

FINANCE AND POLICY COMMITTEE

MINUTES AND DECISION RECORD

22 NOVEMBER 2017

The meeting commenced at 3.00 pm 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, Shane Moore and Stephen Thomas.

Also Present: Councillor John Tennant.
Jonathan Gibson, Joseph Rowntree Foundation.

Officers: Gill Alexander, Chief Executive
Chris Little, Director of Finance and Policy
Claire McLaren, Assistant Director, Corporate Services
Sally Robinson, Director of Children's and Joint Commissioning Services
Penny Thompson, Head of Service, Children's Hub and Partnerships
David Cosgrove, Democratic Services Team

75. Apologies for Absence

Councillor Dave Hunter.

76. Declarations of Interest

At this point in the meeting Councillors Christopher Akers-Belcher, Alan Clark, Kevin Cranney and Shane Moore declared personal interests in relation to Minute No. 84 "Filling the Holiday Gap scheme 2017".

Later in the meeting during the discussions at Minute 88 "Departmental Annual Procurement Report Follow Up Actions", Councillors Christopher Akers-Belcher and Stephen Thomas declared personal and prejudicial interests and left the meeting for part of the debate.

77. Minutes of the meeting held on 30 October, 2017

Confirmed.

78. Minutes of the meeting of the Tees Valley Combined Authority Cabinet held on 27 July, 2017

Received.

79. Medium Term Financial Strategy (MTFS) 2018/19 to 2019/20 and Financial Outlook from 2020/21 *(Corporate Management Team)*

Type of decision

Budget and Policy Framework.

Purpose of report

The purpose of the report was to update the MTFS and to enable Members to finalise the detailed 2018/19 budget proposals to be referred to Council on 14th December 2017.

Issue(s) for consideration

The Director of Finance and Policy indicated that as the report will be referred to Council as part of the budget proposals, the report detailed much of the information that had been reported to the Committee on 24th July 2017 and 18th September 2017. The report restated the budget deficits still to be identified for 2018/19 and 2019/20 and the significant financial risks including the issues around children's social care budgets which the Local Government Association (LGA) had predicted would be in deficit nationally by £2bn by 2020/21.

There were still significant issues that could be affected by government policy decisions and the impact of the Chancellor of the Exchequer's budget earlier in the day also need to be assessed. There were announcements relating to funding for the Tees Valley Combined Authority (TVCA) and a rise in the national living wage to £7.83 per hour; the council's budget proposals had been set on an anticipated rise to £7.85 per hour.

The Director stated that, as previously reported, the Government did not include legislation in the Queen's speech to introduce 100% Business Rates Retention, or set out a timetable for completing a Fair Funding Review (FFR) to underpin the implementation of 100% Business Rates Retention. The FFR is critically important to addressing imbalances in service needs and the level of Business Rates and Council Tax income generated by individual councils. In late October 2017 the Department for Communities and Local Government issued an initial work plan for completing the FFR to enable a new funding formula and 100% Business Rates retention to be introduced. The FFR work plan table implied that individual authorities would not know the detailed impact of the FFR until summer or autumn at the earliest 2019. The work plan shows that the

results from the children's services review will not be completed until October 2019, which is only six weeks before the provisional local government funding settlement announcement for 2020/21. This timetable makes financial planning for 2020/21 extremely challenging as key funding allocations would not be known until about eight weeks before the 2020/21 budget needs to be set. Further updates would be provided to Members when more information becomes available.

The Director went on to highlight the strategy proposed for managing the residual budget deficits for 2018/19 and 2019/20 and the risks around the budget for Looked After Children. The Director also drew Members attention to the sections of the report relating to the Five Year Capital Plan, the Risk Issues and the Robustness of Budget Forecasts including the Director of Finance And Policy's Professional Advice, required by statute. In terms of consultation, the Director highlighted the minutes of the consultation meetings held with representatives of the business community and Trade Union representatives which had been circulated in advance of the meeting.

