

# **FINANCE AND POLICY COMMITTEE**

## **MINUTES AND DECISION RECORD**

**13 MARCH 2023**

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

**Present:**

Councillor Shane Moore (In the Chair)

Councillors: Bob Buchan, Jim Lindridge, Andrew Martin-Wells, Melanie Morley and Mike Young.

Also Present: Councillor Carole Thompson as substitute for Councillor Jonathan Brash in accordance with Council Procedure Rule 4.2.

Officers: Denise McGuckin, Managing Director  
Hayley Martin, Chief Solicitor  
Chris Little, Director of Resources and Development  
Craig Blundred, Director of Public Health  
Jill Harrison, Director of Adult and Community Based Services  
Tony Hanson, Director of Neighbourhoods and Regulatory Services  
Kieran Bostock, Assistant Director, Place Management  
Scott Parkes, Consultancy Manager (Environmental Engineering)  
Steve Hilton, Communications and Marketing Team  
David Cosgrove, Democratic Services Team

### **105. Apologies for Absence**

Councillors Moss Boddy, Jonathan Brash, Tom Cassidy, Brenda Harrison and Sue Little.

### **106. Declarations of Interest**

Councillor Andrew Martin-Wells declared a prejudicial interest in Minute No. 109 and left the meeting during its consideration.

### **107. Minutes of the meeting held on 13 February 2023**

Received.

## **108. Equality, Diversity and Inclusion Policy** *(Managing Director)*

### **Type of decision**

Key Decision (test (ii)) Forward Plan Reference No. CE 89/23.

### **Purpose of report**

The purpose of the report was to provide an Equality, Diversity and Inclusion (EDI) update to Finance and Policy Committee, to present the Council's updated EDI policy for approval, to seek agreement for the development of an action plan and associated arrangements for reporting progress to the Committee and to note the intention to develop a single needs assessment process for EDI.

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

The Managing Director reported that the Council's Equality and Diversity Policy was agreed a number of years ago and it was, therefore, timely to review and update it. An officer working group had been established with representation from across the Council and tasked with reviewing the Policy. The updated policy (submitted as an appendix to the report) was agreed by the Executive Leadership Team (ELT) in February 2023 and was now presented for final approval.

In addition to the nine protected characteristics (age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation) set out in the Equality Act 2010 our policy also states that our approach to EDI will also give consideration to those who are care leavers and the Armed Forces Community (as established in our Armed Forces Covenant). We will also consider inequality related to poverty and disadvantage recognising that this relates to individuals as well as children and families.

Members welcomed the revised policy and the additions of care leavers and the Armed Forces Community to the statutory nine protected characteristics in the Hartlepool policy. Members requested that the annual monitoring report be submitted to future meetings of the Committee.

The decisions set out below were agreed without dissent.

### **Decision**

1. That the updated Equality, Diversity and Inclusion (EDI) Policy as submitted be approved;
2. That the inclusion of the additional areas for consideration alongside the nine protected characteristics be approved;

3. That the development of an EDI action plan and the reporting of progress annually to Finance and Policy Committee be approved;
4. That the intention to develop a single needs assessment process for EDI be noted.

Councillor Andrew Martin-Wells left the meeting.

**109. A19 / Elwick Road / North Lane Junction and Elwick Road / Hartlepool Western Link Project Compulsory Purchase Order (CPO), Side Roads Orders (SROS) and Slip Roads Order (SLRO) (Director of Neighbourhoods and Regulatory Services)**

**Type of decision**

Key Decision – Budget and Policy Framework Reference NRS 01/23

**Purpose of report**

This report provides an update on the A19 / Elwick Road / North Lane Junction and Elwick Road / Hartlepool Western Link Project (the Scheme) and requests approval to the making of the above orders. It also sets out and requests approval for the financial package for the Scheme.

**Issue(s) for consideration**

The Director of Neighbourhoods and Regulatory Services gave a presentation to the meeting setting out the key aspects of the scheme, the Compulsory Purchasing Order proposals and the key timescales and budget for the scheme. Members of Planning Committee were reminded of their responsibilities with regard to predetermination.

