

FINANCE AND POLICY COMMITTEE

MINUTES AND DECISION RECORD

25 NOVEMBER 2024

The meeting commenced at 10.00 am in the Civic Centre, Hartlepool.

Present:

Councillor Brenda Harrison (In the Chair)

Councillors: Rachel Creevy, Tom Feeney, Pamela Hargreaves, Jim Lindridge, Sue Little, John Nelson and Karen Oliver

Also Present: Minna Ireland, Parish Council Co-opted Member

Officers: Denise McGuckin, Managing Director
James Magog, Director of Finance, IT and Digital
Neil Wilson, Assistant Chief Solicitor
Paul Dixon, Assistant Director, Corporate and Financial Services
Craig Blundred, Director of Public Health
Jill Harrison, Executive Director of Adult and Community Based Services
Tony Hanson, Executive Director of Development, Neighbourhoods and Regulatory Services
Steve Hilton, Communications and Marketing Team
Denise Wimpenny, Principal Democratic Services Officer

28. Apologies for Absence

An apology for absence was submitted on behalf of Councillor Mike Young.

29. Declarations of Interest

None.

30. Minutes of the meeting held on 16 September 2024

Received.

31. Minutes of the meeting of the Safer Hartlepool Partnership held on 15 July 2024

Received.

32. Minutes of the meeting of the Health and Wellbeing Board held on 8 July 2024

Received.

33. Strategic Financial Management Report as at 30 September 2023 (*Director of Finance, IT and Digital*)

Type of decision

Budget and Policy Framework.

Purpose of report

The purpose of this report is to inform Members of:

- i) Forecast General Fund outturn for 2024/25;
- ii) Reserves Forecasts;
- iii) Forecast Housing Revenue Account outturn for 2024/25;
- iv) Corporate Income Collection Performance;
- v) Capital Programme Monitoring 2024/25;

Issue(s) for consideration

The Director of Finance, IT and Digital reported that the financial circumstances facing the council remained challenging particularly given significant pressures within Children's Social Care. These pressures had continued into the second quarter of the 2024/25 financial year and were detailed in the report. The overall position for the General Fund Outturn for 2024/25 identified a forecast overspend of £1.670m. However, it was highlighted that this position was after the approved use of £3.166m of the Budget Support Fund to balance the 2024/25 budget.

The Director of Finance, IT and Digital highlighted salient points included in the report which included a summary of the forecast position by Directorate, budget savings monitoring arrangements, dedicated school grant, reserves position, community recovery fund, housing revenue account position, income collection, council tax, business rates, capital outturn as well as details of capital receipts.

In terms of the Council's budget management and in-year actions of budget managers to manage the overspend, a Member commented on the importance of such measures being taken across all teams and raised concerns in relation to the impact of managing the aftermath of under investment and drastic funding reductions from the previous Government administration.

A Member questioned the reasons for the Council continuing to incur costs for Bevan House. Members were advised that the transfer of assets could not take place until the Tees works improvement plans had been concluded. It was suggested that the feasibility of recovering these costs be explored.

In response to concerns raised in relation to comments from staff displayed on the Council's noticeboard, clarification was provided regarding the measures in place to address issues around staff morale. Members debated the contributory factors to stress related issues including the impact of the cost of living crisis and funding cuts on employees health and wellbeing.

Decision

1. That the forecast outturn position of £1.670m overspend and accompanying financial performance for the year be noted.
2. That the reserve transfers and forecast use of reserves as set out in the report be noted.
3. That the 2024/25 forecast outturn in relation to the Housing Revenue Account as detailed in the report be noted.
4. That the HRA Capital Budget Amendment as outlined in paragraph 5.5 of the report be approved.
5. That the capital programme position be noted.
6. That the feasibility of recovering costs in relation to Bevan House be explored.

34. Local Council Tax Support 2025/26 *(Director of Finance, IT and Digital)*

Type of decision

Budget and Policy Framework.

Purpose of report

To agree the Local Council Tax Support (LCTS) Scheme for 2025/26 to be referred to full Council for approval.

