

Chief Executive's Department
Civic Centre
HARTLEPOOL

25 November, 2013

Councillors Ainslie, C Akers-Belcher, S Akers-Belcher, Atkinson, Barclay, Beck, Brash, Cook, Cranney, Dawkins, Fisher, Fleet, Gibbon, Griffin, Hall, Hargreaves, Hill, Jackson, James, Lauderdale, A E Lilley, G Lilley, Loynes, Martin-Wells, Dr. Morris, Payne, Richardson, Robinson, Shields, Simmons, Sirs, Tempest and Thompson.

Madam or Sir,

You are hereby summoned to attend a meeting of the COUNCIL to be held on THURSDAY, 5 December, 2013 at 7.00 p.m. in the Civic Centre, Hartlepool to consider the subjects set out in the attached agenda.

Yours faithfully

D Stubbs
Chief Executive

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COUNCIL AGENDA



5 December 2013

at 7.00 p.m.

**in the Council Chamber,
Civic Centre, Hartlepool.**

- (1) To receive apologies from absent Members;
- (2) To receive any declarations of interest from Members;
- (3) To deal with any business required by statute to be done before any other business;
- (4) To receive questions from and provide answers to the public in relation to matters of which notice has been given under Rule 11;
- (5) To approve the minutes of the last meeting of the Council held on 17 October 2013 and the Extraordinary meeting of the Council held on 19 November 2013 as the correct record;
- (6) To answer questions from Members of the Council on the minutes of the last meeting of Council;
- (7) To answer questions of Members of the Council under Rule 12;
 - (a) Questions to the Chairs of Committees and Forums
 - (b) Questions on Police and Crime Panel and Fire Authority issues to the appropriate Members
 - (c) Minutes of the meeting of the Cleveland Fire Authority held on 26 July 2013 and the Police and Crime Panel held on 18 July 2013 are attached.
- (8) To deal with any business required by statute to be done;
- (9) To receive any announcements from the Chair, or the Head of Paid Service;

- (10) To dispose of business (if any) remaining from the last meeting and to receive the report of any Committee to which such business was referred for consideration;
- (11) To consider reports from the Council's Committees and to receive questions and answers on any of those reports;
- (12) To consider any other business specified in the summons to the meeting, and to receive questions and answers on any of those items;
 - (1) Review of the Constitution – Report of Monitoring Officer
- (13) To consider reports from the Policy Committees:
 - (a) proposals in relation to the Council's approved budget and policy framework; and
 - (b) proposals for departures from the approved budget and policy framework;
 - (1) Development of Student Accommodation on the Former Crown House Site, Surtees Street' (Report of Finance and Policy Committee)
 - (2) Morison Hall – Loan to NDC Trust (Report of Finance and Policy Committee)
 - (3) Council Capital Fund 2013/14 (Report of Finance and Policy Committee)
- (14) To consider motions in the order in which notice has been received; and
- (15) To receive the Chief Executive's report and to pass such resolutions thereon as may be deemed necessary.

COUNCIL

MINUTES OF PROCEEDINGS

17 October 2013

The meeting commenced at 7.00 pm in the Civic Centre, Hartlepool

PRESENT:-

The Chairman (Councillor S Akers-Belcher) presiding:

COUNCILLORS:

Ainslie	C Akers-Belcher	Barclay
Beck	Brash	Cook
Cranney	Dawkins	Fisher
Fleet	Gibbon	Griffin
Hall	James	Lauderdale
A Lilley	G Lilley	Loynes
Martin-Wells	Dr Morris	Richardson
Robinson	Shields	Simmons
Sirs	Tempest	Thompson
Wells		

Officers: Dave Stubbs, Chief Executive
Andrew Atkin, Assistant Chief Executive
Peter Devlin, Chief Solicitor
Chris Little, Chief Finance Officer
Louise Wallace, Director of Public Health
Denise Ogden, Director of Regeneration & Neighbourhoods
Alastair Smith, Assistant Director (Neighbourhoods)
Damien Wilson, Assistant Director (Regeneration)
Sally Robinson, Assistant Director (Children's Services)
Joan Stevens, Scrutiny Manager
Alastair Rae, Public Relations Manager
Amanda Whitaker and David Cosgrove, Democratic Services Team

69. APOLOGIES FOR ABSENT MEMBERS

Councillors Atkinson, Hargreaves, Hill, Jackson and Payne.

The Chairman noted the absence of Councillor Hill due to ill-health and indicated that he would send a get well card on behalf of all members.

The Chair also welcomed Councillor Hall back to the Council after his illness.

70. DECLARATIONS OF INTEREST FROM MEMBERS

None.

71. BUSINESS REQUIRED BY STATUTE TO BE DONE BEFORE ANY OTHER BUSINESS

None.

72. PUBLIC QUESTION

None.

73. MINUTES OF PROCEEDINGS

The Minutes of Proceedings of the Council held on the 5 September 2013, having been laid before the Council.

RESOLVED - That the minutes be confirmed.

The minutes were thereupon signed by the Chairman.

74. QUESTIONS FROM MEMBERS OF THE COUNCIL ON THE MINUTES OF THE PREVIOUS MEETING OF THE COUNCIL

None.

75. QUESTIONS FROM MEMBERS OF THE COUNCIL

(a) Questions to Chairs of Committees and Forums

(1) Question from Councillor Brash to Chair of Finance and Policy Committee

The question of gypsy and traveller sites in Hartlepool has caused much unnecessary distress and heartache to the people of Hart village, something that I believe could have been avoided if there had been better decision making, fewer political motivations and stronger leadership from the outset.

This can be illustrated by the fact that:

- *Gypsy and traveller sites must be located within 2km of an employment site.*
- *Gypsy and traveller sites must be located within 1km of a GP.*
- *Gypsy and traveller sites must have access to a daytime bus service every 30 minutes.*

These are some of the Council's standards, devised as part of our methodology to allow us to effectively measure and maximise the sustainability of any proposed gypsy and traveller site. This methodology accords with Government Guidance, which encourages maximum sustainability for any proposed site.

Given that the preferred and an alternative site proposed by the Finance & Policy Committee on 8th August, 2013, are the "least sustainable" as noted by the Planning Inspector, of the sites before the committee, what do you think that says about the quality of decision making of that Committee"

The Chair of Finance and Policy Committee responded by highlighting that the Council was now in receipt of the Planning Inspectors findings which had confirmed that the Committee's decision had been both a robust and sound decision.

(2) Question from Councillor Brash to the Chair of Finance and Policy Committee:-

"Can the Chair of Finance and Policy Committee explain in terms of resources, officer time, and any other associated costs to the council, how much the current local plan, which you voted for, has cost the tax payer of Hartlepool to date and from whom did he obtain this information?"

The Chair of Finance and Policy Committee responded that the process of developing and maintaining a Local Plan is an ongoing one. The Council had been working on the Local Plan for a total of 5 years, therefore to provide costs with a degree of accuracy had proven difficult. However, the Chair of the Committee had worked with the Chief Executive and Director of Regeneration and Neighbourhoods and had made a best attempt to provide this information. It was reported that the Planning Policy Officer costs over 5 years was £696,000 including on-costs, which equated to 80% of officer's time.

Following the announcement to dispose of regional planning and the Regional Spatial Strategy (RSS) through the Localism Bill, Officers had been instructed to re-assess the Plan and conduct a further preferred option stage. This had extended the process by approximately one year and as such had added to Policy Officer costs. The total cost of preparation of the Local Plan had been exacerbated by a number of unique and unprecedented changes to the English Planning System that had taken place since work began in 2008 which had affected all local authorities.

The process had been elongated by virtue of the Government's radical change to the Planning Policy Framework which was the biggest change to the planning system in 50 years. A consequential impact of this change was to fully assess the Local plan to ensure compliance with the National Planning Policy Framework which resulted in almost 250 changes. The additional costs of preparing the plan were outside the control of the local authority. In addition, at the Examination in Public hearing in February 2013, the proposed Brenda Road Gypsy and Traveller site allocation was found to be unsound. This involved a

comprehensive six month consultation programme which added to the costs of preparing the plan but also to preparation costs. The examination was suspended for 6 months to allow officers to carry out further work to find a suitable, available and deliverable site. This process had been also included in the calculation of costs. Other costs included venue hire and costs relating to public consultation etc. all together equated to £404,000. The Wider Planning Services costs which had contributed towards and supported the development of the plan equated to £407,000. It was highlighted that the Authority employed planning officers to deal with planning applications and other associated planning duties and as such an element of these costs was already accounted for. Therefore officers best estimate for the total costs for the production of the Local Plan over the last five years, taking into account changes to national government policy and the Gypsy and Traveller site was £1,100,000, or £1,507,000 if wider planning services costs were included. It was reiterated that these costs had been exacerbated due to the change in national policy which extended the production of the Local Plan by some 18 months and had affected all Councils. The Chair of Finance and Policy Committee concluded by expressing his thanks to Officers for their work on the Local Plan.

In the following debate Members referred to the decision to select the location of the proposed gypsy and traveller's site at Hart Village and commented that the decision on the site had been made by the Finance and Policy Committee and not full Council. It was considered that the motion later on the agenda to withdraw the current proposed Local Plan would only lead to significant further sums being expended on the development of a Local Plan and in the current economic climate that was considered to be unreasonable.

Other Members believed the decision had shown strong leadership. The original site contained within the initial plan had been undeliverable. Some Members were concerned that while the costs of developing the plan were high, the development plan would determine the future of Hartlepool in terms of development for the next 20 years and it was therefore right to ensure the plan met the expectations of the people of the town.

A Member commented that wherever the gypsy and travellers site was located there would be opposition to it and there would also be costs that that the Council would have to pay. The Chair of Finance and Policy Committee indicated that had the Committee known then what was now known, then the decision may have been different and there would not be a motion to withdraw the proposed development plan.

(3) Question from Councillor Brash

"What guidance is in place for the use of local authority funding or resources (including events and promotional material) in the promotion of an individual political party?"

The Mayor indicated that the question had initially been referred to him as Chair of Council but after seeking advice from the Chief Solicitor he believed that it would be more appropriately responded to by the Chair of the Audit and

Governance Committee. The Chair of the Audit and Governance Committee stated that as the question had not been directed to him, he did not believe it was his to answer. The Mayor indicated that as Vice-Chair of Audit and Governance Committee he would respond to the question and circulated to the meeting a prepared response.

Following the response concern was raised that a Labour Party Manifesto document had been circulated with Council documentation at a Council funded event which could be in breach of the Constitution and law.

It was moved by Councillor Brash and seconded by Councillor A Lilley:-

“That this Council directs the Chief Solicitor to investigate whether there had been any breach of legislation and/or the Council’s Constitution arising from the distribution of the Manifesto”

The Leader of the Council indicated that an investigation was not necessary. The Leader advised that the document had been distributed to all households in the town and he had requested that the document be circulated at the event referred to by the Member. The Leader added that he would take responsibility should it be found that any breach of the Constitution had been made.

The Chief Solicitor advised that there was not a need for a vote to be taken as he could pursue the issue by undertaking to make inquiries and report back to Members.

The Motion was withdrawn by the mover of the Motion.

(4) A question from Councillor Brash to Chairman of Council in relation to the criteria, on which Council questions were considered, was withdrawn at the meeting.

(b) Questions to Police and Crime Panel and Fire Authority issues

Question from Councillor Brash to Councillor Richardson, Police and Crime Panel Member:-

"The announcement that the police are pulling funding and man-power out of 173 York Road is a hammer-blow to town centre communities and has been described as 'madness' by at least one neighbourhood police officer and 'hugely disappointing' by one senior council officer.

173 York Road provides peace of mind and, as one resident described it to me, a safe-haven for local residents. This transfer of these services damages the hard fought successes of neighbourhood policing and will leave residents feeling less safe, not more.

The Police and Crime Panel has a wide ranging remit, including: looking "... into topics of particular interest, or public concern" and also "Making the PCC (and their staff) attend panel meetings to answer questions"

The Audit and Governance Committee on 20th September, 2013, recommended that a request be made to our Panel representatives to submit a report to full Council clarifying the rationale for this decision, what representations had been made and what alternatives have been considered to prevent the closure of 173, York Road. Therefore will our Panel representatives pursue this matter through the Panel and with the Police and Crime Commissioner so that Council can be fully apprised of the position and what options should be pursued?"

