

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

30 June 2014

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

## **Present:**

Councillor: Christopher Akers-Belcher (In the Chair)

Councillors: Tom Hind, Peter Jackson, Marjorie James, Brenda Loynes,  
Robbie Payne, Carl Richardson and Chris Simmons

Also present: Councillor Jim Ainslie and Paul Beck  
Edwin Jeffries, HJTUC

Officers: Dave Stubbs, Chief Executive  
Andrew Atkin, Assistant Chief Executive  
Peter Devlin, Chief Solicitor  
Chris Little, Chief Finance Officer  
Denise Ogden, Director of Regeneration and Neighbourhoods  
Louise Wallace, Director of Public Health  
Jill Harrison, Assistant Director, Adults  
Damien Wilson, Assistant Director, Regeneration  
Alastair Rae, Public Relations Manager  
Joan Stevens, Scrutiny Manager  
Angela Armstrong, Principal Democratic Services Officer

## **1. Apologies for Absence**

Apologies for absence were received from Councillors Keith Dawkins and David Riddle.

## **2. Declarations of Interest**

There were no declarations made at this point in the meeting, see minute 12.

## **3. Minutes**

- (i) Minutes of the Finance and Policy Committee held on 19 May 2014 – received subject to the addition of Councillor Marjorie James apologies.
- (ii) Minutes of the Safer Hartlepool Partnership held on 21 March 2014 – Received.

#### **4. Medium Term Financial Strategy (MTFS) 2015/16 to 2018/19** *(Corporate Management Team)*

##### **Type of decision**

Budget and Policy Framework

##### **Purpose of report**

- (i) Update Members on the final 2013/14 outturn;
- (ii) Update Members on the Council's financial position and the budget deficits forecast for 2015/16 and 2016/17 and the outlook up to 2018/19;
- (iii) To enable Members to approve the recommended approach to be adopted for managing the budget deficits in 2015/16 and 2016/17; and
- (iv) To enable Members to approve the proposed budget timetable.

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

The Chief Finance Officer provided a detailed and comprehensive presentation and emphasised the continued need for a multi-year financial strategy to manage the impact of continuing grant cuts and one-off financial risk/commitments. The report which followed the process adopted last year and outlined the:

- Final 2013/14 Outturn
- 2015/16 Budget
- 2015/16 Budget Timetable
- 2016/17 to 2018/19 Financial Outlook
- Conclusion and Recommendation

Further detail was provided on the recommended strategy in relation to the final 2013/14 General Fund outturn including options for the uncommitted outturn of £0.495m, the allocation of uncommitted outturn from the implementation of Local Welfare Support along with a suggestion from a Member for the unused Ward Member budget allocation for the Hart Ward.

In relation to the 2015/16 budget position the grant cut is known as the Government issued a two-year Grant Settlement in February 2013 covering 2014/15 and 2015/16. The initial savings options identified by the Corporate Management Team which amounted to £5.536m would be considered through the individual Policy Committees in July and August with the budget decisions being finalised before Christmas 2014. Council Tax decisions would then be taken late January/early February.

The Chief Finance Officer highlighted that significant cuts had been made over the previous 4 years therefore making the budget decisions for

2015/16 extremely challenging. It was noted that further detail on Council Tax; Pay Costs; Initial 2014/15 Outturn and Reserves Review; Ward Member Budgets and Council Capital Fund would be included in future reports to the Committee.

During the discussions that followed it was suggested that the underspend identified from within the Local Welfare Support budget should be earmarked as a Family Poverty reserve to support the most needy in the community and consideration on the use of this one-off funding should be considered as part of the development of the 2015/16 Local Council Tax Support scheme. The Chief Finance Officer indicated that this proposal would concur with the sustainability of the budget strategy reported in February 2014 as this funding was not anticipated. It was also confirmed that this funding would be considered as part of the development of the 2015/16 Local Council Tax Support Scheme.