In concluding the Director highlighted the diagram in the report conclusions which highlight the shift in funding from central government grant to council tax. The table showed how, since 2013/14 when 50% business rate retention had been introduced, the level of central government grant had fallen from £46.4m, 47% of the Council's overall budget, to £25.4m, 31% of the Council's anticipated budget for 2019/20. In the same period, the amount of Council Tax raised by the authority had risen from £30.8m in 2013/14, 31% of the Council's overall budget, to £40m, 49% of the Council's anticipated budget for 2019/20.

At the same time as managing significant cuts in funding Councils had also faced increased financial pressures from unfunded legislative changes, for example the National Living Wage. In addition, demand for services, particularly over the last few years in relation to Adult Services and Children's Services has increased. The Government recognised the Adult Social care pressures through the Adult Social Care Council Tax precept and the provision of additional funding in the March 2017 budget, though this was front loaded and, therefore, did not provide a permanent solution to Adult Social Care financial pressures. The Government had not provided additional funding for Children's Services and this issue was becoming a priority for Local Government.

To address the significant financial challenges facing the Council in 2018/19 and 2019/20 the Council approved a multi-year financial strategy in February 2017. This strategy was critically dependant on:

- Implementing planned Council Tax increases in line with the Government's policy of continuing to shift the funding of local services from Government grant (i.e. national taxation) to Council Tax. This included the Social Care precept;
- Achievement of forecast housing growth;

- The phased use of reserves to help manage budget reductions over the period 2017/18 to 2019/20 and;
- Achieving proposed savings.

The proposals set out in the report detailed changes to the approved 2018/19 and 2019/20 savings to reflect changes in circumstances since February. In addition, further savings proposals were outlined to address departmental pressures and to make a contribution towards addressing the remaining 2018/19 budget shortfall to enable a balanced budget to be set.

The Chair of the Children's Services Committee commented that the budget cuts to the council of over £21m over the past five years was beginning to make many services unsustainable. Councils and the LGA had written to the Minister and 'we' are now told that there will be a report in 2019; children's services needed additional financial support now. The Member welcomed the recommendations (vii) and (viii) (as set out in the report – Decisions 4(vii) and 4(viii) below) relating to the Child and Family Poverty Reserve. In relation to recommendation (viii) the Member questioned if the funding from TVCA for the Centre for Excellence in Creative Arts (CECA) had yet been approved. The Director of Finance and Policy indicated that no final decision had been made, though he understood the issue was being progressed by TVCA.

A Member raised the issue referred to in the report of the proposed closure of the Inspirations Garden Centre. The Chair stated that the garden centre had proved to be unsustainable as a business. There was greater scope for the Council to benefit through the sale and development of the land and this would be the subject of a further report to Members as proposed.

A Member referred to the identified budget pressure relating to the increase in Members Allowances which amounted to an additional £74,000. Several Members had indicated that they did not wish to take all of some of the proposed increase and the Member questioned if the amount of the budget pressure was still correct. The Director stated that the budget had to take into account the position if all the Members accepted the allowance increase. Any reduction in that pressure would be reflected within the overall budget outturn.

The Member also referred to the Beach Lifeguards and questioned if alternative means of delivering the service at a reduced cost to the authority could be explored, such as working in partnership with the RNLI as was the case in Redcar and Cleveland. The Chair indicated that the suggestion would be examined by the appropriate Policy Committee.

The Chair referred to Appendix D to the report and questioned the position in relation to replacement vehicles and whether leasing was considered as an alternative to purchase. A Member commented that a report on this issue had not been considered by the Neighbourhood Services Committee. The Director of Finance and Policy stated that when vehicles were sold the income generated was used to offset costs within the trading account for

the Transport Service. Alternatives to purchase were examined but the Authority had found in the past the conditions and penalties set by leasehold companies did not always make this an attractive alternative, particularly when prudential borrowing costs were so low. The Regeneration and Neighbourhoods department had been managing the use of vehicles to extend their 'life' beyond the payback period of the borrowing. It was agreed that a report on the proposed vehicle purchases be considered by the Neighbourhood Services Committee prior to any acquisitions being made for 2018/19. The Chair also requested that in 2019/20 and future years, a report be submitted to the Neighbourhood Services Committee on the proposed schedule of replacement vehicles prior to the inclusion of proposals within the MTFS report to this Committee. The Chair also stated that any income generated from vehicle sales should be returned to the general fund.

