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MINUTES OF CABINET MEETING HELD 13 JUNE 2011

PRESENT

Cabinet Members: Councillor Cereste (chair), Councillor M Dalton, Councillor S Dalton, Councillor Fitzgerald, Councillor Hiller, Councillor Holdich, Councillor Lamb, Councillor Scott, Councillor Seaton and Councillor Walsh.

Cabinet Adviser: Councillor Goodwin.

1. APOLOGIES FOR ABSENCE

Cllr Lee.

2. DECLARATIONS OF INTEREST

Cllr Cereste declared a personal interest in item 10, Minerals and Waste: The Location and design of Waste Management Facilities Supplementary Planning Document, as this could affect his interest in the future.

3. MINUTES

The minutes of the meeting held 21 March 2011 were agreed and signed as an accurate record.

ITEMS FROM SCRUTINY COMMITTEES AND COMMISSIONS

4. REVIEW OF THE USE OF CONSULTANTS

Cabinet received a report from the Sustainable Growth Scrutiny Committee's review group on the cost and effectiveness of the Council's use of consultants including 33 recommendations on the future use of consultants by the Council to inform the development of budgets in future years.

Councillor North and Councillor Lane, members of the review group, attended the meeting, thanked officers for supporting their work and added that the report gave strong recommendations to Cabinet.

Councillor Seaton responded to the recommendations stating that it was essential to ensure consultants were used in the most efficient and cost effective way, that the report covered the use of consultants negatively, and did not mention the effectiveness and benefit of consultants used by the council. Positive aspects such as the sale of software, external awards and endorsements were also omitted from the report. Most of the recommendations would be approved but some resulted in duplications so would not be accepted as were covered elsewhere.

Cabinet **RESOLVED** to endorse the recommendations to:

1. All projects involving consultants should be recorded through Verto. This recommendation is subject to officers considering whether there should be a financial threshold to this requirement to ensure appropriate use of Verto.

2. All members should be provided with access to Verto in order to improve transparency regarding consultancy spend. This will also assist to resolve any uncertainty which may exist around the commissioning of consultants.
3. The Commercial and Procurement Unit (CPU) should provide an update report to the Scrutiny Committee in Autumn 2011 regarding (1) the progress made with Qlikview reporting and the outcome of discussions with Serco (2) financial data, by department, for Q4 2010-11 and Q1 2011-12 (3) whether the use of consultants is captured across the council through consistent use of Verto (4) the level of member enquiry of Verto (5) how the spend on consultants is being recorded and monitored, and (6) confirming that there is accurate recording of savings and losses against each individual consultant or consultancy project.
4. A policy on the use of consultants ought to be written for the benefit of officers to ensure consistent application in the use of consultants across the council.
5. The council should compile a central register of transferable professional skills available within the council which should be audited on a regular basis by the HR team.
6. The council should review its further business transformation needs and assess whether the procurement of project and performance management skills will be required when the Professional Services Partnership (Amtec) contract next comes up for renewal.
7. The Verto system have a reporting function which allows it to report on minor projects involving the use of consultants (under £20k in value) to the cabinet member for resources.
8. For major projects (over £50k in value (original recommendation was £20k)):
 - a) the cabinet member for resources ought to be requested to add approval to the Verto system for projects involving the use of consultants; and
 - b) representative bodies including the Joint Consultative Forum, CMT and the Audit Committee are able to request regular reports from Verto on the use of consultants
9. Skills transfer is a written contractual requirement for appropriate professional skill contracts, particularly project and programme management, to enable officers to develop expertise which will directly benefit the council.
10. A relevant scrutiny panel (or a suitably staffed sub-committee of one formed of members preferably with audit and/or accountancy experience) should take sample projects to put under review for test of business case and efficiency.
11. Where the council engages consultants under long term contracts there should be, only in appropriate circumstances, a requirement for managers to approach the consultant at fixed periods in the contract about filling a permanent role within the council.
12. There should be improved scrutiny of the PSP contract if it is renewed in 2012. The relevant scrutiny committee should be consulted prior to any decision being made to engage specific contractors.
13. All consultants engaged at managerial level should be required to update Verto as a condition of payment.
14. Managers should negotiate fixed-price or incentive-based contracts where possible.
15. The council should whenever possible seek to fill senior management posts with a permanent employee where it is beneficial for the council and consider all other available options, (e.g. internal employees acting up) before seeking to recruit a consultant to a managerial position.
16. A report should be made to the Scrutiny Committee surrounding the errors found in Qlikview and what measures have been put in place to prevent such errors in future.
17. Where possible, the council should seek to quantify the level of grant funding which supports the use of consultants within the council. This may be possible through a reporting function within Verto.