One of the Hart Ward Councillors was in attendance and requested that consideration be given to utilising the unallocated Hart Ward Member budget from 2012/13 and 2013/14 towards the funding of Environmental Apprenticeships. The Director of Regeneration and Neighbourhoods to explore this option with the Ward Members involved.

It was noted that Officers were exploring the feasibility of utilising monies generated from the implementation of Section 106 agreements to fund Ward Member budgets with a view to submitting a more detailed report to Members in the future. A Member suggested that further discussions should be undertaken to explore the options to generate income and identify where entrepreneurial opportunities may exist for the Council.

In response to a query raised by a Member, the Chief Finance Officer confirmed that there was an initial provision within the outturn to cover the identified risk of £750k for Business Rates appeals adding that this would need to be managed as a risk for a substantial period into the future due to a number of more complex appeals yet to be considered.

In relation to Option two within paragraph 4.8, the Chief Finance Officer clarified that all the schemes were either predicated on approximately half funding from monies already received from previous successful grant applications and half from the prudential borrowing repaid from rental income, which gave the necessary financial protection for the Council.

A discussion ensued on the timescales for agreeing the Council Tax and the input required from the Cleveland Fire Authority and Police and Crime Commissioner and the Chief Finance Officer confirmed that there were statutory timescales involved and it was inevitable that two meetings of Council were required in order to set the final Council Tax.

## Decision

That the following recommendations be considered by Council for approval on 3 July 2014:

### General Fund 2013/14 Final Outturn

- (1) The final outturn position detailed in Appendix A, including the additional risk reserves and the uncommitted final 2013/14 General Fund outturn of £0.495m was noted.
- (2) The proposals to use the uncommitted outturn to implement Option 2 – which allocated the housing income received from Housing Hartlepool of £0.215m to purchase additional houses for rent and the residual balance of £0.280m to partly support the additional one-off 2015/16 budget deficit arising from clarification of the Better Care funding regime was approved.
- (3) On the basis of recommendation (2), the purchase of 5 houses as an addition to capital programme to be funded through a combination of the Housing income and Prudential Borrowing (which will be fully funded from rental income) was approved as detailed in **Confidential Appendix B. This item contains exempt information under Schedule 12A Local Government Act 1972 (as amended by the Local Government (Access to Information) (Variation) Order 2006) namely, (paragraph 3) information relating to the financial or business affairs of any particular person (including the authority holding that information.**
- (4) It was noted that recommendation (3) will require a one-off contribution of £0.220m from a combination of the 2014/15 outturn and review of reserves to fully address the additional budget shortfall in 2015/16, which it was anticipated can be achieved. It was also noted that as a fall back the costs of the free junior swims initiative in summer 2014 may need to be funded from the 2014/15 outturn, but only in the event that the Domes proceeds were not received.

### Local Welfare Support 2013/14 Final Outturn

- (5) The proposal to allocate the uncommitted final 2013/14 Local Welfare Support outturn of £0.226m as a Family Poverty reserve was approved. It was noted that the Finance and Policy Committee will consider use of these monies as part of the development of the 2015/16 Local Council Tax Support Scheme, which will be referred to a future Council meeting for a decision. The Chief Finance Officer advised the Finance and Policy Committee that this proposal did not impact on the budget position for 2014/15 to

2016/17 and means that the Council will, as reported within the February 2014 MTFS report, need to address the removal of Local Welfare Support funding as part of the 2017/18 budget.

### **Ward Member Budgets 2013/14 Outturn**

- (6) The proposal to allocate the unused Ward Member budgets for the Hart Ward of £10,500 and the Seaton Ward of £8,300 for use by the current Ward Members for these areas to support projects which meet the existing criteria for using Ward Member budgets was approved. It was noted that the proposals from Councillor Beck and Robinson for their element of the Hart Ward Members budget would be allocated towards Environmental Apprenticeships subject to further discussions with the Director of Regeneration and Neighbourhoods.