Decision

1. That future proposed schedules of vehicle replacements be considered by the Neighbourhood Services Committee prior to their inclusion in the Medium Term Financial Strategy submitted to this Committee. The Neighbourhood Services Committee should also consider the best means of acquiring any such vehicles (leasing or prudential borrowing) to determine the best cost benefit to the Authority; and that such report also detail the income generated through the disposal of end of life/use vehicles. Any income generated from the sale of end of life/use vehicles should in future return to the General Fund and not departmental reserves, or be netted off against the cost of replacement vehicles.
2. That the Neighbourhood Services Committee examines potential alternative means of providing the Lifeguards Service including working in partnership with other safety organisations.
3. That a report be submitted to this Committee detailing potential proposals for the remainder of the 'Your Say, Our Future' capital investment budget and also how additional funding could be added to the fund from other capital funds – Housing Hartlepool and Section 106 monies.
4. That the following proposals be referred to full Council on 14th December 2017:-
 - (i) That as approved by this Committee on 18th September 2017, to note that the 18 months period stated by the owners to the Compulsory Purchase Order Inspector for completing the works on the Longscar Hall in Seaton Carew expires in December 2017. As these works had not commenced Council approval is sought to transfer the £0.600m of funding previously earmarked for this project to the overall Regeneration capital budget for the town;

- (ii) That the departmental savings proposals for 2018/19 and 2019/20 detailed in Appendices B and C to the report be approved, including the closure of Inspirations Garden Centre, and that Council notes that these proposals are largely unchanged from the initial savings proposals approved in February 2017;
- (iii) That the new 2018/19 and 2019/20 corporate savings detailed in paragraph 4.4 of the report be approved;
- (iv) That Council notes that further savings will need to be identified to address the currently forecast residual budget deficit for 2019/20 of £1.363m and that Council also notes that this deficit may increase to £3.863m if additional Government funding is not provided for Children's Services pressures, or demand for these services cannot be reduced;
- (v) That Council notes that if the Government ends the public sector pay cap of 1% and does not provide additional funding that each additional 1% increase above the current cap will increase costs by £0.400m per annum, which may increase the current 2018/19 and 2019/20 budget deficits;
- (vi) That Council notes that as 2018/19 is the third year of a four year settlement for Local Government there are unlikely to be any changes to the previously announced Government funding allocations for 2018/19. In the unlikely event that there are any changes when the 2018/19 Local Government Finance Settlement is issued details will be reported to a future meeting;
- (vii) That Council approves the proposal that the one-off residual balance on the Community Pool reserve (£24,000) and recurring External Audit fee saving (£20,000) are transferred to the Child and Family Poverty Reserve and that delegated authority is given to Finance and Policy Committee to determine use of these resources;
- (viii) That Council approves the recommendation agreed at the Joint Finance and Policy / Children's Services Committee meeting on 12th June 2017 that if the submission to the Tees Valley Combined Authority for funding towards the Centre for Excellence in Creative Arts is successful that all/part of the £136,000 Trading Standards fine income will not be needed for that project and will be transferred to the Child and Family Poverty Reserve;
- (ix) That Council approves the detailed capital expenditure proposals detailed in Appendix D to the report, which reflects the issues detailed in section 5 of the report. That Council

notes that any changes to the provisional scheme/programme specific Government allocations will be reported to the relevant Policy Committee once final allocations are known;

- (x) That Council notes the advice of the Director of Finance and Policy in relation to budget risks and robustness advice detailed in section 6 of the report.

80. Local Council Tax Support 2018/19 *(Director of Finance and Policy)*

Type of decision

Budget and Policy Framework Decision.

Purpose of report

The purposes of the report were to:

- (i) Update Members on the operation of the Local Council Tax Support (LCTS) scheme and the scheme's future financial risks associated with the Government's national welfare reforms; and
- (ii) Set out a proposed LCTS scheme for 2018/19;

Issue(s) for consideration

The Director of Finance and Policy reported the background to the current Local Council Tax Support Scheme operated by Hartlepool Borough Council and comparisons with the LCTS schemes operated in other Tees valley authorities. The report outlined the progressive, though gradual reduction in the numbers of households receiving LCTS and the collection levels of council tax from those households.