Whilst appreciating the concerns which had been expressed, Councillor Richardson highlighted that the Comprehensive Spending Review of October 2010 required Cleveland Police to make savings of over £22 million over a four year period. The remit of the Police and Crime Panel was clarified and it was highlighted also that the issue which had been identified by the question was an operational matter which had been considered in conjunction with the requirement to achieve the identified savings. Councillor Richardson added that the Police and Crime Commissioner and Chief Constable had agreed to attend a meeting, which would be open to the public to attend, immediately prior to the 5th December Council meeting to discuss the challenges ahead and which would allow also the Police and Crime Commissioner to reflect also on his first year in office.

During the debate which followed concern was expressed regarding conflicting information regarding the rationale for the decision being taken to close 173 York Road. Concern was expressed also in relation to the implications of the closure and that potentially the closure would result in a reduced number of crimes being reported by the public who could be reluctant to attend the police station located in Avenue Road.

Although there was some recognition of the motivation for the closure of the police office, it was highlighted that there would be an opportunity to convey any concerns when the Police and Crime Commissioner and Chief Constable were in attendance at the presentation to be held immediately prior to the next Council meeting.

76. BUSINESS REQUIRED BY STATUTE

None.

77. ANNOUNCEMENTS

With reference to minute 62 of the meeting held on 5 September 2013 the Chairman advised that following the decision at the last meeting of the Council, a letter had been sent to the Secretary of State outlining the Authority's frustration and disagreement with the outcome of the consultation regarding the reconfiguration of emergency medical and critical care services at North Tees and Hartlepool NHS Foundation Trust. A copy of the letter had been tabled at the meeting. The Chairman advised that once a response to the letter had been received, a copy of that response would be circulated to all members of Council.

78. TO DISPOSE OF BUSINESS (IF ANY) REMAINING FROM THE LAST MEETING AND TO RECEIVE THE REPORT OF ANY COMMITTEE TO WHICH SUCH BUSINESS WAS REFERRED FOR CONSIDERATION.

None.

79. TO RECEIVE REPORTS FROM THE COUNCIL'S COMMITTEES

None.

80. TO CONSIDER ANY OTHER BUSINESS SPECIFIED IN THE SUMMONS OF THE MEETING

None.

81. REPORT FROM THE POLICY COMMITTEES

(a) Proposal in relation to the Council's budget and policy framework

None.

(b) Proposal for Departure from the Budget and Policy Framework

(1) Additional Apprenticeship Opportunities – Report of Finance and Policy Committee

The Chair of Finance and Policy Committee presented a report which enabled Council to consider the Committee's proposed variation to the approved 2013/2014 Budget and Policy Framework to create an additional three apprenticeship opportunities and to approve the funding arrangements for the proposal.

It was noted that at its meeting on 19th September 2013 the Finance and Policy Committee had considered a proposal to use some of the unused element of the ring fenced redeployment budget (approved by Council in February 2012) to create three additional apprenticeship opportunities restricted to young people leaving care in the first instance. The cost of three apprentices undertaking a two year apprenticeship if aged 18 was estimated at £44,622 however, this cost would vary depending upon the age of the apprentice on commencement. As Finance and Policy Committee had agreed the proposals, Council was requested to approve the virement of £44,622 of the ring fenced redeployment reserve into an apprenticeship reserve which would be released over a two year period to fund three additional apprenticeship opportunities.

Motion moved by Councillor C Akers- Belcher:-

That Council agree to the proposal to vire £44,622 of the ring fenced redeployment reserve into an apprenticeship reserve which will be released over a two year period to fund 3 additional apprenticeship opportunities.

Motion agreed by show of hands. The Chair confirmed, in the absence of dissent, that this was the unanimous decision of Council.

(2) Bowls Club – Report of Finance and Policy Committee

The Chair of Finance and Policy Committee presented a report which sought approval to release funds from the Council Capital Fund reserved for the Indoor Bowls Club to undertake essential short term improvement works to the Indoor Bowls Club building.

Members had agreed on 4th February 2013 to approve the grant of a new 7 year lease to the Indoor Bowls Club and invest £200,000 to upgrade the external envelope of the building particularly the roof. The agreement was subject to the proviso that only works considered essential to enable the continued operation of the building would be undertaken in the short term to provide time for both the Club to demonstrate their long term sustainability through implementation of their business plan and to enable due consideration of options for the future provision of sports facilities at Mill House.

The Finance and Policy Committee at its meeting on the 19th September 2013 had approved the grant of a new 7 year lease to the Indoor Bowls Club together with an agreement to invest £15,000 to upgrade the external envelope of the building particularly the roof.

Motion moved by Councillor C Akers- Belcher:-

That endorsement be given by Council to release £15,000 from the Council Capital Fund to undertake improvements to the Indoor Bowls Centre roof and that Council approve the release in line with the budget and policy framework.

Motion agreed by show of hands. The Chair confirmed, in the absence of dissent, that this was the unanimous decision of Council.

82. MOTIONS ON NOTICE

The following Motions had been submitted:-

(a) Motion moved by Councillor Thompson and seconded by Councillor Brash:-

“A number of construction companies have been challenged about supporting the existence of, and subscribing to, construction industry ‘blacklists’, which detail covertly and potentially illegally gathered information on trade union members in the construction industry.

This Council recognises that any compilation, dissemination and use of 'blacklists' which is intended to discriminate against workers on the grounds of their TU membership or union activities is expressly prohibited by law and the Council therefore resolves that any individual or body who engages in such practices such be prohibited from tendering for council contracts.

That the Council's Contract Procedure Rules and Guide to Procurement reflect this position so that no individual or body is in any doubt of the Council's intention to ensure statutory compliance and prohibit discriminatory practices. Further, that this Council will terminate any existing contracts where such evidence of breach of such statutory compliance is proven to exist.

We will blacklist the blacklists."

Councillor Jonathan Brash
Councillor Pamela Hargreaves
Councillor Paul Thompson
Councillor Geoff Lilley
Councillor Cath Hill
Councillor Keith Fisher
Councillor Alison Lilley

The mover of the motion explained the background to the submission of the Motion. Support of the Motion was expressed.

Motion agreed by show of hands. The Chair confirmed, in the absence of dissent, that this was the unanimous decision of Council.

Following approval of the Motion, it was agreed that trade unions and existing contractors should be advised of the terms of the Motion.

(b) Motion moved by Councillor C Akers-Belcher and seconded by Councillor Richardson:-

"Recognising the concerns raised by local residents and other stakeholders this council resolves under Section 22 (1) of the Planning and Compulsory Purchase Act, 2004 (as amended) to withdraw the submitted Local Plan (June 2012).

The Council have sought through suggested modifications, additional appraisals and consultations and also through further hearing sessions to address concerns raised by the Planning Inspector during the course of the Public Examination into the Local Plan. However it is proposed that Council withdraws the Local Plan and that it proceeds immediately with further work to seek the adoption of a local plan that conforms with national planning policy guidance and fully meets the needs and

aspirations of local residents and all interested parties in ensuring that development is sustainable.

That Council recognises the foundation of emerging local plan policies in the submitted document and that further work be undertaken acknowledging those areas of the local plan that need to be reassessed and that in gathering further evidence on potential site allocations and planning policy the Council proceeds in line with its statement of Community Involvement and that a Local Plan would be anticipated to be adopted by 2015 for the benefit of the borough.”

Councillor C Akers-Belcher
Councillor Beck
Councillor Cook
Councillor Ainslie
Councillor Fleet
Councillor S Akers-Belcher
Councillor Griffin
Councillor Richardson
Councillor Barclay
Councillor Tempest
Councillor Cranney
Councillor Hall
Councillor Jackson
Councillor James
Councillor Payne
Councillor Robinson
Councillor Shields
Councillor Simmons
Councillor Sirs

The mover of the motion explained the background to the submission of the Motion.

During the debate which followed there was both support and opposition for the motion expressed. Members in support raised their concerns with the decisions of the Planning Inspector which had gone against the wishes of local residents in reinstating developments that Cabinet had previously removed due to public and Member concerns.

Great concern was expressed at the potential implications arising from the withdrawal of the Local Plan and the potential ‘open season’ it would create for developers until a new revised development plan could be approved. Members against the motion raised concerns at the timetable of a revised development plan being introduced within 6 months. The development of the current plan had taken over five years and it was suggested that the plan should be adopted and then immediately after that decision, Council should instigate a review of the elements of the plan that caused concern; such as the gypsy and travellers site and the developments at Tunstall Farm, Quarry Farm and the South West extension. Without any development plan in place the Council would be left to

rely on the old development plan and if any applications were refused by Planning Committee they could be appealed to the Planning Inspector who, in the absence of a local development plan, would be left to rely on national planning policy. A developer would only need to prove the sustainability of any development proposal.

Chief Solicitor advised that paragraph 14 of the National Policy Framework provided that in the absence of a local plan or relevant policies within a local plan, then national policies would apply. With regards to any gypsy and traveller site, if the 2006 local plan did not contain any reference to such a site, which it did not, the Council would need to refer to national policy and approve an application for a site wherever it was proposed.

An amendment was moved by Councillor Brash and seconded by Councillor G Lilley

“That the proposed local plan, as amended following the inspection process recently completed, be adopted by Council in due course and that once adopted Council immediately instruct officers to review the gypsy and travellers site allocation and that the approval of an appropriate site be delegated to officers and that the allocation of the south west extension development site also be reviewed”

In accordance with Council Procedure Rule 17.5 of the Constitution, a recorded vote was taken on the amendment as follows:-

Those in favour:

Councillors Brash, Dawkins, Gibbon, Lauderdale, A Lilley, G Lilley, Loynes and Thompson.

Those against:

Councillors Ainslie, C Akers-Belcher, S Akers-Belcher, Barclay, Beck, Cook, Cranney, Fisher, Fleet, Griffin, Hall, James, Martin-Wells, Morris, Richardson, Robinson, Shields, Simmons, Sirs and Tempest.

Those abstaining:

None.

The vote was lost.

In accordance with Council Procedure Rule 17.5 of the Constitution, a recorded vote was taken on the motion as follows:-

Those in favour:

Councillors Ainslie, C Akers-Belcher, S Akers-Belcher, Barclay, Beck, Cook, Cranney, Fisher, Fleet, Gibbon, Griffin, Hall, James, A Lilley, G Lilley, Loynes,

Martin-Wells, Morris, Richardson, Robinson, Shields, Simmons, Sirs and Tempest.

Those against:

Councillors Brash, Dawkins, Lauderdale and Thompson.

Those abstaining:

None.

The vote was Carried.

83. COMBINED ELECTION

The Chief Executive reported that at the Annual Council meeting on 9th May, 2013, Members had approved certain meeting dates for the municipal year 2013/2014, but noted that no date had been set beyond 3rd April, 2014 as confirmation was awaited from the Coalition Government regarding the date of the 2014 European elections. Parliament had now approved the Local Elections (Ordinary Day of Elections in 2004) Order, 2013, which entails that the date of the local elections in England in 2014 will be the same as the date of the European Parliamentary elections, namely to take place on Thursday 22nd May, 2014.

The report to Annual Council had indicated that if this combined election was to be 22nd May, 2014, then the following meeting dates would be required:-

Thursday 8th May, 2014
Tuesday 10th June, 2014
Thursday 12th June, 2014 – Annual Meeting

Members were requested to approve these additional ordinary meeting dates for Council and the date of the Annual Meeting.

RESOLVED – That the dates proposed in the report be approved.

84. PUBLIC INQUIRY

With reference to minute 171 of the meeting of Council held on 11 April 2013, a barrister had been appointed earlier this year “to receive evidence in examining the commissioning and letting of contracts by the Council (during the relevant period) and the relationship between elected Members and the voluntary and community sector in the award of contracts over this period. Further, to examine the extent in which declarations of interest may not have been registered or otherwise disclosed through the formation of a contractual relationship between the Council and the voluntary and community sector.” The barrister’s report had been received and was circulated to all Members on 20th October 2013. A public meeting was also held in the Council Chamber on 4th

October 2013 where the author was in attendance to present the report and answer any questions from Members and members of the public.

The report had produced the following four recommendations and the Chief Executive had also listed against each recommendation the action that was proposed.

Recommendation	Action Required
Additional guidance on the disclosure of interest is to be provided to all Councillors by the Chief Solicitor	Agreed and being actioned
Individual Member must continually update their declaration of interest to reflect any changes in circumstances	For Members to action with reminders from the Chief Solicitor
HBC should consider further expanding existing declarations of interest to provide details of employment, interests in property, etc	The Chief Solicitor is considering this recommendation which is outside of DCLG guidelines and a further report on this issue will be considered by the Audit and Governance Committee
HBC should establish a defined group of officers to approve and record the reasons for any exemptions from their contract procedure rules	There is such a grouping of Officers but this will now be formalised and will be made up of: Chief Solicitor or representative Head of Procurement Commissioning Officer – requesting exemption Chief Finance Officer or representative

Members made reference to the investigation into the business activities of Councillor Hargreaves instigated by Council and reported to the Regeneration Services Committee in August. The investigation undertaken by the Chief Solicitor had exonerated Councillor Hargreaves and a Member questioned if the Leader of the Council would now apologise to Councillor Hargreaves. The Leader of the Council indicated that the matter had been resolved satisfactorily and he had spoken to Councillor Hargreaves.

