THE EXECUTIVE

MEETING, 27TH APRIL, 2009

Councillor Morris	Leader of the Council – Strategy and External Relationships
Councillor J. Byrne	Development
Councillor Sherrington	Cleaner, Greener, Safer
Councillor Kay	Human Resources and Diversity
Councillor Adia	Children's Services
Councillor Ibrahim	Culture, Young People and Sport
Councillor Peel	Environmental Services
Councillor Murray	Health and Adult Social Care

Non-Voting Members

Councillor Spencer	
Councillor R. Allen	
Councillor Shaw	
Councillor J. Walsh	
Councillor Mrs Brierley	
Councillor Morgan	
Councillor Hayes	
Councillor R. Ronson	Deputy for Councillor Mrs Ronson
Councillor D. A Wilkinson	

Officers

Mr. S. Harriss	Chief Executive
Mr. A. Eastwood	Director of Legal and Democratic Services
Mr. S. Arnfield	Director of Corporate Resources

Mr. K. Davies	Director of Development and Regeneration
Ms. M. Asquith	Director of Children's Services
Mr. D. Grogan	Assistant Director Building Schools for the Future
Mr. D. Conway	Head of Bolton Community Homes Partnership
Mr. J. Midlane	Head of Internal Audit and Risk
Mr. A. Jennings	Democratic Services Manager

Councillor Morris in the Chair

Apologies for absence were submitted by Councillors Hornby, Mrs Ronson, Mrs Thomas and Zaman.

96. MINUTES

The minutes of the proceedings of the meeting of the Executive held on 30th March, 2009 were submitted and signed as a correct record.

97. AGMA KEY DECISIONS

The Leader of the Council submitted a report that detailed the key decisions taken by the AGMA Executive Board at its meeting on 27th March, 2009.

Resolved – That the report be noted and that the minutes of the proceedings of the AGMA Commissions and Scrutiny bodies be presented to members of the Council in an appropriate way.

98. MEDIUM TERM FINANCIAL STRATEGY – REVISED

Further to Minute 76 of the meeting held on 13th February, 2009 the Director of Corporate Resources submitted the revised Medium Term Financial Strategy which reflected the latest information and forecast for the next five years.

Resolved – That the report be noted.

99. TREASURY MANAGEMENT STRATEGY

The Director of Corporate Resources submitted a report that updated the Executive on the Treasury Management Strategy in view of the latest position on investments in Icelandic Banks and the recommendations of the Audit Commission on the issue.

Members were reminded of the crisis within the banking sector and the collapse of several Icelandic banks. At that time, the Council had £6m invested in two of these banks, namely £2m in Landsbanki (based in Iceland) and £4m in Heritable (a UK based subsidiary).

Following the banks collapse the LGA had been working closely with those local authorities who had money invested in Iceland, leading on negotiations with the creditor committees for the banks and also pursuing the cause of these authorities with central government. The current position on these investments was that the administrators of Heritable had said that they hoped to make a substantial interim payment to lenders within the next two months. The investment with Landsbanki was at first more uncertain due to the Icelandic Government's actions in altering legislation, however more recently there have been indications that the Icelandic Government would change its stance, thus giving the Council's claim a higher priority and more likelihood of recovering a substantial part, if not all, of the investment. However, it was expected that this would not be resolved for some time.

The Audit Commission had published a report which provided a comprehensive assessment of treasury management procedures and the Icelandic issue and made recommendations for central and local government, as well as for CIPFA and its own organisation.

The Commission's report named seven authorities which it considered "negligently deposited" monies in Iceland and Bolton was not included on this list.

The Commission's report provided information and guidance for treasury management moving forward and its recommendations for local authorities were summarised in the report, together with details of how the Council already met or was responding to these.

The report concluded that the Audit Commission's report contained a thorough investigation of treasury management procedures within local authorities and found the Council's approach was appropriate and balanced risk and reward. Some of the recommendations made had already been adopted within the Council and therefore the focus in the future would be on achieving the following:

(a) continue to closely monitor the external financial situation and, within the approved strategy, minimise the risks associated with treasury management activities;
(b) increased formal reporting to Members of treasury management activities with a report being submitted twice yearly to the Executive and Audit Committee;
(c) developing a formal training course for members; and
(d) work with the Council to ensure the fullest information was available to inform decisions.

The report had also been considered by the Audit Committee at its meeting on 22nd April, 2009.

Resolved – That the Executive notes the changes to the Treasury Management Strategy and agrees the Investment Policy as set out in Appendix 1.

100. ANTI – MONEY LAUNDERING POLICY

The Director of Corporate Resources submitted the updated anti – money laundering policy.

The report had been agreed by the Audit Committee at its meeting on 17th March, 2009 and the Executive Member Corporate Resources on 31st March ,2009 for submission to the Executive.

Members felt that suitable training/briefings should be arranged for members.

