

FINANCE AND POLICY COMMITTEE

MINUTES AND DECISION RECORD

11 JANUARY 2016

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

Present:

Councillor Christopher Akers Belcher (In the Chair)

Councillors: Kevin Cranney, Marjorie James, Brenda Loynes, Carl Richardson, Chris Simmons, Kayleigh Sirs, George Springer and Paul Thompson.

Also Present: Councillor Jim Lindridge as substitute for Councillor Allan Barclay in accordance with Council Procedure Rule 5.2.

Councillor Jim Ainslie.

Officers: Gill Alexander, Chief Executive
Andrew Atkin, Assistant Chief Executive
Chris Little, Chief Finance Officer
Sandra Shears, Head of Finance (Corporate and Schools)
Peter Devlin, Chief Solicitor
Louise Wallace, Director of Public Health
Sally Robinson, Director of Child and Adult Services
Denise Ogden, Director of Regeneration and Neighbourhoods
Alastair Rae, Public Relations Manager
David Cosgrove, Democratic Services Team

137. Apologies for Absence

Councillors Allan Barclay and David Riddle.

138. Declarations of Interest

None.

139. Minutes of the meeting held on 7 December 2015

Confirmed.

140. Minutes of the meeting of the Health and Wellbeing Board held on 5 October 2015

Received.

141. Medium Term Financial Strategy (MTFS) 2016/17 to 2018/19 *(Corporate Management Team)*

Type of decision

Budget and Policy Framework.

Purpose of report

The purposes of the report were to:-

- (i) Inform Members of the impact of the 2016/17 Local Government Finance Settlement announcement on the Council;
- (ii) To enable Members to determine the final 2016/17 budget and Council Tax proposals to be referred to Council on 18th February 2016; and
- (iii) To enable Members to approve a strategy to begin addressing the significant budget deficits facing the Council in 2017/18 and 2018/19.

Issue(s) for consideration

The Chief Finance Officer reported that a comprehensive report on the forecast financial position for the period 2016/17 to 2018/19 had been considered by the Committee on 23rd November 2015 and detailed proposals referred to Council on 10th December 2015. The previous report indicated that the financial forecasts were based on information available at the time and would need to be updated to reflect the outcome of the 2015 Government Spending Review and the 2016/17 Local Government Finance Settlement announcement. The 2015 Government Spending Review was presented to Parliament on 25th November 2015 and included a number of significant headline announcements affecting Local Government. The Chief Finance Officer outlined the principle aspects of the Local Government Funding (LGF) settlement including the ending of the Government funded council tax freeze regime and the introduction by the Government of an additional 2% Social Care precept.

The LGF settlement announcement and the assumptions underpinning it assumed that local councils, with Social Care responsibilities would increase the level of council tax by 3.9% per annum. Not doing so would require councils to find this level of additional savings each year over and above the savings levels already factored in.

The Government had recognised that the amount raised from implementing a 2% Social Care precept would vary for individual Authorities, with more affluent areas gaining most and less affluent areas gaining least financially. As demand for Adult Social Care services tends to be the opposite way round (i.e. lower in affluent areas and higher in more deprived areas) the Government would seek to equalise this position via the Better Care Fund allocations. The Government has stated that in the most affluent areas no additional Better Care Funding would be provided.

The Government's 2016/17 Settlement announcement confirmed that funding cuts would continue until 2019/20. This would mean that Local Authorities would have faced nine consecutive years of funding cuts (i.e. 2011/12 to 2019/20) – which was unprecedented. This would mean in 2019/20 the core Government funding for Hartlepool would have been cut by two-thirds since 2010/11 – a reduction of £38m. The cuts in Government funding over the next three years for Hartlepool were higher than forecast and by 2018/19 this increases the forecast deficit by £4.140m, from £14.192m to £18.332m

The Chief Finance Officer went on to set out in the report the changes in the government's announcement that would have a negative financial impact on the authority during the term of the government; these included -

- Revenue Support Grant continuing cuts and 100% Business Rates Retention
- Reform of New Homes Bonus system
- Public Health Funding
- Education Services Grant (ESG)
- Apprenticeships Payroll Levy
- National Schools Funding Formula from 2017/18

One positive change included in the spending review related to the Better Care Fund where additional funding would be provided from 2019/20 of £1.5 billion, consisting of £800 million reallocated from the New Homes Bonus grant and £700 million of new funding. Use of this funding would be tied into the development of an integrated Better Care Plan with the NHS and the development of a Government audit regime to monitor spending and take account of reduction in the New Homes Bonus grant.

