

# **FINANCE AND POLICY COMMITTEE**

## **MINUTES AND DECISION RECORD**

27 July 2015

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

**Present:**

Councillor Christopher Akers Belcher (In the Chair)

Councillors: Allan Barclay, Kevin Cranney, Marjorie James, Carl Richardson, David Riddle, Chris Simmons, George Springer and Paul Thompson.

Also Present: Edwin Jeffries, Hartlepool Joint Trades Union Committee

Officers: Gill Alexander, Chief Executive  
Chris Little, Chief Finance Officer  
Peter Devlin, Chief Solicitor  
John Morton, Assistant Chief Finance Officer  
Sally Robinson, Director of Child and Adult Services  
Damien Wilson, Assistant Director, Regeneration  
Julian Heward, Public Relations Officer  
Angela Armstrong, Principal Democratic Services Officer

### **22. Apologies for Absence**

Apologies for absence were received from Councillors Brenda Loynes and Kaylee Sirs.

### **23. Declarations of Interest**

Councillor Chris Simmons declared a personal interest in minute 28. See minute for a further declaration of interest.

### **24. Minutes of the meeting held on 29 June 2015**

Received.

## **25. Youth Justice Strategic Plan 2015-2016** (*Director of Child and Adult Services*)

### **Type of decision**

Budget and Policy Framework.

### **Purpose of report**

To present the Youth Justice Strategic Plan for 2015-2016 attached at Appendix 1 and seek final comments from the Committee prior to the Plan being submitted to the Full Council for ratification.

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

The report provided the background to the provision of the Youth Justice Strategic Plan and detailed the planning and consultation undertaken to develop the plan which included consideration by the Youth Justice Board's Regional Partnership Manager, the local Youth Offending Service Strategic Management Board, service users, staff and key partners. In addition, incorporated into the Plan were recommendations from the Safer Hartlepool Partnership, the Audit and Governance and Children's Services Committees. The report highlighted the progress made across the year's priorities including:

- Youth Crime;
- Meeting National Standards;
- Service User Feedback;
- Risks to Service Delivery and Performance ; and
- Management of Resources.

The key strategic objectives that were proposed for 2015-16 were outlined in the report.

A Member sought clarification on the elected Member input into the Youth Offending Strategic Board. The Chair of Children's Services Committee confirmed that he received regular reports from the Board which concentrated on operational issues as opposed to strategic direction. In addition, he had previously suggested that a young person with experience of the youth offending service be appointed to the Board to provide a young person's perspective. The Director of Child and Adult Services confirmed that the appointment of this young person to the Board was being progressed. A Member suggested that it would be useful to appoint both a male and female young persons' representative as their experiences can be quite different and it would broaden the young persons' perspective to the Board. It was noted that the Children's Services Committee had also suggested that meetings of the Board could be held in Young Offenders'

Institutions from time to time to provide a greater insight for Board members.

The following decision was unanimous.

### **Decision**

- (1) That the appointment to the Youth Offending Strategic Board of both a female and male young representative of service users of the Youth Offending Service be considered by the Board.
- (2) The progress made against the local Youth Justice Plan (2014-15) was noted and the Plan endorsed for submission to Council.

## **26. Local Council Tax Support 2016/17** *(Chief Finance Officer)*

### **Type of decision**

Budget and Policy Framework

### **Purpose of report**

- (1) To update Members on the operation of the Local Council Tax Support (LCTS) Scheme in 2015/16 and a proposed LCTS Scheme for 2016/17.
- (2) To update Members on financial risks to the LCTS Scheme from future funding settlements following the 2015 Comprehensive Spending Review and the financial risks linked to the Government's proposed £12bn national Welfare Reforms.

### **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 Assistant Chief Finance Officer presented a detailed and comprehensive report which provided an update on the 2015/16 LCTS Scheme as well as the financial modelling for the proposed LCTS scheme for 2016/17 and future years. The proposals were based on the current forecast grant cuts for 2016/17 to 2018/19 and Members' previous decision to allocate the Government grant cuts proportionately between LCTS scheme and the General Fund budget. In the event that the actual Government grant cuts for 2016/17 and future years were higher than forecast, Members will need to review the impact on both the LCTS scheme and General Fund budget.

It was noted that a detailed assessment of the financial risks from the measures outlined by the Chancellor in the July 2015 budget would be undertaken and a further update report would be submitted to Committee

when more information was made available and the financial impact on the current forecasts had been assessed.