Resolved – That anti - money laundering policy be approved

101. ANTI – FRAUD AND CORRUPTION STRATEGY

The Director of Corporate Resources submitted the revised Anti-Fraud and Corruption Strategy and Fraud Response Plan.

In reviewing the existing Anti-Fraud and Corruption Strategy a variety of research was undertaken:

- legislation and regulation;
- best practice;
- professional guidance and advice;
- Greater Manchester Anti-Fraud Group;
- Greater Manchester Chief Internal Auditors Group;
- experience of using the existing policy; and
- CPA and CAA.

Based upon the above research the revised strategy had been brought together and was attached as an appendix to the report. There were no fundamental changes to the existing policy but the document took account of some revised policies relating to ICT.

In addition to the strategy a Fraud Response Plan had been produced, which was a guide to aid managers when fraud or corruption was suspected. This would ensure that all issues were investigated properly and in a consistent way.

The report had been agreed by the Audit Committee at its meeting on 17th March, 2009 and Executive Member Corporate Resources on 31st March ,2009 for submission to the Executive.

Members felt that suitable training/briefings should be arranged for members.

Resolved – That the anti – fraud and corruption strategy be approved.

102. CORPORATE RISK MANAGEMENT POLICY AND REVISED CORPORATE RISKS

The Director of Corporate Resources submitted a report that detailed the revised corporate risk management policy and revised corporate risks as identified by EMT.

The report had been agreed by the Audit Committee at its meeting on 17th March, 2009 and Executive Member Corporate Resources on 31st March ,2009 for submission to the Executive.

Members noted that suitable briefings would be held for members on the impact of a possible flu pandemic as necessary.

Resolved – That the corporate risk management policy and revised corporate risks be approved.

103. ESTABLISHMENT OF NEW BUILD SPECIAL PURPOSE VEHICLE

The Director of Development and Regeneration submitted a report that sought approval for the proposed Special Purpose Vehicle (SPV) for new build element of Transforming Estates.

Members were reminded that Transforming Estates was a large-scale housing regeneration programme, being developed as a partnership between Bolton Council, Bolton at Home (The Council's Arms Length Management Organisation) and Bolton Community Homes (the local strategic housing partnership encompassing key Registered Social Landlords). The programme included:-

- Great Estates – a joined-up approach to improving the environment on council estates to make them safer and more attractive places to live;
- new build – a partnership approach to develop significant numbers of new affordable homes using Council land on or adjacent to housing estates; and
- the socio-economic offer – a programme of activities aimed at 'narrowing the gap' and enabling the community to take advantage of economic opportunities coming to Bolton over the next 10 years.

The proposed programme set out a twelve year programme of delivery, with the aim to develop 4,200 (minimum) units across the period. A range of unit numbers had been presented to the the Homes and Community Agency (HCA) at this stage, as some sites may not be deliverable following further investigation and community consultation.

It was considered likely that the firm approval by HCA would be for an allocation of funding for a 3 year period 2009 – 2012 to deliver approximately 500 affordable units and an in principle agreement to the full programme. The original proposal was to start the programme from April 2010, but following funding

advice from the HCA, the programme would start during 2009/10, using the existing BCH arrangements for the first sites, until the SPV had been legally established.

The programme assumed the sites for affordable rented properties would be transferred at nil value for social housing, in line with previous BCH arrangements and national good practice, as the sites were currently within or adjacent to existing social housing estates and the Secretary of State's approval for this would be obtained; the sites for private ownership would be transferred at market value.
It was explained that when the Council received the return for the land the principle involved was that it passed it back to the SPV by way of Section 25 grant for further investment into affordable housing.

The SPV would be a company limited by guarantee with charitable status. It would have an independent Board of Trustees comprising representatives of Bolton Council, Bolton at Home and RSL Partners that would make decisions on programming and monitor delivery. The Council (and Bolton at Home) would have a minority interest in the SPV. The SPV would also be overseen through the Stronger Communities Partnership and LSP.

Resolved –The Executive agreed :-

(i) to develop an early programme of sites for 2009-12 to be shared with members as early as possible during May, 2009;

(ii) to support the work to establish a Special Purpose Vehicle to deliver the programme, with a further report on the detailed outcome of the SPV development and a proposed programme; and

(iii) that frequent update reports on progress be presented following consultations and site proposals.

104. BUILDING SCHOOLS FOR THE FUTURE READINESS TO DELIVER

Councillors Kay (Rumworth Special School), Ibrahim (Bolton Muslim Girls School) and Murray (Starting Point) declared personal and prejudicial interests in the following matter being governors of the schools/body shown in parenthesis and left the meeting.

The Director of Children's Services submitted a report that presented the Council's Building Schools for the Future Readiness to Deliver document for approval.

Members were reminded that the Council was one of some thirty authorities which had been admitted to the next round of the Building Schools for the Future (BSF) Programme which was the national programme to rebuild or refurbish every Secondary School in the Country.