A Member considered that breaking the conclusions of the report into only four recommendations was insufficient and suggested that the full report be brought to Council for debate at an Extraordinary Meeting.

The Chief Executive highlighted that all Councillors had been invited to the presentation of the report by the barrister Mr Mitchell and now was the time to close the issue and accept the recommendations as set out in the report.

It was moved by Councillor James and seconded by Councillor Fisher that “an Extraordinary Meeting of Council be called to discuss the detailed report and recommendations of the Public Inquiry”.

In accordance with Council Procedure Rule 17.5 of the Constitution, a recorded vote was taken on the motion as follows:-

Those in favour:

Councillors Brash, Dawkins, Fisher, Gibbon, James, A Lilley, G Lilley, Loynes, Tempest and Thompson.

Those against:

Councillors Ainslie, C Akers-Belcher, S Akers-Belcher, Barclay, Beck, Cook, Cranney, Fleet, Griffin, Hall, Lauderdale, Martin-Wells, Morris, Richardson, Robinson, Shields and Simmons.

Those abstaining:

None.

The vote was lost.

RESOLVED – That the recommendations be approved.

85. HARTLEPOOL AND STOCKTON-ON-TEES CLINICAL COMMISSIONING GROUP'S RESPONSE TO COUNCIL'S RECOMMENDATIONS IN RELATION TO THE CONSULTATION REGARDING THE RECONFIGURATION OF EMERGENCY MEDICAL AND CRITICAL CARE SERVICES AT NORTH TEES AND HARTLEPOOL NHS FOUNDATION TRUST

Following discussions at the Council meeting held on 5 September 2013 in relation to the Consultation regarding the Reconfiguration of Emergency Medical and Critical Care Services at North Tees and Hartlepool NHS Foundation Trust, Members had agreed a number of recommendations. Hartlepool and Stockton-on-Tees Clinical Commissioning Group's response to these recommendations was appended to the report together with a copy of the Trust's draft Transport Plan.

RESOLVED – That the report be noted.

86. EXPENDITURE RELEVANT TO MEMBERS' INTERESTS

The Chief Executive reported that further to requests by members, information had been appended to the report which provided details of any contracts for works or services which were subject to the Council's tender process and awarded to a body/entity listed on the Member's Register of Interests during the last 3 months and details of any payments made to a body/entity listed on the Member's Register of Interests during the last 3 months.

It was noted that the information presented in Appendix D has been vetted to comply with the following requirements and that the report included the categories of member interest listed in the report and excluded a number of categories which were also detailed in the report: The report did not include information on those bodies listed on members interests forms which either did not have a supplier number on Integra or which could not be identified on Integra given the information provided.

Members highlighted that details relating to the West View Project had been omitted from the information which had been circulated.

RESOLVED – That the report be noted.

87. POLICE SATELLITE OFFICES

Further to discussion earlier in the meeting (minute 75b refers), it was reported that the Director of Regeneration and Neighbourhoods had received communication from the Chief Superintendent for Neighbourhood and Partnership Policing in respect of the Police's intention to vacate 173 York Road from 11th November 2013. A copy of the communication was appended to the report.

RESOLVED – That the report be noted.

The meeting concluded at 9.15 p.m.

CHAIR

EXTRAORDINARY COUNCIL

MINUTES OF PROCEEDINGS

19 November 2013

The meeting commenced at 7.00 pm in the Civic Centre, Hartlepool

PRESENT:-

The Chairman (Councillor S Akers-Belcher) presiding:

COUNCILLORS:

Ainslie	C Akers-Belcher	Atkinson
Barclay	Beck	Brash
Cook	Cranney	Fleet
Gibbon	Griffin	Hargreaves
Jackson	Lauderdale	A Lilley
G Lilley	Loynes	Martin-Wells
Dr Morris	Payne	Richardson
Robinson	Shields	Simmons
Tempest	Thompson	

Officers: Dave Stubbs, Chief Executive
Peter Devlin, Chief Solicitor
John Mennear, Assistant Director (Community Services)
Denise Ogden, Director of Regeneration and Neighbourhoods
Louise Wallace, Director of Public Health
David Cosgrove and Amanda Whitaker, Democratic Services Team.

Prior to the commencement of the meeting, a Member referred to Councillor Hill who was ill in hospital. It was suggested that flowers and a card be sent, on behalf of the Council, to Councillor Hill. The Chairman advised that he would check to determine if a card had already been sent to Councillor Hill as requested by Members at the last meeting of Council.

88. APOLOGIES FOR ABSENT MEMBERS

Councillors Dawkins, Fisher, Hall, Hill, James and Sirs

89. DECLARATIONS OF INTEREST FROM MEMBERS

The following Members declared interests in Minute Number 91:-

Councillors Beck declared a personal interest.
Councillor Ainslie declared a personal interest.
Councillor Christopher Akers-Belcher declared a pecuniary interest and left the meeting during consideration of the item.
Councillor Griffin declared a personal interest.
Councillor Tempest declared a pecuniary interest and left the meeting during consideration of the item.
Councillor Barclay declared a personal interest.
Councillor Cook declared a personal interest.
Councillor Fleet declared a personal interest.
Councillor Hargreaves declared a personal interest.
Councillor Thompson declared a personal interest.
Councillor Shields declared a personal interest.
Councillor Simmons declared a personal interest.
Councillor Payne declared a personal interest.
Councillor Brash declared a personal interest.
Councillor G Lilley declared a personal interest.
Councillor Jackson declared a personal interest.
Councillor Cranney declared a personal interest.
Councillor Lauderdale declared a personal interest.
Councillor Richardson declared a personal interest.

Councillor S Akers-Belcher declared a pecuniary interest and left the meeting during consideration of the item.

Following the vacation of the Chair Councillor Cranney, Deputy Ceremonial Mayor, took the Chair for the remainder of the meeting.

90. BUSINESS REQUIRED BY STATUTE TO BE DONE BEFORE ANY OTHER BUSINESS

None.

91. COMMUNITY POOL PROGRAMME ALLOCATION 2014/15

The meeting had been convened in accordance with Schedule 12 of the Local Government Act 1972 and Council Procedure Rule 3 following the receipt of a requisition in the following terms –

'Sadly, given the state of the financial difficulties that Local Government finds itself having to deal with, we recognise that it would be impossible for the voluntary and community sector not to have taken a cut in funding this year, along with many other services we provide. We further acknowledge that regrettably it will probably happen again next year too.

However, given the importance of the voluntary sector to the people of the town, many of whom are depending more and more on their services and support, we have grave concerns about the proposed 100% cut in funding

to the sector's only infrastructure body - something which appears not to be the case in the other Tees Valley areas.

The knock-on effect of these cuts on other voluntary sector groups, and the ability of the sector to bring in other much-needed and necessary funds, is of particular concern and Council is therefore requested to discuss these issues and see if there is a way that it can fund the only infrastructure body to some extent.'

Councillor Hargreaves
Councillor Brash
Councillor Dawkins
Councillor Lauderdale

Councillor G Lilley
Councillor Gibbon
Councillor Thompson
Councillor A Lilley

The Chief Executive advised that the report considered by the Finance and Policy Committee in relation to the 'Community Pool Programme Allocation 2014/15' was one of a series of detailed reports considered by individual Service Committees as part of the 2014/15 budget process. The Finance and Policy Committee report included the following recommendations, which were reflected in the minutes of the meeting: -

1. Finance and Policy Committee are requested to note the content of the report and progress of the Community Pool Programme to date.
2. Finance and Policy Committee are requested to consider the following for approval:
 - i) The proposed allocation of budget as set out in Table 1.
 - ii) Changing the Category 2 (Credit Union Support) from a contract to a grant.
 - iii) Maximum level of grants available reduced to £10,000 for Category 4.
 - iv) Change the criteria of Category 4 grants to link directly to the Child Poverty Strategy action plan.
 - v) Allocation of any underspend in Category 5 from the 2013/14 budget should be allocated to Category 5 (A and B) in 2014/15.
- 3 Seek guidance from Finance and Policy Committee on whether the criteria for Category 4 grants should link to any other strategies in relation to Family Poverty.

Members were reminded that in accordance with the Budget and Policy Framework procedures defined in the Constitution all decisions on the proposed 2014/15 budget were first considered by the Finance and Policy Committee, prior to final proposals being referred to full Council. The key steps in this process were outlined in the report.

In terms of consideration of the Community Pool Programme Allocation for 2014/15 at this Council meeting Members were advised that they could either:

- Provide comments for consideration by the Finance and Policy Committee at the meeting on 20th December 2013; or
- Defer commenting on this issue until the Council meeting on 6th February 2013.

At this stage the Chief Finance Officer had advised that Council could not make a determination on the level of funding provided for any services for 2014/15 until the Government had provided the actual grant allocations for 2014/15 and the impact on the budget forecasts had been assessed. Therefore, it was highlighted that all decisions on funding allocations for individual services, including the Community Pool, for 2014/15 would be taken as part of the process for considering and approving the 2014/15 Budget and Policy Framework in February 2014.

Following presentation of the report, clarification was sought in respect of the options available to Members at the meeting in relation to the Community Pool Allocation for 2014/15. In response, the Chief Executive reiterated the Budget and Policy Framework procedure detailed in his report.

Referring to the terms of the requisition of the Extraordinary Council meeting, support was expressed of the work undertaken by the voluntary sector's infrastructure body. The economic implications of the reduction in funding were highlighted including the effect on voluntary sector groups and volunteers. Concerns were expressed at the implications on voluntary sector groups in terms of the ability of the sector to access funding. It was highlighted also that the organisation was the voluntary sector's only infrastructure body in the town and that other Tees Valley Authorities appeared to be continuing to support similar organisations. The financial situation faced by the Council was acknowledged. However the view was expressed that Council could request the Finance and Policy Committee to review its recommendation and change its direction of travel. It was highlighted that Ward Member Budgets had been under spent at the end of the previous financial year.

It was proposed by Councillor Hargreaves and seconded by Councillor G Lilley:-

'That £1000 be top sliced from each Members Ward Member Budget to contribute towards the 50% of the current year's contribution to support the only infrastructure body working with voluntary and community groups in Hartlepool and that in the event that there is insufficient funding, the balance be allocated from the 2014/15 Ward Member Budget allocation of £165,000.'

Whilst expressing their support of the value of the work undertaken by Hartlepool Voluntary Development Agency, Members referred again to the difficult budget decisions which had to be made by the Council. Members acknowledged correspondence which Members had received from various groups in support of the organisation. During the debate, mention was made to the reserves held by the infrastructure body. Clarification was provided by a Member in relation to the amount, £154,000, and purpose of the organisation's reserves. A number of Members indicated that they would contribute from their Ward Member Budget to support the work of the organisation. However, concerns were expressed regarding the implications of the Motion which would

compel Members to contribute from their Ward Member Budgets. Views were expressed that individual Members should decide how to spend their Ward Member Budget and that applications could be submitted by the organisation for individual Members to consider in accordance with the Ward Member Budget process.

Following the debate the Chief Solicitor highlighted that the sentiments of the meeting appeared to be as set out in the Council summons which was to determine if there was a way to fund to some extent the voluntary sector's only infrastructure body in the town. It was highlighted that the sentiments expressed by Council could be referred to the Finance and Policy Committee

It was proposed, therefore, that in considering the 2014/15 budget proposals, the Finance and Policy Committee reconsider the Community Pool Programme Allocation 2014/15 and look to finding at least 50% of the current year's contribution to support Category 3 of the Community Pool funding "Capacity and resource building in the Voluntary and Community" to support the work undertaken by HVD A with voluntary and community groups in Hartlepool with the suggestion that any under spend in the Member Ward budgets in 2013/14 contribute to the funding.

The Mover of the Motion accepted that the proposal set out above.

The proposal was agreed unanimously.

The meeting concluded at 8.05 p.m.

