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CABINET

19/10/2015 at 6.00 pm



Oldham
Council

Present: Councillor McMahon (Chair)
Councillors Akhtar, Brownridge, Harrison, Hibbert, Jabbar, Shah
and Stretton

1 **APOLOGIES FOR ABSENCE**

There were no apologies for absence received.

2 **URGENT BUSINESS**

There were no items of urgent business received.

3 **DECLARATIONS OF INTEREST**

There were no declarations of interest received.

4 **PUBLIC QUESTION TIME**

There were no public questions received.

5 **MINUTES OF PREVIOUS MEETING**

RESOLVED that the minutes of the Cabinet meeting held on
21st September 2015 be approved as a correct record.

6 **BUDGET PROPOSALS 2016/17 AND 2017/18 TRANCHE 1**

The Cabinet gave consideration to a report of the Director of Finance, which sought approval of the Administration's detailed Tranche 1 savings proposals for the financial year 2016/17 prior to the receipt of the Local Government Finance settlement and other information which would impact on the budget decision.

The Cabinet were also asked to note the revisions from the original estimates used in calculating the Council's budget gap presented to Cabinet and Council in February 2015. There had been a number of developments both locally and nationally which had impacted on the estimates used in calculating the original budget gap of £29.489m. The report set out a new savings target for 2016/17 of £18.194m which was a reduction of £11.295m.

The initial and revised budget gaps for 2017/18, 29.032m and £25.200m respectively were also included within the report.

It was reported that the first set of detailed proposals totalled £9.503m and further Administration proposals to balance the budget would be presented to future meetings.

The items presented as Tranche 1 savings were subject to potential amendments arising from the conclusion of the public consultation period and it was possible that the financial position of the Council may change. If this was the case, there would be a requirement for unanticipated budget proposals to be presented to the Performance and Value for Money Select Committee in January 2016 and the Budget Cabinet and Council meetings in February 2016.

It was further reported that the budget settings had to operate in the context of ongoing economic, demographic and policy changes at both local and national level including the reductions



by the Government in public sector funding, particularly that for Local Government for a minimum of the next four financial years.

The report provided details of the budget savings along with the Equality Impact Assessment undertaken for each proposal at appendix 2.

On the 24th September the Performance and Value for Money Select Committee reviewed and examined in detail the Tranche 1 2016/17 budget proposals, as a consequence, the Select Committee was content to commend all except one proposal for consideration by Cabinet. The Committee requested that Cabinet defer proposal B003- Public Protection Environmental Health Section of Public Health, at a value of £150k to Tranche 2 for further consideration and not commended to Council at this time.

Options/Alternatives considered

Option 1 – To approve all budget proposals included in the report to a value of £9.503m and commend the proposal to Council for approval on the 4th November 2015 (subject to the conclusion of the public and staff consultation process).

Option 2 – Having regard to the comments of the Performance and Value for Money Select Committee, the Cabinet to commend £9.353m of savings to Council for approval of the 4th November 2015 (subject to the conclusion of the public and staff consultation process) and agree the request that approval of B003 Public Protection – Environmental Health Section of Public Health (150k) is considered at the 3rd November Performance and Value for Money Select Committee.

Option 3 – Cabinet can request that further work is undertaken on some or all of the budget proposals and a decision on proposals be deferred.

RESOLVED – That:

1. The revised savings targets for 2016/17 of £18.194m and 2017/18 of £25.200m be approved.
2. At the request of the Performance and Value for Money Overview and Scrutiny Select Committee the savings proposal, B003 Public Protection – Environmental Health Section of Public Health (£150k) be referred for further consideration at the PVFM Select Committee meeting on 3 November when it will scrutinise Tranche 2 savings proposals.
3. It was acknowledged that the savings target could be revised and this was dependant on the Government funding and policy announcements, including the Provisional and Final Local Government Finance Settlements for 2016/17.
4. It be recommended that Council approves £9.353m of the Tranche 1 savings proposals (presented in summary at Appendix 2 and in detail at Appendix 3) as recommended by the Performance and Value For Money Select Committee after detailed scrutiny at its meeting on 24 September 2015 (subject to the outcomes arising from the public and staff consultations).

7

YOUTH JUSTICE SERVICE STRATEGIC PLAN

Consideration was given to a report of the Executive Director, Cooperatives and Neighbourhoods which sought approval of the Youth Justice Strategic Plan 2015/16.

It was reported that the plan set out the strategy for the Youth Justice Service in 2015/16 with an outline actions plan setting out how the primary functions and key objectives would be achieved.

Options/Alternatives considered

The plan was a statutory requirement and therefore no further options were considered.

RESOLVED – That the Youth Justice Strategic Plan 2015/16 be approved.