In response to Member questions, the Director of Resources and Development stated that costs had increased for the scheme. The report reflected the current forecast with an upper forecast that had additional headroom of 12% which was considered a reasonable risk assessment of current costs. Financially to the Council the upper estimate still made good financial sense with prudential borrowing fully repaid from s106 developer contributions over an anticipated house build out period of 15 years. The Director of Neighbourhoods and Regulatory Services added that specialist independent cost consultants had been engaged during the development of the scheme plan and they were comfortable with the Council's funding package.

The Managing Director wished to record her thanks to the Director of Neighbourhoods and Regulatory Services, the Assistant Director Place Management and the Consultancy Manager for their work in bringing the scheme forward to this stage where plans had now submitted for planning

approval. The Chair echoed the managing Director's comments and looked forward to the commencement of the scheme.

A Member noted some loss of trees and questioned if there was any potential flooding impact from the scheme. The Assistant Director stated that that was an issue for the Planning Committee when considering the application but there would be no impact on Greatham Beck.

The following decisions were agreed unanimously by those present.

## **Decision**

That Finance and Policy Committee requests that Council:

1. Approves the Council entering into an agreement with National Highways pursuant to Section 6 of the Highways Act 1980 ("the Section 6 Agreement") relating to highway works at the A19 / Elwick Road / North Lane junction and the exercise by the Council of all National Highways' powers in respect of the making, publishing and seeking confirmation of the A19 SRO and taking all other related steps necessary to give effect to paragraphs 14.2 and 14.3 below, with delegated authority given to the Director of Neighbourhoods and Regulatory Services ("the Director") in consultation with the Chief Solicitor to reach agreement with National Highways as to the form of such an agreement which shall generally be in accordance with the draft heads of terms attached as an appendix and with delegated authority to the Director in consultation with the Chief Solicitor to agree a commuted sum with National Highways if so required provided that agreement to pay such a commuted sum does not result in any prudential borrowing beyond that already approved by the Council in respect of the Scheme.
2. Approves the Council (both for itself and in exercise of the powers of National Highways delegated pursuant to the Section 6 Agreement) exercising powers under Sections 14, 125, 239, 240, 246, 250 and 260 of the Highways Act 1980, the Acquisition of Land Act 1981 and all other enabling powers to secure the compulsory acquisition of and otherwise deal with all land and rights and interests in and affecting land necessary to construct the Scheme.
3. Without prejudice to the generality of the approval at paragraph 14.1 above, authorises the Chief Solicitor (both for the Council itself and in exercise of the powers of National Highways delegated pursuant to the Section 6 Agreement as relevant) to make:
  - 3.1 The Hartlepool Borough Council (A19 / Elwick Road / North Lane and Elwick Northern Bypass / Hartlepool Western Link) Compulsory Purchase Order 2023 ("the CPO") under sections 239, 240, 246, 249, 250 and 260 of the Highways Act 1980, the Acquisition of Land Act 1981 and all other enabling powers, as

per the details contained in this report and generally in the form set out in an attached appendix to this report to secure the compulsory acquisition of interests in land and new rights shown on the plans attached as an appendix (the CPO and associated plans being subject to any final amendments the Director considers necessary); and

- 3.2 The Hartlepool Borough Council (A19 / Elwick Road / North Lane and Elwick Northern Bypass / Hartlepool Western Link) (Classified Roads) Side Roads Order 2023 ("the SRO") under sections 14 and 125 of the Highways Act 1980 and all other enabling powers, as per the details set out in this report and generally in the forms set out as an appendix (subject to any final amendments the Director considers necessary); and
- 3.3 The Hartlepool Borough Council (A19 / Elwick Road / North Lane and Elwick Northern Bypass / Hartlepool Western Link) Side Roads Order 2023 ("the A19 SRO") under sections 14 and 125 of the Highways Act 1980 and all other enabling powers, as per the details set out in this report and generally in the forms set out as an appendix (subject to any final amendments the Director and National Highways considers necessary);

The CPO and SROs being collectively referred to as "the Orders".

