

FINANCE AND POLICY COMMITTEE MINUTES AND DECISION RECORD

29 November 2013

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

Present:

Councillor: Christopher Akers-Belcher (In the Chair)

Councillors: Rob Cook, Peter Jackson, Marjorie James, Robbie Payne,
Robbie Payne, Carl Richardson and Chris Simmons

In accordance with Council Procedure Rule 5.2 (ii), Councillor Geoff Lilley was
in attendance as substitute for Councillor Keith Dawkins.

Also present:

Edwin Jeffries, Hartlepool Joint Trades Union Committee

Officers: Dave Stubbs, Chief Executive
Andrew Atkin, Assistant Chief Executive
Peter Devlin, Chief Solicitor
Chris Little, Chief Finance Officer
John Morton, Assistant Chief Finance Officer
Gill Alexander, Director of Child and Adult Services
Denise Ogden, Director of Regeneration and Neighbourhoods
Louise Wallace, Director of Public Health
John Mennear, Assistant Director, Community Services
Alastair Rae, Public Relations Manager
Laura Stones, Scrutiny Support Officer
Angela Armstrong, Principal Democratic Services Officer

148. Apologies for Absence

Apologies for absence were received from Councillors Keith Dawkins and Paul Thompson.

149. Declarations of Interest

None.

150. Minutes

- (i) Finance and Policy Committee held on 8 November 2013 – Received.
- (ii) Health and Wellbeing Board held on 26 September 2013 – Received.

(iii) Safer Hartlepool Partnership held on 27 September 2013 – Received.

151. Medium Term Financial Strategy (MTFS) 2014/15 Savings Proposal *(Corporate Management Team)*

Type of decision

Budget and Policy Framework

Purpose of report

To consider the views/comments received from each of the individual Policy Committees in relation to the 2014/15 savings proposals.

To ask that the views/comments expressed by the Policy Committees be fed back to the Corporate Management Team to assist in the preparation of the finalised 2014/15 savings proposals, for consideration by the Finance and Policy Committee in January 2013.

Issue(s) for consideration

The report provided the background to the development of the Medium Term Financial Strategy for 2014/15 which was based on an assessment of information available at the time and estimated that the Council would need to make further cuts of £16.2m which equated to 18% of the net General Fund budget. Detailed departmental savings proposals with a total value of £4,376m had been identified and on the assumption these proposals were all implemented, the net unfunded budget deficit for 2014/15 was forecast to be £0.218m. It was anticipated that this could be bridged from the 2014/15 New Homes Bonus. The Departmental savings proposals for 2014/15 were referred to the individual Policy Committees for detailed consideration and feedback from the Committees was outlined in the report. A timetable of planned MTFS consultation process from this point forward was provided in the report.

During the discussions that followed, a Member suggested that further exploration of income generation should be undertaken and it was noted that this could be explored further by the relevant Policy Committee. Members reluctantly accepted the savings proposals but were concerned at the long term implications, including the impact on front line services and the additional pressure that would be placed on Council employees. However, Officers were congratulated on managing the Council's resources to reduce the impact on front line services.

A Member expressed concern at the current tendering process for the low level support services within Adults Services. The Director of Child and Adult Services indicated that this tender had been instigated to test the

market in this particular service area, however the detail surrounding this contract could be explored further by the Adults Services Committee. It was suggested that all Members of the Finance and Policy Committee be invited to the Adult Services Committee when this issue was to be discussed further.

The representative from the Trades Unions Joint Committee informed Members that as a result of the last meeting of the Finance and Policy Committee, further discussions had taken place in relation to the staffing savings proposed within the Chief Solicitor's Division and would continue throughout the formal consultation process with Trades Unions and staff.

Decision

- (i) The view/comments expressed by each individual Policy Committee which were outlined in the report were noted and approved.
- (ii) That based on the responses received and Members comments noted above, a response from the Finance and Policy Committee be fed back to the Corporate Management Team to assist in the preparation of the finalised 2014/15 savings proposals for consideration by the Finance and Policy Committee in January 2014.
- (iii) That the tender for the low level support services within the Child and Adult Services Department be referred to the Adult Services Committee for further discussion and that all Members of the Finance and Policy Committee be invited to participate in those discussions.

152. Reviewing the Sustainable Community Strategy for Hartlepool *(Assistant Chief Executive)*

Type of decision

Budget and Policy Framework

Purpose of report

To present the Committee with the second draft of the new Sustainable Community Strategy (Appendix 1) and to set out the comments made on the first draft and how those comments have been addressed.

