

CABINET

MINUTES AND DECISION RECORD

4 February 2013

The meeting commenced at 9.30 am in the Civic Centre, Hartlepool

Present:

The Mayor, Stuart Drummond - In the Chair

Councillors: Cath Hill (Children's and Community Services Portfolio Holder)
Paul Thompson (Finance and Corporate Services Portfolio Holder)

Also Present: Councillor Christopher Akers-Belcher (Vice-Chair of Scrutiny Co-ordinating Committee),
Councillors Alison Lilley, Geoff Lilley and Jim Ainslie

Officers: Dave Stubbs, Chief Executive
Andrew Atkin, Assistant Chief Executive,
Chris Little, Chief Finance Officer
Alyson Caman, Legal Services Manager
Denise Ogden, Director of Regeneration and Neighbourhoods
Louise Wallace, Director of Public Health
John Morton, Assistant Chief Finance Officer
Graham Frankland, Assistant Director, Resources
Jill Harrison, Assistant Director, Adult Social Care
John Mennear, Assistant Director, Community Services
Karen Kelly, Principal Housing Strategy Officer
Alastair Rae, Public Relations Manager
Peter McIntosh, Head of Planning and Development
Joan Stevens, Scrutiny Manager
Denise Wimpenny, Principal Democratic Services Officer

158. Apologies for Absence

Councillors John Lauderdale, Adults and Public Health Services Portfolio Holder and Marjorie James, Chair of Scrutiny Co-ordinating Committee.

159. Declarations of interest by Members

None at this point in the meeting. However, Councillor Hill declared a prejudicial interest later in the meeting (Minute 165 refers)

160. Minutes of the meeting held on 23 January 2012

Received.

161. Formal Response to the Executive's Medium Term Financial Strategy (MTFS) 2013/2014 to 2016/2017 – Budget Consultations (*Scrutiny Coordinating Committee*)

Type of decision

None

Purpose of report

To provide the formal response of the Scrutiny Coordinating Committee in relation to the Executive's Medium Term Financial Strategy (MTFS) 2013/2014 to 2016/2017 consultation proposals.

Issue(s) for consideration by Cabinet

The Vice-Chair of the Scrutiny Coordinating Committee reported on the background to Scrutiny's consideration of the Executive's proposals for the Medium Term Financial Strategy (MTFS) 2013/2014 to 2016/2017.

The Chair referred Members to the comments/views of Scrutiny Co-ordinating Committee and the four standing Scrutiny Forums in relation to the Executive's finalised budget proposals as set out in the report. These included comments in relation to proposed key changes, budget reductions as well as a number of comments/suggestions in relation to Member Allowances, Merger of the Registrars Service into the Contact Centre, Adult Social Care Provider Services, Commissioned Services, Maritime Festival, Headland Sports Centre, concerns in relation to the location of the market in the town centre car park, CAMHS service, level of savings proposed for the Early Intervention and Prevention Service, School Improvement Service and concerns that income generation opportunities surrounding hospital transport should not be construed as the Council giving authority for the Foundation Trust to move services from the University Hospital of Hartlepool. Details of specific recommendations in relation to Ward budgets were provided, as set out in the report.

In response to a request for clarification regarding Scrutiny's views in relation to the Council Tax options, the Vice-Chair of Scrutiny Co-ordinating Committee reported that given the cuts in grant settlement and, to avoid a further budget pressure, Scrutiny had recommended supporting a 1.99% increase in Council Tax for 2013/14.

A discussion followed in relation to discussions at a recent meeting of Scrutiny Co-ordinating Committee regarding the Ward Budget Scheme to which there were different recollections of what had been suggested by Scrutiny in relation to this proposal. The Vice-Chair of Scrutiny Co-ordinating Committee provided clarification in relation to the

recommendations of Scrutiny that the scheme be amended to allow any unspent allocations to be carried forward for use by Members in the following year.

The Mayor thanked the Vice-Chair of Scrutiny Co-ordinating Committee for the input of Scrutiny in the budget setting process and noted the report with its recommendations and views to be taken into consideration by Cabinet during the formulation of its finalised budget proposals for consideration by Council.

Decision

That the formal response of Scrutiny Co-ordinating Committee in relation to the Executive's Medium Financial Strategy (MTFS) 2013/14 to 2016/17, as set out in the report, be noted.

162. Medium Term Financial Strategy (MTFS) 2013/14 to 2016/17 *(Corporate Management Team)*

Type of decision

Budget and Policy Framework

Purpose of report

The purpose of the report is to update the MTFS and to enable Cabinet to finalise the budget proposals it wishes to refer to Council.

Issue(s) for consideration by Cabinet

The Finance and Corporate Services Portfolio Holder presented the report which outlined the key issues impacting on the MTFS over the next 4 years. A number of reports had been submitted to Cabinet between June and December 2012 which highlighted the significant financial challenges facing the Council in 2013/14 and future years arising from continued reductions in Formula Grant, reductions in specific grants, the re-localisation of business rates and the replacement of the National Council Tax Benefit System with locally determined Council Tax Support schemes.

