

FINANCE AND POLICY COMMITTEE MINUTES AND DECISION RECORD

21 July 2014

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

Present:

Councillor: Christopher Akers-Belcher (In the Chair)

Councillors: Keith Dawkins, Tom Hind, Marjorie James, Brenda Loynes, and
Chris Simmons

In accordance with Council Procedure Rule 5.2 (ii), Councillor Kevin Cranney
was in attendance as substitute for Councillor Robbie Payne

Officers: Dave Stubs, 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
Damien Wilson, Assistant Director, Regeneration
Alastair Rae, Public Relations Manager
Joan Stevens, Scrutiny Manager
Kieran Bostock, Senior Engineer
Angela Armstrong, Principal Democratic Services Officer

17. Apologies for Absence

Apologies for absence were received from Councillors Peter Jackson,
Robbie Payne, Carl Richardson and David Riddle.

18. Declarations of Interest

Councillors Kevin Cranney declared a personal interest in minute 23,
Councillor Marjorie James declared a personal interest in minute 24 and
Councillor Chris Simmons declared a personal interest in minutes 21 and
23.

19. Minutes of the meeting held on 30 June 2014

Received.

20. **Disposal of Surplus Assets – Throston Grange Community Centre** *(Director of Regeneration and Neighbourhoods)*

Type of decision

Non key.

Purpose of report

To consider the future of Throston Grange Community Centre and the proposal by the current occupiers (Hartlepool Stage Society) to acquire the Council's freehold interest in the building.

Issue(s) for consideration

The report provided the background to the current rental arrangements for Throston Grange Community Centre to the Hartlepool Stage Society (HSS) which included an 'option to purchase' clause. Members were informed that a proposal had been received from HSS to acquire the freehold at a reduced value in exchange for allowing community groups to use the building during the day at nil cost for a period of 5 years. A purchase proposal together with supporting Business Plan were attached at confidential **Appendix D. (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 report highlighted that demand existed for community access to provide health and employment training and advice during the day.

A Member sought clarification on what free day time use would actually mean. There were two representatives from HSS in attendance and the Chair asked them to provide the clarification. One of the representatives confirmed that use of the facility to community groups would be available until 6.00pm with no financial contribution required. A Member suggested that any of the income received from the proposal should be utilised to secure community spaces in other areas of the town.

Members were supportive of option four along with further consideration to be given to utilise any income received as a result of the proposals, to secure and support other community spaces within the town. The Chair suggested that as the Regeneration Services Committee would be considering the Regeneration and Neighbourhoods Savings Programme 2015/16 on 24 July 2014, this issue should be considered as part of those discussions.

Decision

- (i) The disposal of the subject property to the HSS in accordance with the terms/value set out in confidential Appendix D as noted above were approved.
- (ii) That the future use of any income generated from the above proposal be referred to the Regeneration Services Committee on 24 July 2014 for consideration as part of the Regeneration and Neighbourhoods Department Savings Programme for 2015/16.

21. Local Council Tax Support 2015/16 *(Chief Finance Officer)*

Type of decision

Budget and Policy Framework.

Purpose of report

- (i) Provide information on the operation of the current 2014/15 Local Council Tax Support (LCTS) scheme;
- (ii) Set out potential options for the Council's 2015/16 scheme and later financial years;
- (iii) Enable Members to determine consultation arrangements for the 2015/16 scheme.

Issue(s) for consideration

The report provided the background on the introduction of Local Council Tax Support Schemes (LCTS) and how these schemes operated. The Chief Finance Officer presented a detailed and comprehensive report which provided an update on the 2014/15 LCTS Scheme as well as the financial modelling for the proposed LCTS scheme for 2015/16. The report highlighted the support the Council had provided to low income households affected by this change in 2013/14 and 2014/15, compared to the impact of implementing 20% cuts in these years. For 2015/16 the following three options were provided for Members' consideration:

Option 1 – Increase LCTS cut to 16% in 2015/16;

Option 2 – Implement a LCTS cut at 20% in 2015/16;

Option 3 – Implement a LCTS cut at 12% in 2015/16 (ie the same level as 2014/15).

