

GATESHEAD METROPOLITAN BOROUGH COUNCIL

CABINET MEETING

Tuesday, 21 November 2017

PRESENT: Councillor M Gannon

Councillors: C Donovan, M Brain, A Douglas, M Foy,
L Green, J McElroy, M McNestry and J Adams

C88 APOLOGIES FOR ABSENCE

An apology for absence was received from Councillor G Haley.

C89 MINUTES

The minutes of the last meeting held on 17 October were approved as a correct record and signed by the Chair.

C90 COUNCIL HOUSING DEVELOPMENT, SEYMOUR STREET, DUNSTON

Consideration has been given to a new affordable housing development at Seymour Street, Dunston, within the Housing Revenue Account (HRA) and to pursuing Affordable Homes Grant funding from the Homes and Communities Agency (HCA) to support the project.

- RESOLVED -
- (i) That the proposed development of seven 2 bed, 4 person Council houses at Seymour Street, Dunston, to be let at affordable rents and to be designed by the Council's Housing, Design and Technical Services Team and the construction to be delivered by The Gateshead Housing Company (formerly Construction Services) be approved.
 - (ii) That application for Affordable Homes Grant funding from the Homes and Communities Agency to support the project be approved.

The above decisions have been made for the following reasons:

- (A) To increase the provision of much needed affordable housing for rent utilising external grant.
- (B) To contribute to the further sustainability of the Housing Revenue Account.

C91 DISPOSAL OF THE FORMER LYNDHURST CENTRE

Consideration has been given to the disposal of the freehold interest in the former Lyndhurst Centre ('the Site') to the Gateshead Trading Company ('GTC'), the provision of a Loan to GTC in order to facilitate the development of new housing and approval to enter into a contract with GTC for the delivery of the development.

The alternative option to that being recommended, but which was discounted, included disposing of the Site on the open market.

- RESOLVED -
- (i) That the disposal of the Site to Gateshead Trading Company for the sum of £100,000 subject to the receipt of planning permission for new residential development be approved.
 - (ii) That using powers granted under the Local Government Act 1972 General Disposal Consent (England) 2003, a disposal at an under-value based on a guarantee of the development of affordable housing by GTC be approved.
 - (iii) That authority be delegated to the Service Director, Legal, Democratic & Property Services to negotiate the final terms of the disposal.
 - (iv) That the provision of a Loan facility to Gateshead Trading Company of £5.294m to facilitate the proposed development be approved.
 - (v) That authority be delegated to the Strategic Director, Corporate Resources to finalise the terms of a Loan Agreement with Gateshead Trading Company.
 - (vi) That the Council enter into a contract with the Gateshead Trading Company for the delivery of the development including design and construction.
 - (vii) That authority be delegated to the Strategic Director, Corporate Services & Governance, following consultation with the Strategic Director, Communities & Environment to finalise the terms of the contract with the Gateshead Trading Company.

The above decisions have been made for the following reasons:

- (A) To ensure the early re-use of an under used site.
- (B) To obtain a capital receipt.
- (C) To ensure the development of new affordable housing in the area.

C92

TENDERS FOR THE SUPPLY OF GOODS AND SERVICES

Consideration has been given to tenders received for the contract for the provision of 0-19 Public Health Nursing Service in Gateshead and the framework contract for Printing and Fulfilment Services.

- RESOLVED -
- (i) That the tender from Harrogate and District NHS Foundation Trust for the contract for the Provision of 0-19 Public Health Nursing Service in Gateshead for a period of 24 months commencing 1 July 2018, with the option to extend for a further 3 x 12 month periods, be accepted.

- (ii) That tenders received from the companies for each of the lots listed below in respect of the Framework Contract for Printing and Fulfilment Services be accepted (and noted in respect of Lot 3, which has been approved by The Gateshead Housing Company and is included for information only) for a period of 24 months commencing 4 December 2017, with the option to extend for a further 2 x 12 month periods:
- Lot 1 Council Tax Notifications, Critiqom Ltd, Bellshill, Lanarkshire
 - Lot 2 Printing Of Council News Magazine, Acorn Web Offset Limited, Normanton, West Yorkshire
 - Lot 3 The Gateshead Housing Company, Potts Print Ltd, Cramlington, Northumberland

The above decisions have been made because a comprehensive evaluation of the tenders received has been undertaken and the accepted tenders are the most economically advantageous tenders submitted.

