

FINANCE AND POLICY COMMITTEE

MINUTES AND DECISION RECORD

30 OCTOBER 2017

The meeting commenced at 10.00 am in the Civic Centre, Hartlepool.

Present:

Councillor Christopher Akers Belcher (In the Chair)

Councillors: Alan Clark, Kevin Cranney, Tim Fleming, Marjorie James,
Jim Lindridge, Brenda Loynes and Shane Moore.

Also Present: Councillor Carl Richardson as substitute for Councillor Stephen Thomas
in accordance with Council Procedure Rule 5.2.

Chief Inspector Nigel Burnell, Cleveland Police.

Officers: Gill Alexander, Chief Executive
Peter Devlin, Chief Solicitor
Chris Little, Director of Finance and Policy
Sally Robinson, Director of Children's and Joint Commissioning Services
Denise Ogden, Director of Regeneration and Neighbourhoods
Steve Hilton, Public Relations Officer
David Cosgrove, Democratic Services Team

60. Apologies for Absence

Councillor Stephen Thomas.

61. Declarations of Interest

None.

62. Care Leavers Exemption from Council Tax *(Director of Finance and Policy and Director of Children's and Joint Commissioning Services)*

Type of decision

Non Key Decision.

Purpose of report

To seek Members approval to a local policy of exempting Hartlepool Care

Leavers from Council Tax until the age of 25.

Issue(s) for consideration

The Director of Finance and Policy reported that the Children's Commissioner for England had written to council Chief Executive's requesting that councils consider removing the requirement to pay Council Tax for care leavers up to the age of 25. This reflected the view that in terms of the move to independence, care leavers face these responsibilities much younger than most and often without family members to fall back on for guidance and support.

Under Section 13A of the Local Government Finance Act 1992, the Council had the power to reduce liability for Council Tax in relation to particular types of circumstances / scenario's. It was proposed that the Council used these powers to exempt Hartlepool Care Leavers resident in Hartlepool from Council Tax until the age of 25 from 1st April 2017. Furthermore, to ensure inclusiveness of all Hartlepool Care Leavers within a Hartlepool policy framework, it was proposed that the Care Leaver Exemption from Council Tax arrangements should also apply to those Hartlepool Care Leavers under 25 who are resident outside the Borough.

In the current financial year Hartlepool BC were supporting 36 care leavers under 25 within the borough. However, 20 of this group were already exempt from Council Tax, typically because they resided either in student accommodation or a house of multiple occupation (HMO). A Hartlepool BC Council Tax exemption policy covering Care Leavers resident within the borough would, therefore, impact on only 16 individuals.

Of these 16 Hartlepool Care Leavers, 10 were in receipt of Local Council Tax Support. Awarding an exemption would marginally reduce the Council Tax Base but would also produce a saving on the cost of Local Council Tax Support. The net cost in 2017/18 of implementing a Hartlepool Care Leaver Council Tax Exemption Policy within the borough was estimated at about £6,700.

There were currently 28 Hartlepool Care Leavers under the age of 25 outside the borough. Out of the 28 care leavers, 16 were currently not claiming due to their circumstance, i.e. living with a family member. The cost of providing a Hartlepool Care Leaver Council Tax Exemption for Care Leavers outside the Borough was estimated at about £5,000 which could be resourced within the Tax Base determinations.

The Chair of the Children's Services Committee spoke in favour of the proposal. The Member indicated that this would provide significant help to young people who had left the care system. The Council was also looking towards producing a Care Leavers Charter and from discussions with young people who had been in care it was clear that they would benefit from some assistance with independent living skills and financial independence. The Chair of the Children's Services Committee also

commended the staff that worked with young care leavers assisting them into independent living.

Members queried if the support would still be provided if the care leaver was living with another person or had married. The Director indicated that the report and calculations had been based on all care leavers irrespective of marital status. The Director of Children's and Joint Commissioning Services commented that the proposed Hartlepool scheme went further than many others already approved in that it would assist those care leavers who now resided outside of the borough.