CHAIR

CLEVELAND FIRE AUTHORITY

MINUTES OF ORDINARY MEETING

26 JULY 2013



PRESENT:

CHAIR:- Cllr Robbie Payne – Hartlepool Borough Council

HARTLEPOOL BOROUGH COUNCIL

Cllr Carl Richardson

MIDDLESBROUGH COUNCIL

Cllrs Shamal Biswas, Janice Brunton, Garry Clark, Naweed Hussain, Hazel Pearson, Peter Sanderson

REDCAR & CLEVELAND BOROUGH COUNCIL

Cllrs Norah Cooney, George Dunning, Sue Jeffrey, Marjorie Moses

STOCKTON ON TEES BOROUGH COUNCIL

Cllrs Gillian Corr, Evaline Cunningham, Jean O'Donnell, Mick Stoker, Steve Walmsley, William Woodhead

AUTHORISED OFFICERS

Chief Fire Officer, Director of Corporate Services, Deputy Legal Adviser/Monitoring Officer, Treasurer

APOLOGIES FOR ABSENCE:

Councillors Stephen Akers-Belcher, Ray Wells – Hartlepool Borough Council

Councillors Brian Briggs, Mary Ovens – Redcar & Cleveland Borough Council

The Chairman informed Members he had sent a Get Well Card on behalf of the Authority to Councillor Briggs.

23. DECLARATIONS OF MEMBERS INTEREST

It was noted no Declarations of Interests were submitted to the meeting.

24. MINUTES

RESOLVED – that the Minutes of the Cleveland Fire Authority Annual Meeting on 7 June 2013 be confirmed.

25. MINUTES OF COMMITTEES

RESOLVED – that the Minutes of the Executive Committee Meeting, 19 July 2013 be confirmed.

26. COMMUNICATIONS RECEIVED BY THE CHAIR

The Chairman informed Members of the receipt of the following communications:-
Letters from Brandon Lewis MP

- Firefighter Pension Scheme
- Spending Round
- FBU Ballot for Strike Action
- Open letter to Firefighters - 'Your Pension, Your Decision'
- Open letter to Firefighters - 'Firefighter Pension Reforms'.

26. COMMUNICATIONS RECEIVED BY THE CHAIR continued

Danielle Ward - Fire, Resilience & Emergencies Directorate 2011 Consultation - Amendments to the FPS 1992 and NFPS 2006

RESOLVED – that the communications be noted.

27. REPORT OF THE LEGAL ADVISER AND MONITORING OFFICER

27.1 Business Report – Overview & Scrutiny Vacancy 2013/14

The Deputy Legal Adviser/Monitoring Officer (DLAMO) advised Members of a vacant position on the Overview and Scrutiny Committee and sought nominations from Members. Councillor Hazel Pearson was proposed and seconded and no further nominations were received.

RESOLVED:- That Councillor Hazel Pearson be appointed to the Overview & Scrutiny Committee for the ensuing year.

28. REPORT OF THE CHIEF FIRE OFFICER

28.1 Information Pack - June 2013

- 28.1.1 Fire and Rescue Service Monthly Bulletins
- 28.1.2 Employers Circulars
- 28.1.3 National Joint Circulars
- 28.1.4 North East Fire Control

RESOLVED – that the Information Pack be noted.

29. REPORT OF THE CHAIR OF THE OVERVIEW & SCRUTINY COMMITTEE

29.1 Information Pack

Councillor Cooney reported that the 2013/14 Overview & Scrutiny Forward Work programme had been established which included a Review of Brigade Sickness Absence. On behalf of the Overview and Scrutiny Committee Councillor Dunning wished to place on record their thanks for the FBU's input whilst scrutinising Sickness Levels. Councillor Cooney commended the work the committee had done in this area during 2012/13.

Councillor Richardson asked how the Authority scrutinised Cleveland Fire Brigade Risk Management Services Community Interest Company (CFBRMS C.I.C.). The CFO reported that the CFBRMS C.I.C. did not fall under the governance process of the Fire Authority therefore there was no remit for it to scrutinise a social interest company. Councillor Richardson acknowledged that this was not the right forum for discussing scrutiny of the CFBRMS C.I.C. but said he felt, as a stakeholder group, anything done in the Authority's name should be open to scrutiny. Councillor Jeffrey's noted that as the Authority's scrutiny arrangements were not statutory, but rather good practice, the Authority could chose to scrutinise any area it wished to.

RESOLVED – that the Information Pack be noted.

- 30. LOCAL GOVERNMENT (ACCESS TO INFORMATION) (VARIATION ORDER) 2006**
RESOLVED - “That 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 involves the likely disclosure of exempt information as defined in the paragraphs below of Part 1 Schedule 12A of the Local Government Act 1972 as amended by the Local Government (Access to Information) (Variation) Order 2006”.

Paragraph 1 - namely information relating to any individual

Paragraph 2 - namely information which is likely to reveal the identity of an individual

Paragraph 3 - namely information relating to the financial or business affairs of any particular person (including the authority) holding that information.

Paragraph 4 – namely information relating to any consultations or negotiations, or contemplated consultations or negotiations, in connection with any labour relations matter arising between the authority or a Minister of the Crown and employees of, or office holders under, the authority.

- 31. CONFIDENTIAL MINUTES**
RESOLVED – that the Confidential Minutes of the Cleveland Fire Authority Annual Meeting held on 7 June 2013 be confirmed.
- 32. CONFIDENTIAL MINUTES OF COMMITTEES**
RESOLVED – that the Confidential Minutes of the Executive Committee, 19 July 2013 be confirmed.
- 33. REPORT OF THE CHIEF FIRE OFFICER**
33.1 Trade Dispute: Pensions in the Fire Service
The CFO reported the latest FBU position to Members.
- 34. REPORT OF THE TREASURER**
34.1 Cleveland Fire Brigade Risk Management Services Community Interest Company (CFBRMS C.I.C.) Specialist Vehicle – Financing and Resale
The Treasurer reported on the specialist vehicle for the CFBRMS C.I.C.

COUNCILLOR ROBBIE PAYNE
CHAIRMAN

Cleveland Police and Crime Panel

A meeting of Cleveland Police and Crime Panel was held on Thursday, 18th July, 2013.

Present: Cllr Norma Stephenson OBE (Chairman), Cllr Charles Rooney (Vice-Chairman), Cllr Christopher Akers-Belcher, Cllr Chris Abbott, Geoff Baines, Gwen Duncan, Cllr George Dunning, Cllr Ian Jeffrey, Cllr Terry Laing, Cllr Steve Nelson, Cllr Hazel Pearson OBE, Cllr Bernie Taylor

Officers: David Bond, Margaret Waggott, Michael Henderson (LD); Steven Hume (DNS)

Also in attendance: Barry Coppinger (Commissioner), Ed Chicken, Joanne Hodgkinson (Commissioner's Office), Chief Superintendent Glen Gudgeon (Cleveland Police)

Apologies: Cllr Ken Dixon, Cllr Carl Richardson

PCP 19/13 Evacuation Procedure/mobile Phones

The Chairman presented the Evacuation Procedures and reminded those present to turn off, or turn to silent, any mobile phone, or similar device, they might have with them.

PCP 20/13 Declarations of Interest

Cllr Nelson declared a personal, non prejudicial interest in the item entitled Quarterly Performance Report (April - June 2013) as his son worked for Marks and Spencer as a security guard.

PCP 21/13 Minutes of the meeting held on 10 June 2013

The minutes of the meeting held on 10 June 2013 were confirmed as a correct record and were signed by the Chairman.

PCP 22/13 Quarterly Performance Report (April - June 2013)

Members considered a report that provided an update of performance scrutiny undertaken by the Police and Crime Commissioner during the period April - June 2013.

The Panel was reminded of the Commissioner's priorities, as set out in the Police and Crime Plan 2013/17, and was provided with an overview of performance against each priority.

High level Crime statistics were detailed for the Panel and Members were signposted to the Commission's web site, which included further statistics.

Members discussed the information provided and the following issues were highlighted:

- Reference was made to public confidence in Cleveland Police remaining stable at 87%, which was considered to be very good. However, concerns were expressed that a recent inspection report indicated that Cleveland was second only to the Met in terms of the number of times Stop and Search powers were being used. Members asked for further information on this matter and figures for

Cleveland including a demographic of those people who had been subject to the use of the power.

Discussion continued and reference was made to Independent Advisory Groups and an apparent lull in their activity. The Commissioner indicated that he would provide a report on this to the next meeting.

- Members asked for a breakdown of satisfaction surveys and any peer group comparator information that could be provided.
- It was noted that shoplifting was increasing and it was suggested that this may be a symptom of the economic climate. There were also concerns about reports of gangs of East European criminals targeting retail outlets in the north of the country. The Panel noted that the Commissioner had visited a number of retail firms and always encouraged them to do more to help the situation; however, it was felt that there was a degree of complacency exhibited by some firms. It was reported that some stores had had success by barring known offenders from their stores. It was confirmed that the Police were aware of the gangs of east European criminals who targeted high value electronic items. The Police had been very successful in arresting members of these gangs.
- The Panel asked for data on incidents of reported Anti-Social Behaviour and how the Police responded to such incidents.

RESOLVED that:-

1. the information provided be noted.
2. the Commissioner provides further information to the Panel, as described above, relating to:
 - Stop and search
 - Independent Advisory Groups
 - Anti-Social Behaviour
 - Customer satisfaction

**PCP
23/13**

Programme of Engagement

Members considered a report that provided an update in relation to meetings attended by the Police and Crime Commissioner from May 2013 - 1 July 2013. In addition future meetings of the Commissioner were summarised.

The Panel noted that the Commissioner had visited 64 out of the 82 wards across the Cleveland Area. The Panel was informed of a number of meetings the Commissioner had attended, including:

- weekly scrutiny meetings with the Chief Constable.
- the launch of the safer Middlesbrough Partnership Restorative Justice Event. This event linked in with the Commissioner's objective of diverting people from offending with a focus on rehabilitation and the prevention of reoffending.

- visits to retail premises across the Cleveland area and speaking at the Federation of small businesses conference.
- a Farm Watch meeting to listen to the views of residents living within rural and farming communities across Cleveland.
- an Association of Chief Police Officers National Security Briefing.
- the first internal formal scrutiny meeting, which provided the Commissioner with an update in relation to Community Safety Grants.
- a violence against women consultation event, hosted by the Commissioner.
- an event to hear the concerns of the refugee and asylum seeker community
- a disability hate crime summit to consult with stakeholders

The Panel also received details of future engagements and meetings of the Commissioner.

The Panel discussed the report and raised question relating to:

- the Commissioner's work with regard to restorative justice. The Panel received a brief overview of the reasons for a restorative justice approach and the work being undertaken. The Panel asked if it could receive an update in 12 months.
- the refugee and asylum seeker community event. The Panel asked what the main concerns of the community had been. The Commissioner explained that, often, people had a very negative view of the police because of experiences they had had in their own country, for example harassment. Other concerns included issues with local housing providers and personal security.

During consideration of the report the Commissioner suggested that it may be useful to organise an event, relating to Strategic Policing, explaining how this worked at a local level and a national level and how they interrelated.

RESOLVED that:

1. the report be noted.
2. the Panel receive an update report on restorative justice in 12 months.
3. the Commissioner arrange an event, for the Panel, relating to Strategic Policing

**PCP
24/13**

Decisions - Police and Crime Commissioner

The Panel received a report that provided an update in relation to decisions made by the Police and Crime Commissioner between 20 May 2013 and 1 July 2013.

Members raised queries with regard to the following decisions:

- Decision required on stage 2 transfers

Members asked for more information on this decision. The Panel noted that Stage one had taken place in November 2012 when all police staff transferred from the Police Authority to the Police and Crime Commission (except for police officers). The Police Reform and Social Responsibility Act 2011 had created two Corporations Sole, the Police and Crime Commissioner (PCC) and the Chief Constable. Stage two was the statutory transfer of staff from the PCC to the Chief Constable and needed to be completed by 1 April 2014. The Commissioner explained that he had taken the view that all staff within his office should remain his responsibility and all other staff should be the responsibility of the Chief Constable.

- Approval of the Emergency Boarding and Glazing Services Contract

Members noted that the contract across the Cleveland area had been awarded to one contractor and brief details of the relative costs were provided.

- Approval of Section 106 Agreement in relation to Cleveland Police Headquarters, Ladgate Lane

It was noted that this decision related to the approval of the payment to have the section 106 agreement drawn up.

- Agree the new pay model following Job Evaluation

The Commissioner explained that he would undertake full consultation with the unions on this matter and the objective was to be cost neutral.

RESOLVED that the report and responses to queries be noted.

**PCP
25/13**

Police and Crime Commissioner's Police Property Act Fund

Members considered a report relating to the establishment of the Police and Crime Commissioner's Police and Property Act Fund.