In determining a LCTS scheme for 2018/19 Members were required to ensure it was financially viable and sustainable in future years. The report set out the required detail to make such a decision and the Director indicated that based on the current operation of the scheme, the proposed budget allocation and the LCTS Risk Reserve the scheme could be recommended for continuation at 12%. The Director highlighted the support provided by operating a 12% scheme, compared to a 20% scheme.

The Director highlighted the future impact that Universal Credit implementation will have on Housing benefit administration. The Director indicated that the situation would continue to be closely monitored and reports brought to Members when more information was available.

Members supported the proposal and indicated that Council should be proud of the record on LCTS in maintaining the 12% scheme which a Member calculated had put over £7m back into the poorest households in the town.

Decision

1. That the future financial and administrative risks associated with the Local Council Tax Support scheme be noted;
2. That the proposal that the 2018/19 Local Council Tax Support scheme involving a cut of 12% to be referred to full Council in December 2017 for adoption.

81. Medium Term Financial Strategy - Review of Reserves as at 31st March 2017 *(Corporate Management Team)*

Type of decision

Non-key Decision.

Purpose of report

To enable Members to consider:

- (i) the detailed review undertaken by the Corporate Management Team of the existing reserves that are held to manage financial risks or one-off commitments; and
- (ii) the Corporate Management Team recommendations in relation to the areas where risks have reduced, enabling reserves to be released to either support the Medium Term Financial Strategy over the period 2018/19 to 2019/20, or to fund other one-off priorities.

Issue(s) for consideration

The Director of Finance and Policy reported that as in previous years the Review of Reserves report highlighted the findings of an Audit Commission national report published early in 2013 on the level of reserves that Councils hold and the decisions Councils make relating to them. Whilst, the Audit Commission report was published in 2013 the report identified a range of questions which remain relevant and help Members in their decision making on reserves, which includes a 'good-quality, annual review to ensure the purpose and level of reserves align with medium-term financial planning'.

As reported in previous years the starting point for the reserves review is the Statement of Accounts which details the total reserves held by the Council at the end of the financial year. For this review the relevant Statement of Accounts shows the position at 31st March 2017 and at that date the Council held total reserves of £51.935m. This is £8.924m lower than the balance at 31st March 2016 of £60.859m. This is a reduction of nearly 15%, which reflected the planned use of reserve approved with the MTFS.

In summary reserves held at 31st March 2017 consist of six components,

as summarised in the following table. The table also included details of the forecast balance at 31st March 2017 and 31st March 2021 and shows that reserves will reduce significantly over the next few years as these resources are used to support the MTFS and to fund approved one-off commitments.

Summary of reserves at 31.03.17 and forecast at 31.03.21

| 31.03.16 £'m | | 31.03.17 £'m | 31.03.21 forecast |
|-------------------------------|---|-------------------------------|------------------------------------|
| 4.753 | <u>Un-earmarked General Fund Balance</u> The 31.03.21 forecast assumes this reserve is maintained over the period to manage in-year risks and is based on any unavoidable usage being repaid. | 4.526 | 4.526 |
| 5.781 | <u>Budget Support and Investment Reserves</u> The 31.03.21 reflects current planned use to support the MTFS and fund one-off capital investment. | 15.227 | 0 |
| 3.916 | <u>School Balances</u> Individual schools will determine usage. | 2.439 | 2.439 |
| 0 | Housing Revenue Account Balance | 0.538 | 0.385 |
| 6.517 | <u>Earmarked Capital Reserves</u> The 31.03.21 forecast reflects use of this reserve to fund approved capital commitments re-phased from 2016/17 to 2017/18 or futures years. | 6.295 | 0 |
| 20.967 | Sub Total | 29.025 | 7.350 |
| 39.892 | <u>Earmarked Revenue Reserves</u> Details of planned usage up to 31.03.21 are provided in the appendices to the report. The forecast balance reflects those reserves where it is difficult to determine the phasing of commitments. This figure will reduce as these commitments are incurred over the next 3 years. | 22.910 | 6.457 |
| 60.859 | Total | 51.935 | 13.807 |

The Director reminded Members that a comprehensive review of reserves had been completed last year and in the majority of cases the reserves were fully committed and there had been no changes in circumstances to enable resources to be released. The reserves falling into this category account for 56% (£29.025m) of the Council's total reserves.

