FINANCE AND POLICY COMMITTEE

MINUTES AND DECISION RECORD

1 JUNE 2015

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

Present:

Councillor Christopher Akers-Belcher (In the Chair)

Councillors: Marjorie James, Carl Richardson, David Riddle, Chris Simmons and Paul Thompson.

Also Present: Councillor Jim Lindridge as substitute for Councillor Kevin Cranney in accordance with Council procedure Rule 5.2.

Officers: Gill Alexander, Chief Executive
Andrew Atkin, Assistant Chief Executive
Chris Little, Chief Finance Officer
Peter Devlin, Chief Solicitor
Denise Ogden, Director of Regeneration and Neighbourhoods
Alastair Rae, Public Relations Manager
David Cosgrove, Democratic Services Team

1. Apologies for Absence

Councillors Barclay, Cranney, Loynes and Sirs.

2. Declarations of Interest

Councillors Simmons and Thompson declared personal interests in relation to Minute No. 10.
Councillor C Akers-Belcher declared a personal interest in Minute No. 6.

3. Minutes of the meeting held on 23 March, 2015

Confirmed.

4. Minutes of the meeting of the Safer Hartlepool Partnership held on 20 March 2015

Received.

5. Business Rates Update (*Chief Finance Officer*)

Type of decision

Budget and Policy Framework.

Purpose of report

The report provided an update on the Business Rates Retention system, including the outcome of the Power Station Business Rates Appeals and the ongoing impact on the Medium Term Financial Strategy.

Issue(s) for consideration

The Chief Finance Officer reported that Business Rates Retention system was implemented on 1st April 2013 with Business Rates collected by individual Councils being allocated on the following basis:

- 50% paid to the Government and then allocated to partly fund the Revenue Support Grant system;
- 49% retained by individual Councils;
- 1% paid to Fire Authorities.

The Government's stated objectives of the Business Rates Retention system were to reduce dependency of Local Authorities on Revenue Support Grant; and to reward Councils for promoting business by allowing Councils to share the benefits of increasing the Business Rates base.

The Chief Finance Officer briefly outlined the operation of the retention system, the safeguards in place and the issues that were of concern to Hartlepool, principally due to the power station.

The Business Rate system is based on 'rateable values' as at 1st April 2008, which determined the Business Rates payable from 1st April 2010, so have now been in place for 5 years. At a national level significant appeals against the rateable values determined by the Valuation Office Agency (part of HMRC) were lodged and remained outstanding at 1st April 2013 when the Business Rate Retention system was implemented. The situation in relation to outstanding appeals for Hartlepool was set out in the report.

At the start of April 2015, the Valuation Office unexpectedly indicated that negotiations with the Power Station were nearing completion and should be concluded within 4 to 6 weeks. The Valuation Office indicated that a significant reduction in the Rateable Value would be agreed, although they did not provide any indication of the amount, or define what they meant by 'significant' as negotiations were still ongoing.

On the 1st May 2015 the Valuation Office indicated that a formal proposal had been put forward to the Power Station. On 5th May 2015 we received notification that the revised Rateable Value had been accepted by the Power Station. The revised Rateable Value determined by the Valuation

Office for the Power Station is back dated to 1st April 2010 and reduced the previous Rateable Value (which was also determined by the Valuation Office) from £33.6 million to £17.5 million. This was a reduction of £16.1 million, which equated to a 48% reduction.

When account was taken of the current rate poundage of 49.3 pence, the 2015/16 Business Rates bill for the Power Station reduced by approximately £7.9m (i.e. £16.1m multiplied by 49.3 pence).

The report indicated that the Council's share of this reduction is 49% i.e. £3.889m. The Council would receive some Government support for this loss as this reduction exceeded the 'safety net' threshold. It had previously been anticipated that the 'safety net' grant for 2015/16 would be approximately £1.9m. However, following an assessment of the latest Government guidance, the estimated 'safety net' grant was only £0.875m. The reduction owing to adjustments to the 'safety net' threshold to reflect the impact of section 31 grants paid to compensate Councils for below inflationary increases in the Business Rate poundage, the extension of small business rates relief and any local growth in the Business Rate base. The Council, therefore, faced a net income loss for 2015/16 of £3.014m. The net loss in 2015/16 would continue in future years. In addition, there would be a back dated impact for 2013/14 and 2014/15 as the Council would retrospectively be pushed into 'safety net' for these years.