C93 REVIEW OF SENIOR MANAGEMENT ARRANGEMENTS IN COMMUNITIES & ENVIRONMENT AND CORPORATE SERVICES & GOVERNANCE

Consideration has been given to recommending to Council changes to service structures within the Communities & Environment and Corporate Services & Governance service groups.

- RESOLVED -
- (i) That the Council be recommended to approve the management structure changes as detailed in the report, with effect from 1 December 2017 in respect of Commissioning & Neighbourhoods Service within Communities & Environment and with effect from 1 January 2018 in respect of the changes in Corporate Services & Governance or such later date(s) as agreed by the Chief Executive, following consultation with the Leader of the Council and any further representations from trade unions.
- (ii) That it be noted management arrangements for the Council's strategic asset management and property functions are currently under review and recommendations in relation to these functions will be put to Cabinet and Council in a further report in due course.

The above decisions have been made to enable continued improvement in the co-ordination of Council functions, the organisation of its staff, and to enable Council services to be delivered in a more efficient and effective way.

C94 TALENT MANAGEMENT POLICY

Item withdrawn.

C95 CAPITAL PROGRAMME AND PRUDENTIAL INDICATORS 2017/18 - SECOND QUARTER REVIEW

Consideration has been given to the latest position on the 2017/18 capital programme and Prudential Indicators at the end of the second quarter to 30 September 2017.

RESOLVED -

That the Council be recommended to:

- (i) Approve that all variations to the 2017/18 Capital Programme as detailed in appendix 2 to the report be agreed as the revised programme.
- (ii) Approve the financing of the revised programme.
- (iii) Note 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 2017/18 have been breached.

The above decisions have been made for the following reasons:

- (A) To ensure the optimum use of the Council's capital resources in 2017/18.
- (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.

C96

LOCAL COUNCIL TAX SUPPORT SCHEME

Consideration has been given to recommending to Council a Local Council Tax Support Scheme for the year 2018/19.

The alternative options to that being recommended, but which were discounted, included the adoption of a scheme which offers less support by increasing the minimum contribution or more support to residents by increasing at a greater rate the Council's commitment of resources.

RESOLVED -

That the Council be recommended to:

- (i) Approve the proposed scheme as set out in paragraphs 7 and 8 of the report.
- (ii) Delegate powers to the Strategic Director, Corporate Resources, to provide regulations to give effect to the scheme.

The above decisions have been made for the following reasons:

- (A) To meet the statutory requirements of the Local Government Finance Act 2012 in relation the establishment of a framework for Localised Council Tax Support.
- (B) To mitigate the impact of budget cuts and other Welfare Reform changes on Council Tax support claimants.
- (C) To mitigate the impact of funding reductions on Council finances.

C97

ADDENDUM TO DISCRETIONARY RATE RELIEF POLICY

Consideration has been given to recommending Council to approve additions to the Council's Discretionary Rate Relief Policy covering two new areas of local discretion in respect of business rate relief. This will establish a Local Business Rate Discount and a Revaluation Business Rates Discount covering the period 2017/18 to 2020/21.

RESOLVED -

That the Council be recommended to approve:

- (i) The Council's Discretionary Rate Relief Policy is amended to reflect the additional proposed policies set out in paragraphs 7, 8 and 9 of the report, regarding the Local Business Rate Discount scheme and paragraphs 18 and 19 of the report for the Revaluation Business Rate Discount.
- (ii) The Strategic Director, Corporate Resources manages this policy under the delegated authority to manage the Collection Fund in accordance with statutory requirements.

The above decision has been taken to ensure the effective management of the Council's resources.

C98

STRATEGIC PLANNING AND BUDGET CONSULTATION

Consideration has been given to consulting on a new five year strategic approach 'Making Gateshead A Place Where Everyone Thrives' and the Council's budget framework and proposals as part of the budget setting process for 2018-19.

The Council's new strategic approach is being developed with the Council's purpose and beliefs in mind, along with what matters most to the people of Gateshead. It is aligned to the timeframe of the Medium Term Financial Strategy and is predicated on the following council pledges:

- Put people and families at the heart of everything that we do
- Tackle inequality so people have a fair chance
- Support our communities to support themselves and each other
- Invest in our economy to provide sustainable opportunities for employment, innovation and growth across the borough
- Work together and fight for a better future for Gateshead

RESOLVED -

- (i) That consultation on the budget proposals for 2018/19 be approved, consultation commencing on 21 November 2017 and closing on Friday, 12 January 2018 to enable evaluation of the responses to inform the Council's Budget 2018/19, which will be presented to Cabinet on 20 February 2018.
- (ii) That consultation on the new strategic approach be approved, consultation commencing on 21 November 2017 and closing on 21 February 2018, to enable evaluation of the responses before a report is presented to Cabinet and Council in March 2018 seeking formal approval of the strategic approach.

