

FINANCE AND POLICY COMMITTEE

MINUTES AND DECISION RECORD

18 JUNE 2018

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

Present:

Councillor Christopher Akers Belcher (In the Chair)

Councillors: Stephen Akers-Belcher, Paddy Brown, Tom Cassidy, Kevin Cranney, Brenda Harrison, Ann Marshall, Shane Moore, Leisa Smith and Stephen Thomas.

Officers: Gill Alexander, Chief Executive
Hayley Martin, Interim Chief Solicitor
Chris Little, Director of Finance and Policy
Sally Robinson, Director of Children's and Joint Commissioning Services
Jill Harrison, Director of Adult and Community Based Services
Gemma Ptak, Assistant Director, Preventative and Community Based Services
Denise Ogden, Director of Regeneration and Neighbourhoods
Steve Hilton, Public Relations Officer
David Cosgrove, Democratic Services Team

1. Apologies for Absence

None.

2. Declarations of Interest

None.

3. Minutes of the meeting held on 18 May 2018

Confirmed.

4. Medium Term Financial Strategy – Capital Programme and Minimum Revenue Provision (MRP) Review *(Director of Finance and Policy)*

Type of decision

Budget and Policy Framework.

Purpose of report

The purpose of the report was to update Members on the recently completed review of the Minimum Revenue Provision (MRP) and to enable a strategy for using the resulting recurring revenue budget saving to be developed.

Issue(s) for consideration

The Director of Finance and Policy reported that local authorities were required by statute to make annual provision, known as MRP, to repay Prudential Borrowing over the operational life of assets, which typically ranged from 5 to 40 years. The revenue budget included a specific budget to meet the annual recurring MRP charges.

A review of existing MRP charges for 2018/19 and future years had been completed and this indicated that these charges would be less than the recurring annual budget by £100,000.

A strategy for using this budget saving would normally be included in the development of the budget proposals for 2019/20, which would then enable any recommendations to be reflected in the MTFS proposals submitted to Council in February 2019. This approach would then enable the approved recommendations to be implemented in 2019/20. However, as this recurring saving had been identified, it was recommended that Members consider options for using these resources at this stage, as this would help underpin the development of the MTFS.

The Director reported that there were two potential options for using the recurring MRP saving, as follows:

- Option 1 – earmark to reduce the 2019/20 revenue budget deficit.
- Option 2 – earmark to support additional capital investment funded from Prudential Borrowing.

The Director reported that adopting option 2 would enable the Council to address priorities identified in the ‘Your Say, Our Future’ consultation and priorities identified by Members from engagement with the public at Ward Surgeries/other contacts. New capital investment could also be used to compliment the funding provided within the Medium Term Financial Strategy for the Neighbourhood Investment programme.

Using the identified recurring MRP saving to support new Prudential Borrowing would enable the Council to provide capital funding for local priorities. As current long term interest rates remained historically low, i.e. at approximately 2% for 20 year loans and 2.7% for 40 years, the recurring MRP savings would provide significant support for new Prudential Borrowing for capital investment.

The value of the capital investment will depend on the asset life of the expenditure funded using Prudential Borrowing, as this will determine the new MRP charge and the period the interest rate is fixed for. For example, for capital expenditure with an operational live of 20 years the recurring saving would support Prudential borrowing of £1.6m. For capital expenditure with an operational live of 40 years the recurring saving would support Prudential borrowing of £2.5m.

The Chair welcomed the report and the potential to make significant capital investment through option 2. The Chair questioned if there was the potential to utilise the borrowing potential available to fund schemes already underway or approved in order to maximise the potential of the borrowing in terms of the lifespan of schemes and then redirect the existing money into other priorities. The Director of Finance and Policy commented that such a proposal may be viable and a review of existing schemes will be completed.

The Chair of the Neighbourhood Services Committee formally proposed Option 2 and that the funding options be referred to the Neighbourhood Services Committee so that schemes from the priority programme could be considered for progression. The Chair of the Neighbourhood Services Committee commented that many people were seeing the larger town centre based regeneration schemes and while welcoming the investment they were questioning what was happening in their neighbourhood. This would provide an opportunity to further those local road and pathway schemes that would make a real difference to communities.

The Vice-Chair formally seconded the Chair of the Neighbourhood Services Committee's proposal. Members supported the proposals particularly the consideration of footpath improvements. A Member questioned the longer term risks in relation to interest rates and if this was acceptable in the context of the potential interest rate increases. The Director of Finance and Policy indicated that the risk would be mitigated by locking into fixed interest rates, reflecting the operational live of the approved capital expenditure.