A Member referred to the difference in council tax collection levels by direct debit between Local Council Tax Support Cases and Non Local Council Tax Support Cases. The Assistant Chief Finance Officer confirmed that collection by direct debit was the most cost effective and regular way of receiving council tax and there were a number of initiatives in place to encourage residents to pay by direct debit.

The following decision was unanimous.

### **Decision**

Members noted that:

- (1) The LCTS scheme financial modelling completed before the Chancellor's July 2015 Budget indicated that maintaining a LCTS cut at 12% for 2016/17 should be financially viable.
- (2) The risk that the actual 2016/17 Government Grant cut may be higher than forecast which may impact on the funding which can be allocated to support the 2016/17 LCTS scheme.
- (3) That a further report be submitted to the Committee to enable Members to consider this issue before final approval of the 2016/17 LCTS scheme proposals for referral to full Council in December 2015, including the impact of updated financial modelling to reflect the Welfare Reforms announced by the Chancellor in the July 2015 Budget, which may require increased use of the one-off LCTS Reserve in 2016/17 if Members wish to maintain a 12% scheme.

## **27. Hartlepool Housing Strategy 2015-2020** *(Director of Regeneration and Neighbourhoods)*

### **Type of decision**

Budget and Policy Framework.

### **Purpose of report**

To approve the Housing Strategy for 2015-2020 and the adoption of the Action Plan. The Strategy details the key housing priorities for the Council and its partners for the period to 2020. The Action Plan is the delivery plan for the priorities which had been identified.

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

The report provided a detailed background to the development of the Housing Strategy. The Strategy had been produced following engagement with the Council's partners and included Registered Providers, residents, voluntary organisations and the private sector. Five stages of consultation were undertaken and these were outlined in the report. The draft Strategy, Action Plan and further information on the consultation undertaken were attached by way of appendices. The Strategy had been developed around the following five priority outcomes:

- Delivering suitable new homes, including affordable homes and older persons accommodation;
- Making the best use of existing homes; improving quality conditions and the environment;
- Bringing long-term empty homes back into use;
- Improving health and wellbeing; promoting sustainability by supporting people with specific housing needs;
- Preventing homelessness and providing options.

In response to a request by a Member, the Assistant Director, Regeneration indicated he would circulate the results of the online survey to the Committee.

The Chair suggested a further report be submitted to the Committee to explore the financial viability of increasing the Council housing stock including the associated income/costs and the availability of any New Homes Bonus to fully inform future budget decisions.

### **Decision**

- (1) The adoption and publication of the draft Housing Strategy 2015-2020 attached at Appendix 1 be approved.
- (2) The associated Action Plan contained within Appendix 2 be approved.
- (3) The consultation report attached at Appendix 3 was noted.
- (4) The Equality Impact Assessment contained at Appendix 4 was noted.
- (5) The Assistant Director, Regeneration to circulate the results of the online survey undertaken as part of Stage 2 of the consultation on the Housing Strategy.
- (6) That a further report be submitted to the Committee exploring the financial viability of utilising empty homes to increase the Council housing stock, detailing the associated income, costs and incurred outputs to fully inform future budget decisions. (See minute 28 for additional information to be included within the above report.)

## **28. Council Housing Stock Development – July 2015**

*(Director of Regeneration and Neighbourhoods)*

### **Type of decision**

Key Decision.

### **Purpose of report**

- i) To consider the business case for the purchase of 14 bungalows on the former Raby Road Corridor/Perth Street Compulsory Purchase Order (CPO) site, subject to a successful bid for additional Homes and Community Agency (HCA) funding; and
- ii) To refer the proposals to Council on 6 August 2015 for approval of the capital funding required as part of the business case.

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

The report provided the background to the Council becoming a stock holding Local Authority in 2010. A further opportunity to develop the Council housing asset by acquiring 14 additional bungalow units on the Alexander Square site (formerly Perth, Hurworth CPO site). It was noted that there was a high demand and waiting list for social housing bungalows in the Town. A bid had been submitted with the Homes and Communities Agency (HCA) to access an element of the required funding and the Assistant Director, Regeneration informed the Committee that since the agenda papers were printed, he had been informed that this bid had been successful. Further detail was provided on the options available for the remainder of the required funding from a mix of Prudential Borrowing and Section 106 monies and these were outlined in the report.

