

FINANCE AND POLICY COMMITTEE

MINUTES AND DECISION RECORD

29 OCTOBER 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, James Brewer, Paddy Brown, Kevin Cranney, Brenda Harrison, Ann Marshall, Shane Moore, Leisa Smith, Stephen Thomas and Mike Young.

Officers: Gill Alexander, Chief Executive
Hayley Martin, Chief Solicitor
Chris Little, Director of Finance and Policy
John Morton, Assistant Director, Finance and Customer Services
Denise Ogden, Director of Regeneration and Neighbourhoods
Julian Heward, Communications and Marketing Team
David Cosgrove, Democratic Services Team

49. Apologies for Absence

None.

50. Declarations of Interest

None at this point in the proceedings.

During the discussion on Minute No. 57 “Updated Local Welfare Support Framework” Councillor Moore declared a personal interest.

51. Minutes of the meeting held on 8 October 2018

Confirmed.

52. Minutes of the meeting of the Safer Hartlepool Partnership held on 3 August 2018

Received.

53. Local Council Tax Support 2019/20 *(Director of Finance and Policy)*

Type of decision

Budget and Policy Framework.

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 2019/20.

Issue(s) for consideration

The Assistant Director, Finance and Customer Services reported that since the abolition of the national Council Tax benefit scheme in 2013, Hartlepool had operated a LCTS scheme which had been fixed at 12% since 2014/15 when many other authorities had operated schemes at 20%.

Since June 2013, there had been a gradual reduction in the numbers of households receiving LCTS covering both Pensioner Households (a protected group under LCTS) and Working Age Households, from, approximately, 15,000 households in June 2013 to about 13,000 in August 2018. An updated assessment of caseload trends has been completed and further incremental reductions in claimant numbers were anticipated for future years and these had been factored into scheme forecasts.

The proposal set out in the report was to continue an LCTS scheme at 12% and the detailed modelling behind the proposal was set out within the report. The report highlighted the cumulative effect of Hartlepool maintaining a 12% scheme in 2019/20 rather than a 20% scheme as operated by many other authorities. This will give Band A households claiming benefit cumulative support of £711 and Band B households £829 covering the period 2013/14 to 2019/20.

The Chair welcomed the proposal, commending officers for the work that had gone into Hartlepool being able to maintain the 12% LCTS. A Member indicated they would wish to see a fully means tested system applied rather than the current scheme where the DWP often declared people had a 'notional' income significantly higher than their actual income which consequently meant they would receive less council tax support. Other Members indicated that they had similar reports from residents. The Chair indicated that it would be appropriate to request officers to determine if there was a need to follow the DWP guidelines on determining income or if a 'local' scheme could be implemented. The Assistant Director commented that the number of such instances would be relatively limited. The Chair

also referred to the two reports on the agenda which also dealt with issues around Welfare Support and Discretionary Housing Payments.

A Member questioned the administrative costs for the scheme after he had a resident complain that they were receiving a letter indicating their LCTS benefit each time they were paid their Universal Credit. The Assistant Director indicated that this highlighted an issue all Councils had to deal with as the benefit was calculated in a very specific manner which meant that each time there was any change to any benefit, including Universal Credit, a letter had to be sent to the resident informing them of the change to their LCTS entitlement. The Assistant Director indicated that a banding scheme could allow for minor changes in income without the need for constantly recalculating the amount of LCTS. Banding schemes did have, however, drawbacks particularly around the boundaries of the bands. The Director of Finance and Policy stated that officers were reviewing the potential of a banding scheme but no such scheme could be introduced any earlier than 2020/21. The Director considered it may be appropriate to convene a member/officer working group to review such a proposal. The Director added that once all Hartlepool residents in receipt of benefits had transitioned to Universal Credit, the administrative grant would be cut putting additional pressure on the service.

Members of the public raised questions around the burden of the scheme falling on other council tax payers; the overall costs of the scheme and how many households benefitted; and the actions taken against those that defaulted on their payments. It was indicated that the overall costs of the scheme in 2018/19 would be £11.96m which was applied to 13,200 households in Hartlepool. The same actions were applied in enforcement as with any other defaulter, though bailiffs were not used, due to the costs involved; the Council would seek to have a deduction from benefits order with the DWP. The Director of Finance and Policy commented that a report scheduled to be submitted to the next meeting would include details of the current financial situation regarding LCTS and council tax collection in general.