Whilst, this funding would begin to be paid from 2017/18 (£105m) the main additional funding would not be received until 2018/19 (£825m) and the full amount until 2019/20 (£1.5 billion). The back loading of this funding was not helpful as Councils would face increased inflationary pressures, including phased increases in the National Living Wage, and demand pressures in relation to Care Services in 2016/17, 2017/18, 2018/19 and 2019/20. Therefore, in 2016/17 and 2017/18 the Government's financial strategy was effectively assuming Councils would fund these pressures from the 2% Social Care precept on Council Tax.

The Chief Finance Officer highlighted to Members that the MTFS strategy

approved on the 23 November 2015 provided financial flexibility to manage the impact of the actual 2016/17 Government grant cut being higher than forecast as it provided one-off resources of between £1.058m and £1.278m, from the 2015/16 forecast outturn and review of reserves. Based on the latest assessment the outturn forecast of £1.278m could now be taken into account and relied upon when setting the 2016/17 budget.

As the grant cuts for the next three years were higher than forecast the Council faced an additional budget shortfall for 2016/17 of £2.1m. In view of the limited time available to address the additional deficit it was recommended by officers that the following measures were implemented to manage the additional deficit and to protect services in 2016/17 as far as is possible:

	£'000
Additional Deficit – impact of higher grant cut	2,100
Less – Use of Uncommitted 2015/16 Outturn resources	(1,278)
Less – Increase in 2016/17 Council Tax Base	(252)
Net Deficit	570

In line with the approach recommended in the previous MTFS report the strategy for managing the increased budget deficit relied upon the use of additional one-off resources. The use of these resources did not provide a permanent solution and was designed to provide a longer lead time to enable permanent savings to be developed and then put forward for consultation as part of the 2017/18 budget proposals.

The MTFS forecasts for 2016/17 were based on the previous Council Tax referendum threshold and Council Tax freeze regime continuing. As reported the Government had confirmed that the Council Tax freeze regime would not apply in 2016/17 or future years. More significantly the Government had confirmed that Councils with responsibility for Social Care would be able to levy a 2% Social Care precept on top of the existing Council Tax referendum threshold – a total increase of 3.9%.

The implementation of the Social Care precept potentially provided increased recurring resources to fund Social Care costs at a time of reducing Revenue Support Grant. The Council could raise £655,000 from implementing the Social Care precept in 2016/17. To put this amount into context 2016/17 Social Care contract costs were forecast to increase by £500,000 as a result of the implementation of the National Living Wage and inflationary pressures would amount to an additional £740,000.

As a result of the introduction of the Social Care precept Local Authorities effectively now needed to consider two options in relation to the level of Council Tax for 2016/17 as part of a sustainable financial strategy, as follows:

- Option 1 - Council Tax freeze, plus 2% Social Care precept which requires additional saving of £536,000 to be identified;
- Option 2 – 1.9% Council Tax increase, plus 2% Social Care precept – which does not require additional savings to be identified.

The following table summarises the impact on the 2016/17 budget of two options:

	Option 1 £'000	Option 2 £'000
Forecast Council Tax income increase built into MTFS (as detailed in paragraph 5.1)	621	621
Add Net additional 2016/17 Budget deficit (as detailed in paragraph 4.36)	570	570
Sub Total – income required	1,191	1,191
Less - 1.9% Council Tax increase	0	(621)
Less - 2% Social Care Precept	(655)	(655)
Additional budget cuts required for 2016/17/(Value of 2015/16 Outturn which can be released to support the 2017/18 budget)	536	(85)

It is recommended that Option 2 is implemented for the following reasons:

- This option maximises the Council Tax base for 2016/17 and future years. In the current financial climate this provided the most robust financial foundations for future years;
- It avoided the need to make additional budget cuts for 2016/17;
- It enabled the Council to demonstrate the case that additional funding for Adult Social Care was needed to offset external cost pressures arising from the National Living Wage, inflation and demographic pressures;
- It avoided the potential risk that the Government may set a lower Council Tax referendum trigger point in 2017/18 for Authorities which did not implement the Social Care precept in 2016/17, as the Secretary of State had indicated the Government would take account of actions taken by authorities in 2016/17 when setting referendum principles in future years.

Option 1 would not achieve the above objectives and would leave the Council in a much weaker financial position to manage the budget in future years. In 2016/17 this option would require the implementation of additional budget cuts of £536,000 over and above the cuts and changes already included in the previously agreed budget reports. This would mean that these cuts could not be implemented in 2017/18 and therefore result in even more difficult cuts being required in 2017/18.

