

## **FINANCE AND POLICY COMMITTEE MINUTES AND DECISION RECORD**

8 November 2013

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

### **Present:**

Councillor: Christopher Akers-Belcher (In the Chair)

Councillors: Rob Cook, Keith Dawkins, Peter Jackson, Marjorie James, Alison Lilley, Ray Martin-Wells, Carl Richardson, Chris Simmons and Paul Thompson.

### **Also present:**

Councillors Ainslie, G Lilley and Loynes  
Edwin Jeffries, Hartlepool Joint Trades Union Committee (HJTUC)

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  
Sally Robinson, Assistant Director Children's Services  
Graham Frankland, Assistant Director, Resources  
Christine Armstrong, Customer and Support Services Manager  
Alastair Rae, Public Relations Manager  
Joan Stevens, Scrutiny Manager  
Angela Armstrong, Principal Democratic Services Officer

### **138. Apologies for Absence**

Apologies for absence were received from Councillors Peter Jackson and Ray Martin-Wells.

### **139. Declarations of Interest**

There were no declarations of interest at this point in the meeting.

### **140. Minutes**

- (i) Minutes of the meeting of the Finance and Policy Committee held on 18 October 2013 – Received.
- (ii) Minutes of the meeting of the Safer Hartlepool Partnership held on 16

August 2013 – Received.

## **141. Matters arising from the minutes**

Clarification was sought and provided on the circulation and distribution of the Finance and Policy Committee minutes once published. It was requested by Members that for future meetings of the Finance and Policy Committee, the published minutes from the previous meeting be attached to the agenda documentation for ease of reference.

In addition, Members requested that where a Member leaves during the meeting, this should be recorded within the minutes to assist with attendance records.

## **142. Savings Programme 2014/15 – Chief Executive's Department** (*Chief Executive*)

### **Type of decision**

For information, Members of the Committee were recommended to note the content of this report and formulate a response to be presented to Finance and Policy Committee on 29 November 2013.

### **Purpose of report**

To identify proposals for the delivery of savings in respect of the Chief Executive's Department for consideration as part of the 2014/15 budget process. This report built on information already considered by the Committee at the meeting of 23 August 2013.

### **Issue(s) for consideration**

The report provided the background to the 2014/15 Savings Programme. Further details were provided in the report in relation to the:

- (i) Proposals identified to make the savings;
- (ii) Risks associated with the proposed savings; and
- (iii) Financial considerations taken into account in developing the proposals.

The Chief Executive highlighted that the savings target at the outset of the budget process for the Chief Executive's Department was £338k. This target had been exceeded and totalled £457k which reflected the overall approach adopted by the Corporate Management Team for identifying achievable savings as part of the aim to protect front line services. The risk implications and financial and equality considerations were outlined in the

report.

A representative from HJTUC was in attendance and tabled a letter which highlighted a number of concerns with the proposals where the impact of savings may be the reduction of workforce or increased workload for already stretched staff. Whilst the Trade Unions fully recognised the intent to maintain services and minimise impact on staffing, they requested further consideration be given to those areas where vacant posts could be filled on a temporary basis or maintained for a further period of time to allow for full bedding in of new processes and Committees as highlighted in paragraphs 4.4.2 and 4.4.3 of the report. It was suggested that further dialogue between Officers and Trades Unions take place regarding their specific concerns to enable feedback to the Finance and Policy Committee on 29 November 2013.

A Member expressed some concerns that a post was being deleted with a subsequent voluntary redundancy as noted in paragraph 4.2.6, but that temporary funding was being made available for this post to continue for 6 months. The Chief Executive added that the post would be deleted from the establishment on 31 March 2014 but would continue to be temporarily funded from one off monies for a period of up to 6 months to progress some aspects of the services within that Division encompassed by national changes. In response to clarification sought by a Member, the Chief Executive confirmed that any redundancy payments for this post would be released once the employee had left the Authority.