The following recommendations were agreed unanimously.

Decision

1. That the future financial and administrative risks associated with the LCTS scheme be noted;
2. That the proposed 2019/20 LCTS scheme involving a cut of 12% be approved and referred to full Council for adoption.

54. Council Plan 2017/18 – 2019/20 Mid-Term Review (Chief Executive)

Type of decision

Budget and Policy Framework.

Purpose of report

The purpose of this report is to update elected members on the progress made at the mid-point of the Council Plan 2017/18 – 2019/20 and to set out the proposed amended Plan for agreement.

Issue(s) for consideration

The Chief Executive reported that the Council Plan 2017/18 – 2019/20 was adopted by Council on 16 March 2017. The Plan, which had been developed following the Your Say, Our Future consultation with residents and staff, sets out the priorities that the Council was committed to delivering by 2020. The mid-term review had led to an updated Plan, submitted as appendix 1 to the report, which:

- Removed those key deliverables that have been achieved;
- Amended those key deliverables where the future direction has changed or become clearer due to early work that has been completed;
- Included new key deliverables reflecting priorities that have emerged since the Council Plan was agreed in March 2017;
- Identified a suite of performance indicators that more clearly reflect the outcomes that the Council is aiming to deliver through the Council Plan.

The Chief Executive commented that the previous plan had focussed too much on measuring performance through a large number of numerical indicators and the revised plan would look towards thirty 'sustainability' measures. Once approved there would be dissemination of the revised plan to all Councillors and staff.

A Member welcomed the revised plan indicating that the new format was much clearer and concise. The Chair thanked the senior leadership team for the work in progressing towards the targets and all should be extremely pleased with the progress made.

A Member of the public questioned the scheme recently approved for the Jackson's Landing site and questioned why such development was going ahead when, presumably, any future development of a hotel or other facility could come to the site undoing the £1.4m scheme recently approved. The Chair clarified that the linear park scheme for Jackson's Landing would improve the outside boundary of the site and would make it more attractive to development. The hoteliers that had shown an interest in the site had indicated that the footprint for any potential development was more than adequate.

The Member of the public referred to the purchase costs of the site and whether the future sale would pay back the investment. The Chair commented that the Council had acquired the site with an interest free loan

from central government, the repayment of which would be the subject of a future report to the Tees Valley Combined Authority. Income had also been gained from the site from the recent events held there. The Chair of the Regeneration Services Committee stated that the proposed development of the site had always been on a phased approach with the linear park element preceding private sector investment, hopefully in the form of a new hotel, and potential further government investment for a new tourism attraction.

Decision

That the amended Council Plan 2017/18 - 2019/20 be approved.

55. Stimulating the Visitor Economy – 5 Year Funding Strategy *(Director of Regeneration and Neighbourhoods)*

Type of decision

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

Purpose of report

To seek endorsement to release the Civic Lottery Fund to support the delivery of the Council's cultural events programme.

Issue(s) for consideration

The Director of Regeneration and Neighbourhoods reported that there were currently three main categories of events in Hartlepool that the Council had a direct involvement:

HBC Events. These were the large-scale event such as the Fireworks and the Christmas Light Switch On. Both of these events were organised by the Culture and Events Team, the main purpose was to drive tourism, regeneration and to support business in the Borough.

HBC Supported Events. The second type of events, supported by the Community Safety and Engagement Team were community-based events aimed at promoting community involvement and cohesion. Many of these events were held in the community supporting resident groups' occurring on an ad hoc basis whilst some take place annually.

Private Events. In addition to this there were events that were operated by external bodies and individuals that the Council may or may not have an involvement e.g. Wintertide Festival, Miles for Men and Race for Life.

The Cultural Services currently employs one Events Officer who was supported by the rest of the Culture team during peak times in the programme, however, due to the Council's ambitions in relation to regeneration and events, playing a strong role in changing the perception of

Hartlepool; this approach was no longer sustainable.