The Chair wished to record his thanks to the team that had brought forward the proposals and particularly thanked Councillor McLaughlin for the work with local residents on pothole complaints. The Chair indicated that the report submitted to Neighbourhood Services Committee look towards identifying a single pot of money for the Committee to utilise.

The following decision was agreed unanimously.

Decision

1. That Option 2 – “to fund new capital expenditure of between £1.6m and £2.5m, depending on asset lives” be agreed for the utilisation of the recurring Minimum Revenue Provision saving of £100,000.

2. That Council approval be sought to include the additional Prudential Borrowing in the approved Prudential Borrowing limits and capital programme, and to delegate Authority to approve detailed schemes to the Neighbourhood Services Committee for implementation within the current financial year.

5. Review of Hartlepool Child and Family Poverty Strategy *(Director of Children's and Joint Commissioning Services)*

Type of decision

Budget and Policy Framework.

Purpose of report

To share with Members the timeline for consultation for a review of the Child and Family Poverty Strategy for Hartlepool.

Issue(s) for consideration

The Director of Children's and Joint Commissioning Services reported the current Child and Family Poverty strategy was reviewed in 2016, however, due to ongoing implementation of government policies such as Welfare Reform it needed to be reviewed. A consultation process is underway to ensure that all partners contribute to the new strategy. A timeline of consultation events was set out in the report.

The report also set out details of the work that continued within the Council to mitigate the impact of poverty with the continued aspiration to eradicate poverty for Hartlepool children. According to End Child Poverty Now (Child Poverty Action Group) new September 2017 ward and constituency data noted the overall level of child poverty in Hartlepool was currently 34.13%.

The Council had also supported the creation of the 'Hartlepool Food Network' which was a constituted group that aimed to collect fresh food from stores where it would otherwise go to waste and re-distribute to network members for use in their activities. Welfare Support Officers were collecting food for redistribution to organisations in the town.

The Director also reported that the council was working with Children North East on a project around poverty proofing the school day. Eleven schools had signed up to the project which includes two secondary schools. The work had started and interim findings should be available before the end of the term to be used to inform the new strategy. It was hoped this cohort of schools would share their experiences with colleagues and a further cohort of schools would be engaged later in the year.

A Member questioned several aspects of the strategy around eligibility, access, groups involved and signposting to services available which were responded to by the Director. Members expressed their concern at the

increase in the numbers of children in poverty in Hartlepool despite all the work being done. The Vice-Chair commented that there was also work being undertaken to tackle fuel poverty that affected large numbers of Hartlepool households through building houses more energy efficient in the future. He added there were issues around 'water poverty' and while supplies could not be cut, water costs were still an issue for many and Anglian Water were rolling out a programme to tackle water poverty.

A member also referred to a problem noted in other areas of the country where larger cities were re-housing people from their own area to areas of the country, like Hartlepool, where housing costs were significantly lower. The Member asked the Director if such relocated families were having an impact on services in Hartlepool. The Director indicated that the department was aware of occasion when this happening but the statutory responsibility remains with the 'host' authority. There was no formal referral system to monitor numbers and the Council would only become aware if they were referred for services. The Chair commented that the roll-out of Universal Credit should allow the DWP to track such families and that information should be available. It must, however, be clear that the wrong messages should not go out in relation to people moving into the town. With a projected housing growth of 400 to 500 homes per year over the lifespan of the recently approved Local Development Plan there would be natural growth in communities.

A Member commented on his experience of referring families into the council services and commended frontline officers in the Housing Team and Children's Hub for the way they had responded to people and provided assistance. The Chair noted Members comments that the calls on Councillors to signpost people into the most appropriate services, both within the Council and those provided by external bodies and groups, was increasing and it would be helpful if the Member Development Programme could include a briefing on what services were available and where.

In relation to the timeline of consultation events, the Chair requested that Members be informed at the earliest opportunity of the stakeholder event on 10 July 2018.

The following decision was agreed unanimously.

Decision

1. That the consultation process for the review of the Child and Family Poverty Strategy be noted.
2. That all Members be informed of the stakeholder event on 10 July 2018.
3. That officers liaise with local representatives of the Department of Works and Pensions to assist in the identification of families relocated into Hartlepool from other local authority areas, particularly those some distance from the town, to ensure appropriate services are available to them.

6. Sport England ‘Families Fund’ Grant *(Director of Adult and Community Based Services)*

Type of decision

Key Decision – Tests (i) and (ii) apply. General Exception Notice issued.

