

M1CAB2

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## KIRKLEES METROPOLITAN COUNCIL

### CABINET

**Wednesday 7 July 2004**

Present: Councillor K Pinnock in the Chair  
Councillors Alvy, P Batty, Cooper, Denham, Hullock, A Pinnock,  
A Raistrick

Observer: Councillor Light

**4 Apologies for Absence**

Apologies for absence were received from Councillor J Smithson

**5 Minutes of Previous Meetings Held on 2 and 9 June 2004**

**RESOLVED** - That the Minutes of meetings held on 2 and 9 June 2004 be approved and signed as correct records.

**6 Admission of the Public**

The Cabinet determined those items which would be considered in private session.

**7 Scheme of Delegation**

The Cabinet considered ratifying the Scheme of Delegated Powers of Officers as approved by the Council meeting on 30 June 2004.

**RESOLVED** - That the Scheme of Delegated Powers of Officers as approved by the full Council meeting on 30 June 2004 be ratified.

**8 Cabinet Committees**

The Cabinet considered establishing three Committees for the Municipal Year 2004/5 in addition to the Cabinet Committee - Decision Making Panel - Neighbourhood Renewal Fund which was established by the full Council meeting on 30 June 2004.

There had been increasing concern that one of the consequences of the Executive/Scrutiny split was that many Members felt distanced from what was going on in the Council and were unable to find a suitable mechanism to contribute their views and experiences to the debates on Executive decisions. It was therefore proposed that three Cabinet Committees be established to open up the business of the Cabinet and offer participation of the other parties in discussing Executive decisions.

Given current legislation only Cabinet Members could vote on Executive decisions and other Members would be part of the Committees in a non-voting capacity. The Cabinet would delegate decision making to the Cabinet Committees but could decide which decisions would be determined at full Cabinet meetings. Any Member could attend and speak at full Cabinet meetings and it was proposed that this arrangement continue.

It was proposed that Cabinet Committees be established as follows:-

- \* Policy and Resources
- \* Education and Peoples Services
- \* Regeneration

There would be four Cabinet Members on each Committee and the numbers of non-voting places available to other Parties would be determined by agreement with the respective Business Managers.

**RESOLVED** - That in the interests of good governance and widening the participation of Members in the business of the Council the three Cabinet Committees as set out below be established for the 2004/5 Municipal Year.

\* **Policy and Resources Committee**

Members: Councillors Raistrick, P Battye, K Pinnock (Chair) and Smithson

\* **Education and Peoples Services Committee**

Members: Councillors Hullock, Alvy (Chair), Cooper and K Pinnock

\* **Regeneration**

Members: Councillors Smithson (Chair), Denham, A Pinnock and Cooper

The schedule of meetings to be determined at the full Council meeting on 14 July 2004. Details of delegation and non-voting Members to be determined.

That in the absence of a Committee Member any other Cabinet Member can substitute at meetings.

**9 Council Performance Plan 2004/5**

The Cabinet considered the Council Performance Plan for 2004/5 prior to its consideration by the full Council meeting on 14 July 2004.

The introduction and direction of travel sections of the Plan were approved by the Cabinet on 9 June 2004. The Plan was published on the Council Website by 30 June 2004 in line with the Government's Best Value requirements and the Cabinet decision of 9 June 2004.

**RESOLVED** - That the Council Performance Plan 2004/5 be approved and referred to the full Council meeting on 14 July 2004 for discussion and agreement.

#### **10 Vision of a Future Kirklees**

The Cabinet considered the Vision Statement and process for work on revising the Community Strategy and preparing the Local Development Framework prior to its consideration by the full Council meeting on 14 July 2004.

It was a statutory responsibility for all Local Authorities to produce and help deliver a Community Strategy but guidance issued in March 2001 encouraged them to work through a Local Strategic Partnership (LSP). The Kirklees Partnership published the current Community Strategy in April 2002. The main reason for adopting a new Vision Statement at this time was to provide added direction to the process of updating the Strategy. The Partnership was currently finishing a series of theme reviews and as a consequence of this plus developing local, regional and national agenda a revised version was due to be published by April 2005.

Further impetus for the work was provided by the start of the process for the Local Development Framework (LDF) and the Local Transport Plan (LTP). The Vision Statement and illustrative themes were the product of a series of 18 months of discussion between the Council and Partners. It was recognised that more work was required with Local Area Committees and others to articulate the aspirations of the distinctive parts of Kirklees.