Members were supportive of utilising as much uncommitted Section 106 funding as possible in order to reduce the amount of prudential borrowing required. In response to a question from a Member, the Assistant Director, Regeneration indicated he would forward the list developments contributing to the uncommitted Section 106 funding that would be utilised for this proposal to Members of the Committee.

A Member sought clarification on the identification of houses within the Council stock as opposed to those within the Thirteen Group's housing stock. The Chair indicated that a schedule identifying Council housing stock could be attached to the report requested in minute 17 in relation to the Housing Strategy.

In response to a question from the Chair, the Assistant Director, Regeneration confirmed that work was ongoing in relation to the clawback of grant funding previously provided to Barnardos. The Chair questioned

the provision of new homes bonus and whether this would enable the Council to increase its housing stock further and suggested that this be explored further in the report requested above.

The following decisions were unanimous.

### **Decision**

- (1) The proposal to purchase 14 bungalows on the Alexander Square development on condition that:
  - (i) There was a successful outcome to the bid for £329,000 HCA Grant funding under the National Affordable Homes Programme and it was noted during the meeting that this had been successful.
  - (ii) The Department for Communities and Local Government approved the arrangements for either increasing the HRA exemption, or approve the arrangements for the Council re-establishing the HRA. It was noted that any minor additional administrative costs of operating an HRA can be funded within the existing business case.
  - (iii) The following option was approved for referral to Council for funding the balance of the scheme costs:  
Option B – use of Prudential Borrowing of £735,000 (ie £52,000 per property) which equated to 58% of the total project funding and Section 106 funding of £196,000.
  - (iv) It was noted that due to the successful bid for HCA grant funding and the scheme proceeds, the total capital budget for this scheme will be £1,260,000.
  - (v) It was noted that if the approval detailed in recommendation (ii) was not successful the scheme would not proceed.
- (2) That the Assistant Director, Regeneration circulate to Members of the Committee the list developments contributing to the uncommitted Section 106 funding that would be utilised for this proposal.
- (3) With reference to a request for a further report in minute 28 above, the report should also incorporate a schedule highlighting the location of Council housing stock and include further information on the potential new homes bonus that may be available from increasing the level of Council housing stock.

## **29. Workforce Arrangements** (*Chief Executive and Assistant Chief Executive*)

### **Type of decision**

Key Decision.

## **Purpose of report**

To advise on progress in respect of Workforce Arrangements and seek the Committee's response to the result of the ballot of local trade union members.

The trade unions confirmed to the Council on 23 June 2015 that they had not been mandated, via a ballot of their members, to enter into a collective agreement to reflect the changes to terms and conditions agreed, in principle, at Finance and Policy Committee on 30 January 2015.

As a consequence, it will not be possible to implement the whole package, as planned on 1 October 2015 and it was necessary for the Committee to consider the impact on the MTFS, the available options for moving forward and the alternatives to find savings.

## **30. 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 29 – Workforce Arrangements – *Chief Executive and Assistant Chief Executive*** – 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 information relating to any consultations or negotiations, or contemplated consultations or negotiations, in connection with any labour relations matter arising between the authority or a Minister of the Crown and employees of, or office holders under, the authority (para 4).

## **29. Workforce Arrangements (*Chief Executive and Assistant Chief Executive*)** 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 information relating to any consultations or negotiations, or contemplated consultations or negotiations, in connection with any labour relations matter arising between the authority or a Minister of the Crown and employees of, or office holders under, the authority (para 4).

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

Further details can be found in the exempt section of the minutes

## **Decision**

Further details can be found in the exempt section of the minutes.

## **The meeting returned to open session.**

The Chair stated that all the recommendations contained in the previous confidential report had been accepted with a further report requested on the implementation of the living wage in Hartlepool before the end of December 2015.

## **31. Employee Sickness Absence Annual Report 2014/15** (Assistant Chief Executive)

### **Type of decision**

Non key.

### **Purpose of report**

To provide an update on the Council's performance in 2014/15 in relation to employee sickness absence and seek approval for the sickness absence targets (paragraph 3.7) and key focus areas (paragraph 3.8) for 2015/16.

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

The report provided the background to the collation and reporting of sickness absence for Local Authority employees including school employees. The Chief Executive highlighted that the report was a good news story with a continuation in the reduction of sickness absence resulting in an overall reduction in annual sickness rates from 8.86 to 8.47 wte.

