

FINANCE AND POLICY COMMITTEE MINUTES AND DECISION RECORD

22 December 2014

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

Present:

Councillor: Christopher Akers-Belcher (In the Chair)

Councillors: Allan Barclay, Marjorie James, Carl Richardson, David Riddle and Chris Simmons.

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
John Morton, Assistant Chief Finance Officer
Steve Hilton, Public Relations Officer
Angela Armstrong, Principal Democratic Services Officer

98. Apologies for Absence

Apologies for absence were received from Councillor Brenda Loynes and Robbie Payne.

99. Declarations of Interest

None.

100. Minutes

- (i) The minutes of the meeting of the Finance and Policy Committee held on 24 November 2014 – Received.
- (ii) The minutes of the meeting of the Health and Wellbeing Board held on 20 October 2014 – Received.

101. Council Tax Base 2015/16 *(Chief Finance Officer)*

Type of decision

Non key.

Purpose of report

To seek Member approval as required by statutory regulations to a calculated Council Tax Base for 2015/16 which will be used for Council Tax billing purposes.

Issue(s) for consideration

The report provided the background to the calculation of the Council Tax Base for the forthcoming year. As part of the Government's welfare reforms, there is a requirement to adjust the Council Tax Base to reflect the impact of the Local Council Tax Support Scheme which has recently been approved to involve a cut of 12%. The proposals for the Council Tax Base were included within Appendices 1-9.

It was highlighted that the level of in year Council Tax for 2013/14 was positive with Hartlepool having the second highest collection level in the Tees Valley at 96.1% which was also slightly higher than the national average. It was therefore recommended to maintain the overall non collection level at 1.5% was prudent and appropriate.

The recommendations were agreed unanimously.

Decision

- (1) That a Hartlepool BC Council Tax Base for 2015/.16 of 22,298.9 as set out in Appendix 1 was approved.
- (2) That a Council Tax Base for 2015/16 for Parishes who intend to levy a precept upon the Council's General Fund as set out in Appendices 2 to 9 be approved:

Dalton Piercy	103.2	Elwick	461.3
Greatham	574.3	Hart	286.3
Newton Bewley	30.6	Headland	723.4
Brierton	12.2	Claxton	15.6

102. Irrecoverable Debts – Sundry Debts and Housing Benefit Overpayments *(Chief Finance Officer)*

Type of decision

Non key.

Purpose of report

To seek Member approval to write out a number of debts considered

irrecoverable. The Council's financial procedure rules provide that any debt due to the Council of £1,000 or more can only be written-out with the express permission of Members.

Issue(s) for consideration

Each year the Council issues sundry debtor invoices totally around £23m. The Council continues to sustain a high level of recovery performance with the level of sundry debt arrears over 3 months old being maintained at about £0.5m as shown in the report. Furthermore over 99% of sundry debts raised are fully recovered within two years. Whilst every effort was made to collect debts due to the Council, certain debts become irrecoverable and attached at Appendix B and confidential Appendix A were the sundry debts that were now considered irrecoverable and were recommended for write out.

The Council annually awards £48m of Housing Benefit but the claimant sometimes delays or fails to tell the Council of changes in their financial circumstances resulting in overpayments of benefit. These overpayments are repayable but collection of this debt is challenging and the report seeks approval to write out of the accounts a number of housing benefit overpayments now considered irrecoverable as listed at confidential Appendix C.

Appendices A and C 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 following recommendations were agreed unanimously.

Decision

The write out of irrecoverable sundry debts totalling £8,493.42 and irrecoverable housing benefit overpayments totalling £32,960.40 was approved.

103. Unit 4, Brierton Lane *(Director of Regeneration and Neighbourhoods)*

Type of decision

Non key.

Purpose of report

To consider the options in relation to the potential disposal of Unit 4, Brierton Lane at less than best value.

Issue(s) for consideration

The report provided the detailed background history to the potential disposal of Unit 4 Brierton Lane. The purchasers intend to use the property for Southbrooke Community Project (SCP) purposes which is an Incorporated Charitable Organisation and intends to use the property for alternative education and community services. The proposed arrangement protects the Council's interests in that the property will be retained for use in conjunction with the Southbrooke Project therefore benefiting from the social, economic and wellbeing benefits this provides.

It was proposed that the Council honour the terms as agreed in 2006 which require a sale of land and extension at £2,000 which was £10,000 less than the assessed current value. The proposed purchasers had agreed that a restrictive covenant be incorporated within the sale to restrict the use to non-profit educational, community and youth work purposes for 10 years. Should they wish to dispose of the property earlier than this, the Council would receive the remaining proportion of the £10,000 on the basis of a reducing amount of £1,000 for each year the property was operated in accordance with the user covenant. A number of options for the disposal/use of the property were outlined in the report.