The Chair welcomed the proposals and suggested that rather than instigate a publicity campaign, details of the scheme should simply be circulated to all appropriate care leavers and support staff.

The following recommendations were agreed unanimously.

Decision

1. That a policy of exempting all Hartlepool Care Leavers under 25 from Council Tax whether resident inside or outside the Borough, backdated to 1st April 2017, be approved.
2. That relevant adjustments to the Tax Base arrangements in relation to this policy be approved.
3. That the Director of Finance and Policy write to the Children's Commissioner outlining the approved scheme for Hartlepool.

63. Minutes of the meeting held on 18 September 2017

Confirmed.

64. Minutes of the meeting of the Health and Wellbeing Board held on 26 June 2017

Received.

65. Minutes of the meeting of the Safer Hartlepool Partnership held on 11 August 2017

Received.

Councillor Clark left the meeting at this point.

66. Community Safety Plan (2017 – 2020) *(Director of Regeneration and Neighbourhoods)*

Type of decision

Budget and Policy Framework. General Exception Notice applies.

Purpose of report

1. To consider the Community Safety Plan 2017-2020 (also referred to as the Community Safety Strategy).
2. To consider referral to Council for adoption of the Community Safety Plan 2017-2020.

Issue(s) for consideration

The Director of Regeneration and Neighbourhoods reported that the Community Safety Plan 2017-20 had been developed based upon the findings of the Safer Hartlepool Partnership Strategic Assessment; public consultation including on-line surveys undertaken in December and June; the Face the Public Event; and through the Council's Community Forums. Consultation has also taken place with key strategic Partnerships such as the Adult and Children's Safeguarding Boards and the Health and Well Being Board at the Safer Hartlepool Partnership Development Day held in May. In July 2017 the Council's Audit and Governance Committee and Finance and Policy Committee were also consulted on the Plan, with the final draft of the Plan being considered and agreed by the Safer Hartlepool Partnership in September 2017.

Decision

That, in accordance with the budget and policy framework, the Community Safety Plan 2017-2020 be referred to full Council for adoption.

67. Integrated Working – Community Safety *(Director of Regeneration and Neighbourhoods)*

Type of decision

Key Decision (tests (i) and (ii)) Forward Plan Reference No. RN11/17.

Purpose of report

To consider a new model of integrated working between the Police, Fire, and Council Community Safety and Engagement Services and to agree recommendations for service remodelling.

Issue(s) for consideration

The Director of Regeneration and Neighbourhoods reported that as a result

of the development work undertaken during the summer months and discussions with partners, general agreement had now been reached with Cleveland Police, Cleveland Fire Service, and the Police and Crime Commissioner for Cleveland in relation to the model and core offer of the integrated community safety team. Working to improve safety in the local environment and improve public confidence the team would take a targeted approach focusing on vulnerable areas and individuals. In addition to neighbourhood policing the core offer of the team would be as follows:

- Crime and anti-social behaviour prevention
- Victim Services and Crime Prevention (including personal security and targeting hardening service)
- Community Resolution and Mediation
- Car Parking Enforcement
- Environmental Crime
- Community Cohesion, Hate, and Prevent
- Community Monitoring (CCTV)
- Building Community Resilience / Volunteering Opportunities
- Fire Service Advocacy (vulnerable adults)
- Fire Service Interventions (children)
- Community Liaison (fire safety)

To improve information sharing and ensure a joined up approach for the communities of Hartlepool, the 'Hartlepool Community Safety Team' would be colocated. A number of possible options in relation to a base for the team have been considered including the Civic Centre; the former Probation building; and Stranton Fire Station. However, Avenue Road Police Station was the recommended option as it would provide sufficient space for the team with some flexibility to grow whilst also maintaining links with Police Volume Crime Detectives. Much of the ICT infrastructure was already in place at the Hartlepool Police Station to accommodate Council staff and it was anticipated that collocation would take place in early 2018. Any one-off costs associated with the re-location will be funded from the Community Safety Revenue Budget.