The report summarised the financial forecasts of the three options for the period 2014/15 to 2018/19 and a number of key issues were highlighted. The LCTS was centred on a number of core principles in common with many other Councils and these were outlined in the report. Members were

informed that the Corporate Management Team recommended that the 16% option be implemented as it provided a balance between phasing reductions in LCTS support and reduced the risk of non collection of Council Tax in 2015/16. The Chief Finance Officer however indicated that all options identified were financially viable for 2015/16. It was also highlighted that a 20% reduction was anticipated to be required for 2016/17 with further significant reduction in support in future years.

The Chair questioned what the impact would be on households on extending the 12% level of LCTS support. The Chief Finance Officer confirmed that this option would provide additional support to low income households of up to £90 for Band A properties and £105 for Band B in 2015/16. A Member suggested that it would be useful if future reports included the differentiation in numbers between working households in receipt of benefit as opposed to unemployed households in receipt of benefit. The Chief Finance Officer confirmed that the inclusion of this additional information would be explored further.

Councillor Tom Hind joined the meeting at this point.

A Member sought clarification on the number of instances where outstanding council tax was deducted from welfare benefits. The Chief Finance Officer confirmed that around 70% of all council tax received was through a court liability order and deducted from welfare benefits. Members had significant concerns about people being driven into debt and the level of support available to assist people to manage budgets was questioned. The Chief Finance Officer confirmed that there were a number of other agencies, including voluntary groups who provided financial advice and support across the Town. It was highlighted that other agencies/utilities were also applying for deductions from welfare benefits to contribute to unpaid debts and it was suggested that further assistance and guidance should be available to people in this situation as non payment of council tax may result in a prison sentence. The importance of guidance and education on managing budgets was reiterated and the provision of this service would be considered as part of future budget considerations.

The Chair commented that limiting the LCTS support to 12% for a further year will provide more money for local communities and will be funded from the underspend on local welfare support from last year. In addition, this option does not necessitate consultation and would therefore save the Council the cost of this.

Members were supportive of maintaining a 12% LCTS support but were concerned it would build up debt for future years. However, the need for further education and support to enable people to manage their budgets more effectively was reiterated. It was suggested that a raising awareness campaign could be undertaken through the Community and Engagement Strategy. The Public Relations Manager confirmed that all publicity around the LCTS Support Scheme included information on the provision of money advice and guidance with people being directed to the West View Advice

and Resource Centre.

Decision

- (i) Option 3 – a 12% LCTS cut (ie no change from the 2014/15 LCTS Scheme was approved and adopted.
- (ii) As a result of recommendation (i), no consultation was required to be undertaken at this time.
- (iii) The application of LCTS Reserves as detailed in Section 5.8 to support the LCTS scheme, including the use of the Family Poverty Reserve of £0.226m (created from the 2013/14 final Local Welfare Support outturn) was approved.
- (iv) The continuation in 2015/16 of the principles A to E as set out in the report was approved.
- (v) It was noted that in accordance with national regulations, approximately £5,000 of the 2015/16 grant settlement would be passported to Parish Councils.
- (vi) It was noted that it was currently anticipated that a LCTS cut for 2016/17 of 20% would be required with further significant increases forecast for 2017/18 and 2018/19.

22. Savings Programme 2015/16 – Chief Executive's Department (*Chief Executive*)

Type of decision

Budget and Policy Framework.

Purpose of report

To enable Members to consider the initial 2015/16 savings proposals relating to the Committee remit. Comments made would be incorporated with those received from each of the Policy Committees in relation to their remits.

Issue(s) for consideration

The report provided the background to the budget process agreed for 2015/16. The savings target for the Chief Executive's Savings Programme for 2015/16 was originally established at £395k. However, the savings programme proposed totalled £515k which exceeded the initial target and reflected the overall approach adopted by the Corporate Management Team to protect front line services.