The report provided a summary of progress in achieving the targets previously set for reviewing reserves and achieving managed budget underspends to identify funding for additional one-off commitments. The objective of the strategy was to avoid even higher budget cuts over the next few years when unavoidable one-off commitments would arise. As previously reported the target the Council would be set would be exceeded. This reflected the hard work and careful management of this year's budget

and work completed by officers in reviewing reserves. Depending on the final outturn it was anticipated that the target may be exceeded by between £381,000 and £1.161m. Attached as appendices to the report were details of reserves held in trust/committed as well as other reserves.

Members were referred to the key issues arising from the Chancellor's Autumn Statement, the outcome of the provisional Local Government Finance Settlement 2013/14 and 2014/15 and the impact on Hartlepool, as detailed in the report. For Hartlepool, these changes increased the budget deficits. In addition, changes to the Local Government finance system, increased the financial risk the Council would need to manage as the Government had confirmed the threshold limits for managing shortfalls in business rates. In future, Hartlepool would only receive help from the Government if business rates fell by more than about £1.7m per year. This was a major ongoing risk owing to the potential impact of the Power Station. The report highlighted the impact of the Government's continuing austerity regime. As reported in December the actual grant cuts for 2013/14 and 2014/15 were even worse than predicted and, the Council along with other North East Councils were once again suffering disproportionate grant cuts. In 2013/14 Hartlepool would lose grant through the floor damping system of £0.741m to pay for damping grant to more affluent areas.

The Government, were again presenting funding cuts as spending power cuts and, on this basis, Hartlepool's spending power cut was 2.2%. This was above the national average of 1.7% and the third highest out of 55 unitary authorities. The actual grant cut was 6.5%, which was significantly more than the 'spending power cut' of 2.2%. As a result of these grant cuts the budget gap which would need to be bridged over the next 4 years had increased by £2m to a revised gap of between £21.09m to £23.09m. The range reflected uncertainty around the actual cuts for 2015/16 and 2016/17.

The report outlined the proposed strategy for managing the 2013/14 budget gap of £5.982m, which would be bridged from a combination of budget cuts of £3.664m and the use of one-off resources of £2.318m. The use of one-off resources in 2013/14 was designed to provide a longer lead time to implement budget cuts which would be required in 2014/15 and the following two years.

With regard to Council Tax, the Portfolio Holder sought Cabinet's views on the following recommendations to refer to Council:-

- Accepting the Government freeze grant, which would mean the need to make additional cuts of £400,000 in 2015/16 when the Council Tax freeze grant was removed; OR
- Increasing Council Tax by 1.99%, which would secure ongoing additional income of £400,000 and avoid the higher cuts from accepting the temporary Council Tax freeze grant.

This needed to be carefully considered in terms of the impact on the Council's ongoing resources at a time of continuing grant cuts, increasing

pressure on the budget and also the impact on households, as shown in the table at paragraph 7.8 of the report. For two thirds of most households the increase was 42p or less per week.

Whilst the Council had been able to freeze Council Tax in the last 2 years, the Portfolio Holder was of the view that a 1% Council Tax freeze grant was not enough to make this worth taking, the potential reasons for which were outlined which including the need to protect services in future from even higher cuts.

In relation to the Early Intervention Grant and Local Authority Central Spend Equivalent Grant, a strategy had previously been approved for using one-off resources in 2013/14 to offset Government grant cuts in these areas. This strategy would provide slightly more time to develop plans for managing these services with less Government funding.

In terms of public health, the Portfolio Holder was pleased to report that allocations for 2013/14 and 2014/15 were higher than anticipated. Further work was needed to assess the contractual commitments against this funding and details would be reported back once this work was completed.

Reference was made to the Capital Programme for 2013/14 and it was recommended that these schemes be approved and referred to Council.

The report sets out information on the robustness of the budget forecasts, the budget consultation feedback and detailed report from the Scrutiny Co-ordinating Committee which the Mayor had suggested be considered alongside this report.

The Portfolio Holder took the opportunity to thank Scrutiny Co-ordinating, Committee, the Trade Unions and Hartlepool Business Sector representatives for their involvement in the budget process.

Reference was made to the conclusions to the report and previous reports indicating the public sector's continuing period of austerity. As a result of these grant cuts the General Fund budget gap which would need to be bridged over the next 4 years had increased by £2m to a revised gap of between £21.09m to £23.09m.

In conclusion, the report outlined proposals for managing these grant cuts and the additional financial risks the Government was passing to Council in April. This was based on a robust outturn strategy for the current year and savings plans for 2013/14. Further significant budget cuts would need to be made in 2014/15 and the following two years and work on developing a strategy to address these issues would commence very soon.

The Council also faced cuts in other grants, such as the Early Intervention Grant. Again the report outlined robust plans for managing this position over more than one year, which helped protect services as much as possible in very difficult financial circumstances.

Overall it was considered that the budget proposal was the best the Council could do in the circumstances and clearly demonstrated the benefits of managing budgets and risks over more than one financial year.

Cabinet's views were sought on the proposed recommendations as set out in the report as well as the proposals submitted by Scrutiny Co-ordinating Committee.