The above decisions have been made to ensure the Council is well placed to respond to

the needs of the borough, whilst addressing the financial challenge placed on the Council and the residents of the borough.

C99 RESPONSE TO CONSULTATION

Consideration has been given to a response to a recent Government consultation.

RESOLVED - That the response to the Department for Communities and Local Government consultation 'Planning for the Right Homes in the Right Places' be endorsed.

The above decision has been made to enable the Council to contribute a response to the consultation.

C100 REVENUE BUDGET 2017/18 - SECOND QUARTER REVIEW

Consideration has been given to the latest monitoring position on the 2017/18 revenue budget at the end of the second quarter to 30 September 2017.

RESOLVED - That the Council's revenue expenditure position at 30 September 2017, as set out in appendix 1 to the report be approved.

The above decision has been made to contribute to sound financial management and the long term financial sustainability of the Council.

C101 LOCAL TRANSPORT PLAN: CAPITAL PROGRAMME MID-YEAR UPDATE

Consideration has been given to an update on progress with the Council's programme of investment in the local transport network, including funding received through the Local Transport Plan (LTP) process. The update includes a review of the 2017/18 programme which was approved by Cabinet on 25 April this year along with the in-year changes that have taken place. An outline of the 2018/19 roads maintenance programme is also set out to allow for forward planning of these works.

- RESOLVED -
- (i) That the revised programme for 2017/18 as set out in appendices 3-5 of the report, noting that there may be a need to further review scheme priorities during the remainder of the financial year in line with the available resources, be approved.
 - (ii) That the Service Director, Development, Transport and Public Protection be authorised to award the relevant works to the Service Director, Construction Services under the terms of the Highways, Drainage & Street Lighting Maintenance Contract.
 - (iii) That the Service Director, Development, Transport and Public Protection be authorised to make changes to the approved indicative programme, following consultation with the Cabinet Member for Environment and Transport as and when the need arises.
 - (iv) That the highways planned maintenance programme for 2018/19 be approved to allow forward planning of these works.

The above decisions have been made to enable the design and implementation of transport schemes in support of the Tyne and Wear Local Transport Plan and the Council's policy objectives.

C102 ONE PUBLIC ESTATE, DEPARTMENT FOR COMMUNITIES AND LOCAL GOVERNMENT (DCLG) LAND RELEASE FUND

Consideration has been given to the bids for funding which were made via One Public Estate in relation to the Department for Communities and Local Government Land Release Fund on 3 November 2017 for the purpose of accelerating development on Council owned sites.

- RESOLVED -
- (i) That the action taken by the Strategic Director, Communities and Environment, in accordance with Schedule 5, Part 2 – General Delegations to Managers, paragraph 4 (e) of the Constitution, in submitting the bids for funding to the Land Release Fund in relation to the four sites detailed below, via One Public Estate to the Department for Communities and Local Government, be noted and endorsed.
 - a) Development by The Gateshead Trading Company at:
 - Clasper Village – To develop 184 homes
 - Lyndhurst – To develop 36 homes
 - b) Development by The Gateshead Regeneration Partnership at:
 - Kelvin Grove – To develop 52 homes
 - Rowlands Gill – To develop 23 homes
 - (ii) That an indication be provided in future reports relating to housing development of the positive impacts in terms of increased council tax revenues and New Homes Bonus.

The above decisions have been made for the following reasons:

- (A) To maximise potential housing delivery to help deliver new homes as identified in the adopted Local Plan.
- (B) To realise the Council's policies and objectives in relation to housing growth.
- (C) To pursue external funding that would otherwise require the Council to increase capital expenditure to take these developments forward.

C103 SURPLUS DECLARATION: 112 - 114 KELLS LANE LOW FELL

Consideration has been given to declaring land at 112/114 Kells Lane, Low Fell surplus to the Council's requirements and to the future proposal for the property after being declared surplus.

- RESOLVED -
- (i) That the land at 112/114 Kells Lane, Low Fell be declared surplus to the Council's requirements.

- (ii) That the Service Director, Legal, Democratic and Property Services be authorised to dispose of the property on the open market.

The above decisions have been made to manage resources and rationalise the Council's assets in line with the Corporate Asset Strategy and Management Plan 2015 -2020 thereby facilitating the long term sustainability of the Housing Revenue Account.