18. Where appropriate HR should be involved in the recruitment process for consultants occupying managerial positions so that advice can be given on suitable candidates and in house expertise, skills or knowledge.
19. The CPU should be allowed access to the information gathered by HR around internal skills and knowledge so that internal skills might be accessed before reliance is placed upon consultants.
20. Managers should submit a report to the chief executive upon the proposed appointment of any consultant in an interim managerial role explaining why a consultant is to be preferred over an internal candidate. This is to ensure that officers are mindful of succession planning.
21. A further update on the progress of the creation of a centralised list of consultants should be produced and a report made to the appropriate scrutiny committee in Autumn 2011.
22. The roll out of the HR Review should be expedited to ensure that all areas of the council have been assessed by Spring 2011.
23. Progress with the PDR process should be closely monitored to ensure that managers do not take a cascade approach as was the case with the previous APD system. This system prevented front line staff from receiving timely feedback or the opportunity to identify development opportunities and act upon career aspirations.
24. The HR Review agenda should be amended to enable the chief executive and directors to identify where consultants are fulfilling positions. This information should be used to create a succession plan for ensuring that this is the most appropriate solution, or if not, to identify who could be developed to fulfil that role in future.
25. The contract management system should be made available for scrutiny by members, or reviewed by way of regular reports to a scrutiny committee.
26. That the council investigates whether to move away from OGC Solutions as a method of contracting.
27. That the council conducts a cost benefit review analysis on whether details of sub-contracting arrangements should be included in all contracts.

Cabinet further **RESOLVED** to reject the recommendations that:

1. The council should amend contract regulations and financial regulations to set out criteria officers should consider before deciding to employ consultants and that this ought to include consideration of any internal skills within the council.
2. The council should amend the Employment Committee terms of reference to include contractors and consultants whose accumulative remuneration rate over a project lifecycle would take them into the same salary grade as a head of service and that contractors and consultants at this level ought to be approved by Employment Committee before appointment whenever possible or reviewed at least at six monthly intervals to ensure that their continued engagement is appropriate.
3. Should the council produce a policy around the use of consultants (see recommendation 4 above) this should contain the criteria for engaging and monitoring consultants.
4. A skills audit should be completed through a series of workshops with top performers. Included in the audit should be details of the specific projects that staff have worked on, similar to a CV. That would help to identify those with the potential to be of 'consultant' level.
5. If a manager is shown to be disproportionately using agency staff for longer than three months then a business case should be made and entered on Verto.
6. The HR team should report to the Sustainable Growth Scrutiny Committee in late Summer 2011 on progress or completion in the area of succession planning. If this requirement can be fulfilled by moving towards lIP "Silver" status the report should also contain an evaluation of whether it is financially feasible for the council to progress towards this.

REASONS FOR THE DECISION

The recommendations are intended to ensure the Council achieves best value in the instruction of consultants.

ALTERNATIVE OPTIONS CONSIDERED

The review group took the approach that it would consider why the Council needed to instruct consultants at all. It questioned every aspect of the decisions made by officers when engaging consultants. On the whole it concluded that the use of consultants was necessary and could in some cases be the most efficient and cost effective means of working.

The majority of these proposals therefore assume that the use of consultants will continue but suggest improvements for monitoring of their use.

STRATEGIC DECISIONS

5. SAFER PETERBOROUGH PARTNERSHIP PLAN 2011-14

Cabinet received a report presenting the refreshed version of the Safer Peterborough Partnership Plan to approve prior to Full Council. The Crime and Disorder Act 1998 requires that a Community Safety Partnership is formed by the bringing together of agencies who have a statutory responsibility for tackling crime and disorder in the local area. It was acknowledged that far more can be achieved to make Peterborough a safer place if agencies work together rather than in isolation.