It was explained that the Police and Property Act Fund had been created from the proceeds of sale of goods recovered by the police that could not be returned to their original owner. In accordance with the Police Property Act Regulations (1997) all awards from the fund must be for charitable purposes.

The Commissioner and Chief Constable would consider applications from local voluntary and community groups which were working for charitable purposes to improve the lives of people in the Cleveland Police Force area.

The Panel was provided with details of the guidance on how to apply and application forms. It was explained that a summary of charitable causes

supported would be available on the Commissioner's website and would be communicated to the Police and Crime Panel as part of the Commissioner's annual reporting requirement.

RESOLVED that the report be noted.

**PCP
26/13**

Scrutiny of Disbandment of the Mounted Section

Members received an update relating to the Chief Constable's decision to disband the Cleveland Mounted section.

Appended to the update was a report prepared by the Chief Constable, which set out the issues she had considered in coming to her decision.

The Commissioner explained that he had undertaken appropriate scrutiny; including public consultation and the Panel noted the process he had followed in this regard.

The Commissioner indicated that all concerns that had been very carefully considered in arriving at the decision that Cleveland did not need a mounted section.

The Commissioner explained that he had met with long-term volunteers from Ormesby Hall, who were attempting to raise the £550k each year, for the next 3 years, to maintain the section. The initial deadline for the funding to be in place had passed, however, this deadline had been extended to the end of August.

Members discussed the report and specific reference was made to the following:

- It was noted that the majority of the annual running costs of the section was associated with the sergeant and 6 constables working there (£433k). The remaining costs included the staff that looked after the horses, the lease on the stables, feed, tack, equipment etc.
- Police Officers currently deployed to the mounted section would, in future, work in neighbourhood and high risk, priority areas of policing.
- there were alternative tactical options to using mounted police officers at football matches. Each match was considered on an individual basis but if a mounted officer presence was considered necessary it could be obtained, if available, from nearby forces, at a cost of £1600. Reflecting on the previous football season, only one football match in the area would have been categorised as needing to have mounted officers present.

The Panel considered that the scrutiny of the decision had been very robust. Members understood many of the concerns expressed and the emotional aspect of the decision but recognised how, in the current economic climate, it was necessary to make savings and target resources at priority areas.

RESOLVED that the report be noted.

**PCP
27/13**

Police and Crime Panel Scrutiny Programme

The Panel received a report relating to scrutiny review topics for 2013/14.

The Panel agreed the following Scrutiny Work Programme for 2013/14:

Independent Advisory Group - report to Panel from the Commissioner

Management of Police Hours - report to Panel from the Commissioner

Work in Schools - Task and Finish sub group of the Panel consisting of:

Cllr Norma Stephenson
Cllr Hazel Pearson
Cllr George Dunning
Cllr Carl Richardson
Gwen Duncan

Drug Treatment/Substance Misuse Intervention in Police Custody - officer reporting in.

Shared Services - report to the Panel from the Commissioner

Energy efficiency in the changes and use of buildings and procurement and use of vehicles - report to the Panel from the Commissioner

The future of Probation Services - the format of the review to be considered and the subject of a further report to the Panel.

Overall Budget Strategy - Full Review by sub group from the Panel consisting of

Cllr Terry Laing
Cllr Ian Jeffrey
Cllr Christopher Akers-Belcher
Cllr Charles Rooney
Geoff Baines

It was noted that, where appropriate, scopes and project plans would be developed, sub group meetings arranged and reports programmed into the Panel's Forward Plan.

Members also considered Complaints and Crime levels as potential scrutiny review topics. The Panel agreed that it would not undertake a review in these areas, at this time.

RESOLVED that the Work Programme described above be agreed and a report proposing a format for the review of the future of Probation Services be presented to a future meeting.

**PCP
28/13**

Forward Plan

Members were provided with the Panel's Forward Plan

RESOLVED that the Plan be noted.

**PCP
29/13**

Public Questions

The Panel received a report relating to Public Questions.

Members were reminded of the agreed procedure for considering questions, on notice, and noted that no such questions had been received for this meeting.

RESOLVED that the report be noted.

COUNCIL
5th December 2013



Report of: Monitoring Officer

Subject: REVIEW OF THE COUNCIL'S CONSTITUTION

1. BACKGROUND

- 1.1 The Local Government Act, 2000 introduced for the first time a duty upon every principal local authority to 'prepare, publicise and keep up to date' a written Constitution that sets out its governance arrangements. The Secretary of State has issued statutory guidance to which local authorities have to have regard when implementing the provisions of the 2000 Act and has further issued a Model Modular Constitution, which covered, amongst other matters, the role of Councillors and Officers, their functions and responsibilities as well as various codes and protocols. The statutory requirement to prepare and keep up to date a written Constitution has been carried forward under the provisions of the Localism Act, 2011, which entails that a Constitution must contain;

- a copy of the Council's Standing Orders (now termed 'Procedure Rules') for the time being,
- a copy of the Council's Code of Conduct,
- such information as the Secretary of State shall direct, and
- such other information (if any) as the Council considers appropriate.

For information, those local authorities such as Hartlepool which operate a "committee system", must include a statement where the Council have resolved to have an Overview and Scrutiny Committee. This would be discretionary in the Council's case, other than for those statutory areas namely, Health, Crime and Disorder and flood risk, where the Council became the "lead authority". Where the Council so resolved, an Overview and Scrutiny Committee would need to conform with the requirements under The Local Authorities (Committee System) (England) Regulations, 2012.

- 1.2 Copies of the Council's Constitution must be made available for members of the public at all reasonable hours and that a copy is supplied to those so requesting on payment to the authority of such a reasonable fee as the local authority may determine.

2. THE COUNCIL'S CONSTITUTION

- 2.1 The Council revised its Constitution following the outcome of the 'Further Referendum' held on 15th November, 2012 and the subsequent operation of a committee system at the commencement of the present municipal year. The Constitution also recognises the changes implemented following the 'Electoral Review' conducted through the Local Government Boundary Commission for England which led to "all out" elections that took place in May, 2012. Although such changes have been fully incorporated within the Council's revised Constitution which is compliant both with the Localism Act, 2011 and applicable regulations, many of the features of the Council's Constitution is modelled upon the "Modular Constitution for English Local Authorities" which was published to coincide with the implementation of the Local Government Act, 2000. The Council's Constitution is therefore represented through a number of 'parts' with the following headings;

Part 1 – Summary and Explanation
 Part 2 – Articles of the Constitution
 Part 3 – Responsibility for Functions
 Part 4 – Rules of Procedure
 Part 5 – Codes and Protocols
 Part 6 – Members Allowance Scheme
 Part 7 – Appointments to Outside Organisations and Other Bodies
 Part 8 – Management Structure

3. REVIEW AND REVISION OF THE CONSTITUTION

- 3.1 The guidance accompanying the 'Modular Constitution for English Local Authorities' indicates;

"The Constitution is an important means of enabling citizens and stakeholders to understand how the Council makes decisions and who is responsible for those decisions".

- 3.2 It was also stated that a Council's Constitution is also about "choice" not least in the permitted form of governance a local authority has adopted and how it will function in accordance with those governance arrangements. The 2012 Regulations which apply to a "committee system" for local authorities dictates those functions that are to be discharged by Council and those functions which are permissible to be delegated to a Committee, a Sub-Committee or to an Officer.
- 3.3 The guidance also indicates that the approach that should be followed is one that is 'outward looking' by seeking to engage with the public and other stakeholders. The Modular Constitution recognised the obligation to monitor and review the Constitution but does not indicate the method or frequency of such a review or the reporting arrangements. In essence, these are elements which local authorities themselves should specify. Previously, the Council's Constitution Committee would make recommendations to Council

and this has now been superseded with the role provided to the Monitoring Officer as stated within Article 15 of the Council's Constitution. Guidance did indicate that 'the Monitoring Officer is an obvious Officer for review activity'. Further, that the Council's Constitution should contain reference to a 'protocol' in relation to such an officer undertaking this role. This has been incorporated within Article 15 and provides that the Monitoring Officer may;

1. Observe meetings of different parts of the Member and Officer structure;
2. Undertake an audit trail of a sample of decisions;
3. Record and analyse issues raised with the Monitoring Officer by Members, Officers, the public and other relevant stakeholders; and
4. Compare practices in the Council with other comparable authorities, and/or national examples of best practice.

4. PUBLICITY

- 4.1 A letter was sent to all Members of the Council on 8th October, 2013 as well as to Officers comprising the Council's Corporate Management Team (for wider circulation) and was copied for the information of the Council's external auditors. That correspondence reflected that a review should ensure that the overall 'aims and principles of the Constitution are given full effect' in any recommendations provided to Council. That correspondence also recognised that some six months would have elapsed since the adoption of the Council's new governance arrangements and although necessary changes would need to be progressed a "root and branch" reform of the Council's Constitution was probably unnecessary. Many of the changes to be recommended to Council will need to be incorporated in time for the next municipal year and Members are also asked to give some thought to the timing of such reviews, in subsequent years. It should be noted, that the correspondence as sent to the Council's Corporate Management Team specifically requested that dialogue be had with Officers to provide comments on any revisions that might be either desirable or required. An article has also appeared in an edition of the Hartlepool Mail requesting the public to provide comments and this "open invitation" for suggested changes is also to be found upon the Council's website.

5. RESPONSES

- 5.1 The comments received from Officers invariably cover organisational changes which would necessitate revisions to the Constitution. A number of comments have been received from Members, which in cases have replicated those comments received from members of the public, but which also go wider and which would require detailed and thoughtful consideration by Council. To give Members an appreciation of comments made by members of the public the following summaries the representations received:

- That (two) supplementary questions be reintroduced
- The public questioner to be able to address the question directly to the Councillor concerned
- The vetting of any public questions should be through the Chief Executive Officer/Chief Solicitor
- There should be proportional representation of Members on the Council's Committees as well as upon outside bodies and organisations
- The rotation of the position of Ceremonial Mayor/Chair of Council should be through the 'political parties and independents' upon the Borough Council
- The minutes of meetings should have the "full support" of Members

5.2 In addition to responses received, there are other matters which are pertinent, for example, the resolution of Council relating to the Employment Relations Act, 1999 (Blacklists) Regulations, 2010, as well as guidance provided through the Department of Communities and Local Government on the recording and filming of meetings, which Members will need to reflect upon. Consequently, there are a number of elements which will the consideration of Members, not only as regards suggested revisions to the wording of parts of the Constitution, but also prescribed forms and suggested protocols. By analogy with the review of the Council's Constitution following the outcome of the Further Referendum on its governance, I consider it would be appropriate to similarly engage all Members, through the provision of various 'Issues Papers' (and related documents) in order to formulate those changes which are either necessary or which would enhance the Council's governance arrangements. It is therefore recommended that a Working Group be formed with the following Terms of Reference which replicates para 15.1 of the Council's Constitution, namely;

"That a Council Working Group in unison with the Monitoring Officer do review the Council's Constitution to ensure that the aims and principles of the Constitution are given full effect through making formal recommendations to Council for implementation in the municipal year 2014/15.

6. RECOMMENDATIONS

1. That a Working Group be formed comprising all elected Members.
2. That the Working Group in unison with the Council's Monitoring Officer formulates recommendations to be considered by Council for implementation of revisions to the Constitution for the municipal year 2014/15.

COUNCIL

5th December 2013



Report of: Finance and Policy Committee

Subject: DEVELOPMENT OF STUDENT ACCOMMODATION
ON THE FORMER CROWN HOUSE SITE,
SURTEES STREET

1. PURPOSE OF REPORT

- 1.1 To enable Council to consider the Finance and Policy Committees recommendation to provide the Vela Group with a loan facility for the creation of student accommodation on the former Crown House site.

2. BACKGROUND

- 2.1 At its meeting on the 8th November 2013 the Finance and Policy Committee recommended that the Council approves a loan facility to the Vela Group to support the development of student accommodation on the former Crown House site.
- 2.2 The viability of the scheme is dependant upon reducing the costs of borrowing. The interest rate that Vela can obtain is higher than that which the Council can secure from the Public Works Loan Board by a margin of approximately 1.5%. Vela have therefore approached the Council with a view to securing borrowing at a cheaper level in order to make the scheme viable.

3. PROPOSALS

- 3.1 The capital cost of the scheme is budgeted at £2.218m to be funded from borrowing, to be repaid from future rent income.
- 3.2 The viability of the scheme is dependent on spreading the costs of borrowing over a period of 40 years at an interest rate of 4.5%. The high level of capital cost has meant that the business case model for the project is extremely tight and has required Vela to work with the builder to identify ways in which to reduce costs from those included in the initial tenders. The key to the viability for this scheme now is to minimise the cost of borrowing.