#### **RESOLVED -**

(1) That the Vision Statement be referred to the full Council meeting on 14 July 2004 for endorsement, which will then be adopted by the Kirklees Partnership as the context for work on revising the Community Strategy and preparing the Local Development Framework.

(2) That the next steps in developing this process and revising the Community Strategy be noted including assessment of the sustainability issues within the Local Development Framework by the Environment Unit and what level of consultation would be required.

#### **11 Changes to the 2004/5 Revenue Budget Arising from the 2003/4 Rollover Process**

The Cabinet considered Outturn figures for the 2003/4 Financial Year and recommendations on levels budget rollover and clawback to be allowed in 2004/5 prior to consideration by the full Council meeting on 14 July 2004.

The Council underspent its Revenue Budget for 2003/4 by £9.6m. The established rollover mechanisms provided for Service underspendings to be carried forward and for additional resources to be given to Services to compensate for special circumstances. It was proposed that additional net budgets of £5.0m. be allocated to Services and that the remaining £4.6m. be reserved to cover a number of risks facing the Council in 2004/5 and to support the new three year budget.

The Cabinet was requested to consider whether the Education Service Budget should be relieved of part its clawback in respect of Independent School Fees for Emotional and Behavioural Difficulty (EBD) Children. An agreement had been reached between Education and Social Services that the additional cost should be shared between both Services in terms of the current year and future years. With regard to 2003/4 it was proposed that an additional £100,000 rollover be granted to the Education Service Budget on a one off basis to cover the overspend.

The Director of Finance advised that the balance of £4.6m. which it was proposed remains uncommitted after the rollover process should be reserved to cover financial risks arising in 2004/5 including implementation of Single Status and funding of the Government's decision in respect of the previous two year's grant awards to Local Councils which could cost the Authority £2m. - £3m.

**RESOLVED** - That full Council on 14 July 2004 be recommended to approve:-

(1) Entitlements to rollover and provisions for clawback in 2004/5 as set out in Appendix 1 of the report, as amended by the proposals in paragraphs 6 - 9. The Cabinet recommends that an additional £100,000 be allocated to the Education Service Budget in respect of Independent School Fees for Emotional and Behaviour Difficulty (EBD) Children.

(2) That the balance of £4.6m. which remains uncommitted after the rollover process is reserved to cover financial risks arising in 2004/5 including implementation of Single Status, to fund the Government's decision in respect of the previous two year's grant awards to Local Councils and to support the next three year Financial Strategy.

## **12 Capital Plan Rollover - Financial Outturn for 2003/4 and Review of Capital Allocations for 2004/5**

The Cabinet considered a report which set out details of the level of Capital investment in 2003/4 and which made recommendations on appropriate carry forward of resources in 2004/5, and which set out a number of statutory declarations in terms of funding investment prior to consideration by the full Council meeting on 14 July 2004.

The overall level of Capital investment for 2003/4 from all sources of funding was £103.1m. (2002/3 equivalent £52.5m.). Capital investment scoring against the Capital Plan amounted to £98.3m. Despite this being

almost double the equivalent level of investment for 2002/3 it was also £19.2m. less than the total funding available. The proposed Capital allocations for 2004/5 amounted to £151m. representing an overall level of over programming of around 11% on the level of resources planned to be used in 2004/5.

**RESOLVED** - That the full Council meeting on 14 July 2004 be recommended to approve the following:-

- (i) That the level of Capital investment in 2003/4 is noted.
- (ii) That the following statutory declarations are made in respect of the Financial Year 2003/4:-
  - (a) The use of credit approvals on authority to capitalise expenditure or enter into credit arrangements was £65,305,145
  - (b) The amount of Capital expenditure to met by grants and other contributions was £17,123,112
  - (c) The amount to be set aside from revenue as provision for credit liability was £10,194,907
  - (d) The amount of usable Capital receipts used to finance Capital expenditure was £11,659,053
  - (e) The amount of credit approvals to be transferred to other Authorities was £2,250,000.
- (iii) The Council is also recommended to approve the resource allocations for 2004/5 as set out in the last column of Appendix 1 of the report and the detailed Capital Plan which sets out how those resources are to be used.

### **13 Statement of Accounts 2003/4**

(Councillor Denham declared a personal interest in this item on the grounds that she is a Director of the Media Board, Kirklees Music School and Kirklees and Calderdale Careers Service)

The Cabinet considered recommendations to the full Council meeting on 14 July 2004 concerning approval of the Statement of Accounts for 2003/4.