Issue(s) for consideration

The Director of Finance, IT and Digital reported on the background to the Local Council Tax Support Scheme introduced by Central Government in 2013 as a replacement for the Council Tax Benefit Scheme administered on behalf of the Department for Work and Pensions (DWP) and the agreement by Council in 2024/25 for a revised scheme which aimed to provide simplified support to those in most need.

The report set out in detail how the new scheme addressed the current issues and its effect on individual households. The roll out of the scheme, which had been introduced on 1 April 2024, had been successful and had reduced the level of re-billing during the year which would aid recovery of Council Tax and also ensured residents on LCTS had a clearer understanding of their Council Tax position. Given the introduction of the revised scheme had raised no significant issues, it was proposed that no change be made to the scheme for 2025/26, save for an inflationary uplift.

Decision

That the 2025/26 Local Council Tax Support Scheme as set out in the report be referred to Full Council for approval.

35. Council Tax Base 2025/26 *(Director of Finance, IT and Digital)*

Type of decision

Budget and Policy Framework.

Purpose of report

The report sought Member approval, as required by statutory regulations, of a calculated Council Tax Base for 2025/26, which would be used for Council Tax billing purposes.

Issue(s) for consideration

The Director of Finance, IT and Digital reported that the Council was required by law to calculate its Council Tax Base for the forthcoming year, and inform the major precepting authorities, Police and Crime Commissioner for Cleveland and Cleveland Fire Authority, and local precepting authorities (Parish Councils), before 31 January 2025. The Council Tax Base was expressed as the number of Band D equivalent properties.

The proposed Tax Base for the Council area for 2025/26 was 26,455. This was an increase of 675 (2.62%) from the current base. The forecast included a best estimate of the anticipated number of households eligible for LCTS.

Councils were also required to determine and operate their own local schemes for providing support with Council Tax, which had been determined in the previous agenda item and the calculated Council Tax Base assumes that this scheme is approved and there is no additional uptake in those eligible for Local Council Tax Support.

Decision

That the following be referred to Full Council for approval:-

1. That a Hartlepool Council Tax Base for 2025/26 of 26,455, as detailed in Appendix 1 of the report, be approved.
2. That a Council Tax Base for 2025/26 for Parishes who may levy a precept upon the Council's Collection Fund be as follows:

Brierton	15.9
Claxton	13.7
Dalton Piercy	134.1
Elwick	237.6
Greatham	274.1
Hart	489.2
Headland	810.7
Newton Bewley	33.9
Wynyard	1,129.0

36. **Medium Term Financial Strategy (MTFS) 2025/26 to 2027/28** *(Director of Finance, IT and Digital)*

Type of decision

Budget and Policy Framework.

Purpose of report

The purpose of this report is to provide an update on the Council's financial position, the Government's autumn budget and to approve the budget savings proposals to be referred to individual Policy Committees.

Issue(s) for consideration

The Director of Finance, IT and Digital reported on the updated MTFS position for the three year period 2025/26 to 2027/28. The new Government's first budget delivered by the Chancellor on 30 October 2024 provided for planned increases in expenditure in public services, largely funded through increased taxation. Local Government would receive a £1.3 billion increase in government grant funding in 2025/26 although the distribution was still to be confirmed.

The provisional financial settlement would be issued by Government in late December and would include details of government grant allocations to individual Councils.

Whilst the increase in grant funding was welcomed, the budget had also increased costs for the Council which included the increase to the national living wage and employer NI contributions.

Members were referred to the budget pressures in relation to pay award inflation, general price inflation, Adult Social Care contracts, pay and price income, energy inflation, Children’s Social Care, waste disposal, capital financing. Government funding in terms of Revenue Support Grant, Social Care funding, Public Health funding, New Homes Bonus, Services Grant, Business Rates Top Up Grant, extended producer responsibility and other autumn budget funding arrangements as detailed in the report. The report also included an update on business rates, council tax, reserves, strategy for balancing the budget position, savings proposals and use of reserves.