The Chief Finance Officer specifically highlighted the following tables which summarised the additional weekly Council Tax payments for the recommended option (i.e. option 2):-

Full Council Tax Households

National Percentage of Households	Property Band	Percentage of Hartlepool Households	Option 2 – increase per week
24.1%	A	55.8%	71p
19.7%	B	16.6%	83p
21.8%	C	14.0%	95p
15.4%	D	7.0%	£1.06
9.7%	E	4.0%	£1.30
5.2%	F	1.4%	£1.54
3.5%	G	1.0%	£1.77
0.6%	H	0.2%	£2.12

Local Council Tax Support Scheme Households

Property Band	Percentage of Households	Option 2 – increase per week
A	88%	9p
B	8%	10p
C	3%	11p

The Council would face higher actual grant cuts in each of the next three years than forecast and by 2018/19 this would increase the budget deficit from £14.192m to £18.332m (both forecasts were based on annual Council Tax increases of 1.9%).

In terms of addressing the increased budget deficit it was recommended that this was reduced by implementing the 2% Social Care Precept for 2016/17, 2017/18 and 2018/19. Implementation of future Social Care precepts would help mitigate the impact of phased increases in Social Care costs arising from annual increases in the National Living Wage, which would increase recurring costs by £1.5m by 2018/19 and £2.5m by 2020/21. As these cost pressures had already been included in the MTFs forecasts this income would help reduce the forecast budget deficits in 2017/18 and 2018/19 and therefore help reduce the cuts required and the impact on services.

The Chief Finance Officer stated that the Council had come to the point where the nature and effect of the government's policy changes had required a reconsideration of the approach taken to date. This approach has worked well for the authority and has been effectively managed in very difficult circumstances. The revised approach was based on the consideration of a range of related factors and a composite approach which has a number of potential work streams.

Even through times of sustained austerity it is important to retain an ambitious outlook and drive for what will be in the best interests of the town.

The proposed programme encompasses the following workstreams, each of which were linked but also provided for discrete packages of delivery;

- Growing Hartlepool
- Reducing Demand
- Improving Education, Employability and Skills
- Maximising Income through Enterprise and Innovation
- Strategic Asset and Investment Planning
- Service Review

In concluding his presentation of the report to Members the Chief Finance Officer highlighted the section of the report outlining his professional advice on the robustness of the budget forecasts as set out in the report. The Chief Finance Officer reiterated the Government's implementation of the 2% Social Care precept and the assumption in Government budget figures that Social Care Authorities will increase Council Tax by 3.9%, including the Social Care precept. On this basis the recommendation for a Council Tax increase in 2016/17 which would avoid the necessity of having to identify additional budget cuts to balance the budget which would be difficult to achieve at this stage as additional potential savings had not been identified. The Chief Finance Officer also stated that the proposals in the report increased the use of one-off funding to £6.765m. The additional use of one-off resources helps protect services in 2016/17 and provided a longer lead time to address the impact of higher actual Government grant cuts than forecast.

On the basis of Members approving the increased use of one-off resources in 2016/17, implementation of a 1.9% Council Tax increase and 2% Social Care precept the Chief Finance Officer considered that the budget proposal were robust.

The Chief Finance Officer also highlighted the comparison table set out in the conclusions of the report which showed that when the average Council Tax paid per household in Hartlepool was calculated, the tax paid by Hartlepool residents was in the lower quartile of local authorities. The often used national comparator of Band D Council Tax was not a fair reflection of Council Tax paid by residents when 72.4% of all properties in Hartlepool are in Bands A and B, compared to only 43.8% nationally and only 7% are Band D – compared to 15.4% nationally.

A Member sought clarification on the comments made by the Chief Finance Officer that authorities that failed to implement the Social Care precept and increase in council tax could find their future Better Care Fund allocations reduced. The Chief Finance Officer stated that there were two specific risks in the changes announced by the government; firstly that the Better Care Fund allocations did not offset reductions in the New Homes Bonus grant levels. Secondly, that the Government formula used for calculating future Better Care Fund allocations may include council tax levels raised locally. There was no certainty to this as specific guidance had not been issued by government but the inference of the announcement was that if a local

authority didn't implement the 2% Social Care precept, the Government may determine it didn't need a larger Better Care Fund allocation.