The Hartlepool Community Safety Team operational delivery model was outlined at Appendix 2 to the report, and a staff governance structure to support delivery of the model, along with a revised community safety and engagement service structure was attached at Appendix 3 to the report. This identified the Neighbourhood Police Team Chief Inspector as the single coordinator and point of contact for the Hartlepool Community Safety Team, with key supporting officers from each of the organisations providing staff supervisory arrangements. From a strategic governance perspective the Chief Inspector will be accountable to the Safer Hartlepool Partnership via the Director of Regeneration and Neighbourhoods.

The report set out the potential risks and staffing and financial implications. In relation to staffing and financial implications, the Director reported that the Council's Medium Term Financial Strategy included a saving of £50,000 in 2018/19 which was expected to be achieved as result of this service

review. One ER/VR (Early Retirement / Voluntary Redundancy) had already been agreed which would generate a saving of £25,000 per annum. A reconfiguration of management and supervisory arrangements within the service to support operational delivery of the new model would achieve a saving of £58,000 per annum; taking the total savings generated to £83,000 per annum. The balance of savings achieved was, therefore, £32,000 and this funding would be used to support the cost of increasing the front line resilience within the new service model.

Members queried the budget savings on staffing when two new enforcement officer posts were being proposed. The Director clarified that the two new enforcement officer posts would enhance the frontline delivery of the team. The post deletions and the ER/VR reported were in relation to office based posts.

Members asked what the contact arrangements would be for the new team and if the public would be able to report out of hours noise complaints. The Director clarified that the service wouldn't be a 24/7 service but the length of the 'working day' was being extended. Contact arrangements and other issues would be the subject of a further report to members.

The Chair thanked the officers from all partners involved in the development of the proposals now submitted to Members. The Chair indicated that the links for Members to the team would be key and indicated that an 'app' for reporting issues was being developed. The Chair noted that the recommendations would need to include reference to strategic responsibility for the Community Engagement and Cohesion Strategy being transferred to Corporate Services, with strategic responsibility for Voluntary and Community Sector infrastructure support transferring to Economic Growth within the Regeneration and Neighbourhoods Department.

Decision

1. That Committee approved the integrated community safety model outlined in section 4 of the report ,noting
 - The core offer of the integrated community safety team
 - The operational delivery model and links with other council services
 - The staff governance structure
2. That Committee approved the reconfiguration of the Community Safety Service to meet the needs of and support the effective delivery of the new service.
3. The Committee noted that the proposals achieved the £50,000 savings for 2018/19 included in the Councils Medium Term Financial Strategy.
4. The Committee noted that the proposals created a greater resilience in

relation to the Councils front line enforcement services would cost £90,000 per annum, and this would be funded by savings achieved by the new operating model and existing available resources.

5. The Committee noted that investigations into further enhancing the model through the inclusion of other services would be explored.
6. The Committee agreed that an update on implementation of the new model be provided to the Finance and Policy Committee in six months (April 2018) together with the outcome of further investigations into how the model could be enhanced.
7. The Committee agreed that strategic responsibility for the Community Engagement and Cohesion Strategy be transferred to Corporate Services (in the Finance and Policy Department), with strategic responsibility for Voluntary and Community Sector infrastructure support transferring to Economic Growth (in the Regeneration and Neighbourhoods Department).

68. Housing Revenue Account - Business Plan and Asset Management Plan *(Director of Regeneration and Neighbourhoods and Director of Finance and Policy)*

Type of decision

Key Decision test (i) and (ii) Forward Plan Reference No. RN 31/16.