The report represented the Council's Statement of Accounts for 2003/4 and summarised the most significant items therein. The preparation, format and approval procedures for the Statement of Accounts had been carried out in accordance with the requirements of the Accounts and Audit Regulations 2003 and also the Code of Practice on Local Authority Accounting in Great Britain.

The main changes to this year's Accounts were the implementation of Financial Reporting Standard 17, a new requirement to disclose audit costs, and a new statement relating to the system of internal control replacing the narrower statement on the system of internal financial control.

**RESOLVED** - That the full Council meeting on 14 July 2004 be recommended to approve the Statement of Accounts for 2003/4.

**14 Annual Report on Treasury Management 2003/4**

The Cabinet considered the Council's Treasury Management activities in the Financial Year 2003/4 prior to consideration by the full Council meeting on 14 July 2004.

The report reviewed Treasury Management activities in 2003/4 giving details on interest rates, borrowing, statutory borrowing limits, investment and leasing. Financial Procedure Rules required that the Council receives an annual report on Treasury Management activities for the previous Financial Year. The report covered the last year of treasury operations before introduction of the Prudential Code and new investment regulations on 1 April 2004.

**RESOLVED** - That the report advising of the Council's Treasury Management activities in the Financial Year 2003/4 be noted and referred to the full Council meeting on 14 July 2004 for information.

**15 Investment Strategy 2004/5**

The Cabinet considered a report which indicated that it was a requirement of the new Prudential Capital Financial System that the Council approves an Investment Strategy for the forthcoming Financial Year, prior to consideration by the full Council meeting on 14 July 2004.

The report outlined the reasons why the Council invested and proposed a Strategy for managing investments in terms of risk, liquidity and yield.

**RESOLVED** - That the full Council meeting on 14 July 2004 be recommended to approve the Investment Strategy outlined in the report and the investment of certain revenue balances until Government Policy on possible borrowing restrictions is clarified.

**16 Changes to Contract Procedural and Financial Procedural Rules**

The Cabinet considered proposed changes to Contracts and Financial Procedural Rules prior to consideration by the full Council meeting 14 July 2004.

In May 2002, as part of the introduction of the Constitution the Council approved significantly revised and updated Contract Procedure Rules (CPRs) and Financial Procedure Rules (CPRs). These replaced Standing Orders relating to Contracts and Financial Standing Orders/Financial

Regulations respectively. The new Rules had generally worked without difficulty. However their use had highlighted the value of making minor technical changes to reflect actual operations, to make clearer the extent of authority delegated or generally to clarify meanings. Minor changes had been made in October 2002.

**RESOLVED** - That the amendments shown in the table be recommended to the full Council meeting on 14 July 2004 for incorporation into the Contract Procedure Rules and Financial Procedure Rules with the exception that proposed changes to Financial Procedure Rules 3.11 and 3.11a should be deferred pending full written advice by the Director of Finance on the need for the proposed changes and any likely effects on the Council if the proposals are not agreed, this advice to be given in time for the full Council to make a decision by 15 September 2004.

#### **17 Housing Revenue Account (HRA) Outturn 2003/4 and Proposals for Utilisation of HRA Balances**

The Cabinet noted the Outturn position for the Housing Revenue Account for 2003/4 and considered utilisation of HRA balances.

The Housing Revenue Account produced an in-year surplus of £10.85m. in 2003/4 of which some £7.7m. related to subsidy allowance gains arising from a specific resource allocation by Central Government to fund the cost of borrowing against the Decent Homes Capital Programme. The impact of the in-year surplus was to increase available balances carried forward into 2004/5 to £15.69m. Proposals for utilisation of these balances were taken in the context of medium term (2004/5 - 2006/7) pressures on the HRA and Public Sector Housing Investment.

The main demand on HRA balances over the medium term remained substantively the same as identified at budget time i.e., the overall resourcing of the Council's Decent Homes Programme.

In addition to the £7.7m. subsidy allowance gain arising in 2003/4 it was estimated that over the next three years HRA balances would benefit by a further £12.7m. in subsidy allowance gains, some £20.4m. in total. The major proposal for HRA balance utilisation was the planned use of the subsidy allowance gains, both actual to date and anticipated over the next three years, in support of the Council's Decent Homes Capital Programme, specifically closing the affordability gap. This was reflected in the latest Capital resourcing position within the Housing Investment Plan Update report (public) which was a separate item on the Agenda.

The report set out the main reasons for the in-year surplus.

**RESOLVED** - That the HRA Outturn position for 2003/4 be noted and the proposals for utilisation of HRA balances over the medium term be approved.