In the discussion that followed presentation of the report a Member raised concerns regarding the poor GCSE attainment levels in the town and the potential reasons for such levels. It was suggested that given the future implications for any child leaving school without grades A to C in English and Maths, funding of £200,000 should be allocated to address this issue. Members discussed this suggestion as well as the potential reasons at length including the disadvantages of a shared Assistant Director arrangement with Darlington. Following further debate and advice from the Chief Finance Officer and Chief Executive in this regard, it was suggested that £200,000 be allocated from the net forecast uncommitted 2012/13 underspend to support school attainment, subject to approval of a detailed business case by Members.

The Vice-Chair of Scrutiny Co-ordinating Committee stated that the Children's Services Scrutiny Forum could commence examination of the attainment issue and provide feedback on the findings to the Children's Services Policy Committee.

A Ward Member, who was in attendance at the meeting on behalf of residents of Hartlepool, sought further information regarding the proposals to close the Headland Sports Centre at weekends as well as the review arrangements. The Assistant Director, Community Services advised that the proposed closure was due to commence from 1 April 2013. In terms of usage, the Council had introduced a number of measures the previous year to encourage take up of activity. However, usage had continued to reduce. Whilst the decision to close the building at weekends had been taken, there would be an opportunity to review and reassess the issue should demand increase in the future.

The Mayor raised concerns regarding the impact of the cuts in the Early Intervention Grant, the impact of the changes in welfare reform as well as the long term implications of the continuing austerity measures faced by local authorities.

A lengthy discussion ensued regarding the level of Council Tax for 2013/14 including the financial implications of accepting the Government Grant to freeze Council Tax or approving a 1.99% increase in Council Tax. Whilst the benefits of each proposal were acknowledged there were different views in terms of the most appropriate way forward. The Mayor referred to the Council's decision the previous year to accept the Council Tax Freeze Grant and whilst noting that little had changed was keen to adopt the same

approach this year to alleviate the increasing financial pressures faced by residents of the town given the impact of welfare reform and the lack of clarity from the Government in relation to the implications for local authorities who did not accept the freeze grant. However, it was acknowledged that this proposal increased the budget savings which would need to be made in 2015/16 when the Council Tax Freeze grant was removed.

With regard to the recommendation made by Scrutiny Co-ordinating Committee to provide a 2013/14 Ward Member budget of £5,000 per Member and an overall Ward Budget for 2013/14 of £165,000 to be funded from a combination of budgets, as detailed in the report and considered under the previous item of business (minute number 161 refers), it was agreed that these proposals be supported.

Decision

That Cabinet note the report and refer the following proposals to Council:-

2012/13 Outturn Strategy

1. Approve the proposed strategy for funding
 - (i) one-off commitments of £5.350m from the review of reserves and the achievement of 2012/13 managed underspend targets, as detailed in paragraph 4.4; and
 - (ii) approve the proposal to fund one-off costs of £184,000 of achieving ongoing accommodation savings of £170,000 from 2014/15 from a combination of the 2012/13 outturn (£119,000), as detailed in paragraph 4.4, and the 2013/14 in-year savings in accommodation costs (£65,000). To note that the savings of £170,000 exceeds the forecast savings included in the 2014/15 MTFS by £70,000, which will reduce the budget deficit for this year.
2. To note that after earmarking the resources detailed in paragraph 16.3 that depending on the final outturn there is anticipated to be uncommitted resources of between £0.381m and £1.161m, as detailed in paragraph 4.4 and to note Cabinet's proposal to allocate up to £0.2m of the net forecast uncommitted 2012/13 underspend to improve School Attainment, subject to the approval of a detailed Business Case by Members which would reduce the uncommitted 2012/13 underspend available to support the 2014/15 budget.

2013/14 General Fund Budget

3. Approve the budget pressures of £0.635m as detailed in Appendix 4.

4. Approve a Council Tax freeze for 2013/14 and to note this secures a Council Tax Freeze Grant of £0.4m for 2013/14 and 2014/15 and increased the budget savings which would be required in 2015/16 when the 2013/14 Council Tax Freeze Grant is removed.
5. Approve the proposal to bridge the net 2013/14 budget gap (after reflecting the recommended Council Tax freeze) of £5.992m from a combination of Departmental savings plans for 2013/14 of £3.364m detailed in Appendices 6 to 16, the part year ICT procurement saving and the use of one off resources as summarised below:

	£'m	£'m
Permanent Department savings (Appendices 6 to 16) and part year ICT saving		3.664
Contribution from 2011/12 outturn to partly offset removal of 2012/13 Council Tax freeze grant	0.345	
Contribution from 2012/13 outturn to offset forecast additional 2013/14 grant cuts reported before actual grant cuts were known	0.850	
Contribution from the 'Delayed implementation of planned 2013/14 and 2014/15 savings reserves' to offset part of the reduced People Collaboration savings in 2013/14 (paragraph 6.3)	0.367	
Contribution from 2012/13 Collection Fund Surplus (£0.737m) and 2013/14 outturn (£0.029m) to offset actual grant cut being higher than forecast	0.766	
Total one-off resources allocated to support 2013/14 budget		2.328
		5.992