Issue(s) for consideration

The report provided the background to the review of the Sustainable Community Strategy and outlined the responses received from the statutory consultees on the draft Community Strategy. In addition, 793 questionnaires had been completed by members of the public via an online survey and the responses were summarised in the report. Participants

were asked to rank the six key priorities for the Community Strategy with the following results:

Increased business and jobs – 67%
Healthier people – 60%
Giving every child the best start in life – 58%
Safer stronger neighbourhoods – 49%
Reduced poverty – 40%
Better housing – 27%

It was noted that should this first draft of the Strategy be approved, a further two week consultation would be undertaken before the final draft was submitted to the Finance and Policy Committee in January.

A Member referred to paragraph 4.21 of the report and expressed concerns at the recent announcement of the removal of adult mental health services from the Victoria Road facility as this appeared to go against what the public considered to be a priority in the consultation on the Strategy. It was suggested that this issue should be reflected within the next draft of the Strategy and considered by the Health and Wellbeing Board. The Assistant Chief Executive confirmed that Members' comments would be fed back and would be taken into account in the next draft of the Strategy. A Member highlighted the importance of issues relating to the provision of health services in the town being raised at the Regional Health Scrutiny Committee at which the Chair of Audit and Governance Committee was invited to participate and represent the aspirations of the Town.

Decision

- (i) That Members' comments noted above in relation to the provision of health services at Victoria Road be reflected within the Strategy.
- (ii) The subject to the inclusion of the above comments, the 2nd draft Sustainable Community Strategy as set out in Appendix 1 was agreed prior to a final consultation period.
- (iii) That Members comments in relation to the Council's representation on the Regional Health Scrutiny Committee be forwarded to the Chair of the Audit and Governance Committee.

153. Local Council Tax Support 2014/15 *(Chief Finance Officer)*

Type of decision

Budget and Policy Framework Decision

Purpose of report

To:

- (i) Update Members on the potential impact of additional proposed Government grant cuts in 2014/15 and 2015/16 on the Local Council Tax Support (LCTS) scheme; and
- (ii) To enable Members to determine if they wish to review the initial 2014/15 LCTS proposals approved on 19 September 2013.

Issue(s) for consideration

The report provided the background to the Local Council Tax Support proposals for 2014/15 along with an outline of previous considerations of the Committee. Whilst it was noted that details of the Local Government Finance Settlement for 2014/15 will not be known until late December 2013, the Government had issued a 'Local Government Finance Settlement 2014/15 and 2015/16 Technical Consultation' document. This document provided details of the additional national cuts in 2015/16 of £1 billion which increased the cut from 10% to 15%.

For 2014/15 there was no change proposed to the allocation of funding between the LCTS and the General Fund Budget to reflect Members initial decisions as set out in the Medium Term Financial Strategy. However, this position needed to be reviewed for 2015/16 and three options were provided for Members consideration to assess the impact of the latest Government Grant figures. Details and impact assessments of the options were included in the report.

Members were reminded that significantly higher cuts in LCTS support were also likely to be required in 2016/17 and future years as Councils will find it increasingly difficult to balance supporting LCTS schemes and General Fund services if grant cuts continue.

Members were supportive of Option 2 as they considered this had the lesser impact on the people who were suffering most as a result of the budget cuts imposed by the Government whilst protecting local front line services as much as possible.

Decision

- (i) That Option 2 was approved – to explore a LCTS cut of 12% for 2014/15 and to authorise the Chief Finance Officer to undertake public consultation on this option for a 4 week period commencing 2 December 2013.
- (ii) It was noted that the outcome of the public consultation required a

decision that complies with the statutory deadline for the approval of the LCTS scheme, namely on or before 31 January 2014. This would require a decision to be taken as a matter of urgency, as any delay would then seriously prejudice the Council's and the public's interest.

- (iii) That a further report on the proposed 2014/15 LCTS scheme be reported to the Finance and Policy Committee in January 2014 to enable final proposals to be referred to full Council to enable the 2014/15 LCTS scheme to be approved before the statutory deadline.

154. Public Health Commissioning Programme 2014/15 (Director of Public Health)

Type of decision

Key Decision – Test (i) and (ii) applies – Forward Plan Reference PH 02.

Purpose of report

To update the Committee regarding investment of the ring-fenced public health grant in 2013/14.