Clarification was sought by a Member on the absorption of lost schools income as noted in paragraph 4.2.7. The Chief Executive indicated that whilst there was still demand from schools for the provision of Council services, there were fewer schools to recharge therefore income had reduced. However, the Assistant Chief Executive confirmed that this action was a one-off proposal for this year only to provide robust services and that further consideration of this area would be examined in the future. A Member added that there would be a risk of losing service provision to schools if they apply for academy status and that it was in the best interests of the Council to ensure it offers school the finest most robust services at best value.

Members supported the following recommendations unanimously.

### **Decision**

- (i) The content of the report was noted.
- (ii) The proposed savings in relation to the Chief Executive's Department as part of the 2014/15 process were supported subject to further discussions between Officer and Trade Unions in relation to paragraphs 4.4.2 and 4.4.3 to take place before the next meeting of the Committee on 29 November 2013, on the proposals affecting the new processes/Committees and restructuring within the Department.

- (iii) That the contents of the report including Members comments as noted above along with feedback from the discussions as noted in recommendation (ii) be utilised to formulate a response to be presented to the Finance and Policy Committee on 29 November 2013.

**143. Development of Student Accommodation on the Former Crown House Site, Surtees Street** (*Director of Regeneration and Neighbourhoods and Chief Finance Officer*)

**Type of decision**

Key Decision – Test (i) applies – Forward Plan Reference RN 28/13.

**Purpose of report**

To update the Committee on the proposal for the Vela Group to build new student accommodation on the site of the former Crown House.

To seek Committee endorsement of the proposals to provide the Vela Group with a loan to enable the Project to proceed and to refer this proposal to full Council for approval.

To seek Committee approval for the sale of the site at the agreed value.

**Issue(s) for consideration**

The report provided the background to the sale of the Crown House site to Vela as agreed by the Finance and Policy Committee on 26 July 2013. It was noted that Vela had planning approval to construct two apartment buildings and two townhouses on the Crown House site and further details of the proposed development were included in the report. The site boundary was detailed in Appendix 1 and the value the Council would dispose of the land for was detailed in confidential Appendix 2. **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.**

It was highlighted that the cost of the scheme was to be budgeted at £2,218m and was to be funded from borrowing to be repaid from future rental income. Vela had approached the Council to secure borrowing from the Public Works Loan Board in order to make the scheme viable. The Chief Finance Officer indicated he would normally advise Members not to support this type of project on the basis of the financial risks outlined in the report. However, in view of the wider regeneration and economic benefits

of the project, a number of potential options had been examined in order to mitigate these risks along with several safeguards and guarantees that would be in place to fully protect the Council's financial position which were detailed in the report.

In conclusion, the report outlined proposals to support the development of student accommodation on the Crown House site which will help to continue the redevelopment of this area.

At this point in the meeting Councillor Rob Cook declared a personal interest in this item.

In response to a question from a Member, the Director of Regeneration and Neighbourhoods confirmed that should Vela be taken over by another organisation in the future, the arrangements to support this project would be honoured as this would be included within the guarantee to pay the annual Loan Repayments.

A Member suggested that in order to maximise income generation, Vela may wish to consider short term lets for periods of under occupancy such as over the summer months. The Director of Regeneration and Neighbourhoods indicated that from a business viewpoint, Vela and Cleveland College of Art and Design would be looking to maximise income generation for this site.

Clarification was sought on the benefits the Council would achieve from this project. The Chief Finance Officer commented that the wider regeneration of the area was a major benefit of this project and added that the guarantees that would be in place would completely remove the financial risk to the Authority. The Chief Executive added that the project would help grow the local economy and support students in the town but without any cost being incurred by the Council.

**Under Section 100(A)(4) of the Local Government Act 1972, the press and public were excluded from the meeting for the following items of business on the grounds that they involved the likely disclosure of exempt information as defined in the paragraphs referred to 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.**

The meeting went into closed session to enable Members to discuss the content of the confidential Appendix. **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.**

In response to questions from a Member, a further explanation of the

financial considerations was provided by the Director of Regeneration and Neighbourhoods.

The meeting returned to open session.

Members supported the recommendations as noted in the report unanimously.