### **Deprivation of Liberty Safeguards – Implications of the Supreme Court Judgement**

- (7) It was noted that an initial review of Child and Adult Services Reserves had been completed and identified resources to fund the estimated costs in 2014/15, of up to £0.448m, arising from changes to the Deprivation of Liberty Safeguards arising from a recent Supreme Court judgement and the allocation of the following amounts to fund these costs was approved:
- Demographic Pressures in Adult Social Care Reserve – £0.331m
  - Supporting Social Care Reserves £0.117m
- (8) It was noted that it was hoped the actual 2014/15 costs will be lower, which will enable the unused reserves to be carried forward to partly mitigated the ongoing costs in 2015/16, currently estimated to be £0.269m.

### **Budget Timetable 2015/16**

- (9) The budget timetable detailed in Appendix C was approved and authority was delegated to the Chief Solicitor to make consequential changes to the Council's Constitution.

## **5. Housing Services New Opportunities and Structure** (Director of Regeneration and Neighbourhoods)

### **Type of decision**

Key Decision – Test (i) and (ii) applies – Forward Plan Reference RN 20/14.

## Purpose of report

To present the Committee the Business Case for setting up a Social Lettings Agency; a new service to be offered by the Housing Services Team.

## Issue(s) for consideration

The report provided Members with a further detailed business case around the proposal to set up a Social Lettings Agency. Attached by way of confidential appendix was a table that identified the potential income levels and the governance arrangements for the proposed charging structure.

**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.** The risk and financial implications of the proposal were detailed in the report along with the relevant staffing considerations.

A Member referred to the membership of the Housing Management Board for the Social Lettings Agency as identified in the report. It was suggested that in addition to the Chair of the Regeneration Services Committee, the Leader of the Council also be included within the membership of the Board, with the option to appoint substitute Members as and when necessary.

In response to a question from a Member, the Assistant Director, Regeneration confirmed that the proposal aimed to utilise existing resources and officers who were already employed within the Housing Services Team. However, should the Social Lettings Agency expand to the point where additional staffing requirements were needed, this would be met from within the scope of the additional income to be received.

## Decision

- (1) That the proposal to set up a Social Lettings Agency in Hartlepool be approved.
- (2) That the proposed management fee as outlined within the confidential appendix be approved.
- (3) That the Management Board include the option to appoint substitute Members as and when necessary and consist of:
  - Leader of the Council;
  - Chair of Regeneration Services Committee;
  - Assistant Director, Regeneration;
  - Head of Housing Services;
  - Principal Housing Officer;
  - Principal Housing and Regeneration Officer.

- (4) That the Board have delegated powers to make decisions on adjustments to fees and service standards.
- (5) It was noted that the income generated, as outlined in the report, form part of the 2015/16 savings proposals.

## **6. Healthy Trainer Service** *(Director of Public Health)*

### **Type of decision**

Key Decision – Test (i) and (ii) applies – Forward Plan Reference PH04/14.

### **Purpose of report**

To seek approval to secure a Healthy Weight Service for Hartlepool, funded through the ring fenced Public Health Grant to commence 1 April 2015.

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

The report provided the background to the creation of a Healthy Weight Service which had operated as the NHS Healthy Trainer Team for a number of years providing free weight management support for adults in Hartlepool either on a one-to-one basis or in groups. Clients were typically offered 12 sessions including support from Health Trainers. It was noted that a healthy weight review was currently underway in partnership with Stockton which would be used to develop a comprehensive service specification for a new healthy weight service for Hartlepool.

In response to a question from a Member, the Director of Public Health confirmed that the procurement process would be undertaken in-house at no additional cost. A Member commented on the need to get the message of healthy lifestyle within local schools and the Director of Public Health commented that this proposal was focussed on a specific group of people but did form part of the Council's larger strategy to develop pathways to healthy weight and healthy lives across the Town.