The report also sought approval for a commissioning programme and the procurement process for services funded through the ring-fenced public health grant 2014/15.

Issue(s) for consideration

The report provided the background to the new vision for public health as set out in 'Health People, Healthy Lives: Our Strategy for Public Health in England' (2010) and detailed the investment of ring-fenced Public Health Grant in 2013/14 across a number of statutory services. The report outlined the Public Health Commissioning Programme for 2014/15 and confirmed that the investment of ring fenced public health grant should be based on a robust Joint Strategic Needs Assessment (JSNA), Joint Health and Wellbeing Strategy (JHWS) and Public Health Outcomes Framework. It was expected that the grant would be used for improving health and wellbeing; carrying out health protection functions delegated from the Secretary of State, reducing inequalities and ensuring the provision of population healthcare advice.

It was highlighted that the following contracts were above the EU threshold:

- School nursing service
- Falls service
- Health trainers
- Smoking services.

It was therefore requested that an exemption to the Council's Contracting and Procurement Rules was sought to place a one year contract on 1 April 2014 with existing providers for the services noted above. In the spirit of openness and transparency, it was requested that the Local Authority publish a Voluntary Ex-Ante Transparency Notice (VEAT) in relation to this proposed contract award.

During the discussions, it was noted that in view of the number of services the local authority had inherited from the NHS, it was prudent to undertake a review of those services to ensure good value for money was being provided, the services were actually having an impact on the problems they were trying to solve and whether there was the potential to provide the service on an in-house basis. A Member highlighted a particular need to focus on childhood obesity as this was increasingly becoming a problem.

A Member questioned whether there was any additional support that could be provided in relation to COPD. The Director of Public Health informed Members that there was an ongoing scrutiny investigation into COPD and the provision of services to support people with COPD.

In response to a question from a Member on the provision of mental health services, the Director of Child and Adult Services confirmed that it was the Clinical Commissioning Group's responsibility to provide specialist support service for mental health. However, a response would be forwarded on behalf of the Council to the consultation on the proposal to remove mental health services from the Victoria Road premises and would reflect Members concerns.

A Member highlighted that 'statutory' service provision was also subject to change in relation to how this was financed and how it was provided.

In relation to smoking cessation, a Member questioned how young people were educated on the impact and effects of smoking. The Director of Public Health indicated that theatre groups and interactive drama were useful tools to educate young people and these were being utilised within local schools. It was noted that Hartlepool had received national recognition for having the most successful smoking cessation service in the Country and possibly Europe. However, it was recognised that whilst there had been fantastic progress in reducing the number of people smoking from 33% to 21%, this work should continue to be progressed to lower the number of people smoking even more. It was acknowledged that the affects of being such an industrial area in the past may also have impacted on the number of people suffering from COPD. It was suggested that showing young people images of the effects smoking has on lungs and by speaking to people suffering from lung disease should form part of the education of young people on the affects of smoking. The Director of Child and Adult Services indicated that there was the potential to offer joint curriculum activities with education and public health services to examine the most effective ways of educating young people.

Members were pleased to note the Government's recent announcement to introduce plain packaging on cigarettes, a proposal that the Council had supported approximately 18 months ago.

Decision

- (i) It was noted that in accordance with the recommendations approved in the Medium Term Financial Strategy by Council on 18 February 2013, the Director of Public Health had determined the contractual commitments against the Public Health funding and prepared a detailed budget on the impact of integrating Public Health both operationally and financially as set out in this report.
- (ii) It was noted that services funded currently by the ring fenced Public Health Grant will be reviewed during the remainder of 2013/14 and 2014/15 on a phased basis.
- (iii) It was noted that a further report regarding the Criminal Justice Intervention Team be brought back to a future meeting of the Committee.
- (iv) It was noted that the 2014/15 budget will be submitted to Members as part of the overall budget strategy, reflecting the identified General Fund costs which can be funded from the Public Health Grant in 2014/15.
- (v) The Public Health Commissioning Programme and exemptions to Council's Contract and Procurement Rules for services funded through the ring-fenced public health grant in 2014/15 were approved.
- (vi) The publication of a VEAT in relation to the services outlined in the report was approved.

155. Disposal of Surplus Assets – Morison Memorial Hall (Director of Regeneration and Neighbourhoods)

Type of decision

Key Decision – Test (i) applies – Forward Plan Reference RN13/09.