The Chair requested that the appreciation of the Committee be forwarded to all employees for over achieving the targets set for the reduction in annual sickness.

The following decisions were unanimous.

## **Decision**

- (1) The information in relation to employee absence in 2014/15 was noted and the sickness absence targets and key focus areas for 2015/16 were approved

- (2) That the Chief Executive pass on the appreciation of the Committee to all employees for over achieving the targets set for the reduction in annual sickness.

## **32. Integrating Health and Social Care Services to Deliver the Better Care Fund Plan** *(Director of Child and Adult Services and Director of Regeneration and Neighbourhoods)*

### **Type of decision**

Non key.

### **Purpose of report**

- i) To provide an update on integration of adult social care and health services as part of the delivery of Hartlepool's Better Care Fund Plan.
- ii) To seek approval for the Council to lease office accommodation from the North Tees and Hartlepool NHS Foundation Trust (FT) on the University Hospital of Hartlepool site to facilitate the creation of a co-located service that was a key element to the Better Care Fund Plan.

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

The report provided the background and the aims and objectives of the Better Care Fund (BCF) Plan for Hartlepool. One of the key themes of the Plan is Intermediate Care which aims to support people in their own homes and in the community to prevent unavoidable admissions to hospital and to prevent or postpone permanent admissions to residential care through providing a range of community based alternatives. The report provided further detail on the current position in relation to adult social care.

The proposal was to reconfigure the service and co-locate with a Single Point of Access for FT Community Services and health teams that support hospital discharges as an essential element of the Better Care Fund Plan. Further information on the operational element of the proposal was included within the report and it was proposed to co-locate the Council and NHS professionals involved on the hospital site. The significant advantage of this arrangement would be that the adult social care managerial and supervisory staff can be made available at all times to support decision making for each aspect of the operational function. As such, more assessments can be completed and discharges facilitated without necessarily increasing staffing resources and adult social care reablement staff will be able to work alongside NHS therapists more effectively. The FT were supportive of the proposal and have offered to provide accommodation at nil rent subject to the Council contributing towards the operating costs of the building on a proportionate area basis together with a contribution to the costs of the refurbishment as detailed in confidential

Appendix 1 which also included the Heads of Terms of the agreement with the FT. **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).**

A Member did have some reservations about using part of the hospital site when people were still campaigning to bring A&E services back to Hartlepool. However, it was highlighted that whilst the majority of people would wish to see accident and emergency services returning to Hartlepool, this proposal would utilise part of the site to integrate health and social care and achieve better outcomes for the people of Hartlepool through joined up working between acute services and hospital care. It was suggested that some Members may wish to view a video produced by the King's Fund which showed the benefits of a joined up approach between acute hospital services and social care.

### **Decision**

- (1) That the plans to reconfigure services as part of the Better Care Fund Plan with the aim of promoting integration of health and social care and improving outcomes for vulnerable people was noted.
- (2) It was agreed that the Council enter into a lease of accommodation with North Tees and Hartlepool NHS Foundation Trust subject to payment (from the Better Care Fund Pooled Budget) of a proportion of the running costs and contribution towards the refurbishment works as set out in confidential Appendix 1. **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).**

## **33. Corporate Procurement Quarterly Reports on Contracts and Update on Collaborative Procurement Services Agreement** *(Director of Regeneration and Neighbourhoods)*

### **Type of decision**

For information.

### **Purpose of report**

To satisfy the requirements of the Council's Contract Procedure Rules with

regard to the Finance and Policy Committee:

- i) Receiving and examining quarterly reports on the outcome of contract letting procedures including those where the lowest/highest price is not payable/receivable.
- ii) Receiving and examining reports on any exemptions granted to these Contract Procedure Rules.

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

The report provided the background to the quarterly monitoring of contracts. Attached at Appendix A were the details required for each procurement tender issued since the last quarterly report. Included within Appendix B were details of the required information in relation to Contract Procedure Rules exemptions granted since the last report. Also attached at confidential Appendix C was a table including the commercial information in respect of the tenders received. **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.**

At this point in the meeting, Councillor Chris Simmons declared a personal interest in this item.

### **Decision**

The contents of the report were noted.

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

None.

The meeting concluded at 10:16 am

**P J DEVLIN**

**CHIEF SOLICITOR**

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