### **Decision**

- (1) The report was noted.
- (2) The development of a new service specification during 2014/15 was approved and would take into account consideration the local needs and views from the consultation and service review process.
- (3) It was agreed to secure a provider for a healthy weight service, funded by the ring fenced public health grant in 2015/16.

## **7. Partnership with Durham County Council for the Position of the Road Safety Team Leader** *(Director of Regeneration and Neighbourhoods)*

### **Type of decision**

Non key.

### **Purpose of report**

To seek approval for a secondment arrangement between Hartlepool Borough Council and Durham County Council for the services of the Council's Road Safety Team Leader.

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

The report provided the background and experience of other local authorities within the United Kingdom achieving efficiencies through collaborative working. Members were informed that Durham County Council's Road Safety Team Leader had resigned from his post and discussions had been undertaken between Hartlepool BC and Durham CC on the merits of sharing Hartlepool's Road Safety Team Leader on a 50:50 basis.

A secondment agreement between the two local authorities had been drafted and provided that the Council's Road Safety Team Leader....."shall on the terms of this Agreement spend 50% of his work time working for Durham County Council (DCC) but shall for all other purposes remain an employee of Hartlepool Borough Council on the terms of this Agreement".

A Member sought clarification on the knock on consequences of any backfilling arrangements that may be required. The Director of Regeneration and Neighbourhoods confirmed that one of the aims of the arrangement was to mitigate against future redundancies and generate income for the Council. However, at the request of Members, the arrangement, including how it affected the Hartlepool Team, would be monitored in the first year of operation and reported back to Members.

### **Decision**

- (1) The implementation of the Secondment Agreement for Hartlepool Borough Council's Road Safety Team Leader with Durham County Council was approved.
- (2) That the arrangement including how it affected the Hartlepool Road Safety Team would be monitored during the first year of operation of



the agreement and reported back to Members.

**8. North East Procurement Organisation Transformation – Introduction of New Arrangements for the Leadership and Governance of Service and Regional Collaborative Procurement** (*Chief Executive and Chief Solicitor*)

**Type of decision**

Non key.

**Purpose of report**

To consider and agree revised governance arrangements for the leadership and management of the North East Procurement Organisation (NEPO) service and regional collaborative procurement and to note the implications for the Council.

**Issue(s) for consideration**

The report provided the background to the NEPO service which organised collaborative contracts for the purchase of goods and services for the 12 North East local authorities. A review of the arrangement was undertaken during 2013 which resulted in new and revised functions and objectives for the NEPO service being approved at the Executive Sub-Committee of NEPO.

The new arrangements included the disestablishment of the NEPO Joint Committee with a new governance and delivery arrangement for the collaborative procurement to be created under Association of North East Councils Limited (ANEC) involving the Leaders and Elected Mayors from the 12 local authorities. The responsibilities of this of this Group were outlined in the report.

In addition to the above, the 12 local authorities were required to appoint one Member to the Collaborative Procurement Sub-Committee which would come from within the Finance and Policy Committee as the Committee with procurement within its range of responsibilities. A nomination was approved by Council on 10 June 2014 to represent the Council on the proposed Collaborative Procurement Sub-Committee and the responsibilities of this Sub-Committee were outlined in the report. The staffing and support services for the new arrangements were included within the report.

Members were supportive of the new arrangements which would be of

benefit to Hartlepool.

### **Decision**

- (1) The revised governance structure and staffing arrangements as outlined within the report for the administration of the NEPO service and collaborative procurement on behalf of the 12 North East local authorities was approved subject to ANEC's formal agreement.
- (2) The appointment in line with Part 7 of the Council's Constitution and the decision of Council on 10 June 2014 for the representation on the Collaborative Procurement Sub-Committee of ANEC was approved.
- (3) That the Chief Solicitor was authorised, following consultation with the Chief Executive and Leader of the Council to approve such other changes to the agreements envisaged by this report as he may determine.