Purpose of report

This report set out the Housing Revenue Account (HRA) Business Plan and Asset Management Plan. The aims of the business plan and asset management plan were to:

- Focus spending on housing maintenance and management that meets the needs of our customers whilst being efficient and delivering value for money;
- Invest in existing stock to ensure it is sustainable.

Issue(s) for consideration

The Director of Finance and Policy reported that the plan focused on the core business of managing and investing in the Council's residential property portfolio of 245 properties, as of September 2017. The purpose of the plan was to:

- Set out our objectives as a landlord which are aligned with the adopted Housing Strategy;
- Setting out the current position of the housing management service;
- Provide a overview of the key challenges to providing housing management services;

- Set out an action plan and asset management plan including how it will be resourced; and:
- Provide an overview of risks and managing those risks over the life of the business plan.

The report detailed the current housing stock, the results of the condition survey and the financial framework the Council had to operate within. Prior to 1st April 2016 the Council had been operating outside of the HRA regime by obtaining an exemption from the Department of Communities and Local Government (DCLG).

The Council was required to reopen the HRA on 1st April 2016 as a result of the Government's decision to impose a new maximum limit of 200 houses that can be held with such an exemption. The Council was already over this limit and was in the process of acquiring additional houses with a capital programme that increased the total number of houses to 267 units. Approval was obtained, therefore, from the Government to re-open the HRA.

Funding for these schemes used a combination of grants from the Homes and Communities Agency (HCA) and the Department of Communities and Local Government (DCLG) as well as prudential borrowing funded from rent income. All of the capital schemes to acquire houses were subject to a rigorous evaluation and investment appraisal to ensure the business case/financial model was robust and able to withstand a range of financial scenarios.

The business case adopted for each scheme was based on the same principals inherent in the HRA self financing framework. The Government had reformed the HRA system in 2012 so that each Council's HRA could fund its own running and loan repayment costs.

In recent years there have been a number of factors which had put the HRA model under financial pressure. These factors would have applied if the houses had remained outside the HRA. These factors included Government policy changes restricting rent levels and an increasingly challenging operating environment. To date the Council had managed to withstand and absorb the resulting financial impacts due to the prudent and resilient business model which underpinned the Council's housing investment. However, it was becoming increasingly difficult and some changes to the business plan would be necessary to ensure it continued to be sustainable.

After reflecting all of the changes outlined and, where necessary, amending the planning assumptions within the model, the medium term financial projections for the HRA over the next five years had been updated and the latest forecast was set out in the report. This showed that the HRA was likely to be in deficit for the next five financial years though the Director stated that this was not unduly concerning at this time.

In terms of the future development of the Council's housing stock, because of the HRA ring fencing and Debt Cap set by the Government, the sources of future funding available to expand the HRA were currently restricted to the following:

- Prudential Borrowing – limited by the debt cap;
- Former Right to Buy (RTB) sales receipts;
- Section 106 'Affordable Housing' contributions from Developers; and
- HCA Grant Funding.

In light of this and in order to secure the longer term sustainability of the stock, it was proposed that any future property acquisitions should be either new builds or high quality housing. It was anticipated that the funding available could fund the acquisition of between 13 – 15 such properties. There would be a financial benefit to the HRA of acquiring additional new build or high quality empty properties and this was estimated to be approximately £30,000 per year. This contribution would help build resilience into the HRA which was currently in deficit and contribute towards the cost of empty properties and help with meeting the repayment costs of overhanging debt from RTB sales. Focusing on these property types would limit the risks (outlined in the report) around voids, tenant turnover, bad debt and higher maintenance costs as well as maximising income.

Members queried the levels of voids and rent arrears and the Director indicated that with new build properties, the void levels were below 1%. For the other properties in the portfolio, voids were around 12% reflecting the difficulty in letting some properties. Rent arrears were being affected due to the roll out of Universal Credit but there was experience of rents being recovered over the longer period.