4. Approves the Council entering into an agreement with the Secretary of State for Transport ("SSfT") and / or the Department for Transport ("DfT") to receive authority or delegation of powers to enable the Council to promote a Slip Roads Order or Orders to be made by the SSfT under sections 10 and 41 of the Highways Act 1980 through to confirmation, including preparation and representations at any Public Inquiry and the exercising of those powers if and when authorised or delegated; or whether or not a delegation is obtained pursuant to this paragraph the Council liaising with and assisting the SSfT and / or DfT in respect of publication and promotion of a Slip Roads Order or Orders under Sections 10 and 41 of the Highways Act 1980 in each case for the designation of the new slip roads created as part of the Scheme as trunk roads;
5. In respect of the Slip Roads Order, as necessary:
  - 5.1 Authorises the Director to exercise on behalf of the Council any powers of the Secretary of State under section 10 of the Highways Act 1980 delegated pursuant to an agreement as described in paragraph 14.4 above or otherwise to take such steps as may be necessary to liaise with and assist the Secretary of State as described in paragraph above; or
  - 5.2 In exercise of the powers of SSfT and / or the DfT delegated pursuant to an agreement described in paragraph 14.4 above

authorises the Chief Solicitor to make the Hartlepool Borough Council (A19 / Elwick Road / North Lane and Elwick Northern Bypass / Hartlepool Western Link) Slip Roads Order 2023.

6. Approves in principle the Statement of Reasons ("SoR") for the above mentioned Orders generally in the form of the draft set out in an appendix and authorises the Director to agree the final version of the SoR, and the final form of the Orders including authority to make, if necessary, any amendments to the Orders referred to in the above paragraphs necessary to secure the compulsory acquisition of all interests in land necessary to construct the Scheme.
7. Authorises the Chief Solicitor to seal the Orders and as necessary the Slip Roads Order in their final form.
8. Authorises the Director to take all ancillary and necessary steps, including the publication and service of all statutory notices and presentation of the Council's case at Public Inquiry, to proceed with and secure the confirmation of the Orders and as necessary the Slip Roads Order by the Secretary of State, and making of agreements and undertakings with landowners and other affected parties necessary in order to secure the removal of any objections made to the Orders (where such agreements and undertakings are appropriate), and the vesting of the interests in land and new rights in the Council by way of the making of one or more general vesting declarations under the Compulsory Purchase (Vesting Declarations) Act 1981 or the service of Notices to Treat and Notices of Entry under the Compulsory Purchase Act 1965 and to include authority to request confirmation of the final Orders and as necessary the Slip Roads Order with modifications if, in the light of new information, it appears expedient to ensure the confirmation of the Orders and as necessary the Slip Roads Order.
9. That authority be given to the Chief Solicitor to acquire all third party interests in land and the properties subject to the CPO and as required for the Scheme (whether compulsorily or by agreement).
10. Note the revised Scheme estimate of between £24.497m and £26.094m.
11. Approve a funding strategy for the upper estimated Scheme costs of £26.094m and the funding strategy of application of £8.345m grant funding and £16.429m prudential borrowing repayable from s106 contributions.
12. Note that the annual loan repayments (excluding interest) of using prudential borrowing will be funded from s106 Developer Contributions. Under these arrangements the prudential borrowing of £16.429m will be repaid over a 15 year period.

13. Note that the annual interest cost will be phased over three years commencing in 2024 / 25 until the loan is repaid, this will be funded from Council Tax income generated from approximately 100 housing in 2024 / 25, 100 in 2025 / 26 and 127 in 2026 / 27 (i.e. the Council tax income from a total of 327 houses).

13.1 Agrees the provisional financial package set out in this report; and

13.2 Agree that the Council underwrites all land assembly costs and compensation costs arising from the making and implementation of the Orders in the event that these exceed the anticipated Scheme cost as set out in table 1 (summary of costs and funding) of this report.

