the proposals and enter into contracts for that purpose.

The above decisions have been made for the following reasons:

- (A) To regenerate High Street South.
- (B) To provide new homes and community facilities in the Town Centre to improve performance and economic growth.
- (C) To improve the perception of the centre of Gateshead, and to provide safe attractive passage from the Exemplar Neighbourhood to the Town Centre.
- (D) To integrate health and wellbeing into the regeneration objectives.
- (E) To maximise internal trading opportunities where feasible and subject to capacity.

C47

LONGSIDE HOUSE - CONTRACT FOR WORKS

Consideration has been given to a proposal to enter into a contract with the Gateshead Housing Company for construction works for the conversion of Longside House into a Children's Home.

RESOLVED - That the Service Director, Council Housing, Design and Technical Services be authorised to place an order with the Gateshead Housing Company, as set out in the report, and enter into a contract for the works with the Gateshead Housing Company, following consultation with the Strategic Director, Corporate Services and Governance.

The above decision has been made for the following reasons:

- (A) Young people needing residential care will be placed within Gateshead rather than being placed at a distance.
- (B) There will be savings to be made by bringing young people back into our own resource.

C48

TRANSFER OF LAND AT WINDY NOOK AND ROWLANDS GILL TO GATESHEAD REGENERATION PARTNERSHIP

Consideration has been given to the freehold transfer of two sites that make up Bundle 2 to the Gateshead Regeneration Project (GRP) for the delivery of 62 homes at Whitehills Drive in Windy Nook and the former Rowlands Gill Primary School site in Rowlands Gill.

RESOLVED -

- (i) That the transfer of the freehold interest in the sites at Rowlands Gill and Windy Nook for nil consideration to Gateshead Regeneration Partnership for the provision of new homes be approved.
- (ii) That the provision of a capital injection, as set out in the report, for these sites to facilitate the delivery of new homes be approved; and that the Council enter into site specific funding agreements with GRP in a form approved by the Strategic Director, Corporate Services and Governance in accordance with the Constitution.

The above decisions have been made for the following reasons:

- (A) To support the delivery of 62 homes, with a start on site in August 2019.
- (B) To secure the delivery of 52 homes and Accelerated Construction funding from Homes England for the Kelvin

Grove site.

- (C) To enable income to accrue to the Council; and training, employment and socioeconomic benefits for the residents and businesses of Gateshead.
- (D) To utilise the Council's land and property portfolio to support the Council's policy priorities in accordance with the provisions of the Council's Corporate Asset Strategy and Management Plan 2015 – 2020 and Housing Strategy 2019-30.

C49

SOUTH TYNE AND WEAR WASTE MANAGEMENT PARTNERSHIP PFI CONTRACT

Consideration has been given to proposed changes to the funding arrangements on the Council's Waste PFI Contract.

- RESOLVED -
- (i) That the principle of South of Tyne and Wear Energy Recovery Limited revising their funding arrangements in accordance with the provisions contained within the PFI contract be approved.
 - (ii) That the Strategic Director, Corporate Resources be given delegated powers to approve the revisions to the financial model and funding terms, including the calculation of the gain for the Partnership in consultation with the S151 Officers from Sunderland and South Tyneside Councils and in accordance with advice from external financial consultants, Local Partnerships LLP.
 - (iii) That the Strategic Director, Corporate Services and Governance be given delegated powers to approve and agree any revisions to the contractual documentation necessary to reflect the changes to the funding terms in accordance with advice from external legal consultants, Pinsent Masons LLP.
 - (iv) That the Strategic Director, Corporate Services and Governance be given delegated powers to execute the variation agreement and other necessary documentation as is required to give effect to the above decisions, so far as such power is not already delegated by the Council's constitution.

The above decisions have been made to deliver a revenue saving for the Council by

reducing the financing costs associated with the Council's Residual Waste Treatment Contract.

C50

GATESHEAD COUNCIL'S TRADING COMPANIES OPERATIONAL AND FINANCIAL POSITION 2018/09

Consideration has been given to the current trading activity undertaken through subsidiaries wholly owned by the Council.

- RESOLVED -
- (i) That the report outlining company activity to date including the contribution to Council Thrive priorities be noted.
 - (ii) That an annual composite report be presented to Cabinet covering the activities of the companies.

The above decisions have been were made for the following reasons:

- (A) To contribute to the sound governance, operational and financial management of the Council's wholly owned subsidiary companies.
- (B) To assist effective financial and performance oversight and awareness of all Council activity, regardless of delivery model.

Copies of all reports and appendices referred to in these minutes are available online and in the minute file. Please note access restrictions apply for exempt business as defined by the Access to Information Act.

The decisions referred to in these minutes will come into force and be implemented after the expiry of 3 working days after the publication date of the minutes identified below unless the matters are 'called in'.

Publication date: 18 July 2019

Chair.....