Councillor Walsh introduced the report advising that the plan provided new ways of tackling crime and disorder including addressing the causes of offending including new flexible approaches and closer working with other agencies for priorities.

Gary Goose, Community Safety Strategic Manager, further advised Cabinet on the details of the plan, including the three priorities of reducing crime; tackling antisocial behaviour and hate crime; and building stronger and more supportive communities.

Cabinet debated the issues in the plan including early intervention with young people and budget needs to ensure Police presence in schools can remain as a positive influence.

Cabinet considered the report and accompanying document and **RESOLVED** to:

Endorse the new Safer Peterborough Partnership 3-year Plan (2011-2014) and recommend it to Full Council for approval.

REASONS FOR THE DECISION

The Crime and Disorder Act 1998, revised by the Police and Justice Act 2006, requires that the Community Safety Partnership publishes an annual Partnership Plan.

ALTERNATIVE OPTIONS CONSIDERED

The previous partnership plan ran from 2008 – 2011.

6. ENERGY SERVICES COMPANY (ESCO) AND OTHER ENERGY RELATED PROJECTS

Cabinet received a report following a referral from Councillor Seaton, Councillor S Dalton and the Executive Director – Strategic Resources recommending the establishment of an energy services company and the installation of solar photovoltaic tiles on the roof of the former Freeman's building.

Councilor S Dalton introduced the report advising that the recommendations provided Cabinet with an opportunity to boost the council's environmental credentials but also to generate an income stream in the process.

Cabinet discussed the report and the income it could see generated adding that the installation of solar photovoltaic panels to the former Freemans building could generate the energy needed to power 5000 homes with a potential income of £500,000 per annum for the council over the 25 year scheme.

Cabinet considered the report and **RESOLVED** to:

1. Authorise the Executive Director – Strategic Resources to establish a limited company as an energy services company (ESCO) to be wholly owned by Peterborough City Council;
2. Authorise the Executive Director – Strategic Resources to approve the business case for the ESCO in consultation with the relevant cabinet portfolio holders before trading commences;
3. Authorise the Executive Director – Strategic Resources to award the contract for design, supply, installation and maintenance of Solar Photovoltaic (PV) panels on the roof of the former Freemans building at Ivatt Way, Westwood, Peterborough, PE3 7PA; and
4. Authorise the Executive Director – Strategic Resources, in consultation with the relevant cabinet portfolio holders, to establish additional organisations such as limited companies, or limited liability partnerships, either wholly owned or in partnership with investors and other public and private sector organisations, as required, to pursue other energy related projects.

REASONS FOR THE DECISION

The Council's Medium Term Financial Strategy reflects the priorities of the Sustainable Community Strategy, to combine ambition for growth with the need to improve the quality of life for residents. The Medium Term Financial Plan Proposals approved by council in February 2011 contained a commitment to the Environment Capital agenda by pursuing new income streams from solar energy and wind farm developments, and also to deliver services at a neighbourhood level.

The council wished to optimise commercial opportunities for production of energy supplies, particularly "green energy" in keeping with its status as Environment Capital. In addition it wishes to maximise potential benefits for communities. Setting up a limited company would enable the council to optimise both of these opportunities.

Installing PV panels at the former Freemans site would enable the council to maximise the production of green energy, and also obtain a valuable source of income.

ALTERNATIVE OPTIONS CONSIDERED

Alternatives to setting up an ESCO

The council could retain the status quo and not pursue energy supply or other energy related products. This has been rejected as the council continues to pursue its Environment Capital agenda, and wishes to optimise both community based projects and its own income generation to mitigate the effects of the recession and budget cuts.

The council could operate some projects in house, but this option has been rejected because it would prevent the council from trading for a "commercial purpose", for the

reason set out in paragraph 9.2.4 below. The council would have no power to trade in supplies of energy to domestic and business users.

An ESCO could alternatively be established in partnership with another party, as a joint venture, with the council as either the majority or minority shareholder. If the council has less than 20% of the shareholding, the ESCO need not be subject to local authority constraints and duties. Although the council may still exert control if the company is not wholly owned, this option has been rejected at this stage. EU procurement rules require procurement of the joint venture partner, and the procurement process would cause delays in setting up the company. As there is a tight deadline of 31 July 2011 for any installation to be operational, to ensure that the council obtains maximum Feed-In-Tariffs, an additional procurement process would severely jeopardise the ability to meet this target.