The remaining 44% (£22.910m) of the Council's reserves had been reviewed to identify areas where the original financial risk or financial commitment the reserve was established to fund had reduced. This review had identified net resources of £1.084m which could now be released, as detailed in Appendices A to E to the report. The Director suggested that any decision on the use of the released reserves should be delayed at this time and a decision taken as part of the 2017/18 outturn strategy.

A Member sought clarification from the Director that in an emergency situation, the Council only had £4.5m in reserve for such situations. The

Director confirmed this would be the case. Some would see that as a resource that could be used to maintain services but using reserves too quickly would only build problems for the future.

The Chair referred to recommendation (v) and the choice on whether the £24,000 residual balance of the Community Grant Pool reserve should be allocated to supplement the Capital Investment reserve or supplement the Child and Family Poverty Reserve and proposed that the funds be transferred to the Child and Family Poverty Reserve. This was supported by Members.

Decision

1. The Committee noted that a comprehensive review of existing reserves and risks has been completed and this has identified that one-off resources of £1.084m can be released;
2. The Committee noted the potential issues which may need to be funded using the available one-off resources as detailed in section 6 of the report;
3. The Committee noted that at this stage there was insufficient information available on a range of financial risks facing the Council in 2018/19, including actual pay awards and continuing Looked after Children pressures, which may need to be a first call on the one off resources referred to in recommendation (i) to avoid having to make in-year budget cuts in 2018/19. Therefore, it was agreed that a strategy for using these resources is delayed and considered as part of the 2017/18 Outturn Strategy, when more information was available;
4. The Committee approved the allocation of £150,000 released from the review of Education Reserves to partly fund the creation of an Education Innovation Fund reserve and that Council approval be sought to delegate authority to Children's Services Committee to approve a strategy for using these resources.
5. That the £24,000 residual balance of the Community Grant Pool reserve be allocated to the Child and Family Poverty Reserve.

82. Strategic Financial Management Report - as at 30th September 2017 *(Corporate Management Team)*

Type of decision

Non-key decision.

Purpose of report

The purposes of the report were to inform Members of:

- i) 2017/18 Forecast General Fund Outturn;

- ii) Corporate Income Collection Performance; and
- iii) 2017/18 Capital Programme Monitoring.

Issue(s) for consideration

The Director of Finance and Policy reported that an assessment of the forecast 2017/18 outturn had been completed and an over spend of £0.250m was anticipated. Details were provided in Appendix A to the report, which also included details of the actual 2016/17 outturn. The 2017/18 outturn had been prepared to reflect expenditure incurred to date and forecast to be incurred in the rest of the financial year. As Members would be aware from previous years significant elements of the Council's budget were demand led and affected by expenditure over the winter months, including care costs in relation to older people and winter maintenance. The outturn forecasts would be closely monitored and regular updates would be reported to this Committee. The forecasts needed to be considered in the context of the complexity of managing a gross General Fund budget of £260m and a net budget of £73m.

The Director indicated that the forecast General Fund revenue budget over spend of £0.250m mainly reflected Children's Services pressures and potential Regeneration and Neighbourhoods income shortfalls. To address the forecast deficit the following options were being explored and further details will be reported to a future meeting:

- identify 'discretionary spending' which can be stopped, or delayed;
- reserves review has been completed. One off funding may need to be allocated to offset the overspend;
- capitalise existing revenue spending.

In relation to collection of Business Rates and Council Tax, these issues were impacted by the significant changes implemented in April 2013 and the ongoing difficult economic climate. At the 30th September 2017 Council Tax collection levels were stable at 54.12% slightly down on this stage last year and that business rates collection at 53.12% was slightly up on this stage last year. It was anticipated that robust recovery action pursued over the remainder of the financial year would ensure in-year collection targets were achieved.