A Member sought clarification as to when the projected income from the new homes planned for construction in the town was included in the budget. The Chief Finance Officer indicated that the income forecast had been revised to include an additional £250,000 of income from new homes in 2015/16 and annual growth over the next three years, but with the caveat that if this was not achieved, then the funding would need to come from elsewhere. Further clarification was sought on the figures quoted in the report on the rise of Council Tax rates per week and the Chief Finance Officer stated that the figures had been calculated over 52 weeks.

A Member referred to the reference in the report to the future workstreams for the council, specifically in stimulating conditions for growth, and sought further detail on this from the Chief Executive. The Chief Executive commented that the local government funding settlement was one of the greatest challenges that local authorities had ever faced. The move towards self sufficiency involved huge challenges and many serious concerns, the most significant of those being a continued growth of business rate income and dealing with the impacts of the power station on that income stream. The authority was not only focused on cuts but also on creating income through working with developers to bring forward new developments – both housing and commercial – and through looking to bring new business and jobs into not only Hartlepool but the Tees Valley as well. The Council had to work with partners on building these growth conditions.

The Chief Executive continued by stating that the Council would still be faced with some very difficult decisions on what services it could afford to continue to provide in the coming years.

A Member commented that a lot was based on the new homes to be built in the town with no clear picture as to who was going to buy them or, indeed, who was going to build them. Hard working families were being asked to pay high levels of council tax already; it was wrong to ask those that already contributed to pay even more.

The Chair commented that this was the prime reason behind the council having accepted the government's grant for the past five years rather than increasing council tax. The government had now stated that the council tax freeze regime would no longer apply and Councils needed to become self sufficient. The approach being taken, even when assuming the increases in Council Tax, only reduced the budget deficit from £18m to £16m over the next four years. It was questionable as to whether the social care precept would cover all the increased costs that the government's living wage rises would create.

The Member acknowledged the comments but still considered that the council had too many extravagancies, such as Ward Member Budgets, that

it could ill afford.

A Member of the public questioned the 2% social care precept and how that compared against the actual costs of social care provided by the Council and how the council proposed to ensure that if the social care precept was applied, that it was ring-fenced for social care costs only.. The Chief Finance Officer stated that he would be required to sign an appropriate declaration after the budget was set assuring the Government that the social care precept funded only social care services. The Chief Finance Officer stated that he did not have the actual spend on social care services to hand but could provide it to the member of the public.

The Member of the public sought clarification on the comments made by a Member in relation to the government potentially reducing grant support if the Council didn't increase Council Tax and questioned if the social care fund precept would cover all the increased costs incurred due to the living wage increases. The Chief Finance Officer stated that this was the inference from the government's change in policy. There was, however, no clear guidance available to clarify the issue at this time.

Another member of the public questioned if the Council had confirmed investment packages with developers in place to deliver some of the Masterplan visions particularly Church Street. The Director of Regeneration and Neighbourhoods stated that the Council had received approval for £5.4m of Local Growth Fund for Church Street and a number of confirmed interested parties in the Jackson's Landing site.

The Chair formally moved the recommendations as set out in the report. The recommendations were subsequently approved on a majority of 8 votes for to 2 against.

Decision

That the following detailed recommendations of the Corporate Management Team be approved for submission to Council:

1. That Council be recommended to note the Government Grant cuts for 2016/17 to 2018/19 are higher than forecast and this increases the forecast deficit for the next three years to £18.332m;
2. That Council be recommended to note the significant change in Government policy to end the Council Tax freeze regime and introduce a Social Care precept of 2% in addition to the existing 1.9% Council Tax threshold for 2016/17;
3. That Council be recommended to note that the Government will implement regulations requiring Authorities which implement the 2% Social Care precept to identify this amount separately on the Council Tax bill. This approach underlines the Government's commitment that the Social Care precept is part of the arrangement for

addressing Social Care pressures and will help Councils explain the increase to the public;

4. That Council be recommended to note that as a result of the actual 2016/17 grant cut being higher than forecast, the Council faces an additional budget deficit of £2.1m;
5. That Council be recommended to approve the following proposal to reduce the additional budget deficit from £2.1m to £570,000:

	£'m
Additional Deficit – impact of higher grant cut	2.100
Less – Use of Uncommitted 2015/16 Outturn resources	(1.278)
Less – Increase in 2016/17 Council Tax Base	(0.252)
Net Deficit	0.570