Alternatives to transferring the contract for PV panels on the roofs of the Town Hall and Regional Pool

The council may retain the contracts and not transfer them to the ESCO. This has been rejected because that would mean that although the council could obtain some income from the Feed-In-Tariff, it would lose the income opportunity available from trading energy supplies, by selling to domestic and business customers, which it may only do through a limited company.

A joint venture with another partner has been rejected for the reasons set out above.

Alternatives to not entering into a contract for the supply of PV on the roof of the former Freemans building, and subsequently transferring it to the ESCO

The council could decide not to pursue this project. If it did it would lose the opportunity to generate a large amount of renewable energy, which would make a significant addition to the council's intention to lower its carbon emissions. Further, a potentially valuable source of income would be lost. The income is expected to be significant, and an important contribution to the council's ability to offset some of the recent budget reductions, and protect its ability to continue provision of front-line services.

The council could enter into a contract for the supply of PV panels, but retain the contract with the council. This would allow it to benefit from the Feed-In-Tariff income, but not from the much greater income opportunities of trading in electricity supplies. As the anticipated energy to be generated from this contract is very substantial, potentially up to 4.6mW, the income lost would be significant, and this option has therefore been rejected.

A joint venture with another partner has been rejected for the reasons set out in above.

7. LOCAL AUTHORITY MORTGAGE SCHEME

Cabinet received a report following consideration as to how the Council could support first time buyers and the local housing market, help deliver the Council's priority of delivering substantial and truly sustainable growth and sought Cabinet approval for the Council to participate in the Local Authority Mortgage Scheme.

Councillor Cereste introduced the report highlighting that only Lloyds Banking Group had entered the scheme so far and an initial £1m would be available with further potential funding available depending on the scheme's success.

Steve Pilsworth, Head of Corporate Services, provided further information advising that the scheme would not apply to new builds; interest would be paid from Lloyd's Banking Group's own investments; and there was a low level of risk attached to the initial outlay.

Cabinet considered the report and **RESOLVED** to:

1. Approve participation in the Local Authority Mortgage Scheme (LAMS), initially in partnership with the Lloyds Banking Group, for £1m;
2. Approve plans to extend the scheme across other lenders as they enter the scheme, or with Lloyds, up to a total value of £10m;
3. Delegate to the three responsible Cabinet Members the authority to develop the local policy for scheme eligibility, and recommend it to Full Council for approval at the meeting of 13th July; and
4. Delegate to the Chief Executive the authority to execute the deed indemnifying the Monitoring Officer on behalf of the authority.

REASONS FOR THE DECISION

To allow the Council to participate in the Local Authority Mortgage Scheme, supporting first time buyers in Peterborough.

ALTERNATIVE OPTIONS CONSIDERED

The council could consider providing mortgages directly. The Council does not have the required level of expertise to do this, and would require FSA approval to do so.

8. OPPORTUNITY PETERBOROUGH BUSINESS PLAN*

Cabinet received a report from Opportunity Peterborough to endorse its draft annual business plan. As sole funder it was important that the council was satisfied that the draft business plan would deliver the objectives agreed.

Councillor Cereste introduced the report adding that the Cabinet Member for Communications would work closely with Opportunity Peterborough to promote the city.

Cabinet **RESOLVED** to:

Endorse the 2011-12 business plan for Opportunity Peterborough.

REASONS

It is required that the Council considers and agrees the draft business plan. The specific schemes for implementation will potentially evolve during the course of the plan period and it is therefore appropriate that funding is approved by the Council through its normal decision-making processes.

ALTERNATIVE OPTIONS

Modifications to the plan can be suggested, which would be subject to discussion and agreement with other partners and therefore delay activities within it.

The draft business plan could not be approved, which would significantly limit the operations of Opportunity Peterborough as the City's Economic Development Company.

9. VILLAGE DESIGN SUPPLEMENTARY PLANNING DOCUMENT*

Cabinet received a report following approval of the Council's Local Development Scheme by the Secretary of State for Communities and Local Government, to supplement the overarching design policy contained within the Council's Core Strategy and following approval by Cabinet of a consultation draft SPD on 13 December 2010. Cabinet was requested to adopt the Design and Development in Selected Villages

Supplementary Planning Document (adoption version) (hereafter referred to simply as the 'SPD').