Councillor Andrew Martin-Wells returned to the meeting.

## **110. LGA Corporate Peer Challenge – Proposed Action Plan** *(Managing Director)*

### **Type of decision**

Non-key decision.

### **Purpose of report**

To present to members the proposed action plan in response to the recommendations identified through the LGA Corporate Peer Challenge following held in December 2022.

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

The Managing Director reported that as part of the CPC process the Council is required to publish an action plan setting out how it will respond to the recommendations that the Peer Team has made within 6 weeks of publishing the feedback report.

As agreed at Council in January all elected members were invited to share their thoughts on what should be included within the action plan. Those responses had been considered alongside the thoughts of the Senior Management Team (SMT) and the proposed action plan was submitted for members' approval.

Six months after a CPC, the LGA organises a check-in meeting. This is a facilitated session which creates space for the council's senior leadership to explore progress and challenges with the peers, and discuss their next steps. This is due to take place on 30th August 2023.

Some Members indicated that they would wish to reserve any comments on the action plan until Council on 23 March. The Managing Director

commented that any amendments to the action plan may have to come back to this Committee which, with this being the last meeting of the Municipal Year, could mean a significant delay in starting work on the action plan. The Managing Director also reminded Members that the action plan had to be agreed within 8 weeks of the LGA CPC report being published.

### **Decision**

That the proposed action plan produced in response to the recommendations from the Corporate Peer Challenge be noted and referred to full Council for approval.

Councillor Mike Young left the meeting.

## **111. Screen Industries Production Village – Levelling Up Fund** *(Managing Director)*

### **Type of decision**

Non-key Decision.

### **Purpose of report**

The purpose of the report was to update the Finance and Policy Committee on the successful outcome of the Council's bid to the Department of Levelling Up Housing and Communities (DLUHC) 'Levelling Up Fund Round 2' programme and seek approval to accept the £16.45m grant, subject to Subsidy Control regime compliance.

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

The Managing Director reported on the Council's successful bid to the government's £4.8bn 'Levelling Up Fund Round 2' (LUF2) programme, managed by the Department for Levelling Up Housing and Communities (DLUHC) which was designed to invest in 'infrastructure that supports town centre and high street regeneration, local transport projects, and cultural and heritage assets'.

The Screen Industries Production Village project would provide supporting infrastructure within a transformed urban environment, through acquisition and development of flexible spaces for post-production, back-office accommodation and wider support services for the Screen Industries. The intervention would support job creation, productivity growth, enhanced environment and place-making, setting foundations for future market-led intervention in the emerging North-East Screen Industries hub.

The value of the capital grant requested from the LUF2 fund was £16,453,891 with match funding required to deliver the project of £2,114,000, which represents 11% of the overall bid cost with £2m of this being provided by TVCA, allocated in their Quarter 4 Budget Report and

Medium-Term Financial Plan. The remaining £114,000 of match funding is an existing committed allocation to the work in protecting and weatherproofing the Shades building.

The Managing Director highlighted that HBC was obliged to undertake comprehensive Subsidy Control assessment to ensure that in receipt and distribution of public funds, we are fully compliant with the regime and its detailed set of principles, as under the regime awards may be subject to recovery if the declarations were found to be deficient.

The Chair congratulated the officers involved in developing the bid which had been led by the sector to this successful conclusion. This was an extremely exciting development for the town and particularly for the young people that could find jobs in this sector. Members welcomed the news and commended those involved in the successful bid. A Member asked if the issue of childcare for young mothers in further education could be considered around the developments. The Managing Director stated she would refer the comments to the Northern School of Art.

There was no dissent to the following decisions.

### **Decision**

1. That the contents of the report and the successful outcome of a strong submission to the Department of Levelling Up Housing and Communities be noted.
2. That the acceptance of the £16.45m grant be approved, subject to the Council's completion of the Department of Levelling Up Housing and Communities' Subsidy Control due diligence stage.
3. That a progress report on Levelling Up delivery be provided to the Economic Growth and Regeneration Committee at six month intervals.