The position in relation to achieving the capital receipts targets continued to be monitored closely. The proposed sale of land at Hart was anticipated to be the largest capital receipt to be achieved over the next three years (i.e. 2017/18 to 2019/20) and would be received in instalments over the period 2018/19 to 2020/21. Therefore, there would continue to be a reliance on prudential borrowing until these monies were received. As it was not anticipated that there would be any significant increase in the Bank of England Base Rate, the cost of using prudential borrowing would be marginal. These additional costs could be accommodated from within the overall centralised estimates budget.

The Chair referred to the decision earlier in the meeting and indicated that a report be submitted to this Committee detailing potential proposals for the remainder of the 'Your Say, Our Future' capital investment budget, plus funding secured from Housing Hartlepool and section 106 receipts.

Decision

1. That the report be noted.
2. The Committee noted the forecast 2017/18 General Fund Revenue budget overspend of £0.250m and noted that details of the options being explored to address the forecast overspend as detailed in paragraph 5.10 of the report, would be reported to a future meeting.
- iii) That the proposal to use of the under-spends in relation to the North Central Hartlepool Regeneration scheme (£0.110m) and Brierton site (£0.021m) to reduce the capital receipts target be approved.
- iv) That the use of £11,000 from the unallocated Building Condition Fund budget be approved to fund the additional cost of the Carnegie boiler replacement as detailed in paragraph 9.12 of the report.

83. Council Plan 2017 – 2020 - Quarter 2 Performance Report *(Chief Executive)*

Type of decision

Non Key Decision.

Purpose of report

The purpose of the report was to update Finance and Policy Committee of the progress made against the Council Plan 2017-2020 at the end of quarter 2 2017/18 and to seek Members approval to a number of changes/updates to the plan.

Issue(s) for consideration

The Assistant Director, Corporate Services reported that a summary of progress at the end of quarter 2 2017/18 was included as Appendix 1 to the report and Members were requested to note the key achievements made this quarter as set out by strategic priority in the info-graphic on page 1 of Appendix 1.

The six strategic priorities within the Council Plan are underpinned by 45 key deliverables. A set of milestones (actions) have been identified for each key deliverable and in total there are 229 milestones in the plan. At the end of quarter 2, the progress against the milestones within the Council Plan showed that 38% were complete, 54% were in progress and 8% not started. The Assistant Director highlighted that of the milestones that were

currently in progress, 37 had missed or would miss their due dates, which represented 16% of all of the milestones in the plan. At quarter 2 this was not unexpected but there were a number of milestones that were off target and this was in the main due to overly ambitious and/or unrealistic deadlines being set. It should be noted that the 37 missed milestones were contained within 17 key deliverables with a number of key deliverables having multiple missed milestones due to subsequent actions being dependent on the first being achieved within the timescale prescribed.

There are currently 74 performance indicators within the Council Plan. At the end of quarter 2 data was available against targets for 40 performance indicators and currently 35% were on target, 22.5% had made acceptable progress and 12.5% would not hit their target.

The Chair suggested that the info-graphic did show a positive picture for the authority and that a positive press release around the info-graphic should be progressed.

Decision

1. That the overall progress made on the Council Plan 2017-20 at the end of Quarter 2 2017/18 as set out in the report and the key achievements as set out in the info-graphic on page 1 of Appendix 1 to the report be noted.
2. That the info-graphic on page 1 of Appendix 1 to the report be the basis of positive press publicity on the Council's performance.
3. That the notes provided on the 37 milestones that had missed or would miss their due dates, the proposed date changes and the proposed removal of 1 milestone as set out in pages 2 - 14 of Appendix 1 to the report be approved.
4. That the notes provided on the five performance indicators that had been identified as areas for improvement and the proposed removal of one performance indicator as set out in pages 15-16 of appendix 1 to the report be approved.

84. Filling the Holiday Gap scheme 2017 (*Director of Children's and Joint Commissioning Services*)

Type of decision

Non Key Decision.

Purpose of report

To provide Members with the key outcomes from the 2017 'Filling the Holiday Gap' (Holiday Hunger) community grant scheme, delivered over the 6-week school summer holidays.