Further Council support was provided in the shape of the Independent Safety Advisory Group (ISAG) for all events that the Council was made aware of. The group offered advice to event organisers on issues including: medical and healthcare facilities required, security, health and safety, mitigating hostile vehicles and any specific issues with infrastructure on the site and hazards such as water.

The Director reported that the previous sponsorship arrangement for the Fireworks display and the Christmas light switch on had ceased and the sponsor was no longer able to support these events, which had seen a loss of £25,000 per annum to the Council.

The Tees Valley Combined Authority recognised Hartlepool's maritime history which had been identified as one of the priorities within their Cultural strategy. TVCA had agreed a £10m Culture and Tourism Investment programme for the region.

The Director stated that the current Events budget was insufficient and events were reliant upon external grants from organisations such as the Arts Council, Heritage Lottery Fund or the Tees Valley Combined Authority, and / or sponsorship. As appropriate external funding could not be relied upon over the next five years; the Council must identify additional funding sources to grow the events programme alongside our ambitions. The proposed additional funding was set out in section 6 of the report.

A key component of the funding package was the use of the Civic Lottery Fund capital which was currently £412,000. Historically, the Council had held this capital in trust and only utilised the interest as previously use was restricted by the Secretary of State. The restriction had now been removed and the fund could now be used to contribute towards staff costs and the delivery of the events programme over the next five years.

The Director highlighted that the release of the Civic Lottery Fund in this manner would mean the ending of the support from the interest of the fund towards Ward member budgets. As the Civic Lottery Fund would be used on a phased basis commencing in 2018/19, there would be the potential to provide Ward Member Budget top-ups of £300 in 2019/20 and £200 in 2020/21. Thereafter, there would be no further Ward Member Budget top-ups.

In order to deliver the Culture and Events programme over the next five years the Director reported that there would be some changes required to the current structure in terms of changes to existing staff responsibilities. These would be delivered by amendments to working hours and existing job descriptions and done so in accordance with the job evaluation process.

The proposed restructure would not result in any compulsory redundancies and informal communication would be undertaken with Trade Unions and

staff regarding the staffing implications as a consequence of this proposal being accepted. Formal consultation with staff and Trade unions would be carried out in line with Council policy.

The Chair of the Regeneration Services Committee commented that one of the town's economic strengths was the growth in tourism and there was great potential for jobs growth and benefit to local businesses as had been seen in Seaton Carew over the summer.

Members sought assurance that the most would be made of the assets the Council had, such as the Town Hall and Borough Hall and what measures were in place to bring in further sponsorship for events. The Director indicated that a new Performance Venues Manager would be tasked with bringing a more commercial approach to create greater income across the venues.

Members referred to the recent event in Ward Jackson Park which reflected the demand for cultural events throughout the town and asked what other future events were being considered. The Director indicated that the five year programme of events was flexible at this stage but assured Members they would be kept informed of events as they were confirmed.

The Chair welcomed the report and commented that the proposal would enhance the tourism and cultural offer within Hartlepool and built upon the existing attractions and funding, such as the National Museum of the Royal Navy which was already being described as one of the most significant destinations across the Tees Valley.

Decision

1. That, as part of the Medium Term Financial Strategy (MTFS) proposals to be referred to Council in December 2018, approval be sought to use the Civic Lottery Fund to support the delivery of the culture and events programme as reported.
2. That the Phased reduction of the Ward Member Budget top-ups as reported be noted.

56. Employee Sickness Absence Annual Report 2017/18 (Assistant Director, Corporate Services)

Type of decision

Non-key Decision.

Purpose of report

The purpose of the report was to inform Finance and Policy Committee of the Council's performance in relation to employee sickness absence for 2017/18 and to outline a proposed strategy to reduce sickness levels.

Issue(s) for consideration

The Director of Finance and Policy reported that the Council had an ageing but committed workforce with approximately 25% of the workforce aged 55 or over and the number of young people in the workforce being comparatively low. An ageing workforce may present significant challenges in respect of age related health and wellbeing and the ageing process may lead to a range of unavoidable complex illnesses and conditions. An ageing workforce, therefore, represented a key driver for the sickness trend in the Council in 2017/18.