Partnership for Schools (PfS), the government delivery agent for the programme, had indicated that 30 plus authorities would now be admitted to the programme if they could demonstrate that they were ready to deliver and it was considered that Bolton was one of these authorities.

The Council's Expression of Interest had suggested that the Council could deliver the programme in Bolton in three projects and the Readiness to Deliver (RtD) Document covered the following areas:

Context and vision;
OSC Requirements;
Learning and Curriculum;
Integrated Services;
Inclusion and SEN;
Leadership and Change Management; and
KPIs

The RtD had to be submitted to PfS by 8th May, 2009 and thereafter a shortlist of authorities would be invited to attend an Assessment Panel Meeting in July, 2009. Those authorities who were considered ready would then be entered into the programme and those not considered ready would have to re-submit an RtD document later in the year to prove they had addressed their shortcomings. This process would be repeated until all the authorities had been formerly released into the programme.

Resolved - That the draft Readiness to Deliver Document be approved for submission to Partnership for Schools and that the Director of Corporate Resources and Director of Children's Services be authorised to amend and add to the document, as necessary, before the submission date of 8th May, 2009.

105. BUILDING SCHOOLS FOR THE FUTURE – PROCUREMENT UPDATE – URGENT ITEM

In accordance with the Local Authority's Executive Arrangements and Access to Information Regulations 2000, the Chairman of the Children's Services Young People and Sport Scrutiny Committee had agreed that the following item was urgent and could not reasonably await consideration until the next meeting of the Executive .

The Director of Corporate Resources submitted a report that presented a number of recommendations relating to the Building Schools for the Future Programme.

Members were reminded that the investment vehicle for the delivery of the BSF programme was a Local Education Partnership (LEP), which was a public private partnership. Blackburn with Darwen and Bolton Councils had entered into a joint arrangement to secure substantial procurement efficiencies through a joint procurement process.

Blackburn with Darwen and Bolton Borough Councils had formally entered the procurement phase of the joint BSF

project and, at its meeting on 3rd April, 2009, the BSF Project Board considered the outcomes of the evaluation of initial bids and approved that the following two consortia be taken through to second stage dialogue:

- Balfour Beatty Education – ICT Partner: Northgate Management Services Ltd and FM Provider: Balfour Beatty Workplace; and
- BDB Learning Partnership – ICT Provider: RM PLC and FM Provider: Robertsons.

The expected deadline for the issue of invitation to submit final bids was 13th July, 2009 and the evaluation of the final bid would be undertaken by expert evaluation teams made up of officers drawn from across both Councils. In addition representatives of the two sample schemes would also be involved in the evaluation of bids, where appropriate. A detailed timetable for final bid evaluation was currently under development.

The evaluation of final bids was expected to be completed by 16th September, 2009 when a Preferred Partner was appointed by both Councils and the shadow Local Education Partnership was formed.

In line with Government/PfS requirements appointment of the selected partner, was the decision of each Council's Executive/Board and it was considered that continued and increased levels of Member involvement during this second stage of the procurement process would be vital to helping inform the final selection decision by the Executive.

Regular briefings would continue to take place for the Executive Member for Children's Services and Opposition Spokespersons.

In addition to existing Member engagement it was proposed that a Joint Member Group be established with cross party representation of Members from both Blackburn with Darwen and Bolton Councils.

The proposed group would meet monthly and receive detailed updates on the outcome of dialogue meetings, consider any key issues that might emerge and support relevant Executive Members in any relevant decision making.The group would also support the formulation of recommendations and rationale for selection of a preferred partner following close of dialogue and evaluation of final bids.

Blackburn with Darwen and Bolton Councils had previously agreed that a Joint LEP Procurement Project Team be established which had delivered efficiencies and helped address some critical capacity issues.

It was proposed that this approach be built upon and a single Blackburn/Bolton client function be established which would be led by a Strategic Programme Director to be appointed jointly over the next two months.

Appendix 2 set out the details of a small client team which would sit alongside the LEP and share administrative and other resources as necessary. The client team would be supported by existing resources within each local authority. It was envisaged that such resources would be co-ordinated and managed by a senior person at Chief Officer level in each respective authority.

That the Executive:-

(i) notes that the two consortia named below have been carried through to the second stage of the dialogue:

- **Balfour Beatty Education – ICT Partner, Northgate Management Services Ltd and FM provider, Balfour Beatty Workplace**

- **BDB Learning Partnership – ICT Provider, RM PLC and FM provider, Robertson's;**

(ii) notes the next steps of the procurement process;

(iii) agrees to the establishment of a Joint Member Group with Blackburn with Darwen Council to ensure effective participation of Elected Members in the procurement, including the formulation of recommendations on the appointment of a selected partner for consideration and approval by the Executive and that Councillors Adia, Mrs Thomas, Hayes and J. Walsh be appointed to such Group and that Bolton members be suitably briefed before joint meetings; and

(iv) agrees the proposal to establish a joint BSF/LEP Client Team with Blackburn with Darwen Council in advance of the formation of the LEP.