The Chief Finance Officer stated that this risk was first recognised within the outturn strategy for 2012/13 when an initial risk reserve of £1m was established. This position reflected the understanding of the proposed Business Rates Retention system, which was subsequently implemented from 1st April 2013. The financial position had been reviewed regularly and as part of the development of budgets and outturn strategies for 2013/14 and 2014/15 further one-off resources had been earmarked to manage these financial risks. At 31st March 2015 the total value of available one-off resources earmarked to manage these risks was £4.775m.

In terms of partly mitigating the permanent reduction in Business Rates income the following ongoing resources are available:

- Risk provision included within the MTFS £0.586m 2015/16 (£0.486m 2016/17 onwards);
- Increase in 2015/16 Council Tax base £0.350m 2015/16 onwards;
- Enterprise Zone Business Rates growth £90,000 2015/16 onwards.

After reflecting the above permanent resources the Council still faces a net permanent reduction in income of £1.988m in 2015/16 and £2.088m in 2016/17 and future years.

Moving forward the net annual shortfall of £2.088m would need to be addressed on a permanent basis from a combination:

(i) Achieving higher growth in the Council Tax base than already forecast

within in the MTFS;
(ii) Achieving growth in the Business Rates base;
(iii) Making additional budgets cuts;

In 2015/16 and 2016/17 items (i) and (ii) would not provide additional funding towards the net Business Rates income shortfall as growth in these income streams will take a number of years to achieve. Therefore, to avoid the need for in-year budget cuts in 2015/16 and a higher deficit in 2016/17 the Chief Finance Officer recommended that the shortfalls in these years were funded from the Business Rates Risk Reserve. This recommendation would commit the majority of the Business Rates Risk Reserve. It was recommended that the residual balance was not committed as this may be needed for other potential Business Rates risks, or to partly offset the ongoing income shortfall in 2017/18.

Members were concerned at the potential impact of the decision being backdated to 2010 on the power station revaluation. The Chief Finance officer stated that the increase in rateable value implemented in 2010 had been phased in and it would depend on how that would 'unwind'. This was one of a number of issues that were still being explored by officers.

Members were also concerned at the level of the revaluation and how it could be so large. The Chief Finance Officer did consider that this was an issue that Members may wish to discuss further with the Minister. The valuation had returned to a level similar to that before the revaluation but the Chief Finance Officer indicated that it was considered that the previous valuation had been artificially low. Officers were also enquiring as to the comparison with other power stations.

Members commented that the power station appeared to be both a blessing and a curse in relation to its rateable income. The loss of income when the station was offline was also a matter that concerned Members; it was the only business with this advantage. The Chief Finance Officer indicated that the power station owners also had an appeal submitted to the Valuation Office in relation to the recent lengthy outage when works were being undertaken to extend the life of the plant.

After discussing the issues raised by the report, the Chair thanked the Chief Finance Officer for bringing the report forward at relatively short notice as the Council had only been informed of the decision on 5 May.

Decision

1. That the report and the gross income reduction in the Council's share of Business Rates income from the Power Station of £3.889m be noted.

2. That the gross income reduction will be partly mitigated from the receipt of Safety Net grant and local resources, which reduced the net annual income reduction to £2.088m, be noted.

3. That the strategy for funding the net annual Business Rate reductions in 2015/16 (£1.988m) and 2016/17 (£2.088m) from the one-off Business Rates Risk Reserve be approved.

4. The Committee noted that the above strategy commits £4.076m of the available one-off funding in 2015/16 and 2016/17 leaving an uncommitted balance of £1.049m to potentially support the 2017/18 income loss.

5. The Committee noted that the above strategy did not provide a permanent solution to the net income loss of £2.088m and that additional permanent budget cuts would be needed in 2017/18, or 2018/19, unless the Government recognised the position and provided financial support.