- 3.3 The Chief Finance Officer has examined the business case and the underpinning financial planning assumptions for this development based on the Council providing loan funding. The business case shows there will be a revenue deficit on the project for the first 6 years, which is not unusual for this type of long term project. The forecast deficit identified in the business case may increase if either the capital costs increase, or there is a further rise in interest rates. If this occurs it may take longer than 6 years before the annual income for the project exceeds the annual expenditure. The accumulated losses over the early years of the project will be funded by the Vela Group and repaid from future year's forecast surplus income. Whilst, the college will provide a 10 year rent guarantee the outstanding debt at the end of this period will be £1.811m - which equates to 81.7% of the initial capital costs. This position reflects the long term nature of the project and the phasing of loan repayments over a 40 year term.
- 3.4 On the basis of the above financial risks this is not a project which the Chief Finance Officer would normally advise Members to support.
- 3.5 However, in view of the wider regeneration and economic benefits of the project, officers have examined potential options to mitigate these risks through a series of guarantees which are detailed within paragraph 5.1.
- 3.6 The value of the guarantee will need to be determined once the project is complete and the loan is drawn down by the Council and funds passed on to Vela.
- 3.7 There is a potential risk of a further interest rate increase before the funds are drawn down and passed on. Therefore, to ensure the cost of providing a loan for this project is financially neutral for the Council the interest rate cannot be fixed until the loan is drawdown.
- 3.8 Vela have provided the initial capital to start on site given the requirement to have the student accommodation open for the start of the 2014 academic year. They will require the loan to provide the long term funding for the scheme. They have indicated that the loan will not actually be required until April 2014 and there is a possibility that they may decide to use an alternative funding source at the time. This report therefore sets out the terms of a loan facility for Vela in the future, when and if it is required.

4. LEGAL CONSIDERATIONS

- 4.1 The Chief Solicitor has been consulted on this proposal and has confirmed that the Council has the legal power to enter into the proposal arrangement with the Vela Group for the provision of a loan.
- 4.2 The Chief Solicitor has also advised that the necessary legal document can be prepared to provide the guarantees detailed in paragraph 5.1. Members should note that the Chief Solicitor and Chief Finance Officer will need to ensure that the guarantees for the proposed Council loan are not undermined

by any existing guarantees the Vela Group have provided to funders to ensure the Council's financial position is protected.

5. RECOMMENDATIONS

5.1 As Finance and Policy Committee agreed the above proposals Council is requested 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 (i.e. 40 years), based on the interest rate secured by the Council at the time funds are 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.

6. BACKGROUND PAPERS

6.1 Finance and Policy Committee - 8th November 2013: Development of Student Accommodation on the former Crown House Site, Surtees Street.

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COUNCIL

5th December 2013



Report of: Finance and Policy Committee

Subject: MORISON HALL – LOAN TO NDC TRUST

1. PURPOSE OF REPORT

- 1.1 To enable Council to consider the Finance and Policy Committees proposed variation to the approved 2013/2014 Budget and Policy Framework to provide a loan to the Hartlepool New Deal for Communities (NDC) Trust to assist with the redevelopment costs for the conversion of the building.

2. BACKGROUND

- 2.1 In accordance with the constitution the Finance and Policy Committee is responsible for proposing changes to the approved Budget and Policy Framework and Prudential Limits, which are then referred to Council for consideration. Details of the Committees proposal are set out in the following paragraphs.
- 2.2 The report to the Finance and Policy Committee on the 29th November, 2013, recommended the transfer of ownership to the NDC Trust and for the Committee to refer the recommendation to Council for the granting of a loan facility to assist with the development costs for the conversion of the building into 8 residential flat units. The Finance and Policy Committee report is attached at **Appendix 1** for information.
- 2.3 Owing to the timing of the Finance and Policy Committee and Council this report has been prepared in advance of the Finance and Policy Committee meeting on the 29th November, 2013. Assuming the scheme is approved for referral to full Council and approved by the Council, it will enable the NDC Trust to begin work on site by January, which would not be possible if the referral was delayed until the next scheduled Council on 6th February, 2014.

3. PROPOSALS

- 3.1 The NDC Trust is currently working to deliver a restoration scheme on the building and convert the property into 8 residential flat units which will be added to the Trust's small portfolio of properties for affordable rent.
- 3.2 The NDC Trust are currently working up detailed plans and specifications and refining estimated costs following recent building survey work they have undertaken.

4. FINANCIAL CONSIDERATIONS

- 4.1 The NDC Trust currently anticipates the total cost of the refurbishment scheme to be in the region of £850,000 (which includes any potential irrecoverable VAT). The Trust has already secured a substantial grant of £351,000 from the Homes and Communities Agency as part of their Empty Homes Community Grants Programme. In addition to this sum they have also been awarded an approved grant of £49,000 from the Social Investment Business. The NDC Trust therefore has a total project fund of £400,000 with a view to commencing works on site in early 2014.
- 4.2 The NDC Trust are seeking to fund the balance of the schemes cost of £450,000 through a secured loan from the Council to be paid back over a repayment term of 40 years. The refurbished property will be used as security against the loan agreement between the Council and the NDC Trust and the Council will have a first charge against the property. This will ensure that the Council's investment is protected. The viability of the scheme is dependent on spreading the costs of borrowing over a period of 40 years at an interest rate of 4.3%. The high level of capital cost has meant that the business case model for the project is extremely tight and the key to the viability for this scheme is to minimise the cost of borrowing.
- 4.3 The Chief Finance Officer has examined the business case and the underpinning financial planning assumptions for this development based on the Council providing loan funding. As detailed in the table below, the business case shows there will be a small annual revenue surplus. This gives assurance that if for any reason the Trust became insolvent and the Council was required to take over ownership and management of the building, that its investment should be protected and the financial position of the building as a going concern should be robust.

	£000
Income	
Rent	35
Voids (5% of Rent)	(2)
Net Rent	33
Expenditure	
Loan repayment (40 years)	24
Major repairs at 20%	7
	31
Operating Surplus (Note 1)	2

- 4.4 Arrangements will be made to pay the loan amount by installments after the completion of the grant funded works and the valuation of these works. The HCA grant funding will be claimed by the Trust quarterly in advance of expenditure being incurred which reduces the exposure of risk by the Council as significant refurbishment work will be completed before the loan is drawn down.
- 4.5 An essential element of the operating budget is the amount set aside for major repairs. A condition of the loan will be that the annual amount set aside for major repairs is paid over to the Council to oversee the fund and only release funds for major repairs. This will give assurance that the value of the property is protected, as it will be used as security in the loan agreement between the Council and the NDC Trust.
- 4.6 The project will provide a range for non financial benefits. In particular it will bring a building which is considered to have significant local architectural and historical merit that is currently blighting the Headland Conservation area, back into use and is therefore consistent with the Council's efforts in tackling empty properties.

5. LEGAL CONSIDERATIONS

- 5.1 The Chief Solicitor has been consulted on this proposal and has confirmed that the Council has the legal power to enter into the proposed arrangement with the NDC Trust for the transfer of the building and the provision of a loan.
- 5.2 The Chief Solicitor has also advised that the necessary legal document can be prepared to provide the guarantees detailed in paragraph 4.5 and 4.6 if the NDC Trust option does proceed. Members should note that the Chief Solicitor and Chief Finance Officer will need to ensure that the guarantees for the proposed Council loan are not undermined by any existing guarantees the NDC Trust have provided to funders to ensure the Council's financial position is protected.

6. PROPOSAL

6.1 It is proposed that Council:

- i) Approve the granting of a loan up to £450,000 over 40 years at the prevailing Public Works Lending Board rate annuity rate - subject to a final redevelopment scheme being agreed.
- ii) Note that if Members approve proposal (i) the Chief Finance Officer and Chief Solicitor will action the necessary financial and legal documents, including the guarantees referred to in 4.4 and 4.5 with the NDC Trust.

FINANCE AND POLICY COMMITTEE

29th November 2013



Report of: Director of Regeneration and Neighbourhoods

Subject: DISPOSAL OF SURPLUS ASSETS - MORISON
MEMORIAL HALL

1. TYPE OF DECISION/APPLICABLE CATEGORY

1.1 Key Decision test (i) applies. Forward Plan Reference RN13/09.

2. PURPOSE OF REPORT

2.1 To consider the proposed freehold transfer of Morison Memorial Hall to the Hartlepool New Deal for Communities (NDC) Trust to facilitate a scheme of redevelopment and bring the building back into use.

3. BACKGROUND

3.1 Morison Memorial Hall was constructed in 1892 and is situated within the historic Headland area of Hartlepool. The building is a large three storey detached Victorian property that was originally built as a Methodist Chapel. The property is in a seriously dilapidated condition and has been vacant and unused since 2005. The property is not a listed building, but it is located within the Headland Conservation Area. The building is considered by the Council's Conservation Manager to have significant local architectural and historical merit.

3.2 The Abandoned Properties and Derelict Land group was established to develop action plans to tackle a number of derelict land and buildings that were blighting areas of the town. Morison Memorial Hall was identified by the group as such a property and in 2010 approval was granted for the Council to acquire the building.

3.3 Morison Memorial Hall was purchased by HBC at public auction on 22nd July 2010. The property (as shown edged in **Appendix A**) had remained empty and disused for a considerable period prior to the Council's purchase.

4. PROPOSALS

- 4.1 Morison Hall was marketed for sale in June/July 2013 and informal tenders were invited for the purchase of the property - no tenders were received by the closing date on 7th June, however subsequently there has been limited interest from the private sector. However, throughout the tendering period the NDC Trust have been looking at proposals to redevelop the hall with the hope of securing significant grant funding to deliver a viable refurbishment scheme.
- 4.2 Hartlepool NDC (New Deal for Communities) Trust are a private limited company and registered charity with the aim of facilitating regeneration within the town. One of the Trust's current areas of work is the renovation of empty properties.
- 4.3 The Trust is currently working in collaboration with the Vela Group (who will act as project manager for the works) to deliver a restoration scheme on the building and convert the property into 8no. residential flat units. The current proposals envisage the Trust acquiring the property from the Council on the terms as set out in the confidential Appendix C (which has not been attached to this report, as is not relevant to the proposal referred to Council). On completion of the scheme the property would be added to the Trust's small portfolio of properties for affordable rent.
- 4.4 The Trust and Vela are currently working up detailed plans and specifications and refining estimated costs following recent building survey work they have undertaken. Although details of the proposed scheme are currently being finalised the Trust have identified that significant costs will be incurred to undertake the conversion and that gap funding will be required through grant assistance.
- 4.5 The Council have marketed the property on the open market however to date there has been limited interest and no detailed proposals have been forthcoming. The property market is improving and an alternate option would be to continue to market the building in order to secure a private developer who will undertake the conversion on a commercial basis and pay the Council an increased capital receipt. However based on the survey information collated by the NDC significant investment is required to undertake the conversion and as such property values will have to increase significantly to improve viability. As such it is unlikely that the private sector would be able to bring forward a viable scheme in the short to medium term.

APPENDIX 1**5. FINANCIAL CONSIDERATIONS**

- 5.1 The Trust currently anticipates the total cost of their refurbishment scheme to be in the region of £850,000 (which includes any potential irrecoverable VAT). The Trust has already secured a substantial grant of £351,000 from the Homes and Communities Agency as part of their Empty Homes Community Grants Programme. In addition to this sum they have also been awarded an approved grant of £49,000 from the Social Investment Business. The trust therefore has a total project fund of £400,000 with a view to commencing works on site in early 2014.
- 5.2 The Trust are seeking to fund the balance of the schemes cost of £450,000 through a secured loan from the Council to be paid back over a repayment term of 40 years. The refurbished property will be used as security against the loan agreement between the Council and the NDC Trust and the Council will have a first charge against the property. This will ensure that the Council's investment is protected. The viability of the scheme is dependent on spreading the costs of borrowing over a period of 40 years at an interest rate of 4.3%. The high level of capital cost has meant that the business case model for the project is extremely tight and the key to the viability for this scheme is to minimise the cost of borrowing.
- 5.3 The Chief Finance Officer has examined the business case and the underpinning financial planning assumptions for this development based on the Council providing loan funding. The business case shows there will be a small annual revenue surplus. This gives assurance that if for any reason the Trust became insolvent and the Council was required to take over ownership and management of the building, that its investment should be protected and the financial position of the building as a going concern should be robust. However, it needs to be recognised that in financial terms the project is extremely tight and will need to be delivered within budget, which includes an appropriate contingency provision. The involvement of the Vela Group in managing this project provides additional assurance as they have significant experience of managing major capital schemes. The project will provide a range for non financial benefits as detailed in section 14.
- 5.4 The annual operating budget for the property is shown in the table below.