6. That Council be recommended to approve a 2016/17 Council Tax rise of 1.9%, plus a 2% Social Care precept and that Council notes that that this will enable £85,000 of the 2015/16 uncommitted Outturn resources to be allocated to support the 2017/18 budget;
7. That Council be recommended to note that that as detailed in paragraph 5.10 of the report submitted to this Committee, recommendation 6 will mean that the majority of Hartlepool households (i.e. the 72% of households living in a Band A or B property) will have to pay no more than an additional 83p per week. For 96% of Local Council Tax Support scheme households the weekly increase will be no more than 10p per week.
8. That Council be recommended to approve a one-off budget allocation of £0.3m to fund one-off costs of implementing the 2017/18 and 2018/19 Savings Programme and authorises the Chief Executive, in consultation with the Chair of Finance and Policy Committee to determine and procure the support required to deliver the change and savings programme, up to a total limit of £0.3m.
9. That Council be recommended to approve the proposal that the one-off savings programme cost of £0.3m will be funded from an increase in the 2016/17 Capital receipts target.
10. That Council be recommended to note that the additional advice provided by the Chief Finance Officer on the robustness of the budget proposals provided in section 12 of the report to this Committee, including advice that the recommended 2016/17 Council Tax increase (including the 2% Social Care precept), provides the most sustainable basis for the 2016/17 budget and the Council's longer term financial position as this is the only option to increase resources on a recurring basis.

11. That Council be recommended to note that at this stage it is not clear what advantages or disadvantages may arise from applying for a formal four year settlement from the Government. It is recommended, therefore, that a further report is submitted on this issue once more information is available to enable a final decision to be made.

142. Acquisition of Land at Tofts Farm (*Director of Regeneration and Neighbourhoods*)

Type of decision

Non-key Decision.

Purpose of report

To seek approval for the acquisition of two areas of land extending to 1.4 acres at Tofts Farm industrial estate to incorporate within the boundary of the Council's depot to improve operational functionality.

Issue(s) for consideration

The Director of Regeneration and Neighbourhoods reported that in November 2014 Members approved the transfer of Lynn Street Depot to Cleveland College of Art and Design and the purchase of a replacement property at Tofts Farm. The transfer to the college and the purchase of the Tofts Farm property were completed earlier this year.

The alterations and improvements required at Tofts Farm for the new depot facility are ongoing but the final design, layout and operational arrangements continue to be developed in response to increased understanding of the site and depot requirements.

As part of this work it was recognised that the acquisition of two pieces of adjoining vacant undeveloped land to the northern and eastern sides of the depot site would greatly assist in providing enough space to accommodate all the vehicles that need to be parked and assist with the general layout and configuration of the site.

The two areas of land, were detailed on the plan appended to the report. Details of the current ownership and planning status of the land were also set out in the report. Terms for the purchase of the properties had been provisionally agreed and were set out in a confidential appendix which contained 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).

Decision

1. That the proposed purchases of the two areas of land be approved on the terms outlined in the confidential appendix to the report which contained 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).
2. That the Director of Regeneration and Neighbourhoods, Chief Finance Officer and Chief Solicitor be authorized to complete the necessary legal agreements.

143. Variation of Restrictive Covenant, Seaton Lane, Hartlepool *(Director of Regeneration and Neighbourhoods)*

Type of decision

Non-key Decision.

Purpose of report

To seek approval for the variation of a restrictive covenant to enable the redevelopment of land for residential purposes.

Issue(s) for consideration

The Director of Regeneration and Neighbourhoods reported that the land, which extends to 0.40 acres and is currently used as a hand car wash facility, is currently in the process of being sold to a developer and an outline planning application had recently been approved for the erection of seven dwellings consisting of two pairs of semi detached houses and one block of three townhouses.

In a Conveyance dated 14 January, 1980 a restrictive covenant was imposed by the Council “not to use the property or any building constructed thereon for any purpose other than a petrol filling station or for the sale of motor vehicles”. This Conveyance superseded an earlier Conveyance dated June 1960 between the former West Hartlepool Corporation and Shell UK Limited. A request had been received by the new purchasers for consideration to be given to a variation of the restrictive covenant to permit the residential development to proceed. As the existing beneficiary, the Council was entitled to a financial sum for the discharge of the covenant.

Following negotiations provisional terms had been agreed for the variation of the covenant. The Council’s legal and surveyors’ fees would be borne by the purchaser. The terms agreed were set out in a confidential appendix to the report which contained 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).

Decision

That approval is granted for the variation of the restrictive covenant on terms agreed as set out in the confidential appendix to the report which contained 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).

144. Falls Prevention Service (*Director of Public Health*)

Type of decision

Non-key Decision.