6. That the above recommendations be included in the 2016/17 MTFS proposals to be referred to Council in February 2016.

7. Members confirmed that they would wish to request a meeting with the Local Government Minister for the Leader, Chief Executive and Chief Finance Officer to present the Council's case to fully compensate the Council for the ongoing impact of the Power Station rateable value reduction.

6. Final Outturn 2014/15 (*Corporate Management Team*)

Type of decision

Budget and Policy Framework.

Purpose of report

To provide details of the final outturns for 2014/15 and to recommend a strategy for the use of the uncommitted resources.

Issue(s) for consideration

The Chief Finance Officer reported that the detailed outturn strategy for 2014/15 had been approved as part of the MTFS proposals referred to full Council in February 2015. The approved strategy advised Members that the final outturn for a range of budgets would depend on the impact of seasonal and demand factors in the final three months of the financial year. As a range of factors remained uncertain the approved strategy identified a potential uncommitted outturn of £188,000.

The actual uncommitted outturn is £450,000, which is £262,000 higher than forecast. The increase reflects a range of factors, including continued robust budget management in the final three months of the financial year and the impact of seasonal/demand factors. The final outturn also included the removal of the potential commitment of £25,000 for part year loan repayment costs in 2015/16 which may have arisen from the use of Prudential Borrowing to repay the Jacksons Landing interest free loan. This amount would not be needed in 2015/16 as an extension of the interest free loan is being negotiated for repayment in October 2017.

The Chief Financial Officer indicated that before Members considered allocating the whole of the uncommitted outturn they may wish to consider alternative priorities for using part of these resources. The Corporate Management Team would not recommend a significant reduction in the resources allocated to cash back the Jacksons Landing interest free loan until the MFTS is rolled forward and an updated assessment has been made of the following key factors:

- The General Election result and the impact this will have on future public spending priorities and funding cuts;
- The impact of Business Rates appeals, including the Power Station, are known;
- A review of Reserves held at 31st March 2015 has been completed; and
- The forecast outturn position for 2015/16 is known.

On this basis it was suggested that Members may wish to only allocate £500,000 of the available £596,000 outturn to cash back the Jacksons Landing interest free loan, which when added to existing funding would provide total cash backing of 90%. This proposal would then enable £96,000 to be allocated for other priorities, which may include consideration of funding for HVDA as suggested at Council on 26 March 2015 and Moneywise Community banking (Hartlepool Credit Union) as the Chief Executive had received a request for financial support.

The Council had a capital receipts target of £6.5m and these resources were committed to funding capital expenditure commitments previously approved by the Council. It was anticipated that the remaining capital receipts target would be achieved in 2015/16. As stated in the MTFS report capital receipts were earmarked to fund the Housing Market Renewal capital scheme and development of the former Brierton School site. The available capital receipts at the 31st March 2015 were not sufficient to fund capital expenditure incurred at this date and there was a temporary shortfall of £556,000. In accordance with the strategy approved within the MTFS this shortfall had been funded from temporary Prudential Borrowing. The equivalent level of temporary Prudential Borrowing at the 31st March 2014 was £1.128m.

The report also an update on the Local Council Tax Support (LCTS) scheme which supports around 14,000 low income households (including approximately 5,900 low income pensioner households) and in 2014/15 provided support of £11.5m. The Chief Finance Officer indicated that the actual cost of the LCTS in 2014/15 was £160,000 less than forecast, which was owing to changes in the overall caseload, changes in the entitlement of individual claimants reflecting changes in employment status/hours worked and collection levels for LCTS cases being better than forecast. The 2014/15 under spend had been transferred to the LCTS Reserve and would assist with the development of a LCTS scheme for 2016/17.

Members questioned the future of Jackson's Landing and the extension to the interest free loan. The Director of Regeneration and Neighbourhoods reported that the current loan expired on 7 October, 2015. A number of other Regional Growth Fund schemes had had their interest free loans extended and negotiations with Tees Valley Unlimited had commenced on the potential to extend the loan for Jackson's Landing. The Chair added that the Regeneration Services Committee would be considering a report on the future of the building and the site early in the municipal year.