C104 PETITIONS SCHEDULE

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

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

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

C105 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.

C106 SALE OF OLD TOWN HALL QUARTER

RESOLVED - That this item be deferred to the next meeting of Cabinet on 19 December 2018 to enable arrangements to be made for a Members' briefing seminar in the interim period on the proposals.

C107 EU FUNDING OPPORTUNITIES

Consideration has been given to the Council being a partner in three applications for European Regional Development Fund (ERDF) funds and to providing matched funding to deliver projects that will promote economic growth and job creation through business adoption of new and emerging technologies, promoting entrepreneurship and improving business competitiveness.

The alternative option to that being recommended, but which was discounted, included the Council submitting standalone bids.

- RESOLVED -
- (i) That the Council being a named partner in the Digital Innovation Partnership ERDF application and participating in the delivery of the project, if successful, providing match funding of up to £245,000, subject to any the partnership agreements being agreed by the Strategic Director, Corporate Services & Governance be approved.
 - (ii) That the Council being a named partner in the Business Energy Efficiency Project ERDF application and participating in the delivery of the project, if successful, providing match funding of up to £45,000 to be met from the Economic Growth Reserve,

subject to any partnership agreements being agreed by the Strategic Director, Corporate Services & Governance be approved.

- (iii) That the Council being a named partner in the Business Support North East Partnership expression of interest (EOI) and subsequent ERDF application and participating in the delivery of the project, if successful, providing match funding of up to £75,000 to be met from the Economic Growth Reserve, subject to any partnership agreements being agreed by the Strategic Director Corporate Services & Governance be approved.

The above decisions have been made for the following reasons:

- (A) To maximise opportunities for economic growth in Gateshead.
- (B) To maximise the opportunities for business growth in the digital technology sector; creating good quality employment.
- (C) To improving business competitiveness through technology adoption leading to job creation and safeguarding.
- (D) To maximise opportunities to support Gateshead residents to set up businesses.
- (E) To maximise available external funding opportunities.
- (F) To support the Council's investment in PROTO: The Emerging Technology Centre.
- (G) To support SMEs to increase energy efficiency leading to improved resilience and competitiveness creating and safeguarding jobs.

C108

CREATION OF AN ENERGY SUPPLY JOINT VENTURE PARTNERSHIP

Consideration has been given to creating a joint venture partnership with a licensed energy supplier to support the development of energy related schemes, including a Gateshead-wide energy tariff and to proceed with a "partner selection process" to find the most suitable supplier with whom to enter into this commercial arrangement.

The alternative options to that being recommended, but which were discounted at this time, included developing a white label brand and becoming a licensed energy supplier.

- RESOLVED -
- (i) That the creation of a joint venture partnership with an energy supplier, which will deliver a range of energy related initiatives including a Gateshead tariff and a voids management package be approved.
 - (ii) That the commencement of a partner selection process, to identify the most suitable partner to deliver the above activities be approved and a further report with recommendations on a preferred partner to be submitted to Cabinet at the conclusion of this process.

The above decisions have been made for the following reasons:

- (A) To enable all Gateshead residents to benefit from lower cost energy, to support fuel poverty reduction.
- (B) To fulfil the Council's legislative requirements under the HEIGHTs scheme.
- (C) To facilitate further innovation and delivery models for increasing energy efficiency, energy generation and reducing carbon emissions for Gateshead residents.
- (D) To take the Council into the licenced energy supply market, creating further income streams for the Council.

C109 GRANT OF LEASE 11 & 12 GLADSTONE TERRACE, GATESHEAD

Consideration has been given to the leasing arrangements in relation to 11 and 12 Gladstone Terrace, Gateshead for terms which are less than market value.

The alternative option to that being recommended, but which was discounted, included disposing of 12 Gladstone Terrace on the open market.

- RESOLVED -
- (i) That the grant of a 35 year lease of 12 Gladstone Terrace to the Trustees of BBC House Boys Club for nil consideration be approved.
 - (ii) That the acquisition of a 35 year lease of 11 Gladstone Terrace, at nil consideration be approved.
 - (iii) That the grant of a 35 year less 1 day sublease of 11 Gladstone Terrace to Walking With the Wounded for nil consideration be approved.
 - (iv) That it be approved Walking with the Wounded will be responsible for undertaking all necessary work to enable the property to be used for the purposes set out in the report, including the works required to separate the two buildings.

The above decisions have been made to manage the Council's assets in line with the Corporate Asset Strategy and Management Plan and to address a housing need within the borough.

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: 23 November 2017

Chair.....