In the reporting year, Long Term Sickness (LTS) comprised 70% of the total sickness for the Council (7.74 days per FTE (full-time employee)) and was attributable to complex, serious conditions such as cancer, surgery and recovery, poor mental health and musculo-skeletal conditions. This was line with national trends, as reported by the Chartered Institute of Personnel Development (CIPD).

70% of the total sickness for HBC was accrued by 277 employees - representing approximately 12% of the workforce. Repeat absences were, however, low and of those employees that were absent with a LTS episode in the reporting year, 70% were off once, and for a period of less than 3 months. It was also shown that in Hartlepool, Short and Medium Term sickness was the second lowest in the Tees Valley and was also lower when compared with two other North East Public Sector organisations.

Short and medium term sickness for the Council accounted for approximately 30% of sickness absence in 2017/18 (3.31 days per full FTE). The main causes were minor illness, musculo-skeletal and domestic stress which is in line with the national trend reported by the Chartered Institute of Personnel Development.

The Director highlighted that the strategy set out in the report aimed to address the sickness rates with both proactive and preventative actions. It was proposed that the sickness target remain the same as last year at 8.5 days per FTE which still demonstrated ambition and continued commitment to the reduction of the sickness absence rate.

The Vice-Chair commented that he was pleased to see the introduction of health and wellbeing champions within the workforce. A Member asked if staff had access to counseling services. The Director stated that there was a commissioned counseling service that all staff could access.

Decision

1. That the report be noted and that the 2018/19 sickness absence target remain at 8.5 days per FTE; and
2. That the actions proposed to reduce sickness absence in 2018/19 be approved.

57. Updated Local Welfare Support Framework *(Director of Children's and Joint Commissioning Services)*

Type of decision

Non-key Decision.

Purpose of report

To advise Members of proposed updates to the Local Welfare Support (LWS) framework, to confirm Local Welfare Support arrangements with Hartlepool Foodbank; and to seek approval of the updated framework.

Issue(s) for consideration

The Director of Finance and Policy reported that during 2017/18 £189,112 had been allocated to the Local Welfare Support (LWS) scheme of which £162,336 had been spent. Despite the continuing cuts in Government funding, the Medium Term Financial Strategy (MTFS) had continued to protect the real term value of the LWS budget as this formed an integral part of the Council's strategy to help partly mitigate the impact of national welfare changes. The other major component of this strategy is the Local Council Tax Support scheme, which continued to provide more support than in the other Tees Valley Authorities. The budget allocated to the LWS for 2018/19 was £193,618 and £182,310 had been spent/committed already. This was due to increased pressures for families and individuals following the introduction of Universal Credit. The proposed LWS budget for 2019/20 was £198,458.

The Director commented that it was hoped that today's (parliamentary) budget would provide some assistance to those transitioning to Universal Credit. The Director indicated that the Chair had asked that the additional assistance proposed for the Foodbank be increased from £8,000 to £10,000 and this proposal was reflect in the report. The Chair reported that he had had conversations with the Foodbank over the last week and they were suffering a significant fall in donations. The Chair indicated that he would wish to propose that a further £10,000 be allocated to the Foodbank from the Child and Family Poverty Reserve before Christmas to help them through what will be a difficult part of the year, which the Director of Finance and Policy had confirmed could be funded.

Councillor Moore declared a personal interest at this point in the meeting as a volunteer with the Hartlepool Foodbank. The Councillor commented that the Foodbank was still assisting a significant number of individuals and families who were in crisis, many of whom had been reticent to come forward in the past. The Councillor expressed his concern that there was a particular 'language' around foodbanks in general that in some ways was hindering some people seeking the help they needed. The constant talk of it being "appalling that in this day and age that we needed foodbanks and we must move away from this type of charity" often worked against some

people coming forward to get the assistance they desperately needed. The language around foodbanks needed to be more positive in terms of the assistance they provided to the community.

The Chair supported the comments but indicated that in many ways this was a national narrative at play. The Chair suggested that an additional article be added to the next issue of Hartbeat publicising the criteria around accessing the foodbank and seeking additional contributions from the public. The Chief Executive reported that Civic Centre staff had collected donations for a 'reverse advent' calendar last year which had been very successful and was to be repeated this year.