The Committee also briefly discussed the potential funding for HVDA and the invitation of the manager to the next meeting of the Committee.

The following recommendations were agreed unanimously.

Decision

1. That the report be noted.

2. That consideration of the use of the uncommitted revenue outturn (including House Sale income) of £596,000 be deferred until an update of the 2016/17 to 2018/19 MTFS is presented to the Committee, which will enable a strategy to be developed which addresses the significant financial challenges facing the Council, including the impact of the Power Station rateable value reduction.

3. That progress in achieving the Capital Receipts target be noted.

4. That the Seaton Carew capital receipts and expenditure commitments be noted and that the costs of purchasing the Longscar Hall site were anticipated to be less than forecast also be noted. In addition, the funding allocated for the provision of community facilities will be reviewed. Therefore, in accordance with the Council resolution on 5th September 2013, a further report would be submit to a future meeting when the position is more certain to enable the Committee to make recommendations to Council to use the uncommitted resources to:

    - Fully cash the Jacksons Landing interest free loan (the amount of funding required will depend on decisions made on the use of the uncommitted final outturn when the 2016/17 to 2018/19 MTFS update is considered by the Committee);
    - Provide additional one off funding to offset the impact of the Power Station Business Rates Appeal outcome;
    - Provide one off funding for other priorities, such as Enforcement Officers.

v) That the Local Council Tax Support Scheme (LCTS) outturn be noted and that the 2014/15 outturn of £160,000 be transferred to the LCTS reserve and that this amount would be taken into account when developing options for the 2016/17 LCTS scheme for consideration by the Committee.

7. Future Location of Hartlepool Community Monitoring Service (*Director of Regeneration and Neighbourhoods*)

Type of decision

Key Decision test (i) and (ii) apply. Forward Plan Reference no. RN 02/15.

Purpose of report

To consider the future location and delivery of the Council's CCTV monitoring service.

Issue(s) for consideration

The Director of Regeneration and Neighbourhoods reported that as agreed by the Committee further investigations had been undertaken in relation to the additional options, and these were included for the Committee's consideration as an attachment to the report. The report also outlined the proposal to relocate the CCTV service to the Civic Centre with the service being delivered in-house in the future to provide an expanded CCTV service and achieve the £50,000 CCTV savings agreed as part of the 2015/16 savings programme. The Director also indicated that it was intended that the Car Parking Section also relocates to the Civic Centre at the same time.

The Director stated that the Civic Centre was the only option available which would provide the required £50,000 per annum ongoing savings. There were, however, some additional one-off capital costs amounting to £400,000, £100,000 of which related to additional works required to the Civic Centre to make the location of the control centre independently accessible at all times. The other costs related to the transfer of the necessary equipment, purchase of new equipment and the associated IT and cabling. These were, however, currently only estimated costs. £400,000 has been set aside as part of the Council's Medium Term Financial Strategy to contribute towards the cost of relocating the service. If additional resources were required these would need to be identified from existing in year Departmental budgets. The Director also highlighted that some of the existing staff at Thirteen would be transferred under TUPE regulations.

The Committee discussed the move of the CCTV Monitoring Centre and the renewal of the monitoring equipment. Concern was expressed by Members that the cameras were not also being upgraded. The Director indicated that the new equipment in the control centre would provide enhanced monitoring and recording facilities which would provide a significant improvement. The Director cautioned against reviewing the camera installations as this would trigger a review under RIPA (Regulation of Investigatory Powers Act 2000) regulations.

Members suggested that, taking into account the capital costs of relocating the monitoring centre, there should be no consideration of a further relocation for at least eight years. The Director stated that the £300,000 of new capital equipment could be relocated should it be decided to move the monitoring centre in the future. The Chair suggested that if Members supported the proposed relocation to the Civic Centre, then the decision should include reference to the monitoring centre not being considered for relocation for at least four years subject to an appropriately robust business case.

Decision

1. That the relocation of the Council's CCTV monitoring service to the Civic Centre be approved and that once transferred, the monitoring centre remain within the civic Centre for a period of no less than four years before any further relocation would be considered, unless an appropriate robust business case can be made for a move at an earlier date.