**18 Housing Investment Plan Outturn 2003/4 - Update and Plans for 2004/7 (Public Sector)**

The Cabinet noted the Public Sector Investment Plan 2003/4 Outturn provision and progress towards delivery of the Housing Investment Plan 2004/5 which would be managed in conjunction with the Kirklees Neighbourhood Housing Limited prior to consideration by the full Council meeting on 14 July 2004.

The report covered only Public Sector Outturn 2003/4 and an update on the 2004/5 programme. The actual expenditure Outturn in 2003/4 was £56.824m. a variance of £2.477m. against final resources. The report set out Capital virements which had been undertaken in the period 17 December 2003 to 2 June 2004 which were within tolerance levels set by Financial Procedure Rules. The report set out an overview of Performance Indicators adopted in 2003/4 together with the results at the end of each quarter and Outturn against the year end target. It was the intention to present a revised three year Investment Plan for approval each time an update report was provided. A revised Investment Plan for 2004/5 for both Capital and Revenue funded programmes was set out in the report.

**RESOLVED** - That the full Council meeting on 14 July 2004 be recommended to:-

- (1) Note both the Public Sector Housing Investment Plan 2003/4 Expenditure Outturn and the Outturn performance against Key Indicators as set out in Appendix 2 of the report and outputs listed in Paragraph 3.6.
- (2) Note the Capital virements within tolerance listed in Paragraph 2.7 of the report.
- (3) Approve revisions to the three year Housing Investment Plan 2004/5 and beyond as listed in Appendices 3, 4 and 5 which would be managed in conjunction with Kirklees Neighbourhood Housing Limited.

**19 Proposed Streamlining of Community Buildings - Walpole**

(Councillor Denham declared a personal interest in this item on the ground that she is a Governor of Mount Pleasant Junior, Infant and Nursery School)

The Cabinet considered proposals for achieving a streamlined approach to the usage and support for community buildings in the Walpole area. The report sought approval to take steps to close Walpole Community Centre and return the property to the Design and Property Service Land Bank.

The Community Support Service had carried out a detailed analysis of usage and expenditure of all community buildings within its Portfolio. From this work it became clear that the Walpole Community Centre was surplus to requirements by the local community. This was mainly as a result of having two other well equipped and functioning community

buildings in the same vicinity, one of which was a Family Centre situated opposite the Community Centre. This was a well resourced building offering meeting space and childcare facilities and members of the community could hire the building free of charge. The Mohammed Ali Centre was also close to the Community Centre and offered space for meetings as well as having its own bar and sporting facility. This building was also well used by the local community and in the process of seeking external funds to expand and develop.

There have been no bookings during the past year for the Walpole Community Centre. There was no interest amongst initiatives and organisations to use the building. Closure of the Community Centre would mean a budget saving for Community Support Services.

**RESOLVED -**

(1) That Walpole Community Centre be taken out of Community Support Services Portfolio from the end of March 2004.

(2) That the building be returned to the Property Land Bank within the Design and Property Service and that a report be made to the Cabinet Member for Housing on the viability of bringing the property back into the Housing Stock.

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**Business Cases to Support Capital Investment for Inclusion in Capital Plan for Allocation of £100,000 for 2004/5**

The Cabinet considered approval of Business Cases for improvements to community facilities at Bradley Community Centre and Lockwood Community Centre.

The report indicated that community based facilities were a major resource for promoting community cohesion, developing cross community activities and played a significant role in local democracy and community regeneration. Community Support Services had carried out a Corporate Review of community facilities and was working closely with users of Community Centres to involve them in all aspects of management and development of the facilities. The Service had identified where facilities would continue to be of a strategic importance due to specialist facilities provided, geographical significance and where it was clear that they would continue to play a major role in supporting diverse use cross and community activity and development. It was proposed that improvements be made to the Community Centres in Bradley and Lockwood on this basis.

**RESOLVED -** That the Scheme to improve and develop Bradley Community Centre and the Scheme to improve and develop Lockwood Community Centre be approved as priorities for Capital investment in accordance with the Business Cases attached to the report, for 2004/5 £100,000 to be allocated from the allocation of £500,000 over three years.

**21 EQUAL Common Ground Study Visit Denmark and Germany 5 - 8 July 2004**

The Cabinet noted action taken by the Head of the Democratic Support Service under Delegated Powers to approve Member attendance at this Conference.

EQUAL was funded through the European Social Fund and aimed to test out and promote new ways of tackling all forms of discrimination and inequality experienced by people in work and those looking for work. Common Ground was the Kirklees Development Partnership led by the Authority and managed by the Economic Development Service. As part of the Transnational Agreement Kirklees was required to participate. A delegation was due to visit Denmark and Germany to participate in a Study Visit.