Further detail on the Divisional proposals within the Chief Executive's Department were included in the report and included the removal of vacant

posts, changes to operations and management arrangements, increasing income and staffing savings. There were a number of risks and financial considerations as a result of the proposals and these were outlined in the report.

A Member referred to an earlier request to include more detail on which posts were likely to be affected through by the proposed savings programme. It was noted that a functional 'family-tree' of each Division will be provided when the final proposals were submitted to Committee for consideration in October 2014.

Concerns were expressed by a Member on the additional stress and pressure the proposed savings would place on the remaining employees of the Council. The Assistant Chief Executive acknowledged that supporting employees in relation to their overall wellbeing was an important consideration of any savings proposals. However, it was recognised that there was an increasing shift from reorganising how work was undertaken to making difficult decisions on combining or scaling back functions and in potentially ceasing to undertake some functions.

Decision

- (i) The report was noted.
- (ii) Members comments noted above to be used to formulate a response to be presented to the Finance and Policy Committee on 13 October 2014.

23. Savings Programme 2015/16 – Regeneration and Neighbourhoods Department *(Director of Regeneration and Neighbourhoods)*

Type of decision

Budget and Policy Framework

Purpose of report

To identify proposals for the delivery of savings in respect of the Department for Regeneration and Neighbourhoods relevant to this Committee for consideration as part of the 2015/16 budget process.

Issue(s) for consideration

The report provided the background to the budget process agreed for 2015/16. The savings target for the Regeneration and Neighbourhoods Department Savings Programme for 2015/16 was originally established at

£2.250m. However, the savings programme proposed totalled £2.420m which exceeded the initial target and reflected the overall approach adopted by the Corporate Management Team to protect front line services.

Further detail on the savings proposals within the Regeneration and Neighbourhoods Department were included in the report. An options analysis had been undertaken and there were a number of risks and financial considerations to be taken into account as part of the proposals and these were outlined in the report.

The Chair suggested that in view of Members' comments regarding the cut in LCTS support earlier on the agenda, options be explored to maintain the provision of universal welfare benefits advice through Category 1 of the Community Pool. The Director of Regeneration and Neighbourhoods indicated that further information on this would be included in the report to be submitted for consideration in October 2014. A Member expressed concerns at the reduction in the Community Pool funding and requested further information on the level of support provided to community groups and organisations during the previous year. The Director of Regeneration and Neighbourhoods informed Members that further consideration of the reconfiguration of services within the Department will be considered at the Neighbourhood Services Committee on 19 August 2014 and Members' comments will be fed into that meeting.

Decision

- (i) The report was noted.
- (ii) Members' comments noted above to be used to formulate a response to be presented to the Finance and Policy Committee on 13 October 2014.

24. Headland Walls and Block Sands Coastal Protection Works *(Director of Regeneration and Neighbourhoods and Chief Finance Officer)*

Type of decision

Key Decision – Test

Purpose of report

To seek approval for a financial contribution towards the scheme to upgrade key coastal structures on the Headland Walls and Block Sands. The report set out the financial considerations relating to the scheme, however, a more detailed report was presented to the Neighbourhood Services Committee on 12 May 2014 and a copy of this report was attached at Appendix 1.

Issue(s) for consideration

The report provided a detailed background on the current condition of the Headland Walls and Block Sands frontages. In October 2013, the Council commenced the production of a Project Appraisal Report (PAR) which produced a business case to be submitted to the Environment Agency to apply for grant funding to upgrade key coastal structures around the Heugh Gun Battery and Block Sands. The total cost of the preferred scheme was estimated to be £9.645m and will be partly funded through the Environment Agency in a grant of £7.120m which is currently being secured. As part of the 'Partnership Funding' regime in place, the Council, PD Ports and Northumbrian Water had been identified as potential contributors to the scheme.

To date the total funding required for the project had been secured. However, Northumbrian Water was yet to confirm its contribution. Any funding received from NWL would reduce the amount required as match funding from the Council. The funding required from the Council would be funded through prudential borrowing and would incur an annual borrowing cost of a maximum £62,000 with the cost of the loan being funded from the Coastal Protection annual maintenance budget on the basis that future maintenance should substantially reduce once the scheme was complete.