Purpose of report

To seek approval from the Finance and Policy Committee to develop and introduce an in house model for delivery of a Falls Prevention Service. It was proposed the service would be funded through the ring fenced Public Health Grant and commence on 1st April 2016.

Issue(s) for consideration

The Director of Public Health reported that in 2013, Public Health Service reforms introduced statutory changes to health commissioning and transferred commissioning responsibility for falls prevention to Public Health within Local Authorities, whilst commissioning treatment for those who had fallen became the responsibility of Clinical Commissioning Groups (CCGs). As a result of the reforms, contractual responsibility for Community Integrated Assessment Team (CIAT) was inherited by Hartlepool and Stockton on Tees Clinical Commissioning Group (HaSTCCG) with contractual responsibility for fall prevention inherited by Public Health within Hartlepool Borough Council (HBC).

The Falls Service is currently jointly commissioned by Public Health within HBC and Stockton Borough Councils (SBC) with North Tees and Hartlepool Foundation Trust (NTHFT) as the current service provider. The current contract value was set out in a confidential appendix to the report which contained 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).

In November 2013, a report was considered by the Committee in relation to the Public Health Commissioning Programme for 2014/15. (Item 154 of Finance and Policy Committee Minutes and Decision Record dated 29th November 2013 and Associated Report). The report outlined HBC Public Health's Commissioning Programme for 2014/15 which included but was not limited to; a contract for a Falls Service. A request was made that an exemption to the Council's Contracting and Procurement Rules be sought, to place a 1 year contract with NTHFT, for provision of such a service, from 1st April 2014. This was to allow time for a comprehensive service review. Further extensions to the contract have been subsequently agreed.

In order to fulfil commissioning and procurement responsibilities a full review of service was concluded in 2015. The review highlighted issues with the current configuration of the commissioned service. The review concluded that current service provision and activity with regard to supply and demand were not congruent with the current needs.

Following the review, HBC and SBC had worked together to model a potential pilot where Public Health funding would continue to be used by NTHFT within their CIAT service to provide a Falls Prevention Service. In the proposed model, funding would not have been used to fund a generic CIAT service but would be used to provide an education role and lower level triaging of new referrals. This model was proposed to NTHFT, who stated they would be unable to deliver it within the proposed available financial resources.

In view of the findings from the review and rejection of an alternative pilot model by NTHFT, HBC Public Health proposed to develop and deliver an in-house Falls Prevention service which would be situated within the existing structures of the Adult Social Care teams that sit alongside health colleagues in the SPA. The service would operate much as the pilot would have done, with a Falls Educator role, and a Falls Triage and Support role. NTHFT have already indicated that they would be willing to consider supporting this new model through the provision of suitably trained staff, on secondment.

The Director commented that there was under the current service, a relatively large waiting list which officers would work with the current providers to reduce before the end of the contract on 31 March 2016.

The Chair of the Adult Services Committee welcomed the proposal commenting that the service aimed to reduce the numbers of falls and subsequent hospital admissions thus saving money in the longer term.

Decision

1. That the proposal to deliver a Falls Prevention Service as an in-house provision be approved as reported.
2. That £72,000 be allocated from the ring fenced Public Health grant in

2016/17 to fund the in-house service.

145. Proposed Merger of the Teesside and Hartlepool Coroner Services – Further Update (*Chief Executive and Chief Solicitor*)

Type of decision

Non-key Decision.

Purpose of report

The report provided a further update to the Committee on the present position as to the proposed amalgamation of the Teesside and Hartlepool Coroner areas. The Committee received a report initially on the 21st July, 2014 where it was agreed 'in principle' to support a proposed merger, subject to the approval of a Business Case.

Issue(s) for consideration

The Chief Solicitor reported that the Business Case had been endorsed by the Committee at its meeting on the 18th August, 2014. Since that time there had been various discussions which had entailed a proposed addendum to that Business Case which either had, or was in the process of being, submitted for consideration by the four Local Authorities comprising the two coronial areas. The addendum to the Business Case as supplied through Middlesbrough Borough Council was submitted as an appendix to the report.

The Chief Solicitor reported that there was a unified view that any amalgamated coronial area should have a Senior Coroner appointed as a one full time equivalent (FTE) as opposed to the initial recommendation of a 0.8 FTE position. As was previously the case, there was a recommendation that the Assistant Coroner (acting as a designated deputy) would be 0.8 FTE. However, there is a divergence of opinion on the proposal to 'slot-in' the existing Senior Coroner for Hartlepool into any amalgamated jurisdiction as supported by Members at the meeting on 28 August 2015.