## **112. Hybrid Working Policy** (*Chief Solicitor*)

### **Type of decision**

Non-Key Decision.

### **Purpose of report**

The purpose of the report was to request Finance and Policy Committee approval for a new Hybrid Working Policy and Procedure.

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

The Chief Solicitor reported that hybrid working had been critical during the Covid19 pandemic and had had long lasting implications for many

workplaces. The Council had continued with hybrid working on a ‘pilot’ basis following consultation and a formal review in September 2022. Hybrid working has become a common practice across many employers and has major advantages to support recruitment and retention especially where there are key skills shortages. The flexibility and home/work balance of hybrid working has also proved a major motivator for many employees.

The hybrid working policy now developed for Members approval, had been subject to full consultation with the Trades Unions. The policy would be key in facilitating the move of staff from other buildings into the Civic Centre and would also have IT consequences moving forward.

Members considered it was appropriate for all staff to come into the office two days a week to allow for face to face contact with managers and colleagues. Working from Home did place additional pressures on managers and it was important that all staff were protected through the application of the policy.

There was no dissent to the following decision.

#### **Decision**

That the Hybrid Policy and Procedure as submitted, be approved.

### **113. Council Plan 2021-2024 – Progress Update** *(Managing Director)*

#### **Type of decision**

For information only.

#### **Purpose of report**

To provide an update to Finance and Policy Committee on the progress made on the delivery of the Council Plan so far this year and to share with the Committee the latest version of the Strategic Risk Register.

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

The Managing Director submitted a detailed report updating members on the progress against the Council Plan and highlighting the areas of concern that may impact on future progress, many of which were national issues across the whole of local government.

The Chair welcomed the report as it provided a regular and clear update on the work of the Council across all departments and service areas. It was also important to highlight the areas of concern and to provide assurance where possible.

Members noted and briefly discussed the issues around both child and adult safeguarding and committed to providing whatever support they could. The Managing Director thanked Members for their comments and reported that concerns had been raised with the Department of Levelling Up, Communities and Housing and the Chair added that Members should pursue any avenue to ‘bang the drum’ for more support for Hartlepool.

### **Decision**

1. That the progress made on the Council Plan 2021-2024 by February 2023 be noted;
2. That the updated Strategic Risk Register as submitted, including the addition of 1 new risk covering ‘market failure and sufficiency of provision (children’s)’, be noted.

## **114. Housing Revenue Account - Revenues and Capital Financial Management Report** (*Director of Resources and Development*)

### **Type of decision**

For information.

### **Purpose of report**

The purpose of this report was to inform Members of:

- i) 2022/23 Forecast HRA Outturn;
- ii) 2022/23 HRA performance; and
- iii) 2022/23 HRA Capital Programme Monitoring.

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

The Director of Resources and Development submitted a detailed report setting out the up-to-date position of the Housing Revenue Account. The Director reported that of the three other Councils in the region that operated a HRA all had increased rents by the government maximum of 7% while Hartlepool’s rise had been 5%.

The management of the HRA would still be a challenge moving forward and additional statistical information was being developed for reporting to Members. In response to a Member question, the Director indicated that the new units coming forward would help with income and also by being new would also reduce maintenance needs. Members noted that the forecast £8000 deficit was mainly down to maintenance expenditure and also noted that all the Hill View properties had been let.

### **Decision**

That the report be noted.

## **115. Any Other Items which the Chairman Considers are Urgent**

The Chair noted that this was the last Finance and Policy Committee for the Director of Resources and Development, Mr Chris Little. The Chair thanked Mr Little for his dedicated service to the Council and for all the advice and support he had provided the Chair. The sentiments were echoed by the Members present. The Director thanked the Chair and Members for their comments and in turn thanked the team that had supported him throughout his time at Hartlepool.

The meeting concluded at 12.00 noon.

**H MARTIN**

**CHIEF SOLICITOR**

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