

THE MINUTES OF THE MEETING OF THE EXECUTIVE

HELD ON TUESDAY 20 MAY 2008

Present: Councillor A. Napier (Chair)
Councillors R Crute, Mrs J Freak,
Mrs E Huntington, D Myers,
G Patterson and P G Ward

Apologies: Councillors Mrs A Naylor, F Shaw
and R J Todd

1. **THE MINUTES OF THE LAST MEETING** held on 8 April 2008, a copy of which had been circulated to each Member, were confirmed.
2. **LOCAL CODE OF GOVERNANCE – REVIEW OF CORPORATE GOVERNANCE FRAMEWORK**

Consideration was given to the report of the Executive Member for Resources which sought approval to adopt a revised Local Code of Governance following a review of the Council's governance arrangements, a copy of which had been circulated to each Member.

Members were advised that the Council's existing Code of Corporate Governance was adopted in July 2002. Arrangements were reviewed regularly to ensure strong governance arrangements were in place and the strength of the arrangements were evidenced by the various statements and inspection results the Authority had achieved.

Changes to the Accounts and Audit Regulations coupled with guidance from the government had led to further developments whereby Council's were required to prepare an Annual Governance Statement which replaced the existing Statement of Internal Control.

In support of these changes the Chartered Institute of Finance Accountants (CIPFA) and the Society of Local Authority Chief Executives (SOLACE) had developed a framework which set out best practice for developing and maintaining a local code of governance and for discharging accountability for the proper code of public business, through the publication of an annual governance statement that would make Councils adopted practices and governance arrangements open and explicit.

In view of these developments existing arrangements were reviewed using the CIPFA/SOLACE Framework. Taking account of the guidance the Annual Governance Statement (AGS) Framework for the Council had been developed and was outlined in Appendix 1.

Governance was about how local government bodies ensured they were doing the right things, in the right way, for the right people, in a timely, inclusive, open, and honest and accountable manner.

The work plan provided an action plan that identified the Council's current governance arrangements and identified those areas that required further attention. The monitoring and effectiveness of those actions would be carried out by the Governance and Risk Manager through the Corporate Governance Group and the work plan and actions would be considered by the Audit Committee.

The revised Local Code of Governance was set out in Appendix 2.

RESOLVED that;

- (i) the revised Local Code of Governance, outlined in Appendix 2, be adopted;
- (ii) the report be presented to the Audit Committee who were responsible for reviewing the effectiveness of the Council's governance arrangements and for monitoring those actions required in the work plan.

3. AREA BASED GRANTS (WORKING NEIGHBOURHOODS FUND AND STRONGER SAFER COMMUNITIES FUND)

Consideration was given to the joint report of the Executive Members for Regeneration and Resources which outlined a structure for the use of Area Based Grant (ABG) allocations in the District, a copy of which had been circulated to each Member.

Members were advised that arising from the Comprehensive Spending Review 2007 all general grants from central government to local authorities from April 2008 were allocated on a three year basis. ABGs were non-ring fenced general grant awards with central government departments not seeking to apply any direct controls on how the money was spent. Instead general policy advice had been issued and the use of the resources would be assessed through the mechanisms of Local Area Agreements, Comprehensive Area Assessments and the new local performance framework.

Some ABGs had been allocated directly to District Councils and others to upper tier authorities. Where District Councils were the recipient, they were responsible for determining the allocation of the ABG. The Authority had been awarded ABG allocations related to Working Neighbourhoods Fund, Stronger Safer Communities Fund, Cohesion Fund and the Youth Taskforce grant.

The District's ABG allocation and those for other Durham Districts were outlined in Appendix 1 of the report.

It was proposed that the Council would work in consultation with the East Durham LSP to shape priorities as this was well understood by partners and should ensure resources were directed towards agreed priorities and clear economic and neighbourhood renewal outcomes.

As with previous funding streams, use would be made of existing LSP arrangements, with the LSP Executive taking a strategic overview to ensure new areas of delivery activity were adding value to existing arrangements and monitoring performance outcomes.

RESOLVED that;

- (i) the approach set out in the report governing the management and use of the ABGs awarded to the Council related to the Working Neighbourhoods Fund, Stronger Safer Communities Fund, Cohesion Fund and Youth Taskforce, based upon consultation with the East Durham LSP, be approved;

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- (ii) a three year ABG Delivery Plan that included employability, neighbourhood and community engagement measures be prepared in consultation with partner agencies from within the East Durham LSP;
- (iii) discussions be progressed with other ABG/WNF Districts and key agencies on cross area employability actions;
- (iv) a contribution of £26,000 from the 2008/2009 ABG allocation to support the Voluntary and Community Sector in the County during 2008/2009 be approved as agreed under the County Durham LAA arrangements;
- (v) a report be presented to the Executive in July 2008 to formally agree the three year Delivery Plan and the allocation of ABG funding for the period 2008- 2011.

