

BRIGHTON & HOVE CITY COUNCIL
PLANNING, EMPLOYMENT, ECONOMY & REGENERATION CABINET MEMBER
MEETING

5.00PM 3 AUGUST 2011

COMMITTEE ROOM 1, HOVE TOWN HALL

MINUTES

Present: Councillor Kennedy (Cabinet Member)

Also in attendance: Councillors Morgan (Opposition Spokesperson) and A Norman (Opposition Spokesperson)

Other Members present: Councillor K Norman

PART ONE

19. PROCEDURAL BUSINESS

19(a) Declarations of Interests

19a.1 There were none.

19(b) Exclusion of Press and Public

19b.1 In accordance with section 100A of the Local Government Act 1972 ("the Act"), the Cabinet Member considered whether the press and public should be excluded from the meeting during an item of business on the grounds that it was likely, in view of the business to be transacted or the nature of the proceedings, that if members of the press and public were present during that item, there would be disclosure to them of confidential information (as defined in section 100A(3) of the Act) or exempt information (as defined in section 100I(1) of the Act).

19b.2 **RESOLVED** - That the press and public be not excluded from the meeting.

20. CABINET MEMBER'S COMMUNICATIONS

20.1 The Chair thanked opposition Members for attending and explained that the meeting had been convened to seek agreement to withdraw from negotiation with Avanta in relation to a Work Programme placement contract for 18-24 year old job seekers.

**21. INTERREG IV A 2 MERS SEAS ZEEN PROGRAMME AND AVANTA WORK
PROGRAMME CONTRACT**

- 21.1 The Cabinet Member considered a report of the Strategic Director, Place concerning the INTERREG IV A 2 Mers Seas Zeeen, Graduate & Apprenticeship Placement Scheme (GAPS) Project & Avanta Work Programme Contracts.
- 21.2 Councillor A Norman noted that it was unusual to bring a previous decision back for reconsideration so soon. She also noted that the previous decision had been dealt with via an urgent report because the contract had to be signed imminently, but that no contract had yet been signed and that this could have a negative effect on the council's business reputation, as well as being unfortunate for the young people involved.
- 21.3 The Cabinet Member advised that the previous report had been tabled urgently in the spirit of openness and transparency to inform Members of the latest position. The decision was made subject to agreeing a number of final issues between the council and Avanta; however, following further negotiations, it had not been possible to complete the contract due to concerns about the financial risk to the council.
- 21.4 Councillor Morgan welcomed the proposal to withdraw from the Avanta contract and stated that he had noted the financial risk at the previous meeting along with the unacceptable pay conditions for the young people involved. He stated that he was concerned about central Government's drive towards using private companies to provide apprenticeships and requested more information in relation to alternative funding options.
- 21.5 The Cabinet Member stated that Members from all Groups were supportive of apprenticeships, but advised that the council must carefully consider how they were delivered. She explained that Avanta could not answer the council's concerns and that officers were investigating how the council could proceed with the INTERREG part of the contract.
- 21.6 The Strategic Director, Place stated that the reason for bringing the previous report to the CMM had been to ensure that all Members were aware of the potential risks and that the decision had been made subject to finalising a number of issues, which could not be resolved. He explained that any changes made to the funding arrangements would need to be agreed with the governing body for INTERREG. He advised that Mears, the council's housing maintenance and repairs contractors, may be able to help with offering apprenticeships and that discussions were also taking place with City College. He explained that partners would be notified about the decision after the meeting and that alternative funding would need to be found by November.
- 21.7 Councillor A Norman stated that she was not opposed to the decision to withdraw from the contract, but was concerned that the original decision had been made quickly without full understanding of the financial implications and that it should have been delayed until the position was more certain. She noted that alternative match funding had not yet been found.
- 21.8 In response to question from Councillor A Norman, the Strategic Director, Place explained that the INTERREG part of the project could not go ahead without the necessary match funding and that this was being sought as a matter of urgency. He confirmed that eight

posts would be affected by the decision to withdraw and that four members of staff were in those posts.

21.9 The Chair stated that the original decision had been brought to the last CMM in order to be open about the situation and that she felt this had been the correct course of action.

21.10 **RESOLVED** - That, having considered the information and the reasons set out in the report, the Cabinet Member accepted the following recommendations:

- (a) That the Council withdraws from negotiation with Avanta in relation to a Work Programme placement contract for 18-24 year old job seekers in the city for reasons set out in the report;
- (b) That the Strategic Director, Place be requested to enter into urgent discussion with partners to the GAPS Project and the Interreg Delivery initiative as part of the INTERREG IV A 2 Mers Seas Zeeen programme with a view to the Council securing an alternative match funding arrangement or if unsuccessful to put in place alternative arrangements.
- (c) That authority be delegated to the Strategic Director, Place to proceed with the INTERREG Delivery initiative if an alternative match funding arrangement is secured, including entering into the relevant contractual and partnership arrangements.

The meeting concluded at 5.13pm

Signed

Cabinet Member

Dated this

day of