6. To note the use of one off resources detailed in paragraph 16.8 defers part of the budget deficit to 2014/15, which provides a longer lead time to identify permanent budget reductions.
7. Note that in the event of there being any shortfall in planned 2013/14 savings individual departments will be responsible for identifying alternative proposals for consideration by Members to address any temporary/permanent funding shortfall.
8. Approve the proposal that any in-year saving achieved in 2013/14 from the Chief Executive's Structure Review (detailed in paragraph 6.3) are allocated to reduce the call on the 'Delayed implementation of planned 2013/14 and 2014/15 savings' reserve (planned use of £0.367m as detailed in paragraph 16.8), which will enable any uncommitted reserve to be carried forward to manage risk in future years.
9. Note the Chief Finance Officers professional advice on the robustness of the 2013/14 budget proposals, as detailed in section

12, including advice regarding the use of significant one-off resources in 2013/14 to partly address the budget deficit, which is not a sustainable strategy and is designed to provide a longer lead time to implement permanent budget cuts. The strategy is underpinned by the work which commenced last year to begin developing saving plans for 2013/14 and 2014/15. This strategy will need to be updated to reflect the actual grant cuts which are higher than forecast and which have increased the 2014/15 budget deficit and this work will commence over the next few months.

10. Approve the production of a 2013/14 Council Tax Leaflet to explain the budget issues for 2013/14 and to note this cost of £1,800 can be funded from the existing budgets.

2014/15 to 2016/17 General Fund Budget

11. Approve indicative Council Tax increases of 1.99% for 2014/15 and 2.5% for 2015/16 and 2016/17.
12. Note that the additional grant cuts for 2013/14 and 2014/15 increase the budget forecast deficit for the period up to 2016/14 to between **£21.090m to £23.090m**, detailed in paragraph 5.36 (previous forecast £19.094m to £21.094m). To also note that after reflecting the permanent budget saving planned for 2013/14 the Council will need to identify further budget cuts of between **£17.426m and £19.426m** (detailed in paragraph 6.19) before the start of 2016/17.
13. Note that an initial savings plan has been developed for 2014/15, which reduces the forecast deficit still to be bridged for this year and a detailed report will be submitted early in 2013/14 to finalise this strategy. To note that the 2014/15 deficit will be reduced by any additional accommodation cost savings which are achieved (as detailed in recommendation 16.3 (ii)) and savings achieved from the Chief Executive's Structure Review (as detailed in paragraph 6.3).
14. Note that no saving plans have been developed for 2015/16 and 2016/17 and these will be developed during 2013/14.

Early Intervention Grant

15. Approve the proposed strategy to allocate EIG 2011/12 and 2012/13 underspends of between £1.431m and £1.531m (depending on the final 2012/13 outturn) to temporarily offset the EIG grant cut in 2013/14 of £1.276m and increasing grant cut in 2014/15 of £1.611m (as detailed in paragraph 8.7).
16. To note that if 16.20 is approved the proposed maximum use of this reserve in 2013/14 will £1.276m (i.e. the level of grant cut for 2013/14). However, the actual contribution is anticipated to be lower reflecting the element of the 2012/13 under-spend which can be

sustained and the phased implementation of permanent reductions during 2013/14. This strategy will increase the uncommitted reserve available to help manage the reduction in this grant in 2014/15 and provide a longer lead time for developing a permanent strategy to address these funding cuts, which will be reported to Members before the end of June 2013.

Local Authority Central Spend Equivalent Grant

17. Approve the proposed strategy to allocate Formula Grant refunds of top sliced Academy funding (£0.48m) and 2012/13 budget underspend for forecast Academy funding top slice (£0.28m) to manage the risk of in-year 2013/14 LACSEG funding cuts if schools convert to academies
18. To note that if 16.23 is approved it is recommended that £0.397m of this reserve is allocated to support expenditure in this area in 2013/14 (as detailed in paragraph 9.5) as this will provide a longer lead time for developing a strategy to address these funding cuts, which will be reported to Members before the end of June 2013.

Public Health Funding

19. Note that Public Health funding allocations were only provided on 11th January.
20. Note that the current position as detailed in section 10 and note that the Director of Public Health will be responsible for determining contractual commitments against this funding and preparing a detailed report on the impact of integrating public health, both operationally and financially for submission to a future meeting.

Capital Programme 2013/14

21. Approve the 2013/14 capital programme as detailed in Appendix 17, which includes the following detailed proposals:

(i) Schemes funded from specific Government Capital Grant – cover the following areas:

- Local Transport schemes £1.351m;
- Schools Capital Programme £1.7m;
- Adult Social Services £0.269m.

And to note that detailed schemes for using these specific grants will be approved by the relevant Portfolio Holders.

(ii) Schemes funded from the Council Capital Fund – the total value of this fund is £1.091m, consisting of £0.491m uncommitted 2012/13 funding plus £0.6m new allocation for 2013/14. Table 3 of Appendix 17 details the proposed projects to be funded. It is recommended that Council approve these proposals, as summarised below, and to delegate authority to approve the use of the

uncommitted Council Capital Fund of £55,000 to Cabinet or the Policy and Finance Committee:

Project	Estimated cost (£000)
Multi Storey Car Park	130
Underground Car Park	50
Hart Primary School	8
A689 (Note 1)	100
Children's Home 302 Stockton Road	59
Maritime Experience	32
Mill House Leisure Centre	114
Maritime Experience	30
Kitchen works	200
Hartlepool Enterprise Centre	113
Sub Total	836
Indoor Bowls Centre (Note 2)	200
Sub Total	1,036
Unallocated	55
Total	1,091

Note 1 - The proposed scheme for the A689 is a contribution towards an overall scheme to reconstruct a section of the A689 (as detailed in paragraph 11.8).