2. That the CCTV service be brought 'in house' and operated on a 24/7 basis to secure a local sustainable CCTV service.

3. That it is noted this option would achieve a general fund saving of £50,000 p.a and this had been reflected in the Regeneration and Neighbourhoods 2015/16 savings programme.

4. That the one-off cost associated with relocating the service be noted and that it be funded from the existing capital budget of £400,000.

8. Consultation on the Proposed Changes to Cleveland Fire Authority (*Author*)

Type of decision

Non key decision.

Purpose of report

Following their meeting on the 27th March, 2015, the Cleveland Fire Authority seeks the view of the four constituent Borough Councils on proposed changes as more specifically outlined within this report. The closing date for submission of representations is no later than Friday 26th June, 2015 and the Committee is requested to formulate recommendations for the consideration of Council at their scheduled meeting on the 25th June, so allowing a response to be made before the conclusion of this particular consultation exercise.

Issue(s) for consideration

The Chief Solicitor reported that Cleveland Fire Authority (CFA) considered five options covering the potential composition of a future Fire Authority. Those proposals ranged from a Fire Authority of 12 members to options comprising up to 16 members. Consideration was also given to proposed changes in the committee structure of the Authority which essentially moved away from a standing committee dealing with 'overview and scrutiny', which was not a statutory requirement for an Authority established as a 'stand alone' Fire Service under a Combination Scheme Order. The Authority would be underpinned by two committees, namely the Executive Committee and an Audit and Governance Committee. There would also still be provision within the constitutional arrangements of the Fire Authority for an 'Appeals Committee' in association with applicable Brigade policies, and a 'Joint Consultative (informal) Committee' operating on an ad hoc basis and being advisory in nature. The Fire Authority's contract procedure rules also allowed for the convening of a Tender Committee, as and when required in compliance with those particular procedure rules.

The following proposals were approved by the Cleveland Fire Authority and upon which the present consultation exercise relates, namely;

- The number of elected members on Cleveland Fire Authority will be 12. Based on the proportionate number of Local Government electors this would entail 2 members representing Hartlepool Borough Council, 3 for Middlesbrough and Redcar and Cleveland Council and 4 appointments through Stockton Borough Council.
- The Fire Authority will be underpinned by 2 Committees: an Executive Committee and an Audit and Governance Committee.
- The number of Elected Members on the Executive Committee will be 5 comprising 1 Member from each of the constituent Authorities and also the Chair of the Fire Authority.
- The number of Elected members on the Audit and Governance Committee will be 7 (plus the 2 Independent Persons when dealing with standards functions),
- The level of delegation/ decision making in respect to the Executive and Audit and Governance Committees will be increased (see appended 'Indicative Terms of Reference'),
- The appointment of Chair and Vice Chair will remain the same with a rotation across the Constituent Authorities on a 2 yearly basis.

The Chief Solicitor also highlighted the reference surrounding the 'four year term of office' of members of the Fire Authority and whether representatives should be appointed by their respective Borough Councils' for a 4 year term in unison with the present governance arrangements operated by Stockton Borough Council. Although, the other Borough Councils' appoint annually, it was requested that 'explorations to be undertaken to establish the appetite of Hartlepool, Middlesbrough and Redcar and Cleveland Borough

Councils to extend the term of office for Elected Members of their Authorities in line with that of Stockton Borough Council (i.e. 4 years) and that these explorations take place during the consultation phase of the review'.

The anticipated savings arising from the implementation of the Fire Authority's preferred option to move to a composition of 12 members (set against the Authority's Community Integrated Risk Management Plan) are anticipated to be in the region of £40,000.

Comments upon this consultation were requested to be received no later than Friday 26th June, 2015. The Chief Solicitor therefore requested that this Committee consider the proposals emanating from the Fire Authority, formulate recommendations for the consideration of Council at its meeting on 25th June 2015.