8

AGREEMENT TO COMPLETE THE PURCHASE OF METROPOLITAN HOUSE, HOBSON STREET, OLDHAM

The Cabinet gave consideration to a report of the Director of Economic Development which sought approval for the Council to complete the purchase of Metropolitan House, Hobson Street, Oldham.

It was reported that following the acquisition it would be important to ensure the accommodation was correctly marketed and priced quoting rental levels that would attract occupiers to the building. It was noted that with enhanced promotion and realistic quoting, rental occupation levels at the building could be improved.

Increasing occupational levels at the building would aid the Council's objectives of improving Town Centre employment levels and assist the local economy.

Options/Alternatives considered

Option 1 – Do not complete the purchase.

Option 2 – Complete the purchase contract.

RESOLVED – That the Cabinet would consider the commercially sensitive information at Item 14 of the agenda before making a decision.

9

OLDHAM'S EARLY YEARS OFFER AND SCHOOL NURSING SERVICE - CONTRACT AWARD

Consideration was given to a report of the Executive Director, Health and Wellbeing which sought approval of an award of contract for the delivery of Oldham's Early Years Offer and School Nursing Service from 1st April 2016 to 31st March 2019. It was reported that the Council that currently commissioned 16 children's centres that were delivered on a district basis across Oldham.

The transfer of public health responsibilities and associated commissioning duties to the Council had provided the opportunity to fully integrate the health visiting and children's centre service to create a single service for under 5's, within the current construct of a district delivery model.

An open tender exercise commenced on 1st June 2015 for Oldham's Early Years Offer Lot 1 and school nursing service Lot

2. There were two submissions for tender, both bidders for both lots.

Options/Alternatives considered

Option 1 – Award the contract for the delivery of the Early Years Offer and School Nursing Service to the preferred bidder.

Option 2 - Decide not to award the delivery of the Early Years Offer and School Nursing Service to the winning bidder, leaving the Council without a delivery organisation for April 2016, most of the services being statutory and the Council would be in breach of statutory requirements.

RESOLVED – That the Cabinet would consider the commercially sensitive information contained at Item 15 of the agenda before making a decision.

10

REGENERATION OF PRIMROSE BANK

The Cabinet gave consideration to a report of the Executive Director for Co-operatives and Neighbourhoods which sought approval for the Council to conclude a Development Agreement to build new homes for private sale at Primrose Bank.

The Council, as part of the Gateways Private Finance Initiative scheme had entered into a development agreement with Inspiral Development (Oldham) Ltd to build out homes for private sale on the Primrose Bank estate. Due to the poor performance of the initial phase of this development Inspiral Development Oldham had not exercised its option to build out subsequent stages.

It was further reported that Inspiral Developments Oldham had relinquished its rights in respect of a plot of land to the rear of the new community centre at Primrose bank (detailed at appendix 1 to the report) and in order to allow the Council to build out the units and further test the market for sales.

Through the procurement process, a single tender was returned from Keepmoat Homes.

Options/Alternatives considered

Option 1 – Do not build out the site.

Option 2 – Re-tender the scheme for a traditional tender.

Option 3 – Market the site for an alternative development

Option 4 – Accept the Keepmoat Proposal

RESOLVED – That Cabinet would consider the commercially sensitive information at Item 16 of the agenda before making a decision.

11

PROPOSED DEVELOPMENT OF REPLACEMENT SADDLEWORTH SCHOOL - ALLOCATION OF RESOURCES [SADDLEWORTH NORTH]

Consideration was given to a report of the Executive Director, Economy and Skills which sought approval of a financial contribution to enable further improvements to the proposed replacement Saddleworth School in line with the requests made by the school and the School Technical Group and to approve

the funding of an archaeological survey of the W H Pallets site prior to demolition.

It was reported that further improvements to the school included:

- Retractable seating to the main hall. This would allow the leisure space to be more intensively used, particularly around lunch time. The estimated cost of this work is £70,000.
- Semi-automated folding acoustic partition. This would similarly allow spaces in the building to be more intensively used. The estimated cost of this work is £16,575.
- Floor upgrade to the main hall and dance/drama area. The installation of a wooden floor, as opposed to vinyl on concrete, would reduce future maintenance costs and, as this type of construction would have a longer usable life, it would reduce future capital costs for the School / Education Authority. The cost of this work is £19,399.
- Resource walls. In order to support the 'home base' idea, where teachers travel around the site as opposed to pupils, resource walls are seen as an essential tool to support this process. The cost of this work is £92,000.
- There are a series of lower level flat roofs which are non-lead bearing. The School would however, like to see these areas strengthened, so that they could support outside teaching, better maintenance and potential, future expansion space. The cost of this work is £55,250

In order to provide an instruction to Interserve Construction, the Education Funding Authority would need the Council to provide assurances that if developed; the Council would be in a position to fund the works.