Note 2 - The proposed allocation for the Bowls Club is included to 'reserve' funding for this scheme pending the assessment of the business case for this scheme. A separate report will be submitted to Cabinet and Council in 2013/14 to enable Members to determine if they wish to support this scheme.

(iii) Self Funding schemes – will be funded from Prudential Borrowing and the resulting annual loan repayment costs will either be funded from increased income, or revenue savings arising from the capital expenditure. These items cover the following schemes, as detailed in paragraph 11.12:

	Capital Expenditure £'000
Recycling Bins	725
CCTV Replacement equipment	115
Allotments	227
Vehicle Replacement Programme	2,420

(iv) Empty Homes Project - Approve the proposal to seek Council approval of the original strategy for funding the additional costs for this scheme of £165,000 (additional 3 properties) and £150,000 (contingency provision) from Prudential Borrowing, which will be repaid from the additional rental income generated from extending this scheme, in line with the original business case, as detailed in paragraph 11.13. This proposal will maximise the value of the

2012/13 uncommitted underspend transferred to the General Fund
(as detailed in recommendation 16.4)

Future Use of Brierton Site

22. Based on Cabinet decisions on 17th December 2012, as summarised in paragraph 12.3 (ii) the following recommendation needs to be referred to full Council as part of the 2013/14 Budget and Policy Framework:

(i) Approve the marketing of the relevant areas of the Brierton site and the Education Development Centre/Seaton Lane site;

(ii) In 2013/14 to earmark £1.160m of the anticipated capital receipts to fund investment in the Brierton Site to relocate the Pupil Referral Unit (PRU) and the Education Development Centre (EDC) to the Brierton site (including demolition of the cost of the existing PRU and EDC), IT installation and landscape buffer;

(iii) In 2014/15 to earmark £0.6m of the anticipated capital receipts to provide a 3G pitch. To note that grant funding may be secured towards this scheme, although this cannot be guaranteed at this stage, which would reduce the call on capital receipts;

(iv) To note section 12 – Robustness of Budget forecasts, reflects the increased risk of increasing the capital receipts target by £2m to fund the proposed Brierton Development.

Ward Member Budget 2013/14

23. Cabinet supported the recommendation made by the Scrutiny Coordinating Committee to provide a 2013/14 Ward Member budget of £5,000 per Member and an overall Ward Budget for 2013/14 of £165,000 to be funded from a combination of:-

- i) A contribution of £60,000 from the elections budget which will not be needed in 2013/14 as there will not be any Council elections until May, 2014. This will leave a contingency budget of £10,000 to cover any by-election(s);
- ii) A contribution of up to £105,000 from the uncommitted 2012/13 overall General Fund outturn detailed in the Medium Term Financial Strategy Report (paragraph 16.4) forecast to be between £0.381m and £1.161m;
- iii) To note that any use under (ii) will be reinstated once full Council has considered the results of the Independent Remuneration Panel review of the Basic and Speciality Responsibility Allowances and approved a new scheme of

allowances and the resulting level of saving;

- ii) To approve the proposal that any 2013/14 Ward Members underspend can be carried forward by individual Members to 2014/15;
- iii) To approve an amendment to the original ward budget scheme, which had been established on the basis that any unspent monies would not be 'rolled over', to enable unspent allocations in 2012/13 and future years to be 'rolled over' for use by Member in the following year(s).

163. New Dwellings Outside of Development Limits Supplementary Planning Document (SPD) *(Director of Regeneration and Neighbourhoods)*

Type of decision

Key – test (ii) – the SPD forms part of the Budget and Policy Framework and, if adopted, the SPD will form part of the Hartlepool Development Plan

Purpose of report

To seek Cabinet's authorisation to undertake public consultation on the Draft New Dwellings Outside of Development Limits Supplementary Planning Document (SPD).

Issue(s) for consideration by Cabinet

The Director of Regeneration and Neighbourhoods presented the report which provided background information in relation to the rationale for new dwellings. The existing planning policy framework allowed for new dwellings in the countryside subject to the proposals according with criteria established in the Local Plan Policy, Emerging Local Plan and National Planning Policy Framework (NPPF). In most case in order to ensure rural dwellings were in accordance with the planning policy framework it was essential that a functional test was undertaken. However, the Planning Policy Framework had changed, details of which were outlined in the report. As a result of the changes, the specific functional test guidance had not been repeated in the NPPF and there was uncertainty with regard to what was expected of developers in order to justify a new dwelling outside of development limits.

The SDP provided the detail as to when a functional test would be required and detailed what information the applicant would be required to submit as part of the functional test. It was noted that a functional test was only required for new dwellings outside of development limits where applicants were claiming housing need.

It was proposed that public consultation be undertaken on the SPD. Should authorisation be granted, consultation would commence in February 2013 for a minimum period of 8 weeks. The public consultation would be undertaken in accordance with the Statement of Community Involvement.

Decision

That consultation on the draft SPD, be approved.

Prior to consideration of the following item of business Councillor Cath Hill declared a prejudicial interest and left the meeting during consideration of this item.