Purpose of report

To consider the proposed freehold transfer of Morison Memorial Hall to the Hartlepool New Deal for Communities (NDC) Trust as detailed in Confidential Appendix C to facilitate a scheme of redevelopment and bring the building back into use. **This item contained exempt information under Schedule 12 A Local Government Act 1972 (as amended by the Local Government (Access to Information) (Variation) Order 2006, namely information relating to the financial or business affairs of any particular person (including the authority holding that information) para 3.**

Issue(s) for consideration

The report provided the background and a brief history to the Morison Memorial Home. Hartlepool NDC Trust was currently working in collaboration with the Vela Group to deliver a restoration scheme on the building and convert the property into 8 residential flat units. The Trust anticipated the total cost of the refurbishment scheme would be in the region of £850,000 and had already secured a substantial grant of £351,000 from the Homes and Communities Agency. In addition to this, they have also been awarded an approved grant of £49,000 from the Social Investment Business. The Trust were seeking to fund the balance of the scheme of £450,000 through a secured loan from the Council to be paid back over a repayment term of 40 years. In addition, as part of the proposals, the Trust agreed to transfer its freehold reversionary interest in the Murray Street car park as shown on Appendix B, into the ownership of the Council.

The HCA grant funding would be claimed by the Trust quarterly in advance of expenditure being incurred which reduced the exposure of risk by the Council. The risk and financial implications of the proposal for the Council were outlined in the report.

A Member commented that this proposal was a good news story for the Headland area and suggested that there may be opportunities for apprentices to be part of this development.

In response to a question from a Member in relation to the sustainability of the development, the Director of Regeneration and Neighbourhoods confirmed that the residential units within the proposal could either be 1 or 2 bedroom depending on how the occupants configured the space within the unit. It was noted that there was sufficient demand for 1 and 2 bedroom residences to ensure the sustainability of the development.

Decision

The disposal of Morison Memorial Hall to the NDC Trust was approved 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 5 December 2013.
- (ii) The Chief Finance Officer and Chief Solicitor were authorised to draft the necessary financial and legal documents to action the guarantees referred to in paragraph 5.5 of the report for agreement with the NDS Trust and to note these documents will not be signed until full Council has made a final decision on this proposal.
- (iii) The disposal of the site which was detailed in confidential Appendix C. **This item contained exempt information under Schedule 12A**

Local Government Act 1972 (as amended by the Local Government (Access to Information) (Variation Order 2006 namely information relating to the financial or business affairs of any particular person (including the authority holding that information) para 3.

156. Review of Community Involvement and Engagement (Including LSP Review): Update on Decisions Taken ‘In Principle’ (*Assistant Chief Executive*)

Type of decision

Key Decision – Test (ii) applies – Forward Plan Reference CE46/11.

Purpose of report

To update the Committee on the Strategic Partners Group review and to seek agreement on the future role and membership of the Strategic Partners Group.

Issue(s) for consideration

The report provided the background to the review of the Strategic Partners Group (SPG). A workshop session was held with SPG members during which a number of common themes emerged and these were detailed in the report. The report outlined a number of proposals around the following:

- (i) Whether to retain a SPG;
- (ii) Membership;
- (iii) Remit and Focus;
- (iv) Frequency of Meetings.

During the discussions, Members considered whether in light of decreasing budgets and staffing, a Strategic Partners Group should be retained, especially as there was a lot of cross-over in the current membership with other Partnerships. However, Members were supportive of retaining a SPG with diared meetings that would only be held if they were required, but with at least one meeting being held per year, preferably at the beginning of the year.

Decision

- (i) That the Strategic Partners Group be retained.
- (ii) That the membership be revised as set out in paragraph 4.5 of the report.
- (iii) That meetings should focus on issues that cut across all themes.

- (iv) That four meetings be diaried per year with the first meeting taking place at the beginning of the municipal year and the other three only convened at the request of any single partner organisation to discuss a significant issue impacting on an organisation or the Borough.

The Chief Executive, Director of Child and Adult Services and Director of Regeneration and Neighbourhoods left the meeting prior to the consideration of the next item.

157. Performance Increment Scheme (Chief Executive and Directors) *(Assistant Chief Executive)*

Type of decision

Non key.

Purpose of report

To consider the conclusions of the Appraisal Panel meeting held on 23 October 2013.