Councillor Hiller introduced the report advising Cabinet of its importance for future planning applications and enforcement.

Cabinet discussed the report highlighting the need for other villages that were not initially included to participate with Village Design plans or Neighbourhood Plans, with the latter also suitable to other areas in the Peterborough Authority that were not villages. It was noted that the SPD would only be used formally where planning permission was needed for proposed development, though it could also be used informally to help guide and influence any form of development.

Cabinet **RESOLVED** to:

Adopt the Design and Development in Selected Villages Supplementary Planning Document (SPD) to form part of the Peterborough Local Development Framework.

Cabinet further **RESOLVED** to:

Accept an amendment to both Castor and Ailsworth policies so that Policy Ail 14 (on page 14) and Cas 14 (on page 29) be amended so that they both read (amendment in italics):

“Large detached property will require particular attention and special care to ensure it fits into the character of the village, *including consideration of change on internal and external views of the site*”.

REASONS

Adoption of the SPD will help deliver high quality development in villages and will give parishes a clear policy tool for them to use when commenting on future planning applications. There are no overriding objections as to why the SPD should not be adopted.

ALTERNATIVE OPTIONS CONSIDERED

Whilst not a statutory requirement to produce the SPD, the alternative option of not producing this document was rejected because:

- Parishes have been left somewhat in limbo since the previous government amended the planning regulations (2004) which effectively ended, for planning purposes, the statutory basis which was previously applied to Village Design Statements or Parish Plans. This SPD directly takes its content from those prepared VDS's and Parish Plans, and, in effect, gives back the statutory weight they once had;
- There is considerable support for the production of the document, especially from the parish councils;
- The document will greatly assist planning officers and Members in determining planning applications, including enabling a consistent and transparent decision making process to be undertaken; and
- The document is entirely in line with the emerging national 'localism' and 'neighbourhood planning' approach.

10. LOCAL DEVELOPMENT FRAMEWORK: CAMBRIDGESHIRE & PETERBOROUGH MINERALS AND WASTE PLAN – THE LOCATION AND DESIGN OF WASTE MANAGEMENT FACILITIES SUPPLEMENTARY PLANNING DOCUMENT (ADOPTION VERSION)

Cabinet received a report following approval by Council of a consultation draft Supplementary Planning Document (SPD) on 2 December 2009 and the subsequent approval by Council on 13 April 2011 of the Cambridgeshire and Peterborough Minerals and Waste Core Strategy. The Minerals and Waste Core Strategy Policy CS24 was the overarching design policy, whereas the detailed design guidance was provided by this SPD. Cabinet was requested to approve The Location and Design of Waste Management Facilities SPD (adoption version) (hereafter referred to simply as the 'SPD') for adoption on 19 July 2011.

Councillor Hiller introduced the report and recommendations for Cabinet to resolve.

Cabinet **RESOLVED** to:

1. Approve, for adoption on 19 July 2011, The Location and Design of Waste Management Facilities Supplementary Planning Document (SPD). The adoption of the SPD is also being considered concurrently by Members of Cambridgeshire County Council for adoption on 19 July 2011; and
2. Agree that the Head of Planning, Transport and Engineering approves any minor and inconsequential amendments to the SPD that may arise from the equivalent passage of the SPD through Cambridgeshire County Council's adoption process.

REASONS

Cabinet is recommended to adopt the SPD because it will help deliver high quality waste management facilities development in both urban and rural locations, providing guidance to Development Management officers, committee members and developers alike. There are no overriding objections as to why the SPD should not be adopted.

ALTERNATIVE OPTIONS CONSIDERED

Whilst not a statutory requirement to produce the SPD, the alternative option of not producing this document was rejected because:

- There has been support for the production of the document, across Cambridgeshire and Peterborough in recognition of the planned growth in waste management facilities required to support the 'growth agenda';
- The document will greatly assist planning officers and Members in determining planning applications to bring about improved design and quality of waste management facilities in Peterborough, and thereby encourage better waste management practice and outcomes; and
- The document is entirely in line with the Government guidance on Planning for Sustainable Waste Management (PPS10) and the Council agreed Minerals and Waste Core Strategy.