Councillor James, one the Council's appointed representatives to the CFA, stated that she had not attended the meeting in March when these proposals had been formulated and therefore made it known to the Committee that she had no vested interest in the report as submitted to Members. Councillor James stated that she was opposed to the proposal as she considered that an authority of 12 members was too small. Councillor James also stated that she had strong misgivings about the split between the Executive Committee and Audit and Governance Committee as it was stated in the consultation document as an Executive of 7 members could never be in the position of being overruled. Clarity on what the arrangements were was needed as it was not totally clear whether the consultation was on an Executive of 5 or 7 members.

There were views expressed by other Members in support and opposition to the CFA proposals. Members did feel that the savings identified could not be fully met through the reduction in Members alone and any savings on allowances could be eradicated should there be a review of Member allowances following the changes. The Chief Finance Officer stated that some of the savings were being met through back-office savings.

Members were also concerned that these arrangements were a precursor to a move towards mutualisation, which if the balance of executive/audit and governance was as stated in the consultation document, could be difficult to resist. Members considered that political accountability was something worth paying for and voiced their resistance to the move to mutualisation which would only protect services for nine years before they could be subject to commercial take-over.

Following a discussion Members were clear that there were still questions that needed to be asked of the CFA before the Council could formalise its response. The Chair suggested that a letter be sent to the CFA following this meeting seeking clarification on the issues of the executive/audit and governance split and how the savings were to be achieved. The draft letter would be circulated to Members before being forwarded to the CFA. Any response from the CFA would be included in the report to Council.

Decision

1. That the proposals as to the future composition and governance of the Cleveland Fire Authority be referred to Council at the meeting scheduled 25th June, 2015.

2. That in advance of consideration by Council, the Chair sends a letter to the Cleveland Fire Authority outlining that the Committee cannot support an Executive that was the majority of the body and seek further clarification as to the proposed balance between the Executive Committee and the Audit and Governance Committee along with details of how the proposed savings were to be achieved and that this letter be circulated to all Members.

9. Quarter 4 – Council Overview of Performance and Risk 2014/15 (*Assistant Chief Executive*)

Type of decision

Non-key decision.

Purpose of report

To inform Finance and Policy Committee of the progress made against the 2014/15 Council Plan, for the period ending 31 March 2015.

Finance and Policy Committee were also asked to agree the updated Data Quality Policy and Risk Management Framework and the proposal that these be reviewed by Committee on a three yearly basis unless any major amendments are required in the interim, as agreed by Audit and Governance Committee.

Issue(s) for consideration

The Assistant Chief Executive reported that the Council Plan included 214 actions and 162 performance indicators (PIs) to deliver and measure improvements across key priority areas (outcomes) identified in the Community Strategy and Council Plan. Of the 162 indicators, 86 were for monitoring purposes only and a further 14 PIs were collected on an annual basis. Updates had been provided for 66 targeted indicators, though 2014/15 year end data was not yet available for the remaining indicators. The report highlighted the key information for each of the three council departments.

The Assistant Chief Executive also indicated that the Council's Data Quality Policy had been reviewed and updated and a copy was submitted with the report for Members consideration. Currently the Policy was reviewed and agreed by Members on an annual basis. However, this policy was now well developed and embedded within all departments and the annual review for the past few years has only suggested minor amendments. Therefore, it was proposed that the Data Quality Policy be reviewed by Committee on a 3 yearly basis. On an annual basis the policy would be reviewed and approved by the Assistant Chief Executive and if during these annual reviews any major amendments were required it will be brought back to Committee for approval. The updated Data Quality Policy had been considered by Audit and Governance Committee on 5th March 2015 when the Committee noted the updated Policy and agreed the change to the review process.

The Assistant Chief Executive also submitted an updated copy of the Council's Risk Management Framework for approval. The framework followed a similar process to the Data Quality Policy and it was also proposed that the framework move to a three-yearly review period. The updated Risk Management Framework was also considered by Audit and Governance Committee on 5th March 2015 when the Committee noted the updated Framework and agreed the change to the review process.