164. Inquorate Meeting

It was noted that the meeting was not quorate. The Mayor indicated that (as permitted under the Local Government Act 2000 and the Constitution) he would exercise his powers of decision and that he would do so in accordance with the wishes of the Members present, indicated in the usual way. The decision set out in the decision record was confirmed by the Mayor accordingly.

165. Choice Based Lettings Policy Review 2012 *(Director of Regeneration and Neighbourhoods)*

Type of decision

Key – test ii applies – Forward Plan Reference No RN22/12

Purpose of report

To approve amendments to the Tees Valley Choice Based Letting (CBL) policy regarding the three specific proposals that required a deviation from the Sub Regional Policy and how these local amendments would be implemented in Hartlepool

Issue(s) for consideration by Cabinet

The Director of Regeneration and Neighbourhoods referred to a report presented to Cabinet on 3 December which provided the context behind the review of the Tees Valley Choice Based Lettings Policy and the consultation that had been undertaken to inform the proposals. This report addressed the additional information requested by Cabinet and the decision to develop a local policy to reflect Cabinet's views in relation to the three specific

proposals that required a deviation from the revised Sub Regional Policy namely:-

- Concern at the policy to favour applicants in low paid employment over unemployed applicants with the same housing need.
- Opposition to the one reasonable offer of accommodation policy
- Concern that families approved as foster carers or adoptive parents could be allocated a property that might lead to them being affected by the under occupation charge (as introduced by the Welfare Reform Act 2012)

The report also detailed how the local elements of the policy would be implemented in Hartlepool.

In relation to local amendments to the Common Allocation Policy and the option to award preference to those in low paid employment, applicants in Hartlepool would not be awarded additional preference above other applicants if they were in low paid employment which would mean that all applicants would be competing on their housing need only.

In relation to the opposition from Cabinet to the one reasonable offer of accommodation policy, in Hartlepool it had been agreed that the current three offer policy should be retained which was in line with feedback from the formal consultation that took place on the policy.

With regard to concerns that families approved as foster carers or adoptive parents could be allocated a property that might lead to them being affected by the under occupation charge, and the request by Cabinet that further information should be provided about the average delay between approval and placement, it was reported that the average time taken from being approved for an adopter to have a placement was four months. For the fostering process this ranged from 1 week to 2 months following approval. Applicable applicants in Hartlepool would be allowed to bid for a property larger than their current needs in order to meet future needs. However, this would be carefully managed and advice would be given regarding the under occupation charge especially for foster carers when there was a delay between placements.

In the discussion that followed Members commented on the benefits of developing a local policy whilst noting there were no financial risks of such an approach.

Decision

That the proposed process to implement three local variations to the Common Allocation Policy in relation to no additional preference for low

paid workers, managing potential foster carer and adoptive parents move to a larger home and retaining three reasonable offers of accommodation, be approved.

Councillor Cath Hill rejoined the meeting and it was noted that the meeting was now quorate.

166. The Council's Report on Home Energy Conservation Act (*Director of Regeneration and Neighbourhoods*)

Type of decision

Key – test (ii) applies – Forward Plan Reference No RN04/13

Purpose of report

To provide information on the Government's new requirement for local authorities to report on home energy efficiency initiatives in the borough and to outline the proposed content of the report.

Issue(s) for consideration by Cabinet

The Director of Regeneration and Neighbourhoods provided background information relating to the requirements issued by the Government under the Home Energy Conservation Act (HECA) 1995. The guidance required the Council to publish a report by 31 March 2013 and every two years from 31 March 2015 to 31 March 2027. The Council owned a relatively small number of houses in the borough so the majority of physical work to improve the energy efficiency of dwellings should be undertaken by home owners, owner occupiers, private sector landlords and registered providers. For the purpose of the HECA report this meant that a number of rows in the DECC template did not apply to the Council.

Following the Government launch of the Green Deal Initiative and the rule which stated that the cost of the work should not be greater than the repayments, there were grave concerns relating to the golden rule that the rule was not a guarantee and the household bills may be higher after the work was complete, the potential reasons for which were set out in the report. For the reasons outlined in the report and the associated risk of the Council's reputation, it had been agreed in May by the Corporate Management Team Support Group that the Council should not have any active role in delivering the Green Deal. The subsequent HECA guidance included an assumption that councils would be playing an active role in delivery of the Green Deal.

A brief report had been prepared which included summary information on the ongoing partnership approach in the borough to a range of linked

agendas, the awareness raising activities which the Council reasonably expected to deliver over the course of the next two financial years and the proposed physical improvements which registered providers intended to make to their properties. Unfortunately, it had not been possible to attain information from all registered providers operating in the borough.

Decision

It was agreed that:-

- a. A concise report be prepared using the DECC template, a draft report had been provided in Appendix 1.
- b. The report included brief information on the ongoing partnership approach to tackling a range of issues linked to energy efficiency including fuel poverty and excess winter deaths.
- c. The report included information on awareness raising activities by the Council and partner organisations.
- d. The report included information on the projects and programmes planned by registered providers as supplied.

167. Second Consultation Draft of the Joint Health and Wellbeing Strategy *(Director of Public Health)*

Type of decision

Non-key.