Issue(s) for consideration

The report provided the background to the draft Performance Increment Scheme and associated appeals procedure for the Chief Executive and Directors. It was noted that the Appraisal Panel had considered the proposals and noted that the performance of the Chief Executive and Directors was measured through the objectives of the Budget and Policy Framework, the Council Plan and the Annual Governance Statement which were currently reported to the Finance and Policy Committee (and individual Committees where appropriate), Council and the Audit and Governance Committee. The Panel were of the view that the current arrangements for measuring performance were satisfactory and provided a clear basis to assess the performance of the Chief Executive, and for the Chief Executive to assess the performance of Directors without the need for recourse to a separate Performance Increment Scheme and duplication of effort.

In addition, Members considered that the differentiation of the Chief Executive and Directors from all other members of Council staff in the implementation of this scheme was not appropriate.

During the discussions that followed, the Assistant Chief Executive confirmed that this scheme was to implement incremental progression, it was not to introduce a pay award. This proposal would bring the Chief Executive and Directors in line with the arrangements for all other Council staff in relation to the progression of salary increments.

Decision

- (i) The awarding of the performance increment for the Chief Executive was agreed.
- (ii) That further incremental pay awards for the Chief Executive and Directors would be implemented automatically on an annual basis, subject to the Council Plan, Annual Governance Statement and the conclusion of the Budget and Policy Framework being agreed by the Finance and Policy Committee and Council.

The Chief Executive, Director of Child and Adult Services and Director of Regeneration and Neighbourhoods returned to the meeting.

158. Function Catering Service (*Director of Regeneration and Neighbourhoods*)

Type of decision

For information.

Purpose of report

To inform the Committee of developments in relation to the Central Library cafe.

Issue(s) for consideration

The report provided the background and history to the Central Library Café. It was noted that consultations had taken place with staff and Trade Unions in relation to the closure of a number of cafes and the potential of a CIC, however, staff were very clear this was not an option that they wished to pursue. As a result it was noted that the Library Café will close on 21 December 2013 together with the Art Gallery Café in line with the Committee's earlier resolution. It was noted that vending machines and areas for customers to sit and relax will be provided.

Consultation with staff and Trade Unions including the potential for redundancies or redeployment opportunities was ongoing with one application for voluntary redundancy already being received. The union representative commented that work was ongoing to secure 'suitable alternative employment' within the redeployment opportunities that were available.

Decision

The current situation was noted.

159. Employee Sickness Absence 2nd Quarter 2013/14 (Assistant Chief Executive)

Type of decision

For information.

Purpose of report

To update the Committee on the Council's performance, in relation to employee sickness absence, for the second quarter of 2013/14.

Issue(s) for consideration

The report included detailed information on the Council's performance including schools up to the second quarter of 2013/14. The report highlighted that there had been an overall downward trend in sickness absence rates across all Departments compared with the last three years, except for Child and Adult Services and Public Health who have had an unusually high level of long term sickness absence. However, this level was expected to reduce over the remainder of the year.

It was noted that long term sickness absences continued to account for the majority of the Council's sickness absence. The Council had focussed resources to assist managers on the long term cases through regular individual case management and early intervention to support employees return to work as quickly as possible.

Members were pleased to note the information contained in the report and congratulated all staff for their hard work and commitment to reducing sickness absence levels and the Chair indicated that this would be communicated to all employees.

Decision

The employee sickness absence rates for the second quarter of 2013/14 was noted.

160. Quarter 2 – Council Overview of Performance and Risk 2013/14 *(Assistant Chief Executive)*

Type of decision

For information.

Purpose of report

To inform the Committee of the progress made against the 2013/14 Council Plan, for the period ending 30 September 2013.

Issue(s) for consideration

The report provided an overview of the performance and risk as detailed within the Council Plan including 247 actions and 233 performance indicators to deliver and measure improvements across key priority areas (outcomes) identified in the Community Strategy and Council Plan. It was noted that 85% of actions had been completed or assessed as being on target to be achieved on their scheduled completion date along with 64% of performance indicators being on track to achieve their year end target. In addition, 14% of actions and 17% of performance indicators were assessed as having made acceptable progress. The Assistant Chief Executive indicated that performance across all the actions and performance indicators was very positive and this was testament to the hard work and commitment of all employees.

Decision

The current position with regard to performance was noted.

161. Any Other Items which the Chairman Considers are Urgent

None.

162. Date and time of next meeting

It was noted that the next meeting of the Finance and Policy Committee would be held on 19 December 2013 at 9.30am.

The meeting concluded at 10.58

P J DEVLIN

CHIEF SOLICITOR

PUBLICATION DATE: 9 December 2013