Decision

1. That the current position with regard to performance be noted.

2. That the changes in risk ratings as identified within report be noted.

3. That the date change for action RND 14/15 EN13 to July 2015 as set out in the report be approved.

4. That the updated Data Quality Policy and Risk Management Framework be approved and that the proposal that these be reviewed by Committee on a three yearly basis unless any major amendments were required in the interim also be approved.

10. Assisting Eligible Hartlepool VCS Organisations with their Utility Costs (*Director of Regeneration and Neighbourhoods*)

Type of decision

Non-key decision.

Purpose of report

The report informed Members of the opportunity to support Hartlepool based Voluntary and Community Sector (VCS) organisations in relation to their electricity and gas related costs and to seek their permission to roll out the scheme to eligible Hartlepool based VCS organisations.

Issue(s) for consideration

The Director of Regeneration and Neighbourhoods reported on a proposal that had the opportunity to benefit a large number of voluntary and community groups in the town through the utilisation of the Council's procurement arrangement with NEPO (North East Procurement Organisation) for the procurement of both its Gas and Electricity supplies through the utility supply contracts.

Currently a significant number of Hartlepool schools make use of the attractive contract pricing through a service level agreement (SLA) with the Council. Schools pay a fee to the Council in return for a number of energy based services; this fee includes arranging access to and billing services in relation to the NEPO utility supply contracts.

A variation to the above arrangement was also in place for a few local VCS organisations, although they were not subject to a SLA with the Council. The following VCS premises currently benefitted from access to the NEPO utility supply contracts:

- Jutland Road Community Centre
- West View Community Centre & Library
- HVDA – Rockhaven

The above arrangements differed from the school SLA arrangements in that there was no charge levied on these organisations, although there was a relatively small overhead on the Council's Energy Manager relating to the management of invoices and payments.

The Director stated that she was confident that the NEPO utility supply contracts provided a value for money solution and the Council's Energy Manager has advised that typical savings over a standard supply arrangement were in the order of 25%. Clearly savings of this magnitude could be financially significant for those VCS organisations which meet the criteria to access this opportunity.

Members supported the principle of the proposal but were cautious to protect the Council from groups or organisations that may fold and leave the Council with a charge liability. The meeting discussed options around alleviating this scenario through the use of deposits, payments ahead and administration fees. The Chair suggested that the proposal could be supported on the basis that there was an appropriate administration fee, to be determined by the Director of Regeneration and Neighbourhoods and payments one month in advance. The Director indicated that she would produce a revised scheme based on those proposals and circulate that to members. The Chair put the proposal to the vote.

Decision

1. That the proposal to offer eligible VCS organisations access to the NEPO utility contracts as reported be approved subject to the instigation of an appropriate administration charge and with payments being made on a one month in advance basis.

2. That the proposed criteria for eligible organisations as reported be approved.

3. That the highlighted risks and suggested approaches to mitigation be noted.

Councillor James requested that her abstention to the above decisions be recorded.

11. 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.

<u>New Chief Executive</u>

The Chair welcomed Gill Alexander to her first Committee meeting as Chief Executive.

12. Local Government (Access to Information) (Variation Order) 2006

Under Section 100(A)(4) of the Local Government Act 1972, the press and public were excluded from the meeting for the following items of business on the grounds that they involved the likely disclosure of exempt information as defined in the paragraphs referred to below of Part 1 of Schedule 12A of the Local Government Act 1972 as amended by the Local Government (Access to Information) (Variation) Order 2006.

Minute 13 – Cleveland College of Art and Design (CCAD) – Phase 1 Development – 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 (para 3) information relating to the financial or business affairs of any particular person (including the authority holding that information).

13. Cleveland College of Art and Design (CCAD) – Phase 1 Development (*Corporate Management Team*) 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 (para 3)

Type of decision

Key Decision test (i) applies.

Purpose of report

The purpose of the report is to update Members on a recent Government funding announcement in relation to the 'Local Growth Fund', the impact this will have on the CCAD project and to recommend a strategy for dealing with this issue.

Issue(s) for consideration

Details are set out in the exempt section of the minutes

Decision

The decision is set out in the exempt section of the minutes.

The meeting concluded at 11.47 am

P J DEVLIN

CHIEF SOLICITOR

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