Purpose of report

To present to Cabinet the second draft of the joint Health and Wellbeing Strategy (JHWS) for comments as set out in Appendix A.

Issue(s) for consideration by Cabinet

The Director of Public Health provided feedback on the consultation process to date on the JHWS as set out in the report. The second draft of the Health and Wellbeing Strategy for Hartlepool including the proposed action plan was attached as an appendix to the report which took account of the consultation and prioritisation exercises undertaken as detailed in the

report. Members were provided with details of the next steps including the process and timescales. Members' views in relation to the second draft were sought.

In response to a request for clarification as to why a second draft had been presented and the reasons for further steps in the process, the Director of Public Health stated that given this was a dual process, it was considered beneficial to provide more than one opportunity for partners to contribute. The Director of Public Health noted the comments of Members and suggested that further discussions in relation to the next steps take place with the Mayor following the meeting.

Decision

That the second draft of the Hartlepool Health and Wellbeing Strategy and Action plan together with the comments of Members be received and noted.

168. Council Plan 2013/14 *(Corporate Management Team)*

Type of decision

Non-key.

Purpose of report

To provide the opportunity for Cabinet to consider and comment on the proposed Council Plan for 2013/14.

Issue(s) for consideration by Cabinet

Members were referred to the background relating to the development of the plan and discussions on the various outcomes at a recent meeting of Scrutiny Co-ordinating Committee as detailed in the report. Due to the short space of time between the meeting of Scrutiny Co-ordinating Committee on 18 January and the deadline for preparation of this report, it had not been possible to reflect all of the comments in the proposed Council Plan. However, the final draft of the Council Plan would be considered by Cabinet on 18 March 2013 and would include a detailed response to those comments and any additional comments made at this meeting or at Scrutiny Co-ordinating Committee on 8 March.

Attached as appendices to the report were the three draft Departmental Plans for 2013/14 which together would inform the Council Plan. The appendices provided details on the proposed actions identified to deliver the outcomes that formed part of the Outcome Framework for 2013/14. Key performance indicators were included in the plans which would be used to

monitor progress throughout the year as well as potential risks that could prevent the outcomes being successfully delivered.

It was noted that the Council Plan was a working document and, as such, there were areas where information could change. Should this occur the information would be included in the final draft of the Plan.

Decision

That the draft Departmental Plans, that would form part of the Council Plan 2013/14, be approved.

169. Welfare Reforms – Customer Strategy (*Chief Finance Officer*)

Type of decision

Non-key

Purpose of report

To inform Members of the arrangements for communicating and dealing with associated enquiries arising from the welfare reform changes to Housing Benefit and Council Tax Benefit

Issue(s) for consideration by Cabinet

The Assistant Chief Finance Officer summarised the main aspects of the welfare reform changes and the arrangements in place for dealing with enquires arising from the changes. Financial modelling indicated that 8,600 households (about 1 in 5) properties in the borough would be affected by the LCTS changes. The LCTS scheme would involve households either receiving Council Tax bills with amounts due for the first time or higher amounts of Council Tax. Recovery of these amounts of Council Tax would be significantly more difficult.

As a result of the Government's new rules in relation to housing benefit, where households were considered to have one or more surplus bedroom housing benefit would be reduced. Analysis had identified 1,666 households in Hartlepool affected by this change, details of which were included in the report by Ward. Whilst the level of benefit loss would vary between households depending on financial circumstances, some broad modelling by Housing Hartlepool for their tenants indicated that for a typical 3 bedroom property a 14% reduction would equate to a loss of £11.87 a

week and a 25% reduction would equate to a loss of £21.65 a week.

In relation to the proposed Local Council Tax Support Scheme, the report outlined the average impact of an 8.5% cut in entitlement for 2013/14. Each of the 8,600 households affected by the LCTS scheme changes would receive an awareness letter in February 2013 which would give an indication of the amount of extra council tax that a particular household would have to pay because of the benefit scheme changes. A detailed plan for dealing with customer contacts had been developed given the large number of contacts expected, details of which were set out in the report.

A Member raised concerns in relation to the proposed funding required to provide additional assistance with administration of the changes given that Revenues and Benefits back office staff regularly worked additional hours at weekends. In response, Members were advised that the necessary additional resource arrangements had to be made to mitigate the impact on residents in view of the level of queries expected.

A number of concerns were raised by Members in relation to the significant financial, health and social challenges facing the Council as a result of the welfare reform changes. Concerns were also raised regarding the DWP guidance relating to the bedroom criteria rules that the Council should seek to prioritise the inadequate additional £62,000 of Discretionary Housing Payment funding it would receive to deal with these changes on two types of household, those that undertake foster caring and those claimants that have had adaptations to their property linked to a disability. Cabinet were of the view that exemptions should have been introduced to deal with issues of this type.

Decision

- (i) That the contents of the report be noted.
- (ii) That the measures being taken to support individuals with two significant future welfare reform changes be endorsed.

170. Priority Schools Building Programme *(Directors of Child and Adult Services and Regeneration and Neighbourhoods)*

Type of decision

Non-key

Purpose of report

To update on the Department for Education's (DfE) proposals for the Priority Schools Building Programme (PSBP) and the current position for

Hartlepool's schools.