The following were agreed unanimously.

Decision

That the disposal at less than best value subject to safeguarding the Council's interest as set out in the terms and conditions within Confidential Appendix 5 was approved. **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.**

104. New Clarence House *(Director of Regeneration and Neighbourhoods)*

Type of decision

Non key.

Purpose of report

To seek consent for the variation of the long lease to the rear access road and the release of a restrictive covenant affecting the property.

Issue(s) for consideration

The report provided the background and history to the use of the building since it was built in the 1990's. It was noted that Johnston Press had given board approval to progress with this lease proposal, the terms of which 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.**

It was proposed to proceed with the variation of the user clause in the lease to allow unrestricted use of the demised land and to release the restrictive covenant to allow any use of the freehold property on the terms set out in confidential Appendix 2. The proposal would result in a capital receipt from the transaction which will contribute to the £6.5m Capital Receipts target included within the Medium Term Financial Strategy.

The Chair commented that it would be very good to have this building occupied and utilised fully.

The following was agreed unanimously.

Decision

That the Council proceed with the release of the restrictive covenant and variation of the user clause in the lease on the terms outlined within confidential Appendix 2.

105. Staff Lottery Scheme *(Assistant Director, Neighbourhoods)*

Type of decision

Non key.

Purpose of report

To seek approval from Members to introduce a staff lottery scheme.

Issue(s) for consideration

The report provided the background to the introduction of staff lottery schemes in a number of public sector organisations. The scheme for Hartlepool had been developed after reviewing some of the schemes already in operation.

It was proposed that the scheme would be available to all employee of the Council on a voluntary basis with the fees collected by a deduction from their salary. Take up is important to ensure that sufficient funds were collected to offer attractive prizes with an example of the make up of prizes outlined in the report. The prize fund which would be used to support various projects including good causes and staff events. A Staff Lottery Committee would be established to consider all applications to the fund. The Chair of the Staff Lottery Committee would be the link between the Committee and the Corporate Management Team. Further detail of the proposed membership of the Committee was outlined in the report.

In response to a request for clarification from a Member, the Director of Regeneration and Neighbourhoods confirmed that the scheme would be a voluntary scheme and would be open for all staff to participate. The Director congratulated the Assistant Director (Neighbourhoods) for all his hard work developing this proposal. The Chair requested that a letter of thanks be forwarded to the Assistant Director (Neighbourhoods) for the development of such a good scheme.

The following were agreed unanimously.

Decision

- (1) That the introduction of a Staff Lottery Scheme as outlined in Section 4 of the report be approved.
- (2) That a letter of thanks be forwarded to the Assistant Director (Neighbourhoods) for developing such a good scheme.

106. Treasury Management Strategy (*Chief Finance Officer*)

Type of decision

For information.

Purpose of report

To provide an overview of the recommended 2015/16 Treasury Management Strategy considered by the Audit and Governance Committee on 13 November 2014 before it was referred to full Council for approval.

Issue(s) for consideration

The report provided the background to the development and reporting of the Treasury Management Strategy. Further detail was provided on the economic environment and outlook for interest rates including:

- The Global Economy;
- The UK Economy; and
- Interest Rates Forecasts.

It was highlighted that borrowing strategies were required for the Core Borrowing Requirement and the Borrowing Requirement related to specific business cases this was outlined in the report.

It was concluded that the borrowing decisions to be taken over the next 12-24 months would be particularly challenging owing to the expectation of increases in the current historically low Base Rate. The Council's core borrowing requirement was forecast to reduce from £80.4m at 31 March 2014 to £47.1m at 31 March 2026 which reduces the impact of higher interest rates over this period owing to annual reductions in the borrowing requirement.

The report outlined a strategy for managing interest rate risks with the aim of ensuring the borrowing requirement could be funded from the available revenues budget and use of the Treasury Management Reserve if necessary.

Decision

- (1) The report was noted.
- (2) It was noted that following scrutiny of the recommended Treasury Management Strategy by the Audit and Governance Committee on 11 December 2014, it will be referred to Council for approval and consideration of any recommendations made by the Audit and Governance Committee.

107. Any Other Items which the Chairman Considers are Urgent

None.

The meeting concluded at 9.41 am

P J DEVLIN
CHIEF SOLICITOR
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