11. PETERBOROUGH 'PRELIMINARY FLOOD RISK ASSESSMENT' (PFRA)

Cabinet received a report following a Department for Environment, Food and Rural Affairs (Defra) / Environment Agency (EA) requirement to submit a Preliminary Flood Risk Assessment (PFRA) to the EA by 22 June 2011, seeking approval from Cabinet that the Peterborough PFRA meets the requirements of the Flood Risk Regulations 2009 and could therefore be submitted to the EA.

Councillor Hiller introduced the report advising Cabinet that the initiative to establish a flood risk assessment followed large flooding across the country in 2007.

Richard Kay, Group Manager Strategic Planning & Enabling, advised Cabinet that the assessment sought to identify areas of national significance rather than local risk

(which would be addressed at a later date) and it was agreed that the suggested recommendations from the Sustainable Growth Scrutiny Committee that considered the report on 7 June be included within the submission as below:

- a) In the report to Cabinet it is noted that the Committee is concerned about the potential future maintenance (revenue) costs which Peterborough City Council may be liable for as a result of the new Sustainable Urban Drainage Systems (SuDS) approval and adoption regulations (as part of the Flood and Water Management Act (FWMA) 2010), due to come into force from April 2012;
- b) That the future Local Flood Risk Management Strategy, once prepared, be considered by the Sustainable Growth Scrutiny Committee prior to its adoption;
- c) That the seventh paragraph of the Executive Summary be reworded to make it clearer; and
- d) That a number of typographical errors are corrected and clarifications added in particular to:
 - The Contents page – page numbering error to be removed and correct page numbers inserted;
 - Para 2.2.1 – add at the end of the first sentence the date at which the Peterborough Flood Risk Partnership first met;
 - Para 2.3.1 – delete “Environment Capital Scrutiny Committee” and replace with “Sustainable Growth Scrutiny Committee”.

Cabinet **RESOLVED** to:

Approve, for the purpose of meeting the requirements of the Flood Risk Regulations 2009, the Peterborough Preliminary Flood Risk Assessment.

REASONS

It is a legal requirement under the FWMA for Peterborough to submit a PFRA, so not preparing one is not an option and could lead to a challenge if not supplied.

ALTERNATIVE OPTIONS CONSIDERED

The contents of the PFRA are largely driven by EA requirements as to what we must report. As such, alternative information is also not an option.

The only area of scope for a significant alternative approach would be in relation to the thresholds for what the council would regard as ‘significant floods’ in the future. However, following consultation with partners, we believe the thresholds recommended are appropriate to the circumstances we face in Peterborough.

MONITORING ITEMS

12. BUDGET MONITORING – FINAL OUTTURN 2010-11

Cabinet received a report informing it of the final financial performance for revenue and capital at 31 March 2011. The report contained performance information on treasury management activities, the payment of creditors in services and collection performance for debtors, local taxation and benefits overpayments and would be submitted to Audit Committee on 27 June 2011 for approval.

Councillor Seaton introduced the report and recommendations for Cabinet to resolve.

Cabinet **RESOLVED** to:

1. Note the capital budget and the final outturn position on the Council's revenue budget of £475k underspent;
2. Note the performance against the prudential indicators;
3. Note the performance on treasury management activities, payment of creditors in services and collection performance for debtors, local taxation and benefit overpayments; and
4. Note the challenging financial position in future years alongside the need for early planning for meeting the financial deficits indicated in later years of the MTFS including the impact to the use of reserves.

REASONS

This monitoring report for 2010/11 financial year is part of the process for producing the Statement of Accounts.

ALTERNATIVE OPTIONS CONSIDERED

None required at this stage.

13. OUTCOME OF PETITIONS

Cabinet considered a report recommending it notes the action taken in respect of petitions presented to full Council.

CABINET RESOLVED TO:

Note the action taken in respect of petitions presented to full Council.

REASONS

Standing Orders require that Council receive a report about the action taken on petitions. As the petitions presented in this report have been dealt with by Cabinet Members or officers it is appropriate that the action taken is reported to Cabinet, prior to it being included within the Executive's report to full Council.

ALTERNATIVE OPTIONS

Any alternative options would require an amendment to the Council's Constitution to remove the requirement to report to Council.

11.55 a.m.

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