On the 4th December, 2015 a report was considered by the appropriate Executive member at Middlesbrough Borough Council which approved the 1 FTE Senior Coroner recommendation but also recommended the external advertisement through 'open competition' of that role subject to the Ministry of Justice providing an indemnity, should there be any challenge to that appointment process. If no indemnity was forthcoming then any proposed merger should be postponed 'until there was legal certainty regarding the position of a Senior Coroner who loses office'. Similar reports to that now submitted were pending at Redcar and Cleveland and Stockton Borough Councils. The outcome of the deliberations of those Councils would be notified to members when they were known.

The Chief Solicitor indicated that since the original Business Case had been submitted, over 12 months ago, there had been several key changes which meant that the recommendations contained in the original Business Case should be reconsidered. The outcome of this was contained in the 'Addendum to the Business Case' which was submitted as an appendix to the report.

The improved outcomes identified in the original Business Case had already been delivered without a formal merger of the two areas:

- the timeliness of inquests had improved substantially and this improvement had been maintained throughout 2015;
- a streamlined service was now offered by both coroner services to partners; and
- the savings predicted in the original Business Case had been delivered by streamlining processes within the Teesside Coroner's Service and the commissioning of services.

Since the Business Case had been drafted in July 2014 there had been several key changes, as follows, which were also set out in detail in the report:

- a. a better understanding of the impact on the Coroner's Service of the deprivation of liberty ('Cheshire West') judgement;
- b. the opportunity to see the coroner support model proposed in the Business Case in operation (albeit in a slightly different format); and
- c. the Chief Coroner's response to the consultation on the original Business Case and additional guidance issued to Middlesbrough Borough Council (as the relevant authority) in respect of the merger.

The Chief Coroner raised three concerns in response to the MoJ consultation on the Business Case, as follows:

- a. the role of Senior Coroner should be full-time
- b. support to the Senior Coroner should be provided by five ad-hoc Assistant Coroners; and
- c. Teesside and Hartlepool should consider whether the appointment to the role in the merged area should be by external competition rather than by 'slot-in'.

The original business case proposed that the Senior Coroner for Hartlepool, would be 'slotted in' to the Senior Coroner role in the new area. The basis for this view was to comply with the Chief Coroner's then guidance and acceptance of the Ministry of Justice's position that any compensation would be a matter for the relevant authority and an (incorrect) view that the new rules governing appointments would apply to the new role, in a slot-in scenario, thus the Senior Coroner would be required to retire at age 70.

The Chief Coroner in his amended guidance raises some valid points in

relation to the relative size of the current Teesside and Hartlepool Coroner areas, the institutions contained within them (Teesside contains two substantial hospitals and two prisons; Hartlepool does not have these facilities) and the likelihood of attracting the best candidate for the role through open competition.

The opportunities and risks associated with each option (slotting in and open advertisement of the position) were detailed in the report. Additional consultation had been undertaken on Middlesbrough Borough Council's proposed Addendum to the Business Case with the other local authorities, Cleveland Police, the Acting Senior Coroner for Teesside and the Senior Coroner for Hartlepool and details of the responses were set out in the report.

Regardless of whether or not a merger proceeds, back office functions and support from the two services can be further aligned in the interests of both efficiency and effectiveness. Consequently, if a merger does not go ahead partners would continue to be offered one streamline service. Middlesbrough Borough Council were the 'relevant authority' for the present Teesside Coronial Area and have through their Executive Member made a recommendation that the appointment of a Senior Coroner should proceed through open competition as opposed to 'slotting in' of the existing Senior Coroner for Hartlepool in any amalgamation. This is subject to the Ministry of Justice providing an indemnity. It is most probably the case that the Ministry of Justice will not provide an indemnity and therefore the resulting position from the Local Authorities perspective would be to postpone any merger/ amalgamation until there was certainty over the legal position should the existing Senior Coroner lose his office through any merger/ amalgamation being enforced through the Ministry. Hartlepool Borough Council has previously affirmed its position that it would support the 'slotting in' of the existing Senior Coroner. That position is contrary to the decision made recently through Middlesbrough Borough Council's Executive and may also run contrary to the position of Redcar and Cleveland and Stockton Borough Councils. The Committee were, therefore, requested whether they wished to reaffirm their previous position, or not.