## **9. Employee Sickness Absence Annual Report 2013/14** (Assistant Chief Executive)

### **Type of decision**

Non key.

### **Purpose of report**

To update the Committee on the Council's performance in 2013/14 in relation to employee sickness absence and seek approval for the sickness absence targets and key focus areas for 2013/14.

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

The reported included the sickness absence performance information for 2013/14 and highlighted that the end of year figure, although not meeting the target, still showed an improved figure of 7.89 days per wte per employee per annum. A number of areas of performance for sickness absence were included in the report including a separation of sickness absence within schools to ensure clarity as more schools move to academy status. The Assistant Chief Executive highlighted that the figures showed a continued improvement and in light of all the ongoing changes was a testament to the commitment of employees which was recognised by the Corporate Management Team.

The Chair commented that targets were set as something to strive for and reiterated that Council employees were the cornerstone of the Council's success. Members acknowledged that in the light of continuing efficiencies and cuts, employees were facing increasing pressures and should be

congratulated on the continuation of delivering services. It was recognised that the sickness absence figures were continually improving but that this needed to be monitored closely and reported to Members as employees were facing increasing work pressures.

### **Decision**

- (1) The information in relation to employee absence in 2013/14 was noted.
- (2) The sickness absence targets and key focus areas noted in the report were approved.

## **10. Public Health Clinical Governance (Clinical Governance, Patient Group Directions, Serious incidents and Substance Misuse Related Death Policies)** *(Director of Public Health)*

### **Type of decision**

Non key.

### **Purpose of report**

To seek approval for the introduction of the attached suite of Public Health Clinical Governance policies.

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

The report provided the background to the introduction of the Clinical Governance policies including:

- Clinical Governance
- Patient Group Directives (PGDs)
- Serious Incidents
- Confidential Inquiries into Substance Misuse Related Deaths

The proposal was to introduce a suite of Clinical Governance Policies developed in collaboration with the Tees Valley Clinical Quality Advisory Forum (TVCQAF) and Tees Valley Public Health Shared Service (TVPHSS) for use by Public Health within Hartlepool Borough Council.

## **Decision**

The implementation of the suite of Clinical Governance Policies noted below which were developed in collaboration with TVPHSS and TVCQAF for use by Public Health within the Local Authority were approved:

- Public Health Clinical Governance Policy
- Public Health Patient Group Directions
- Public Health Confidential Inquiries into Substance Misuse Related Deaths
- Public Health Serious Incident Policy

## **11. The NHS Bodies and Local Authorities (Partnership Arrangements, Care Trusts, Public Health and Local Healthwatch) Regulations 2012 – Part 5 – Complaints about Public Health Functions of Local Authorities** *(Director of Public Health)*

### **Type of decision**

Non key.

### **Purpose of report**

To seek approval for the introduction of the attached Public Health Complaints, Compliments and Comments Procedure (the Procedure) as a requirement of the Local Authority under the NHS Bodies and Local Authorities (Partnership Arrangements, Care Trusts, Public Health and Local Healthwatch) Regulations 2012 (“the Complaint Regulations”).

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

The report set out the Council’s duties in respect of public health complaints and the requirements of the Complaints Regulations. It was proposed to introduce a Public Health Complaints, Compliments and Comments procedure which takes into consideration the specific requirements of the Complaints Regulations and sensitivity and often complex nature of Public Health Services which were not covered within the existing Corporate Complaints Procedure.

## **Decision**

- (1) The implementation of the Public Health Complaints, Compliments and Comments Procedure which will ensure the Council was compliant with the Complaints Regulations was approved.
- (2) That a process for public health complaints be put in place which was aligned to the Corporate Complaints, Compliments and Comments Procedure October 2013.

**Councillors Christopher Akers-Belcher and Robbie Payne declared personal interests in the following item.**

## **12. Local Government Pension Scheme Discretionary and Other Employer Discretions Policy** *(Assistant Chief Executive)*

### **Type of decision**

Non key.