The Chair commented that the Council needed to be able to lobby more effectively on this subject and proposed that an additional recommendation be made seeking the collation of evidence to support the Council when lobbying for support in tackling the effects of the welfare reforms and their impact on child and family poverty in Hartlepool. This was seconded by the Vice-Chair.

Decision

1. That the revised Local Welfare Support Administration Framework 2018/19 be approved.
2. That an increase be approved from £8,000 to £10,000 from the Local Welfare Support fund to the Foodbank.
3. That an additional donation to the Hartlepool Foodbank of £10,000 from the Child and Family Poverty Reserve ahead of Christmas, be approved.
4. That the next edition of Hartbeat includes an article on the Hartlepool Foodbank outlining the criteria for assistance from the foodbank and seeking donations from the public.

58. Updated Discretionary Housing Payment Frameworks *(Director of Children's and Joint Commissioning Services)*

Type of decision

Non-key Decision.

Purpose of report

To advise Members of proposed updates to the Discretionary Housing Payment (DHP) framework; to advise Members of additional funding added from the Housing Revenues Account to the DHP fund to support HBC void properties; and to seek approval of the proposed updated framework.

Issue(s) for consideration

The Director of Finance and Policy reported that the local authority had

received a Discretionary Housing Payment (DHP) grant each year since 2004. Since 2012 this grant had increased significantly year on year to support those adversely affected by welfare reforms. DHPs were made to eligible tenants who were in receipt of Housing Benefit or housing element of Universal Credit. The current approved framework ensured that some tenants could 'automatically' qualify for a DHP – these people fall within a 'protected group' (e.g. the terminally ill, foster carers etc). Others must complete an application form with any awards made subject to an applicant meeting agreed eligibility criteria.

The DHP framework was informed by the 'Discretionary Housing Payment Guidelines' issued by the Department for Work and Pensions each year. Members approved the last framework in 2015/16 and there had been no significant changes since.

During 2017/ 18 the government allocated £416,211 to the council and £415,271 was spent. A total of 1,578 awards were made, including those classed as in a 'protected group'. The DHP fund for 2018/19 is £455,632 and to date demand had proved considerably greater than in previous years. This could be linked directly to the ongoing impact of welfare reform (in particular the under occupation charge or 'bedroom tax' and the benefit cap) and to Universal Credit (claimants struggling to manage monthly payments and inconsistencies in how much they were paid each month).

Up until early October 2018 approximately £70,000 of DHP funding remained unallocated. There was no backlog in applications and the team received a steady intake of approximately 12-15 applications each week. It was impossible to say if the value of the remaining fund was adequate to meet the needs of further DHP applications received. However, as the financial year moved on the length of period for awards shortened and, therefore, smaller awards were made.

An updated Framework document was submitted as an appendix to the report with a series of updates as set out in the report. It was highlighted that one of the updates included adding Care leavers to the 'protected group' category enabling social workers and Housing Officers to support them and secure and sustain tenancies at the point of leaving care.

The Director also referred to the Regeneration Services Committee decision on the 18th June 2018 which approved the proposal for the Housing Revenue Account (HRA) to contribute towards DHP payments. This fund was ring-fenced to tenants applying for Council owned houses which were considered difficult to let or long term void. The agreed fund was £35,000 in total and was anticipated to cover approximately 64 properties. The application criteria were based on the property type and the eligibility of tenants would be managed by the Housing Management team.

The Chair commended the staff involved in processing Discretionary Housing Payments with the public. This was very emotionally draining work and they had done a fantastic job in processing the claims in a timely

fashion ensuring there was no backlog. A Member supported the Chair's comments and added that the effects on many clients transferred to Universal Credit had been very significant particularly the effects of the 'bedroom tax' which had been devastating for some people. The Chair indicated that this impact should be fed into the evidence base called for as part of the recommendation on the previous item.

Decision

1. That the updated Discretionary Housing Payment framework be approved.
2. That it be noted that Housing Revenues Account funding had been added to the Discretionary Housing Payment fund to support Council owned void properties.

59. Any Other Items which the Chairman Considers are Urgent

None.

The Committee noted that the next meeting would be held on Monday 26 November 2018 at 10.00 am in the Civic Centre.

The meeting concluded at 11.00 am.

H MARTIN

CHIEF SOLICITOR

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