Based on the early findings from the monitoring and evaluation process, the report set out some future proposals and next steps, if Members feel that a similar scheme should be funded over Christmas, Easter and summer 2018.

Issue(s) for consideration

The Director of Children's and Joint Commissioning Services reported that Members at the meeting of this Committee on 10 February, 2017 approved that £42,000 would be allocated to the community ring-fenced reserve for summer 2017 with revised criteria. The community ring-fenced resource supported 18 individual summer activity schemes in total, through the provision of healthy meals and snacks. The report detailed the allocation of funds to each project. The grants panel agreed that £3,100 from any under-spend could be allocated towards the provision of healthy cooking skills training to enhance the project and build local capacity.

The Director indicated that there had been an increase in the number of individual children benefiting from the schemes from 2,689 in 2016 to at least 5,111 in 2017. A total of 19 staff from 11 different organisations attended the one-day cooking skills training delivered by the Children's Food Trust. A full evaluation report of the 2017 'Filling the Holiday Gap Scheme' would be published shortly and made available to Members.

As part of the evaluation and monitoring process, organisations were asked if they would be interested in delivering a similar scheme during significant holiday periods such as Christmas and Easter – all organisations indicated that they would consider this if additional funding was made available. Some groups already provide Christmas activities but this was limited by staff capacity and resources, so additional funding could enable better support to be provided to a greater number of residents.

If all eighteen organisations were given pro-rata funding to cover the two-week Christmas holidays, this would amount to a maximum of £14,000. With a £4,500 under-spend from the summer budget, this equated to approximately £10,000 required from the Child and Family Poverty reserve.

The Director, therefore, proposed that members agree to allocate a further £14,500 towards a Christmas 2017 'Filling the Holiday Gap' scheme, with any further under-spend being utilised to support an Easter scheme at the end of the 2017/18 financial year. It was also proposed that Members agree to allocate the remaining £9,000 to support the Hartlepool Foodbank over the Christmas/January 2018 period.

The Chair welcomed the report and the proposals, particularly the support to the Hartlepool Foodbank. The Chair indicated that after hearing from a number of the organisations, he considered that the organisations should be given greater flexibility to issue food parcels rather than meals. This would also take the pressure of the Foodbank. This proposal was

seconded and supported by the Committee.

Members restated their support for the scheme and the extensions proposed in the report. Members were critical that much of the need for people to turn to the Foodbank stemmed from government policy and austerity.

Members welcomed the support to the scheme that had come from allotment holders providing fresh produce for families to cook meals from scratch. Following a suggestion from a Member, the Chair indicated that he would write to the allotment societies around the town thanking them for their support as Leader of the Council and on behalf of all Members.

Decision

1. The Committee noted the findings of the report and supported the proposals for future delivery of a holiday provision scheme.
2. The Committee approved the provision of another ring-fenced non-recurrent community resource for Christmas 2017 through the Child and Family Poverty Reserve. This included another £10,000 being made available, plus the £4,500 under-spend from the summer 2017 budget.
3. The Committee approved the granting of £9,000 for Hartlepool Foodbank over the Christmas/January 2018.
4. The Committee supported the Leader of the Council writing, on behalf of all Members to thank the various allotment societies in Hartlepool for their continued support for the holiday hunger schemes.

85. Child and Family Poverty – Update *(Director of Children's and Joint Commissioning Services)*

Type of decision

For information only.

Purpose of report

To update members on the national position regarding child poverty and on local progress to tackle child and family poverty in Hartlepool.

Issue(s) for consideration

The Head of Service, Children's Hub and Partnerships reported that the 'poverty line' is defined as 60% of the median income. In the UK, median income for a couple with two children is £623 per week. 60% of that is £374 a week. Families with less than £374 per week are, therefore, classed as living in poverty. This is total income and not disposable income and

covers the cost of housing, bills, clothing, food and so on.

Approximately 21% of children in the UK (or 2.8 million) are now classed as living in poverty, two thirds of whom are from working families. Ongoing planned changes to welfare and benefits are predicted to impact further on the numbers of children affected.

While many families living in poverty are 'workless' around 62% of children living in poverty live in a household where at least one parent works.