### Decision

- (i) Members supported the proposal to seek full Council approval on 5 December to approve the granting of a loan facility to the Vela Group of £2,218m to be drawn down in 2014 if required, subject to the Vela Group providing the following guarantees:
  - A guarantee will be provided to the Council by the Vela Group (which will include successors in title to the Vela Group) to pay the annual Loan Repayments for the duration of the loan (ie 40 years) based on the interest rate secured by the Council at the time funds were drawn down.
  - As a further safeguard, a legal charge will be placed on the land subject to the loan, which will protect the Council's financial position in the event that the guarantee cannot be discharged.
  - The Vela Group will not seek to increase the loan amount above £2,218m and any additional capital costs will be funded by the Vela Group.
- (ii) The Chief Finance Officer and Chief Solicitor were authorised to draft the necessary financial and legal documents to action the guarantees referred to in paragraph 6.1(i) for agreement with the Vela Group and to note these documents will not be signed until full Council had made a final decision on this proposal.
- (iii) That the disposal of the site as detailed in confidential Appendix 2 was approved. **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.**

## 144. **Appointment of Local Authority Representatives to Serve on School Governing Bodies** *(Assistant Director, Education)*

### Type of decision

Non key decision.

## Purpose of report

To request approval of the applications received in respect of the appointment of the Local Authority representative governors to serve on school governing bodies where interest had been expressed in the vacancies.

## Issue(s) for consideration

The report provided the background to the appointment of Local Authority representative governors on school governing bodies through a criteria agreed by Council in 2000. The schedule detailing vacancies which currently exist for LA representative governors was attached at Appendix 1 and the applications received in respect of these vacancies was attached at confidential Appendix 2. **This item contained exempt information under Schedule 12A of the Local Government Act 1972 (as amended by the Local Government (Access to Information) (Variation) Order 2006) namely information relating to any individual (para 1).**

At this point in the meeting, Councillor Chris Simmons declared a personal interest.

A Member sought clarification on the schedule of vacancies and where it indicated school governors were standing down. A Member commented that whilst it was disappointing that there were vacancies where no interest had been expressed for the vacancies on a number of governing bodies, it was recognised that some elected Members were school governors on more than one school and found that their commitments had become extensive and overstretched. It was suggested that future reports need only include details of where vacancies exist rather than note existing governors or why vacancies had occurred.

**Under Section 100(A)(4) of the Local Government Act 1972, the press and public were excluded from the meeting for the following items of business on the grounds that they involved the likely disclosure of exempt information as defined in the paragraphs referred to 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.**

The meeting moved to closed session to enable Members to discuss the confidential appendix. **This item contained exempt information under Schedule 12A of the Local Government Act 1972 (as amended by the Local Government (Access to Information) (Variation) Order 2006) namely information relating to any individual (para 1).**

The Chief Executive and Legal Services Manager provided clarification in

response to a number of questions from a Member.

The meeting returned to open session.

Members considered the applications received as follows:

**Jesmond Garden's Primary School** - Mr Richard Brown and Mrs Heather Bellwood - Mrs Heather Bellwood be appointed.

**Springwell School** – Mrs E Barraclough be appointed.

Members supported the recommendations unanimously.

### **Decision**

That the following appointments to Local Authority Governors to serve on school governing bodies be approved as follows:

**Jesmond Garden's Primary School** - Mrs Heather Bellwood be appointed.

**Springwell School** – Mrs E Barraclough be appointed.

## **143. Registration Service Accommodation** (*Assistant Chief Executive and Director of Regeneration and Neighbourhoods*)

### **Type of decision**

Non key decision.

### **Purpose of report**

To provide further information on alternative premises for the relocation of the Registration Service following recommendations made at the Finance and Policy Committee held on 19 September 2013.