In response to a question from a Member, the Senior Engineer confirmed that PD Ports owned the Heugh Breakwater and were responsible for maintaining the structure. The Director of Regeneration and Neighbourhoods confirmed that the maintenance of the main coastal structures was a shared responsibility in places however the Heugh Breakwater was 100% PD Ports.

A Member commented on the use of the Local Levy which was contributed to by 12 north east local authorities and the need to maintain Hartlepool's contribution to this Levy in the future.

Members were supportive of the proposals and the Chair highlighted the need to ensure that the Council's maximum contribution would be £1,800,000 with this amount being reduced by the contribution received from NWL.

Decision

- (i) The funding proposals for the scheme as outlined in the report were noted.
- (ii) A contribution of £1,800,000 was approved to the scheme, with £500,000 of this funding already approved and held in reserve. However, this contribution to be reduced in line with the contribution received from Northumbria Water.

- (iii) The proposal to prudentially borrow £1,300,000 was approved which represents the maximum amount of match funding still required from the Council and the annual loan repayment cost of £62,000 to be funded from the annual Coastal Protection Maintenance budget.
- (iv) The financial risks associated with the project as outlined in the report were noted.

25. Empty Property Purchasing Homes Scheme Phase 2 (Director of Regeneration and Neighbourhoods)

Type of decision

Key Decision – Test

Purpose of report

To seek approval to the proposed Empty Property Purchasing Scheme Phase 2 and to propose changes to the capital programme and Prudential Borrowing Limits for approval by Council.

Issue(s) for consideration

The report provided the background to the development of the Empty Property Purchasing Scheme Phase 1 which involved the acquisition and refurbishment of long term empty private sector properties by agreement. An overview of Phase 1 and the business case and risk considerations for Phase 2 were included in the report. It was highlighted that a funding bid had been submitted to the Homes and Communities Agency (HCA) for £688,000 to deliver phase 2 of the scheme and the outcome of that bid would be announced in July 2014.

The business case consisted of the following two elements:

- a) Locally funded scheme – to prudentially borrow £2,846,000 supported from the rental income from properties acquired in Phase 1 which will fund 44 properties.
- b) Additional properties – depending on the receipt of £688,000 funding as noted above to be used as match funding to support a further borrowing of £826,000 resulting in 23 additional properties.

A financial overview and the risk assessment undertaken were included in the report.

In response to a request for clarification from a Member, the Chief Finance Officer confirmed that the annual £80k New Homes Bonus over six years referred to in the report related to the new scheme.

Decision

- (i) The business case for the Phase 2 expansion of the Empty Property Purchasing Scheme was approved.
- (ii) Council approval be sought for prudential borrowing of £2,846,000 supported by rent income for a Locally Funded Scheme of 44 properties, supported by rental income.
- (iii) Council approval be sought to fund an additional 23 properties, dependent on a successful HCA funding bid, consisting of HCA funding of £688,000 and additional prudential borrowing of £826,000 supported from rental income.

26. Disposal of Surplus Assets – Land at Eskdale Road

(Director of Regeneration and Neighbourhoods)

Type of decision

Key Decision – Test

Purpose of report

To consider proposals for the sale of land at Eskdale Road at less than best consideration.

Issue(s) for consideration

The report provided the background to an approach made by North Star Housing Group and Gus Robinson Developments Ltd with a view to purchasing land at Eskdale Road for the construction of 16 affordable bungalows (including two wheelchair adapted) together with parking spaces. The terms of the proposal were set out in confidential appendix 2.

This item contained exempt information under Schedule 12A Local Government Act 1972 (as amended by the Local Government (Access to Information) (Variation) Order 2006) namely information relating to the financial or business affairs of any particular person (including the authority holding that information).

In response to a question from a Member, the Director of Regeneration and Neighbourhoods confirmed that the HCA funding would not be announced before Parliament commenced its summer recess.

A Member acknowledged that this development was subject to planning permission as well as HCA funding and would not influence any decision to be taken at a future Planning Committee.