Purpose of report

Hartlepool Borough Council had been successful in an application to Sport England’s Families Fund. The report sought approval from Finance and Policy Committee to accept the award of £280,620 over four years.

The report also gave an overview of the project proposal, next steps and the projected spend over the next four years to 31 March 2022.

Issue(s) for consideration

The Assistant Director, Preventative and Community Based Services reported that Hartlepool Borough Council was one of 10 organisations chosen from over 420 expressions of interest nationally and was awarded the full grant requested (£280,620) against a total project cost of £364,740 over four years.

The funding bid had been developed by a multi-partnership team involving HBC Preventative and Community Based Services, Public Health and Children’s Commissioning plus Tees Valley Sport and the StreetGames charity. Project management would sit with Preventative and Community Based Services with Public Health and Children’s Commissioning playing a key role in programme implementation and partnership building.

The Assistant Director outlined the key aspects of the project which would be targeted at children aged 5 to 10 years and was expected to commence in September 2018 with services being focussed on families need rather than directing them to set programmes.

Members welcomed the grant award and commended officers on the success of the bid. Members questioned the sustainability of the changes to young people’s activity levels and what form of legacy following the project was anticipated. The Assistant Director commented that the sustainability would be built around developing community engagement with sport and recreation activities and building programmes that would allow some children continued access to sporting clubs. Much of what was to be delivered and how that would look was still to be developed.

Members indicated that they would wish to see some coordination with existing schemes, particularly around the use of volunteers, to avoid duplication at community level, and access to services via the Community Hubs. The Chair requested that the development of a sustainable legacy

from the project be built into the monitoring process and reporting to Members.

Decision

1. That the content of the report and the associated attachments be noted the full grant from Sport England be accepted.
2. That the development of a staffing structure and a programme of activity be continued through the summer to provide further opportunity for 'scoping' and consultation with Sport England and partners.
3. That further meetings take place with key partners to develop a Project Steering Group for the programme and a more detailed implementation plan including key milestones and performance indicators to be reported quarterly to Members. The milestones and indicators to include the development of an identifiable legacy from the project and the implementation plan to include sufficient assurances that duplication would be avoided at community level.

7. Pay Policy Statement 2018 (*Chief Executive*)

Type of decision

Non-key decision.

Purpose of report

The purpose of this report is to request Finance and Policy Committee approve changes to the Pay Policy Statement 2018/19, prior to formal approval at Full Council on 21 June 2018.

Issue(s) for consideration

The Director of Finance and Policy reported that under Section 38 of the Localism Act (2011), Full Council had to approve a Pay Policy Statement (PPS) on an annual basis. The draft PPS was considered by Council on 15 March 2018 when, in approving the PPS, Council resolved that it be referred to the Finance and Policy Committee for more detailed consideration in the context of the budget and policy framework.

The following changes have been made to the draft PPS 2018/19 in line with Members comments:

- (i) Paragraph 10 – Employment of individuals already in receipt of a public sector pension. Clarity provided regarding the approval process for employment of individuals already in receipt of a public sector pension. For any employee at Chief Officer grade, approval is given by Members. In respect of all other posts, approval is given by the Chief Executive as Head of Paid staff.
- (ii) Paragraph 15 – Zero Hours Contracts. Clarification of the limited

circumstances when the Council may use zero hours contracts including when requested by individual employees, and clarification of the approval arrangements for the use of zero hours contracts, including requiring the approval by the Chair of Finance and Policy before the use of any such contracts are approved’.

The Chair proposed that a further amendment be made to paragraph 15 so that the text of the reference to zero hours contracts be as follows –

“The Council does not generally support the use of zero hour contracts and has acted to end such contracts, with the exception of where an individual employee has specifically requested to remain on such a contract. There may be circumstances where an individual employee requests a zero hours based contract. The Director of Finance and Policy must consult with the Chief Executive and Chair of Finance and Policy Committee before the use of any such contracts are approved. Where employees are employed on a zero hours contract they are employed on a permanent or fixed term basis, are entitled to request a review of their contracted hours at any time after six months in post and are not prevented from working for other employers.”

The Committee supported the proposal and the remaining changes to the document.

Decision

That the changes to the Pay Policy Statement 2018/19 outlined in the report and above be approved and referred to Council for formal adoption at the meeting of 21 June 2018.

8. Council Plan 2017 – 2020 Quarter 4 Performance Report *(Chief Executive)*

Type of decision

Non Key Decision.

Purpose of report

The purpose of this report was to update Finance and Policy Committee of the progress made against the Council Plan 2017-2020 at the end of quarter 4 2017/18 and seek Members approval to a number of changes/updates to the plan.