### **Issue(s) for consideration**

The reported provided the background to the previous decisions taken in relation to the Registration Service Accommodation. The report included details of the following two proposals for alternative venues including the costs for the physical changes to buildings:

Option A – Level 1, Civic Centre – at a cost of £68,000

Option B – The Willows, Raby Road – at a cost of £175,800



A discussion ensued on the financial implications of the proposals during which Members raised a number of concerns in relation to the detailed costings. The Assistant Director, Resources informed Members that on a long term basis, the Council would be looking to rationalise the number of buildings it owned and maintained and would therefore not propose any short term high level maintenance to those buildings. However, should Members make a commitment to continue the use of some of these buildings in the longer term; the high level maintenance would then be required. Concern was expressed by Members that the report was biased towards a decision to relocate the Registration Service to Level 1 of the Civic Centre. The Chief Executive indicated that the report was based on Officers professional opinions which were that to relocate the Registration Service to Level 1 would provide the most cost effective and efficient use of resources.

A Member questioned whether there was a plan in place for the relocation of the CJI Team should The Willows be utilised for the Registration Service. The Director of Regeneration and Neighbourhoods confirmed that discussions were ongoing in relation to the relocation of the CJI Team due to a number of imminent changes to the Probation Service and restructuring within the Cleveland Police.

In response to a Member's question on the cost of relocating this service, the Assistant Chief Executive confirmed that the Customer Services function of the Council had delivered around £250k worth of revenue savings out of operating costs over the last 3 years. The service provision within Customer Services had been reconfigured in order to deliver the savings being proposed in the report.

During the discussions that followed Members expressed some anxiety about locating the Registration Service on Level 1 of the Civic Centre as well as a number of uncertainties around the possible relocation of the CJI Team. As a result of this, it was considered that there were too many unanswered questions to enable Members to make a decision at the current time. It was suggested that consideration of this item any further be deferred to enable discussions to be held with Members and Officers at the next pre-agenda meeting of the Committee to debate the proposals further and ensure Members were fully informed. A Member requested that further information on how the access to the Civic Centre would be improved should the Registration Service be relocated to Level 1 of the Civic Centre should be provided at that meeting.

## **Decision**

- (i) That consideration of the Registration Service Accommodation was deferred pending further debate and consideration of the issues and comments noted above at a future pre-agenda meeting of the Finance and Policy Committee.
- (ii) Upon completion of the above discussions, a further report is

submitted to Finance and Policy Committee to enable Members to consider all the issues surrounding the Registration Service Accommodation in full.

**144. Savings Programme 2014/15 – Resources Division of Regeneration and Neighbourhoods** (*Director of Regeneration and Neighbourhoods*)

Councillor Paul Thompson declared a personal interest at this point in the meeting.

Councillor Keith Dawkins left the meeting at this point.

**Type of decision**

For information, Members of the Committee were recommended to note the content of this report and formulate a response to be presented to Finance and Policy Committee on 29 November 2013.

**Purpose of report**

To identify proposals for the delivery of savings in respect of relevant areas of the Regeneration and Neighbourhoods Department for consideration as part of the 2014/15 budget process. The report builds on information already considered by the Committee at the meetings on 23 August 2013 and 18 October 2013 (in relation to the Community Pool).

**Issue(s) for consideration**

The report provided the background to the 2014/15 Savings Programme. Further details were provided in the report in relation to the:

- (iv) Proposals identified to make the savings;
- (v) Risks associated with the proposed savings; and
- (vi) Financial considerations taken into account in developing the proposals.

The Director of Regeneration and Neighbourhoods highlighted that the savings target at the outset of the budget process for the Regeneration and Neighbourhoods Department was £1.3m. It was noted that the approach taken had not been to apportion specific percentage targets to each Division/Service, but to look at options emerging from across the Department in a more structured manner in order to achieve the overall target. The risk implications and financial, equality and diversity and staff considerations were outlined in the report.

Councillor Christopher Akers-Belcher declared a prejudicial interest in

relation to the Community Pool.

**Decision**

- (i) The contents of the report were noted.
- (ii) That the contents of the report including Members support for the savings programme within the Resources Division of the Regeneration and Neighbourhoods Department be utilised to formulate a response to be presented to the Finance and Policy Committee on 29 November 2013.

**145. Any Other Items which the Chairman Considers are Urgent**

None.

The meeting concluded at 10.49 am

**P J DEVLIN**

**CHIEF SOLICITOR**

**PUBLICATION DATE: 15 NOVEMBER 2013**