A Member questioned the situation around Right to Buy and the potential of that with the new builds the Council was proposing to purchase. The Director of Regeneration and Neighbourhoods reported that the business plan was supported by a sensitivity analysis which assumed two right to buy properties per year based upon historic levels. Right to Buy regulations meant they couldn't be sold for any less than their purchase price but much depended on government policy

Members were concerned at the impact of Universal Credit and particularly the potential for tenants in social housing being made homeless through eviction and turning to the council to find them a new home. The Director of Regeneration and Neighbourhoods commented that the Council's statutory duty did not change and the Council would look to find suitable accommodation for such families.

A Member asked if there was greater financial benefit for the Council building new properties rather than purchasing them. The Director of Regeneration and Neighbourhoods stated that the potential for schemes such as the one recently approved for Hart Village where the Council would be actively involved with development would be pursued where viable.

The Chair considered the Council had much to be commended for in terms of the current position of its housing stock and its plans for the future. Members echoed the Chair's views and commented that the Council had taken a bold step in investing in empty properties in residential areas that were causing concern and that direct action had made a difference to those areas and the lives of the people already there. The Chair noted a request for an amendment to the wording of recommendation 4.

Decision

1. The Committee noted the financial forecast and predicted deficit set out in the report and that this was due to the:
 - Adverse impact of government policies in relation to rent cuts, benefits expansion of the 'Right to Buy'.
 - More challenging operating environment for empty properties, which includes higher void levels, lower rent income and increased repairs and maintenance costs.
- 2.. The Committee noted the risks identified in Section 9 of the report and approved the proposal to retain the current level of HRA balance to fund the forecast deficit and help manage future financial risks.
3. The Committee approved the proposal to use the funding identified in to purchase approximately 13 to 15 new build or high quality empty properties, and to refer the funding approval decision to Council for inclusion as part of the MTFS. This included prudential borrowing of £548,000 to be repaid from future rent income.
4. That Council be requested to delegate authority to approve the purchase of specific houses to the Chief Executive in consultation with the Director of Regeneration and Neighbourhoods, Director of Finance and Policy, the Chair of Finance and Policy Committee and the Chair of the Regeneration Services Committee.
5. That a report be submitted to a future meeting of this Committee on –
 - (i) Proposals for using Right to Buy funding as detailed in paragraph 12.1 of the report.
 - (ii) Proposals for using future Section 106 affordable housing contributions from 2018/19 onwards, including potential opportunities arising from the government's policy announcement to provide funding for new council housing.
6. That a report be submitted to a future Regeneration Policy Committee on the Council's future Housing Regeneration programme detailing the next phase of the Empty Homes Strategy.

69. Housing Restructure (*Director of Regeneration and Neighbourhoods*)

Type of decision

Non Key Decision.

Purpose of report

To seek Members approval to a restructure of housing services following on from the corporate restructure agreed by the Committee on 9 August 2017.

Issue(s) for consideration

The Director of Regeneration and Neighbourhood Services reported that the Council's Housing team as it is now was created in 2011 by bringing various teams that were located across the Council together into one homogenous Housing team under one manager. In 2016 the decision was made to allow the then Housing Manager to leave via voluntary redundancy and the Housing team was merged with the Planning team. The rationale for merger of the teams at that time was against a background of government policy and, particularly grant funding which linked these two areas of local authority functions. It had become clear since the merger that managing the two teams effectively was extremely challenging to the point where it was impacting on the effectiveness of staff.

In order to remedy this situation the Housing Management and Housing Regeneration teams were due to transfer to the Estates team to alleviate this pressure. However, in August 2017 the Estates Manager took employment elsewhere and as a result this post became vacant; this put a pause on the proposed transfer and provided an opportunity to look more strategically at the future demands upon these services.

Recruitment is currently underway for the new Band 15 Strategic Asset Manager to replace the Estates Manager post. The restructure proposal was to split up the Housing team and to disperse management responsibility of the sub teams to different Council teams/departments where synergies/working relationships currently existed.