Because of the lack of time to present an earlier report to Cabinet due to Local Elections the Head of Democratic Support Service, using Delegated Powers had approved attendance by Councillor Hemingway on the Study Visit.

**RESOLVED** - That the action of the Head of Democratic Support Service under Delegated Power in authorising the attendance of Councillor Hemingway for the EQUAL Study Visit to Denmark and Germany be noted.

**22 Exclusion of the Public**

**RESOLVED** - That acting under Section 100(A)(4) of the Local Government Act, 1972, the public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in Part 1 of Schedule 12A of the Act, as specifically stated in each of the undermentioned Minutes.

**23 Special Schools PPP Project Update on Progress Along with School Issues**

(Exempt information relating to any terms proposed or to be proposed by or to the Authority in the course of negotiations for a contract)

The Cabinet considered an update on progress of the Project, advice on the latest development in relation to the Longley School site and advice on the latest financial situation in respect of the contractor Jarvis.

On 26 November 2003 the Cabinet had agreed to appoint Jarvis as the preferred bidder (with Totty as their construction partners) and agreed to develop the PPP Project. This included a new Longley School being built on the existing site or another local site (Huddersfield). The Cabinet was informed that an application to have the New Hall and Stables at Longley School listed had been successful which meant that an alternative site for a new Longley School needed to be identified. The Cabinet was also informed that prior to financial close being achieved Jarvis's financial

situation had altered. The Cabinet was advised of the implications for the PPP1 Project and for the Special Schools Project.

**RESOLVED -**

(1) That the content of the report be noted.

(2) That in the event Jarvis's financial position is resolved within the next two weeks the Special Schools PPP Project be developed on the basis of the Council seeking to obtain an alternative site for Longley School as described in Section 4 of the report within the current cost parameters previously agreed by the Cabinet.

**24 Regeneration of Primrose Hill Estate, Newsome - Land Disposal and Progress Report**

(Exempt information relating to any terms proposed or to be proposed by or to the Authority in the course of negotiations for a contract for the acquisition of disposal of property or supply of goods or services)

The Cabinet considered an update on proposals for clearance of properties on Ridge Close and Ridge Street, Primrose Hill, and redevelopment with new affordable housing for rent by Yorkshire Housing. The report sought authority to dispose of land at Ridge Street and Ridge Close and award rehousing priority in compensation to decanted residents.

**RESOLVED -**

(1) That progress in relation to regeneration of the Primrose Hill Estate be noted.

(2) That 700 Priority Points be awarded to tenants from Primrose Hill Estate to give them priority for rehousing to alternative Council Housing/RSL Housing (as allowed in similar schemes).

(3) That removal costs and home loss payments be paid to tenants.

(4) That Officers in the Design and Property Service be authorised to enter into negotiations for the disposal of the two parcels of land at market value.

**25 Heaton Park House, Heaton Road, Huddersfield - Proposed Sale of Freehold Reversion and Variation of Restrictive Covenants**

(Exempt information relating to terms proposed or to be proposed by or to the Authority in the course of negotiations for a contract for the acquisition or disposal of property or supply of goods or services)

The Cabinet considered an objection received from a local Ward Member opposing the sale of the Council's interest in this property and considered terms approved and reported to the Cabinet meeting on 28 January 2004.

**RESOLVED** - That the terms contained in the report be approved and the sale of the Council's Freehold Reversion and Variation of Restrictive Covenants be concluded.

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**Sale of Former Cullingworth Tennis Courts, Oxford Road/Reservoir Street, Dewsbury (The Dewsbury Endowed Schools Foundation Trust)**

(Councillor Hullock declared a personal interest in this item on the ground that he is a Member of the Advisory Body of the Trust)

(Exempt information relating to terms proposed or to be proposed by or to the Authority in the course of negotiations for a contract for the acquisition or disposal of property or supply of goods or services)

The Cabinet considered representations received concerning the sale of land held by the Council as Charitable Trustee.

On 12 May 2004 the Cabinet accepted subject to contract the highest offer as recommended by the Trust's independent surveyor and authorised the Solicitor to the Council and Head of Design and Property Service to place public notices of the intention to dispose of the land under Section 36 (6) of the Charities Act 1993 and to refer any representations back to Cabinet. Public notices had been placed and two letters from local residents received.

**RESOLVED** - That the sale of the land to the highest bidder be authorised as previously recommended by the independent surveyor.