4. ADDITIONAL URGENT ITEM OF BUSINESS

In accordance with the Local Government Act, 1972, as amended by the Local Government (Access to Information) Act 1985, Section 100B(4)(b) the Chair, following consultation with the Proper Officer, agreed that the following item of business, not shown on the Agenda, be considered as a matter of urgency.

5. COUNTY DURHAM LOCAL AREA AGREEMENT 2008 (AOB)

Consideration was given to the report of the Leader of the Council which sought approval to sign-up to the new Local Area Agreement (LAA) for County Durham, a copy of which had been circulated to each Member.

It was explained that the first LAA was signed by partners and Ministers in March 2006 following an inclusive priority setting process to ensure it was developed in partnership and involved representatives from the Council.

The LAA was welcomed as an opportunity to ensure a shared understanding of national priorities and to develop a shared clarity of thinking around local priorities. It was also seen as a means to shape a more integrated approach to local service delivery.

LAAs were three year negotiated statutory agreements between central & local government. They provided an interface between national and local priorities and were based on a series of outcomes and targets. The County Durham LAA was based on the objectives in the longer term Sustainable Community Strategy and the LAA translated these into targets to secure improvements for local people. It incorporated a number of “stretch” targets, which were particularly demanding and attracted a performance reward grant if met.

The Government’s white Paper Strong and Prosperous Communities set out a new model for LAAs, putting them at the heart of the new Performance Framework. The resulting statute, the Local Government and Public Involvement in Health Act, 2007, introduced a duty on local authorities to agree the priorities in the LAA, providing a formal framework to ensure co-operation with local partners.

New LAAs would include up to 35 targets negotiated with central government and drawn from the new national indicator set of 198 indicators. In addition all areas must agree 16 statutory education and early years’ targets. There was also discretion to set additional “local” targets for inclusion in the LAA.

Area based funds to target specific areas of need would still exist, albeit they were treated as part of mainstream budgets, forming part of all council's financial settlement where appropriate. The issue for the Partnership would be to ensure that resources were aligned to deliver the outcomes within the LAA.

Work to agree the priorities and outcomes for the Durham LAA was outlined in Appendix 1 to the report and was based on an inclusive and evidence based approach, through a single integrated process, involving a wide range of stakeholders from statutory, voluntary and business organisations and existing partnerships from across the County.

RESOLVED that the new Local Area Agreement be approved and the Assistant Chief Executive be authorised to engage in the further development of the Agreement in terms of governance, funding and performance.

6. EXCLUSION OF THE PRESS AND PUBLIC

RESOLVED that in accordance with Section 100A (4) of the Local Government Act, 1972 as amended by the Local Government (Access to Information) Act, 1985 the press and public be excluded from the meeting for the following items of business on the grounds that they involved the disclosure of exempt information, as defined in Paragraph 3, Part 1 of Schedule 12A of the Act.

7. ESTABLISHMENT OF A HOUSING AND AREA REGENERATION COMPANY

Consideration was given to the report of the Executive Member for Regeneration which proposed to establish a 'special purpose' housing company to coordinate the delivery of housing and area regeneration work as part of the planned Housing Renewal Programme for County Durham and sought approval to commence work on establishing a shadow company governance structure and the development of a draft business plan, a copy of which had been circulated to each Member.

RESOLVED that;

- (i) the report be approved
- (ii) the Council's participation in the formation of a Housing Company related to the delivery of a Housing Renewal programme in South and East Durham, as outlined in the report, be agreed
- (iii) the Leader of the Council be appointed as the Council's representative on the Shadow Company Board
- (iv) the Director of Regeneration and Development be authorised to undertake the necessary work to establish the Company and the preparation of a draft Business Plan including identifying the land and resources as well as legal implications for the establishment of the Company
- (v) a further report on the draft Business Plan for the Company, arrangements for the formal establishment of the Company and the land and financial resource implications be prepared and submitted to a future meeting of the Executive for approval.

8. SALE OF MARLBOROUGH HOUSE, SEAHAM

Consideration was given to the report of the Executive Member for Regeneration which sought approval to sell Marlborough House, Seaham to the current tenant Hartlepool and East Durham Alzheimer's Trust, a copy of which had been circulated to each Member.

RESOLVED that approval be granted to proceed with the sale of Marlborough House, Seaham to the Hartlepool and East Durham Alzheimer's Trust.

On conclusion of the meeting the Chair advised that Mr Richard Prisk, Director of Regeneration and Development was leaving the Authority. On behalf of the Executive and the Authority he thanked him for his hard work and dedication to Easington District Council and wished him well in his future career.

JT/CB/COM/EXEC/080502
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