Issue(s) for consideration

The Director of Finance and Policy reported that Quarter 4 2017/18 marked the end of the first year of the new Council Plan. A lot has been achieved during the year and the foundations had been laid for the delivery of even more ambitions in the next two years. Members are requested to note the key achievements made this quarter as set out in the report. A series of

amendments to milestones and the removal of two others was detailed in appendices to the report. There were also a series of indicators that had been highlighted as areas for improvement.

Decision

1. That the overall progress made on the Council Plan 2017-20 at the end of quarter 4 2017/18 as reported be noted;
2. That the 20 milestones that require date changes and the proposed removal of an additional 2 milestones as set out in pages 1 - 6 of Appendix 1 to the report be approved;
3. the 11 performance indicators that have been identified as areas for improvement as set out in pages 7 - 8 of appendix 1 to the report be approved.

9. Raby Gardens Council Owned Land Transfer to Thirteen Group *(Director of Regeneration and Neighbourhoods)*

Type of decision

For Information.

Purpose of report

This report was for information only regarding the transfer of land at Raby Gardens and Challoner Road, completed 30th March 2017.

Issue(s) for consideration

The Director of Regeneration and Neighbourhoods reported that planning permission had been granted on 19th December 2016 for the construction of 64 two and three bed affordable dwellings including 36 bungalows, incorporating demolition of 4 existing properties and associated highways and landscaping works at Raby Gardens/Challoner Road.

The Thirteen Group development commenced on site late March 2017. The Council supported Thirteen Group in delivering this development. The Council's ongoing support was demonstrated at the Council's Regeneration Services Committee on 13th January 2017 where it was agreed that the Council would support the use of the Council's reserved powers of Compulsory Purchase should it be necessary to acquire remaining private properties on the Raby Gardens scheme.

Part of the site for which planning permission was granted was Council owned land. A transfer to Thirteen Group of this land was approved by Finance and Policy Committee on 10th February 2017. The financial details regarding this land were set out in confidential appendix 2 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, (paragraph 3) information

relating to the financial or business affairs of any particular person (including the authority holding that information).

Decision

That the report be noted.

10. Security Arrangements (*Director of Regeneration and Neighbourhoods*)

Type of decision

Non-key decision.

Purpose of report

The purpose of the report was to provide the Committee with details of a review of security arrangements for the authority.

Issue(s) for consideration

The Director of Regeneration and Neighbourhoods reported that the provision of security services has been contracted out for a number of years. The current contractor, NES Services Limited, was first awarded the contract in 2006 and this company has retained it through several tendering processes since that time. The present contract runs to August 2019.

As part of the considerations of the Annual Procurement Report, the committee at its meeting of 18 September 2017 requested that officers consider whether it would be feasible for the service to be brought in house at the expiry of the present contract and examine whether a more integrated approach between security and the CCTV monitoring service was possible. The report analysed in detail the key points that would arise should such a move be considered.

Details of the contractor's charges to the Council for different aspects of the current service are set out in a confidential appendix to the report. This 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 Director highlighted that alongside the detailed contractor costs were financial estimates which showed how much the same service would cost if it was to be brought in house. A commentary on the financial considerations was also included. In summary, the Director concluded that bringing the security service in house would prove more expensive than continuing with the present arrangements.

The Chair indicated that he welcomed the report but wished to comment on the details set out in the confidential appendix and, therefore, sought Members approval to the appropriate resolution to move into closed session. Such a resolution was moved, seconded and approved by Members.

Decision

Details of the Committee's decision are set out in the Exempt Section of the minutes.

11. Any Other Items which the Chairman Considers are Urgent

None.

The Committee noted that the next meeting would be held on Monday 9 July 2018 at 10.00 am in the Civic Centre.

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

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

Minute 13 – Security Arrangements (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), information relating to the financial or business affairs of any particular person (including the authority holding that information).

13. Security Arrangements (*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), information relating to the financial or business affairs of any particular person (including the authority holding that information).

Type of decision

Non-key decision.

Purpose of report

The purpose of the report was to provide the Committee with details of a review of security arrangements for the authority.

Issue(s) for consideration

Further to the report made by the Director of Regeneration and Neighbourhoods in the open section of the meeting, there was further discussion on the report which is set out in the Exempt section of the minutes.

Decision

Details of the Committee's decision are set out in the Exempt Section of the minutes.

The meeting concluded at 11.00 am

H MARTIN

INTERIM CHIEF SOLICITOR

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