Issue(s) for consideration by Cabinet

The Head of Planning and Development presented the report which provided background information to the Secretary of State's announcement of the schools to be taken forward into the PSBP namely Manor College of Technology, Barnard Grove Primary School and Holy Trinity Church of England Primary School.

A representative from the Education Funding Agency had met with Local Authority officers, Head Teachers and Governors from the three Hartlepool schools to provide a briefing and overview of the programme and there were a number of steps to follow as the programme progressed, details of which were set out in the report.

The report outlined the various roles and responsibilities in relation to the partners involved in the programme, details of programme preparations, private finance initiative proposals as well as the financial considerations.

Cabinet raised concerns regarding the current condition of schools and the impact on learning as a result. Discussion ensued regarding the issues surrounding PFI funded public sector schemes, particularly the long-term financial implications of such arrangements and the need to consider alternative options to address the funding concerns were highlighted.

Decision

That the progress made to date be noted and further update reports be awaited.

171. Low Level Support Services Provided by Who Cares (NE): Update and Next Steps *(Directors of Child and Adult Services)*

Type of decision

For information

Purpose of report

To provide Cabinet with an update on services commissioned from Who Cares (NE) from October 2011 to November 2012

Issue(s) for consideration by Cabinet

The Assistant Director, Adult Social Care reported that on 30 August 2011 Cabinet reaffirmed a decision made at the Adult and Public Health Services Portfolio Meeting to award a contract covering Connected Care Navigation Services, the Handyperson Service and Supported Access to Independent Living Services to Who Cares (NE) for a period of up to 2 years to March 2013 with the option to extend for a further twelve months subject to satisfactory performance and funding being available. In May 2012 a six monthly monitoring review of the contract had been completed.

The recent regional evaluation of reablement services demonstrated that Hartlepool was delivering a robust reablement pathway and that the low level services were an important and integral part of that pathway.

The report included detailed background information on the contract provider, details of the value of the contract, the purpose of funding as well as the outcome of the contract review performance process. Members were referred to the activity information for the period 1 November 2011 to 31 October 2012 in terms of the number and type of referrals, as set out in the report. A total of 2,461 cases were closed within the first 12 months of the contract. Of these, 2,140 cases had outcomes achieved by services and support provided by the Navigation and SAILS services. Of the 2,140 closed cases with outcomes achieved, the main goals for customers related to 'Independent Living' which equated to 51.3% of achieved outcomes and 'Financial matters' was the second largest issue and covered 30% of the closed cases. There were no formal complaints received in respect of the services provided by Who Cares (NE).

In terms of partnership working, work continued with the London School of Economics to develop robust quantitative data that could evidence the value of low level preventative services in keeping people living independently for as long as possible. In summary the contract review and the information collected over the last 12 months indicated that Who Cares (NE) was delivering the outcomes as set out in the service specification of the contract.

Whilst the report was welcomed the Mayor expressed concerns regarding the governance and Board membership arrangements and was keen that a further tender process be undertaken to address the emphasis upon extending membership and ensuring robust governance arrangements were in place. These concerns were reiterated by Cabinet Members. The Assistant Director commented that the vast majority of the funding was provided by the NHS and was only confirmed as being available until 31 March 2014 and highlighted the disadvantages of entering into a tendering process for such a short timescale. Officers went on to respond to a number of further queries raised by Cabinet in relation to the feasibility of the Mayor's suggestion.

Decision

- (i) That progress in relation to the services delivered by Who Cares (NE) and the concerns of Members, be noted.
- (ii) Given the concerns of Members, as outlined above, a tendering process in relation to this contract be undertaken, with the current contract extended until such time as the tendering process can reasonably be completed.

172. Local Government (Access to Information) (Variation) Order 2006

Under Section 100(A)(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 it involved the likely disclosure of exempt information as defined in the paragraphs below of Part 1 of Schedule 12A of the Local Government Act 1972 as amended by the Local Government (Access to Information) (Variation) Order 2006.

Minute 173 Future of the Indoor Bowling Club – *Director of Regeneration and Neighbourhoods* This item contained exempt information under Schedule 12A Local Government Act 1972 as amended by the Local Government (Access to Information) (Variation) Order 2006, namely information relating to the financial or business affairs of any particular person (including the authority holding that information) (para 3)

173. Future of the Indoor Bowling Club (*Director of Regeneration and Neighbourhoods and Assistant Director of Community Services*) This item contained exempt information under Schedule 12A Local Government Act 1972 as amended by the Local Government (Access to Information) (Variation) Order 2006 namely information relating to the financial or business affairs of any particular person (including the authority holding that information) (para 3)

Type of decision

Non-key

Purpose of report

The purpose of the report is to outline the business plans of the Indoor Bowling Club in connection with a request from the Club to extend their lease.

Cabinet are asked to consider options in relation to the lease, rental payments and works required to the building.

Issue(s) for consideration by Cabinet

The Assistant Director, Resources outlined proposals submitted to the Council by the Indoor Bowling Club. Details of Cabinet's consideration of

this matter were set out in the exempt section of the minutes.

Decision

Cabinet's decision was set out in the exempt section of the minutes.

The meeting concluded at 11.55 am

P J DEVLIN

CHIEF SOLICITOR

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