The current Housing team had numerous "shared roles" where officers work across sub-teams; this had previously caused problems with regard to business continuity, staff capacity and staff morale due to lack of clarity over responsibilities. The restructure would seek to remedy these issues by removing any shared roles, with dedicated officers undertaking work exclusively in the new sub-teams. Through this process it was not anticipated at this stage that there would be any changes to banding etc. but a revision of job descriptions etc. would be required to clarify duties going forward. There was a desire is to deliver this restructure by Christmas 2017 and the process to achieve this was set out in the report with the associated risks.

Decision

1. That the proposed restructure as reported be approved,
2. That the Housing budget be kept intact and that the overall budget be divided on a pro-rata basis that meets the needs of the business across the new management area.
3. That officers progress the relevant HR consultation process with affected staff.

70. Land at Spencer Grove (*Director of Regeneration and Neighbourhoods*)

The Chair indicated that a potential report on this matter had been withdrawn from the agenda.

71. Apprenticeship Programme 2017/2018 (*Assistant Director, Corporate Services*)

Type of decision

For information.

Purpose of report

The purpose of the report was to provide Finance and Policy Committee with a position statement in relation to the apprenticeship programme within Hartlepool Borough Council.

Issue(s) for consideration

The Director of Finance and Policy submitted a report updating the Committee on the apprenticeship programme for 2017/18. The report indicated that 30 apprentices had progressed to the next level or continued in their current apprenticeship; 7 secured employment (5 within HBC); 4 moved onto the casual register and 2 left the Council with no employment.

To maximise the opportunity of gaining employment within the Council, once an apprentice had successfully completed their apprenticeship they were transferred to the casual register for as long as they wished. As well as allowing them to undertake casual employment opportunities it also enabled them to apply for internal job vacancies.

In addition to the 30 apprentices that were progressing to the next level of their apprenticeship or continuing on their existing apprenticeship in September 2017, 10 new business administration apprentices commenced in September 2017 and 1 Social Care Apprentice is scheduled to commence on 1 November 2017. A total of 41 apprentices, therefore,

would be employed by the Council.

In order to make the most of the opportunity presented by the apprenticeship levy, additional apprenticeships in other occupational areas were also being explored for both new apprentices and existing employees. A collaborative approach was also being taken with schools, to ensure that the Apprenticeship Levy was maximized across Hartlepool for the benefit of all residents.

The Chair requested that the Minister of State for Apprenticeships and Skills be contacted to seek details of the amount raised through the Apprenticeship Levy across all Hartlepool businesses and how much of that was subsequently drawn down and the numbers of apprentices employed. The utilisation of the Apprenticeships Levy was an issue being considered by the Tees Valley Combined Authority for inclusion in the devolution scheme so that it could be managed regionally.

A Member questioned if the training provided from within the Apprenticeship Levy could be utilised for Member training as well as staff. The Director indicated that he would need to review the conditions surrounding apprenticeship funding.

Decision

1. That the report be noted.
2. That the Director of Finance and Policy request details from the Minister of State for Apprenticeships and Skills on the amount raised through the Apprenticeship Levy across all Hartlepool businesses and how much of that was subsequently drawn down and the numbers of apprentices employed.

72. Any Other Items which the Chairman Considers are Urgent

None.

73. 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 74 – Borough Hall - Capital Works – 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).

- 74. Borough Hall - Capital Works** (*Director of Regeneration and Neighbourhoods*) 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

Non key decision.

Purpose of report

To outline the proposed works required at the Borough Hall following the recently reported condition survey, structural survey, fire risk assessment and a Health and Safety Inspection.

Issue(s) for consideration

Details are set out in the exempt section of the minutes.

Decision

Details are set out in the exempt section of the minutes.

The meeting concluded at 10.55 am.

P J DEVLIN

CHIEF SOLICITOR

PUBLICATION DATE: 10 NOVEMBER 2017