A Member of the public questioned if Hartlepool would have any veto over the final decision or if the matter would be resolved by 'consensus' by the other local authorities. The Chief Solicitor stated that the appointment of a Senior Coroner required the consent of the Lord Chancellor in consultation with the Chief Coroner and conceivably a merger could be 'forced' by the Ministry of Justice. In relation to a further question on the age of retirement of coroners, the Chief Solicitor indicated that there was now legislation which specifically required coroners to retire at 70, though this did not apply to existing office holders appointed under earlier provisions. This automatic retirement age would not apply if there was a 'slotting-in' process of an existing Senior Coroner in any subsequent amalgamation.

Members commented that they had supported the slotting in process as there was an existing and experienced coroner in Hartlepool. The Chief Solicitor commented that the Ministry of Justice had favoured the slotting in

process but wanted to see local agreement. This had, however, been affected by the recent guidance issued by the Chief Coroner which changed his previous position.

The Committee re-affirmed its previous decision in support of slotting in the current Senior Coroner from Hartlepool and requested that an appropriate report be submitted for the information of Council.

Decision

1. That the report be noted.
2. That the Committee re-affirms the decision taken on the 28th August, 2015 which recommended the proposed 'slotting in' of the Hartlepool Senior Coroner in any amalgamated coroner area, as opposed to appointment through 'open competition'.
3. That subject to 2 above, the principle that a Senior Coroner position should be 1 FTE and that the model of coroner support is that of a 0.8 FTE Assistant Coroner (as a designated deputy) and that any additional support is decided by the relevant local authority in conjunction with the other local authorities.

146. Council Tax Base 2016/17 *(Chief Finance Officer)*

Type of decision

Non-key decision.

Purpose of report

The report sought member approval as required by statutory regulations to a calculated Council Tax Base for 2016/17 which would be used for Council Tax billing purposes.

Issue(s) for consideration

The Chief Finance Officer reported that the Council was required by law to calculate its Council Tax Base for the forthcoming year, and inform the major precepting authorities Cleveland Police Authority and Cleveland Fire Authority and local precepting authorities (Parish Councils), before 31st January 2016. The Council Tax Base is expressed as the number of Band D equivalent properties.

The amount of Council Tax levied on each Band D property located in the Borough of Hartlepool is calculated by dividing the total amount of the precepts determined by this Council, the Police and Crime Commissioner and Cleveland Fire Authority on the Collection Fund in 2016/17, by the Council Tax Base. The amount of Council Tax payable for other bands is determined by applying a fixed proportion of the Band D amount. A

separate report on the calculation of the amount of Council Tax payable for each band for 2016/17 will be submitted to Council as part of the budget process.

As part of the Government's welfare reforms, Councils were required to determine and operate their own local schemes for providing support with Council Tax. Under these arrangements, there was a requirement to adjust the Council Tax Base to reflect the impact of the Local Council Tax Support scheme. Members had approved a 2016/17 LCTS scheme involving a cut of 12%, the same as for 2015/16. The LCTS adjustment is expressed in terms of an equivalent number of Band D's within each Appendix.

In setting the Tax Base the Council was required to consider the effectiveness of its arrangements for collecting Council Tax and factor in an adjustment to avoid a deficit on the statutory Collection Fund.

The level of in year collection of Council Tax for 2014/15 was 95.4%, the average of the 12 North East Councils was 95.9% (range 93.6% to 97.7%). More fundamentally long term collection levels continue to be high with 99.2% of Council Tax due being collected within 5 years, maintaining historical performance levels.

Recovery of Council Tax from Local Council Tax Support working age households is challenging and there can be delays in securing recovery. However, a positive pattern is emerging of ultimately high Council Tax collection rates from LCTS claimants of 93%. This level of collection reflects member decisions to minimise the level of LCTS cut and thereby minimise the amount of Council Tax due from affected households.

Decision

1. That a Hartlepool Borough Council, Council Tax Base for 2016/17 of 23,265.7 be approved.
2. That a Council Tax Base for 2016/17 for Parishes who intend to levy a precept upon the Council's Collection Fund be approved as follows:

Dalton Piercy	103.1	Elwick	468.2
Greatham	573.3	Hart	291.4
Newton Bewley	29.8	Headland	702.2
Brierton	12.7	Claxton	15.6

147. Any Other Items which the Chairman Considers are Urgent

There were no items the Chair considered urgent.

The Committee noted that the next meeting would be held on Monday 15 February, 2016 commencing at 2.30 pm in the Civic Centre, Hartlepool.

The meeting concluded at 10.47 am.

P J DEVLIN

CHIEF SOLICITOR

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