The Council had also undertaken to pay the cost of demolition works at the W H Pallet site and through the planning process, the need to carry out an archaeological survey of some of the industrial buildings had arisen which would cost an estimated £12,375, prior to any approved demolition.

Options/Alternatives considered

Option 1 – The Council could chose not to contribute any further financial resources to the school not carry out the archaeological survey.

Option 2 – Fund the additional works and the archaeological survey

RESOLVED – That:

1. The provision of £253,224 to fund additional works to the new Saddleworth School be approved
2. The funding of an archaeological survey of the W H Pallets site costing £12,375 be approved.

HOTEL PROJECT UPDATE

The Cabinet gave consideration to a report of the Director of Development which provided an update of the Hotel Future project and provided a series of recommendations for the Cabinet to consider on how to progress the project to a conclusion.

It was reported that since December 2014, the project team had been working with Hotel Future (HF) team to progress the project. Work had progressed and continued to confirm the viability of the project including value engineering works, funding and project structure and work on the skills training proposal.

Options/Alternatives considered

Cabinet on the 15th December 2014 determined that the Hotel Future option was the preferred options and the report was entirely concerned with the delivery of that option.

RESOLVED – That the Cabinet would consider the commercially sensitive information contained at Item 17 of the agenda before making a decision.

13 **EXCLUSION OF THE PRESS AND PUBLIC**

RESOLVED that, in accordance with Section 100A(4) of the Local Government Act 1972, the press and public be excluded from the meeting for the following items of business on the grounds that they contain exempt information under paragraph 3 of Part 1 of Schedule 12A of the Act, and it would not, on balance, be in the public interest to disclose the reports.

14 **AGREEMENT TO COMPLETE THE PURCHASE OF METROPOLITAN HOUSE, HOBSON STREET, OLDHAM**

The Cabinet gave consideration to the commercially sensitive information in relation to Item 8 – Agreement to complete the purchase of Metropolitan House, Hobson Street, Oldham.

RESOLVED – That:

1. The Council completes an agreement for the acquisition of Metropolitan House at a total consideration as detailed within the commercially sensitive report.
2. A repairs and maintenance budget be allocated to the property as detailed within the commercially sensitive report.

15 **OLDHAM'S EARLY YEARS OFFER AND SCHOOL NURSING SERVICE - CONTRACT AWARD**

The Cabinet gave consideration to the commercially sensitive information in relation to Item 9 Oldham's early Years Offer and School Nursing Service- Contract Award.

RESOLVED – That approval be given to award the contract for delivery of the Oldham's Early Years Offer and School Nursing Service to the preferred bidder for the period 1st April 2016 to 31st March 2019 with an option to extend for a maximum period of two years.

16 **REGENERATION OF PRIMROSE BANK**

The Cabinet gave consideration to the commercially sensitive information in relation to Item 10 – Regeneration of Primrose Bank.

RESOLVED – That Subject to satisfactory resolution of the Department for Communities and Local Government (DCLG) funding issue and receipt of appropriate financial information:

1. The Executive Director for Neighbourhoods and Co-operatives, the Director of Finance and the Director of Legal Services (acting separately or together), or their respective nominated representatives, be authorised to conclude a Development Agreement to build new homes for private sale at Primrose Bank.
2. The award of a contract to be subject to satisfactory conclusion of the contract documentation based upon the tender submitted by Keepmoat.
3. The Director of Legal Services, or his nominated representative, be authorised to affix the Common Seal of the Council to the Development Agreement together with any other documents or agreements necessary for the purpose of executing the Development Agreement and to sign the same on behalf of the Council in accordance with Paragraph 13 of the Council's Contract Procedure Rules.
4. The Director of Finance, or her nominated representative, be authorised to sign and/or issue the necessary certificates under section 3 of the Local Government (Contracts) Act 1997 in respect of the Development Agreement and any other certificate(s) which may be required.
5. In respect of certification and finalisation of the above contracts, the Executive Director for Neighbourhoods and Co-operatives, the Director of Finance and the Director of Legal Services and/or their nominated representatives be provided with all the appropriate personal indemnities.
6. The progress of the development including overall financial implications for the Council is reported to the Capital Investment Programme Board.
7. A red book valuation is undertaken prior to the disposal.

17

HOTEL PROJECT UPDATE

The Cabinet gave consideration to the commercially sensitive information in relation to Item 17, Hotel Project Update.

RESOLVED – That the commercially sensitive recommendations as detailed within the report be agreed.

The meeting started at 18:00 and finished at 18:45

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