### **Purpose of report**

To request approval for the revised LGPS Discretionary and Other Employer Discretions Policy to meet the Council's statutory obligations following the changes to the LGPS implemented on 1 April 2014.

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

The report provided the background to the introduction of the Local Government Pension Scheme (LGPS) which was based on Career Average Revalued Earnings (CARE) rather than a Final Salary Scheme. The new scheme implemented a number of changes and these were detailed in the report. It was proposed that any element of an employee's salary that was protected would not be included within the calculations for pension benefits. It was reported that this would mean cost savings for the Council in relation to employer pension costs along with employee savings through reduced contributions, with minimal impact to their pension benefits on retirement.

In relation to the Council's Pay Policy, the Secretary of State recommended that all employee redundancy or retirement packages over a total cost of £100,000 be submitted to Members for approval. However, it was suggested that the Council's long standing policy should continue where Members approval was sought should the payback period of 3.05 years not be achieved.

A Member sought clarification on the 'protected' element of employees salaries where changes to their role had taken place. The Assistant Chief Executive confirmed that there were a number of employees within the protection arrangements due to recent restructures within the Council but that the new arrangements would only affect employees whose protection arrangements commenced after 1 October 2014.

### **Decision**

- (1) The revised LGPS Discretionary and Other Employer Discretions Policy was approved.
- (2) It was approved that employee protected pay be non-pensionable thereby exercising the exclusion provided by the pension regulators to be implemented via amendment to the Council's Single Status Agreement on 1 October 2014.
- (3) That the current arrangements where a Member decision was required on retirement or redundancy packages over a 3.05 year pay back be retained.

## **13. Northgate Community Fund** *(Assistant Chief Executive)*

### **Type of decision**

Non key.

### **Purpose of report**

To request the Committee to agree the final make up of the Northgate Community Fund Forum.

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

At the meeting of the Finance and Policy Committee held on 28 March 2014, Members agreed the make-up of the Northgate Community Fund Forum as follows:

- Leader of the Council plus two other elected Members;
- Assistant Chief Executive
- Northgate (Director of Business Services, Director and Programme Director)

The Committee were asked to consider and nominate the two other elected Members to the membership of the Forum.

The Members nominated to the membership of the Forum were Councillors Kevin Cranney and Gerard Hall.

### **Decision**

The two other elected Members appointed to the Northgate Community Fund Forum were Councillors Kevin Cranney and Gerard Hall.

## **14. Quarter 4 – Council Overview of Performance and Risk 2013/14** *(Assistant Chief Executive)*

### **Type of decision**

Non key.

### **Purpose of report**

To inform the Committee of the progress made against the 2013/14 Council Plan, for the period ending 31 March 2014.

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

The report provided the background to the agreement of the current Council Plan as well as an overview of performance and risk which included 243 actions and 217 performance indicators. It was noted that 228 (94%) of all actions had already been completed or assessed as being on target to be achieved by their scheduled completion date. In addition, 54 performance indicators (69%) had been assessed as being on track to achieve their year end target. There were 8 actions (3.29%) identified as not completed with 13 performance indicators (16.7%) identified as target not achieved. Further detailed updates were on a Departmental basis.

### **Decision**

That the current position with regard to performance was noted.

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

The Chairman ruled that the following items of business should be considered by the Committee as a matter of urgency in accordance with the provisions of Section 100(B) (4)(b) of the Local Government Act 1972 in order that the matter could be dealt with without delay.

## **16. Any Other Business - Finance and Policy Committee Meetings Schedule for 2014/15**

A schedule of meetings of the Finance and Policy Committee along with associated pre-agenda meetings as printed in the Municipal Diary 2014/15 recently distributed to Members, was circulated to the Committee for information.

The meeting concluded at 10.39 am

**P J DEVLIN**

**CHIEF SOLICITOR**

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