Members were supportive of the proposals in view of the major need for bungalows across the town. A Member requested that any income generated from the proposals, including the New Homes Bonus, be ring-fenced for use within the Ward. The Chief Finance Officer highlighted the impact of ring-fencing New Homes Bonus to a particular ward on the overall budget position, however this issue could be explored further and reported back to Members at a later date.

Decision

- (i) The sale of land at Eskdale Road as set out in the terms within confidential Appendix 2 as noted above was approved.
- (ii) That the potential to utilise the income generated from the sale of the land as well as the New Homes Bonus received as a result of the development, within the Ward in which it is located, be explored further.

27. Potential Merger of the Teesside and Hartlepool Coroner Areas *(Chief Executive and Chief Solicitor)*

Type of decision

Non key.

Purpose of report

To outline the proposed merger of the Teesside and Hartlepool Coroner areas following the retirement of the Senior Coroner for Teesside and the requirement to consider the merger of Coroner areas under the Lord Chancellor's powers through the Coroners and Justice Act 2009. Further, to have regard to the Chief Coroner's Guidance Note number 14 'Merger of Coroner Areas'.

Issue(s) for consideration

The report provided the background to the present Teesside and Hartlepool Coroner arrangements. The Chief Solicitor presented a detailed report on the current position which had resulted in Middlesbrough Borough Council as the 'relevant authority' for the Teesside Coroner area, nominating one of the Assistant Coroners, Ms Clare Bailey to the role of Acting Senior Coroner for Teesside. In addition to this, it was proposed that Mr Malcolm Donnelly, Senior Coroner for Hartlepool, would undertake the Assistant Coroner role whilst retaining his position in Hartlepool. The report outlined the decision making process which involved consultation with a number of key partners. However the final decision would be taken by the Lord Chancellor, who would in turn consult with the Chief Coroner for England.

The Chief Executive informed Members that this proposed merger was a good news story for Hartlepool as it would ensure that a Coroner service continued to be provided in Hartlepool by the current Senior Coroner.

Decision

- (i) That the merger of the Hartlepool and Teesside coroner areas be approved 'in principle'.
- (ii) That a final business case be submitted to the next meeting of the Committee for approval and subject to that final approval, be submitted to the Ministry of Justice.

28. Director of Public Health Annual Report (*Director of Public Health*)

Type of decision

For information.

Purpose of report

To present the Director of Public Health Annual Report for 2013/14. This report will be presented to full Council in August 2014.

Issue(s) for consideration

The report provided the background to the requirement for the Director of Public Health to submit an Annual Report to Council. The 2013/14 Annual Report focussed on the risk factors for developing diseases including the three key priority areas of smoking, alcohol and obesity. The three priority areas provided an opportunity to improve health as they were amenable to change. However, it was highlighted that change would not be achieved solely by individual behaviour change but through education, accessible services and local and national policy changes.

The Chair suggested that more detailed reference to the work undertaken by the Health and Wellbeing Board should be included at the front of the Annual Report.

Decision

The Director of Public Health Annual Report for 2013/14 was noted with the inclusion of a more detailed reference to the work undertaken by the Health and Wellbeing Board to be included at the front of the Report.

30. 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.

31. Any Other Business – Catcote School Open Day

The Chair informed Members that along with The Mayor and the Chair of the Children's Services Committee, he had attended an open day at Catcote School. The visit was very beneficial as it highlighted how the school had been reconfigured with the movement of some children to Catcote Futures. It was noted that there was a café within the school that was provided with the assistance of the children within the school and an offer had made for them to take over the running of the café within Christ Church as a training and development opportunity for the children from Catcote School. It was requested that Officers enter into negotiations with the School to explore the options that may be available to take this opportunity forward.

Decision

That Officers enter into negotiations with Catcote School and explore the opportunities available to enable them to take over the operation of the café in Christ Church.

The meeting concluded at 11.18 am

P J DEVLIN

CHIEF SOLICITOR

PUBLICATION DATE: 28th July 2014