The Director outlined that using reserves to balance the budget was not good practice, but that given the size of the budget gap it was currently proposed. The remaining gap and the use of reserves would be revisited post the local government finance settlement.

In the discussion that followed the Director of Finance IT and Digital responded to issues raised arising from the report. Clarification was provided in relation to the reasons for waste disposal pressures and the challenges around the recruitment of foster carers.

A Member commented on the issues facing the Council in relation to increased poverty and deprivation and the importance of prevention. A number of views were expressed in relation to the impact of continuous funding cuts by the previous Government and the challenges around balancing the Council’s budget were also debated.

Decision

1. That the report be noted together with the assessment of the forecast budget gap and proposed approach to addressing this gap detailed in the report.
2. That the proposals in relation to Finance and Policy Committee, outlined in Appendix B, be agreed.
3. That the savings proposals be referred to individual policy committees with the instruction for them to identify replacement savings if these proposals are not supported.
4. That the risks and scenarios outlined in the report which may impact upon the financial position presented as part of future MTFS updates be noted.
5. It was agreed that the previously agreed budget timetable may need to be flexed dependent on the position post settlement, but that final approval of the budget must be made by Council on 20 February 2024 to ensure annual council tax billing commences promptly.

37. Housing Management Service Complaints Policy: Annual Performance Monitoring Report (*Executive Director of Development, Neighbourhoods and Regulatory Services*)

Type of decision

Non-key

Purpose of report

To inform Finance and Policy Committee of the new standalone Housing Management Service Complaints Policy, which came into effect on 1st April 2024.

To present the first annual Complaint Performance and Service Improvement Report and self-assessment for 2023-24 and to seek a governing body response to this to demonstrate that Committee has scrutinised the organisation's compliance with the Housing Ombudsman's Complaint Handling Code.

Issue(s) for consideration

The Executive Director of Development, Neighbourhoods and Regulatory Services presented for Members' consideration and review the annual Complaint Performance and Service Improvement report and self assessment for 2023-24 for publication as governing body.

It was reported that the Housing Ombudsman's new Complaint Handling Code became statutory on 1 April 2024, meaning that social landlords were obliged by law to follow its requirements. The Code also required landlords to have a Member responsible for complaints (MRC) on their governing body to provide assurance. A standalone Housing Management Service Complaints Policy had therefore been developed in line with the statutory requirements of the Code, a copy of which was appended to the report.

Members were also referred to the self-assessment, a copy of which was attached at Appendix 2.

Decision

1. The Committee noted the content of the Housing Management Service Complaints Policy and the implementation from 1 April 2024.
2. The Committee reviewed the annual Complaint Performance and Service Improvement report and self assessment for 2023-24 and agreed that a formal response be provided from the Finance and Policy Committee for publication as the governing body.

38. Joint Health and Wellbeing Strategy (*Director of Public Health*)

Type of decision

Non-key

Purpose of report

To consult with Committee Members on the final draft of the Joint Health and Wellbeing Strategy for Hartlepool (Appendix 1).

Issue(s) for consideration

The Director of Public Health presented the final draft of the Joint Health and Wellbeing Strategy for Members' approval. The results of the consultations had now been incorporated into the final draft of the Joint Health and Wellbeing Strategy and the Council were now in a position to develop a Joint Local Health and Wellbeing Strategy. The overall structure of the strategy was outlined including the 3 priorities for the next five years:-

- **Starting Well** – All Children and young people living in Hartlepool have the best start in life.
- **Live well** - People live and work in connected, prosperous and sustainable communities.
- **Age well** - People live healthier and more independent lives, for longer

The implementation would take the form of an annual action plan which would be monitored and reviewed through the Health and Wellbeing Board.

Decision

That the structure and the content of the strategy be agreed.

39. Date and Time of Next Meeting

The Committee noted that the next meeting would be held on Monday 20 January 2024 at 2.00 pm Civic Centre, Hartlepool.

The meeting concluded at 10.45 am.

H MARTIN

DIRECTOR OF LEGAL, GOVERNANCE AND HUMAN RESOURCES

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