	£000
Income	
Rent	35
Voids (5% of Rent)	(2)
Net Rent	33
Expenditure	
Loan repayment (40 years)	24
Major repairs at 20%	7
	31
Operating Surplus (Note 1)	2

APPENDIX 1

Note 1 - The annual operating surplus increases to £4,000 if the contingency is not required and only £400,000 borrowing is required.

- 5.5 Arrangements will be made to pay the loan amount by installments after the completion of the grant funded works and the valuation of these works. The HCA grant funding will be claimed by the Trust quarterly in advance of expenditure being incurred which reduces the exposure of risk by the Council.
- 5.6 An essential element of the operating budget is the amount set aside for major repairs. A condition of the loan will be that the annual amount set aside for major repairs is paid over to the Council to oversee the fund and only release funds for major repairs. This will give assurance that the value of the property is protected, as it will be used as security in the loan agreement between the Council and the NDC Trust.
- 5.7 As part of the Morison Hall proposals the Trust are prepared to transfer their freehold reversionary interest in the Murray Street car-park (as shown edged in **Appendix B**) into the ownership of the Council. The car-park site extends to approximately 434m² (0.04ha) and has an estimated redevelopment value in the region of £15,000 to £20,000. The Council currently occupy the site by holding over under the terms of 5-year lease from the trust dated 23rd June 2006. The lease is granted at a peppercorn rental and all revenue income generated is retained by the Council. The annual rental income from the car park is projected to be in the region of £6,000.

6. RISK IMPLICATIONS

- 6.1 There is a risk that if the Council do not proceed with the transfer to the NDC Trust it could potentially hinder any further grant applications on future projects now that funding has been secured for the restoration/conversion of the Hall.
- 6.2 There is a risk that if it is decided to pursue a sale through the open market a viable conversion scheme will not come to fruition and the building will remain blighting the Headland Conservation Area. It must be assumed that any private treaty option would be reliant on the purchaser securing significant funding for the conversion costs from high street lenders.
- 6.3 There is a risk that if rental income levels fall or void levels increase then the operational viability of the scheme is affected which may impact on the ability of the Trust to meet their financial obligations to the Council. However, there is more certainty about the deliverability of a refurbishment scheme through the NDC Trust option in the short to medium term.

APPENDIX 1

7. LEGAL CONSIDERATIONS

- 7.1 The Chief Solicitor has been consulted on this proposal and has confirmed that the Council has the legal power to enter into the proposed arrangement with the NDC Trust for the transfer of the building and the provision of a loan.
- 7.2 The Chief Solicitor has also advised that the necessary legal document can be prepared to provide the guarantees detailed in paragraph 5.5 and 5.6 if the NDC Trust option does proceed. Members should note that the Chief Solicitor and Chief Finance Officer will need to ensure that the guarantees for the proposed Council loan are not undermined by any existing guarantees the NDC Trust have provided to funders to ensure the Council's financial position is protected.

8. EQUALITY AND DIVERSITY CONSIDERATIONS

- 8.1 There are no equality or diversity considerations as part of the report proposals.

9. STAFF CONSIDERATIONS

- 9.1 There are no staffing considerations as part of the report proposals.

10. ASSET MANAGEMENT CONSIDERATIONS

- 10.1 The attention of the Committee is drawn to the Asset Management element of the Medium Term Financial Strategy. The decision by Cabinet in January 2009 requires a commercial, proactive approach to be taken on Asset Management issues.

11. SECTION 17 OF THE CRIME and DISORDER ACT 1998 CONSIDERATIONS

- 11.1 The implications of The Crime and Disorder Act 1998 have been considered and there are no matters affecting these proposals.

12. CONCLUSIONS

- 12.1. The report outlines the Council's proposals for supporting a scheme of redevelopment on Morison Memorial Hall that will bring a building with significant local architectural and historical merit back into active use.
- 12.2 The priority being to achieve this with minimum cost and risk to the Council and the proposal to transfer the building to the NDC Trust would seem to be the most appropriate way forward to secure the redevelopment proposals.

13. RECOMMENDATIONS

13.1 Committee are recommended to approve the proposed disposal of Morison Memorial Hall to the NDC Trust subject to the following conditions:-

- i) The granting of a loan up to £450,000 over 40 years at the prevailing Public Works Lending Board rate annuity rate, subject to a final redevelopment scheme being agreed and the matter being approved at Full Council on 5th December 2013.
- ii) Authorise the Chief Finance Officer and Chief Solicitor to draft the necessary financial and legal documents to action the guarantees referred to in 5.5 and 5.6 for agreement with the NDC Trust and to note these documents will not be signed until full Council has made a final decision on this proposal.
- iii) Approve the disposal of the site which is detailed in the confidential Appendix C (which has not been attached to this report, as is not relevant to the proposal referred to Council).

14. REASONS FOR RECOMMENDATIONS

14.1 Morison Memorial Hall is a landmark building in the Headland Conservation Area and its refurbishment and reuse would represent a significant regeneration achievement for the Council and the NDC Trust. It is important that the building is transferred to an organisation that can deliver a viable quality development within a reasonable timescale.

15. BACKGROUND PAPERS

15.1 There are no background papers to the body of this report.

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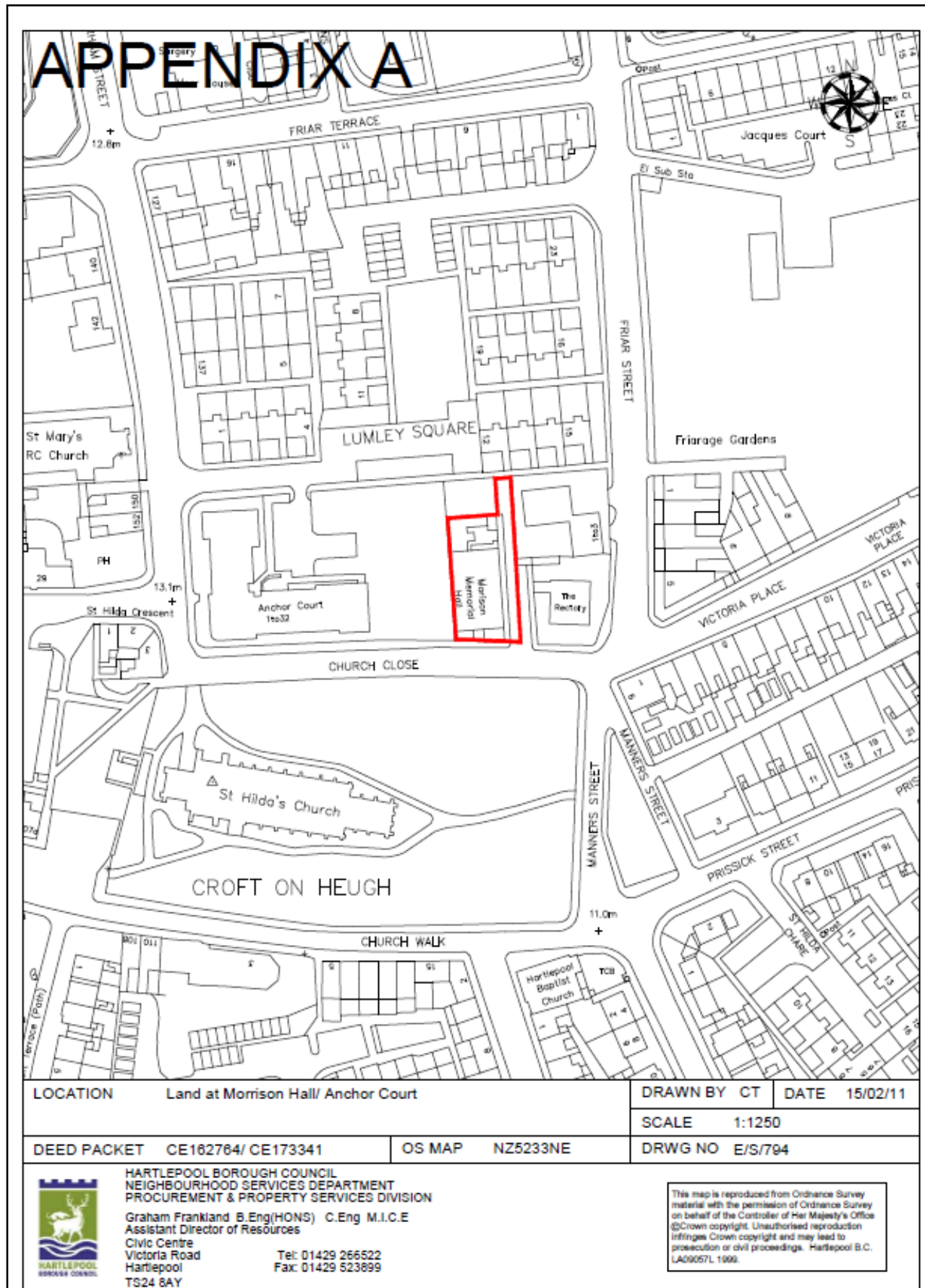
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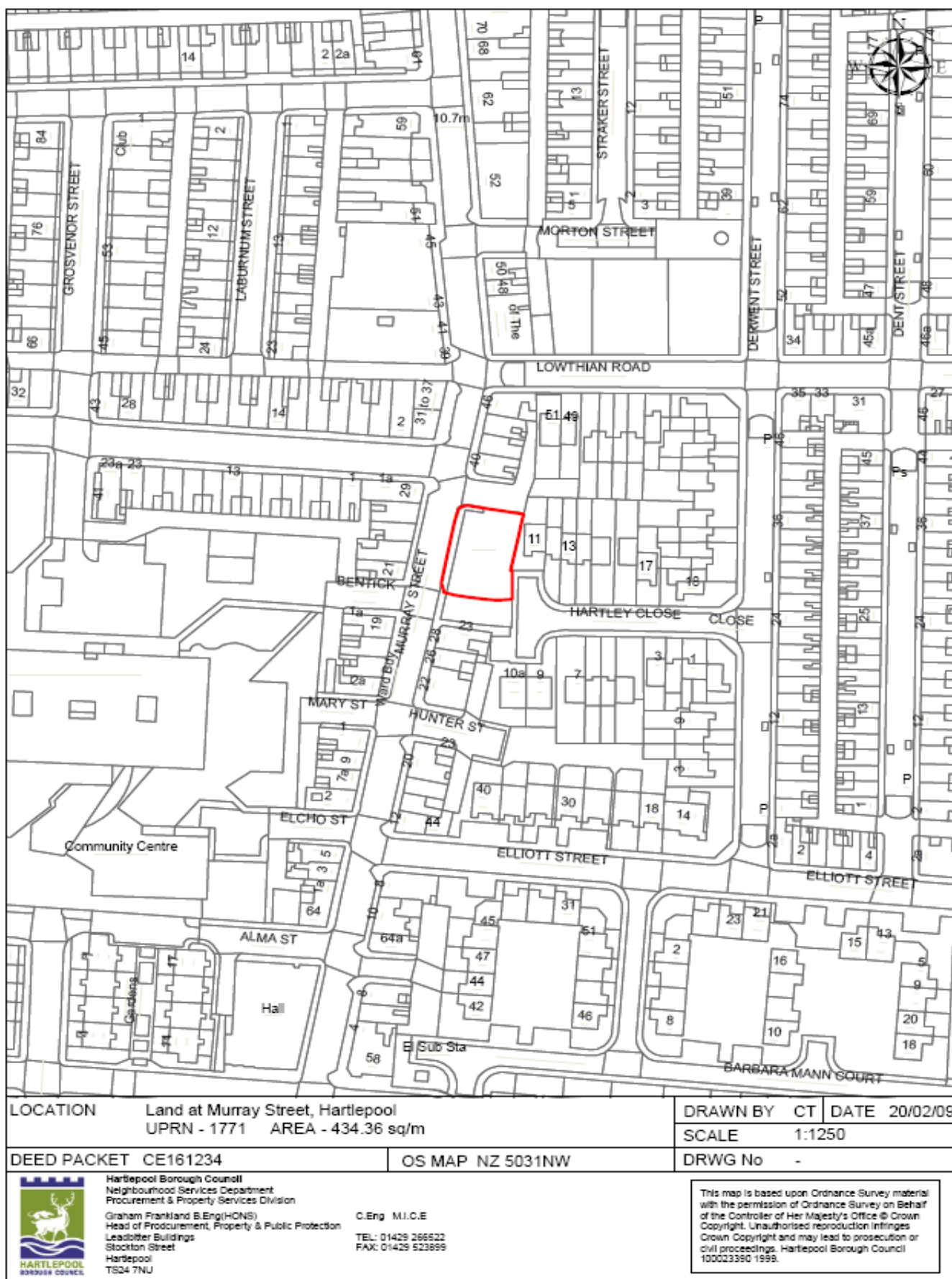
APPENDIX 1

APPENDIX 1



APPENDIX 1

APPENDIX B



COUNCIL

5 December 2013



Report of: Finance and Policy Committee

Subject: COUNCIL CAPITAL FUND 2013/14

1. PURPOSE OF REPORT

- 1.1 To enable Council to consider the Finance and Policy Committees proposed variation to the approved 2013/2014 Budget and Policy Framework to enable the replacement of Mechanical Plant Replacement (i.e. Boiler, Electrical and associated works) at Christ Church Art Gallery.