In the North East there are approximately 132,000 children living in poverty and this equates to around 24% across the region. In Middlesbrough, Hartlepool and Newcastle this figure rises with some of the highest levels of poverty outside of London. The most up-to-date figure for Hartlepool was 32%, with Children in workless households numbering 21.24%.

Details of the current action being taken in Hartlepool and across the northeast were outlined in the report, though the Head of Service indicated that it was not a comprehensive outline of all the work ongoing as with the wide range of groups and work in this area, that would be difficult to define.

The Head of Service indicated that the main issues arose in certain wards in the town, as members would expect, and these correlated closely to the most deprived wards. Foodbank referrals were also on the increase, with the Children's Hub being one of the largest referrers to this service.

The Head of Service also highlighted the work being undertaken by the Joseph Rowntree Foundation who continued their presence in Hartlepool at Hartfields Retirement Village. The Foundation had in 2016 made a commitment to supporting social investment in the town and this had included the provision of a dedicated Community Development Worker.

Members welcomed the report and considered that the Council needed to gain some recognition of the work it was undertaken, often with partners, in alleviating the problem of child and family poverty. Reference had been made to the delivery of services through the Community Hubs and a Member sought some clarification as to the works being undertaken at the South Community Hub and sought a meeting of Manor ward councillors with the Interim Director of Public Health. Members suggested that this be extended to neighbouring wards in light of the area the hub served.

The Chair referred to the Discretionary Housing Benefit budget and the increasing calls on that fund. The Chair was concerned that no family should be turned away from help because the budget had been exhausted and suggested that if the budget needed to be topped up, then that should happen. The Head of Service indicated that the budget was carefully monitored and it was likely that all of the budget would be spent by the end of the financial year.

A Member of the public questioned if Universal Credit had been fully rolled

out in Hartlepool. The Head of Service stated that around 1000 families had moved to the new system though there were an element of 'legacy benefits' to remain. The transfer had gone much quicker than anticipated and it was expected that the full system would be in place by 2020.

The Chair sought to clarify one element in the report. The report referred to a Social investment scheme involving Hartlepool Borough Council and the Joseph Rowntree Foundation, where up to £450,000 had been allocated to purchase residential houses for Syrian refugees as part of the Vulnerable Persons Resettlement Programme. The Chair wished it to be recorded that the Council had not been given £450,000 but was supporting the housing scheme for Syrian refugees.

Decision

That the report be noted.

86. Departmental Annual Procurement Report Follow Up Actions *(Director of Finance and Policy)*

Type of decision

For information only.

Purpose of report

To provide the additional information requested by the Finance and Policy Committee in relation to the Departmental Annual Procurement Reports (DAPR's) submitted on 18 September 2017.

Issue(s) for consideration

The Director of Finance and Policy submitted a report outlining the additional information requested by Finance and Policy Committee when it originally considered the Annual Procurement report at the meeting on 18 September 2017.

Members indicated that they wished to discuss some of the information provided in the exempt appendices to the report. The appendix 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).

The appropriate resolution was moved and agreed by Members and the meeting moved into closed session.

During the discussion in the exempt section of the meeting, Councillors Christopher Akers-Belcher and Stephen Thomas declared personal and

prejudicial interests and left the meeting for the remainder of the debate.

Decision

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

87. 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 88 – Departmental Annual Procurement Report Follow Up Actions – 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).

88. Departmental Annual Procurement Report Follow Up Actions *(Director of Finance and Policy)* 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).

Type of decision

For information only.

Purpose of report

To provide the additional information requested by the Finance and Policy Committee in relation to the Departmental Annual Procurement Reports (DAPR's) submitted on 18 September 2017.

Issue(s) for consideration

The Director of Finance and Policy submitted a report outlining the additional information requested by Finance and Policy Committee when it originally considered the Annual Procurement report at the meeting on 18 September 2017.

During the discussion in the exempt section of the meeting, Councillors Christopher Akers-Belcher and Stephen Thomas declared personal and

prejudicial interests and left the meeting for the remainder of the debate.

Decision

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

89. Any Other Items which the Chairman Considers are Urgent

None.

The meeting concluded at 4.45 pm.

P J DEVLIN

CHIEF SOLICITOR

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