2. BACKGROUND

- 2.1 In accordance with the constitution the Finance and Policy Committee is responsible for proposing changes to the approved Budget and Policy Framework, which are then referred to Council for consideration.
- 2.2 At its meeting on 18 October 2013 the Finance and Policy Committee considered the second Strategic Financial Management report which included details of proposals to replace Mechanical Plant at Christ Church Art Gallery and funding arrangements for this proposal.

3. PROPOSAL

- 3.1 Council is requested to approve the proposal to delay some works on the Civic Centre Capital Maintenance Project until 2014/15 to enable the Mechanical Plant Replacement (i.e. Boiler, Electrical and associated works) at Christ Church Art Gallery to be completed at an estimated cost of £80,000 in the current year.

4. FINANCIAL CONSIDERATIONS

- 4.1 Condition surveys on the Mechanical Plant (i.e. Boiler, Electrical and associated works) at Christ Church Art Gallery have indicated they will need replacing. This scheme had been identified as part of the proposals for the 2014/15 Council Capital Fund (CCF) monies for consideration by Finance and Policy Committee as part of the 2014/15 Budget proposals, prior to referral to Council in February 2014. However, the boilers have deteriorated significantly. It is therefore recommended that these works take place as

soon as practicable before the winter period to ensure the building remains open.

- 4.2 The existing mechanical plant at Christ Church is below ground. As Christ Church is a grade II listed building this solution is the most economical as opposed to bringing the mechanical plant above ground. The location and limited space within the existing plant room requires a bespoke design and the boiler house requires additional protective and early warning measures to alert staff both in and out of normal office hours of unforeseen problems such as flooding.
- 4.3 The project also includes a link to the Councils Building Management System in order to be able to monitor and control the temperature remotely. This project will cost in the region of £80,000. To enable this to be brought forward into the current financial year work on the Civic Centre Capital Maintenance Project will be delayed until 2014/15 and the resources used to fund the Christ Church scheme. In accordance with Financial Procedure Rules the Finance and Policy Committee is seeking Council approval of the proposed budget virement.

5. BACKGROUND PAPERS

Finance and Policy Committee report 18 October 2013

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COUNCIL

5 December 2013



Report of: Chief Executive

Subject: BUSINESS REPORT

1. SPECIAL URGENCY DECISION

Council is informed that there was one special urgency decision taken in the last quarter, August to October 2013. The decision was taken by the Finance and Policy Committee 19th September 2013 and related to the following:-

Decision

- (i) *That Council approval be sought for funding of £189,900 for a 26 FTE nursery provision at Holy Trinity CE Primary School if the decision was made to proceed with the closure of Seaton Carew Nursery School and extend the age-range of Holy Trinity CE Voluntary Aided Primary School.*
- (ii) *That subject to the above Council approval, the cost of £189,900 will be funded from a combination of the net additional Capital Receipt generated from the sale of the existing nursery site and a contribution from the Seaton Carew Master plan capital receipts of between £70,000 and £90,000.*
- (iii) *It was noted that in the event that a decision was made not to progress with this scheme, the Council will be required to reimburse any costs incurred by the EFA in relation to any abortive design and project management costs associated with the proposal, and that these costs would needed to be funded from the 2013/14 forecast revenue outturn.*

The decision was taken under Special Urgency Provision to meet the requirements of Education Funding Agency timetable and the deadline which had been notified to the Council.

2. EMPTY PROPERTY REPORT

I have attached at Appendix 1 the quarterly report which Council requested, at its meeting on the 19th October 2012, which outlines progress in implementing the Council's Empty Property Purchasing Scheme This report is the third of these updates.

1. PURPOSE OF REPORT

- 1.1 To outline progress in implementing the Council's Empty Property Purchasing Scheme.

2. BACKGROUND

- 2.1 On the 22nd March 2012 Council approved the implementation of an Empty Property Purchasing Scheme to bring 48 properties back into use. Following this the Council secured £2.6million from the Homes and Communities Agency and a further report was approved by the Council on 19th October 2012 which expanded the scheme to 100 properties, with additional match funding financed from future rental income, including an additional contingency of £150,000 to tackle some of the most challenging properties and empty homes in the poorest condition.
- 2.3 The objectives of the scheme were to purchase and refurbish 100 long term empty homes (defined as being empty for 6 months or more) by agreement by March 2014. These properties will be let at an affordable rent and managed by Housing Hartlepool.
- 2.4 The long term strategic objectives of the scheme is to bring long term empty properties back into use (in line with the Empty Homes Strategy) and to provide affordable accommodation which is well managed and in good condition for the residents of Hartlepool.
- 2.5 At the meeting of full Council on the 19th October 2012 it was requested that an update report be brought to Council every four months to highlight scheme progress and provide an update on the financial position. This report is the third of these updates.

3. PROJECT UPDATE

3.1 Property Acquisition

- 3.2 The valuation and acquisition process began in July 2012. At the time of writing this report the Council had completed acquisition of 55 properties and an additional 14 properties with an agreed sale awaiting legal completion. Officers are confident, even though the timescales for delivery are challenging that the target of 100 units will be achieved by March 2014 and the project is on track to deliver 80% of acquisitions by December 2013.
- 3.3 The Council looked to take forward the conversion of the Council owned Market Hotel into 9 residential units through this project. This was deemed unviable in August 2013. As a result those units have been removed from the scheme and resulted in the requirement for an additional nine units to be

APPENDIX 1

found elsewhere. The team is on track to deliver all 100 units. Four units on Hart Lane (previously acquired for housing regeneration purposes) will now form part of this scheme following Regeneration Services Committee decision in October 2013 to exclude them from the demolition area within the Carr/Hopps Street Regeneration scheme. Overall this results in 75 units and 75% of the overall project underway.

- 3.4 To date 222 valuations and inspections have been conducted which has resulted in a 34% success rate of those leading to an acquisition. 53% of acquisitions to date are as a result of direct contact with owners by the Empty Homes Officer and the remaining properties acquired have been on the market for sale. Based on the success rate of other empty homes schemes this is extremely positive and if this trend continues then delivery of the scheme on programme is highly likely.
- 3.5 Property Refurbishment
- 3.6 Since members approved the scheme, detailed project planning and implementation has been underway involving a Project Team consisting of officers from Housing Services, Facilities Management, Building Consultancy Finance and Housing Hartlepool. It has been necessary to develop an agreed approach to ensure that properties acquired and refurbished are in accordance with expected standards and within budget. The target of 100 property refurbishments within two years is a challenging one, especially as there is an unavoidable delay between when properties are acquired when the refurbishment can commence.
- 3.7 To date 28 properties are complete and let or are ready to be let by Housing Hartlepool. An additional 19 properties have work currently underway with an additional three properties just purchased and ready to hand to Building Services. five properties were completed by local Social Enterprises and local Contractors at the start of the project. The target for completed refurbishment is nine properties per month and officers are confident this will be deliverable as momentum builds within the project. Eight new staff were appointed within the Facilities Management team to deliver this project and refurbishment work is progressing well to a exceptionally high standard.
- 3.8 Lettings
- 3.9 On 21st January 2013 Cabinet approved the use of Local Authority Flexible Tenancies for all properties let through this scheme. This will provide flexibility to the Council to dispose of these properties in the future through either shared ownership/equity or rent to home buy products. To date seventeen properties have been let through this form of tenancy. There are tenants currently lined up for a further five properties, six properties have just been handed over ready for letting. Follow up visits have been conducted with positive feedback being reported by new tenants specifically in relation to the quality and standard of properties. Of the seventeen tenants moved into HBC properties, nine were previously in private rented properties, two were homeless, one moved from social rented accommodation, one was an owner

APPENDIX 1

occupier and four were living with parents. The management agreement between Housing Hartlepool and Hartlepool Borough Council has been agreed and remains in place until 31st March 2014.

3.10 Funding Profile

- 3.11 The project is currently being delivered in line with the programme and within budget. The average cost for acquisition and refurbishment is currently £54,750 per property across the 75 units and to date no additional contingency has yet been used. It is anticipated that costs will rise throughout the project as properties become more difficult to acquire or more expensive to refurbish. As properties have had refurbishment works completed a full assessment is being made of the budget to ensure each property is being delivered within the projected costs subject to variations, to date all properties are being delivered within budget.

4. RISKS

- 4.1 One key risk to the project is the speed at which refurbishment of properties can be completed once the acquisition has been undertaken, especially as the number of properties requiring completing on a monthly basis has increased. This issue will be monitored very closely in order to 'head off' any barriers to the overall project being completed on time and within budget. Since the last report the speed of refurbishment work has significantly improved due to the additional staffing resource, mitigating the risk of failing to deliver by the deadline. Acquisitions are on target and within budget however are likely to decrease over the Christmas period. To ensure a steady flow of potential acquisitions additional letters are currently being sent to empty property owners over the next two months. Non-delivery to the March 2014 deadline could damage the Councils reputation of delivery and the prospect of future grant from the Homes and Communities Agency and the Department of Communities and Local Government.

5. RECOMMENDATIONS

- 5.1 That Council note the contents of the report.

6. REASONS FOR RECOMMENDATIONS

The report is for information only.

7. BACKGROUND PAPERS

- Minutes from Council meeting of 18th October 2012
<http://www.hartlepool.gov.uk/meetings/meeting/2719/council>

- Minutes from the Cabinet meeting of 4th October 2012
<http://www.hartlepool.gov.uk/meetings/meeting/2670/cabinet>
- Minutes from the Council meeting of 14th February 2013
[http://www.hartlepool.gov.uk/egov_downloads/14.02.13 -
_Council_Agenda.pdf](http://www.hartlepool.gov.uk/egov_downloads/14.02.13_-_Council_Agenda.pdf)
- Minutes from the Council Meeting of 25th July 2013
<http://www.hartlepool.gov.uk/meetings/meeting/2963/council>

8. CONTACT OFFICER

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COUNCIL
5 December 2013



Report of: Chief Executive

Subject: BUSINESS REPORT (2)

3. EXTRAORDINARY MEETING OF THE COUNCIL

It is proposed to hold an Extraordinary meeting of the Council on Thursday 30 January 2014 commencing at 7.00pm in the Council Chamber, Civic Centre. The purpose of the meeting and therefore the only item for the meeting will be the approval of the 2014/15 Local Council Tax Support Scheme.

4. FAIRTRADE

At a previous Council meeting 23rd September 2004 the Council agreed to promote Hartlepool as Fairtrade Town, and committed to supporting the Steering Group.

By the end of this year the Hartlepool Fairtrade Town Steering Group must reapply to qualify as a Fairtrade town, a status which would be extremely regrettable to lose.

The Council is asked to further acknowledge its commitment by nominating an Elected Member to sit on the Steering Group, and by reinforcing its commitment to the following goals.

- a) Local council passes a resolution supporting Fairtrade, and agrees to serve Fairtrade coffee and tea at its meetings and in its offices and canteens
- b) A range (of at least two) Fairtrade products are readily available in the area's shops and Fairtrade products are served in local cafes/catering establishments
- c) Fairtrade products are used by a number of local workplaces (estate agents, hairdressers etc) and community organisations (churches, schools etc.)
- d) Attract media coverage and popular support for the campaign
- e) A local Fairtrade steering group is convened to ensure continued commitment to its Fairtrade Town status

5. APPOINTMENT OF MEMBER CHAMPION – MENTAL HEALTH

At the meeting of the Adult Services Committee held on 25 November 2013, the Committee supported the Mental Health Challenge Initiative to tackle stigma/discrimination to promote mental health and wellbeing and agreed to sign up to the 'Time to Change' pledge.

The Committee agreed also that the appointment of a Member Champion for Mental Health should be supported and should be referred to this Council meeting to seek a nomination.

Council's instructions on a nomination are requested.