

FINANCE AND POLICY COMMITTEE

MINUTES AND DECISION RECORD

17 DECEMBER 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.

Also Present: Councillors Bob Buchan, Jim Lindridge and Tony Richardson.

Officers: Gill Alexander, Chief Executive
Hayley Martin, Chief Solicitor
Chris Little, Director of Finance and Policy
Sally Robinson, Director of Children's and Joint Commissioning Services
Denise Ogden, Director of Regeneration and Neighbourhoods
Steve Hilton, Communications and Marketing Team
David Cosgrove, Democratic Services Team

73. Apologies for Absence

None.

74. Declarations of Interest

None.

75. Minutes of the meeting held on 26 November 2018

Confirmed.

76. Minutes of the meeting of the Health and Wellbeing Board held on 14 September 2018

Received.

77. Minutes of the meeting of the Safer Hartlepool Partnership held on 12 October 2018

Received.

78. Medium Term Financial Strategy (MTFS) 2019/20 and Financial Outlook 2020/21 and 2021/22 (*Director of Finance and Policy*)

Type of decision

Budget and Policy Framework.

Purpose of report

The purpose of the report was to enable Members to approve the budget proposals to be referred to Council.

Issue(s) for consideration

The Director of Finance and Policy gave a presentation to Committee highlighting the levels of cuts the Council had faced over the past nine years which meant that government core funding of the local authority had been reduced by 45% since 2013/14 and now stood at £20.9m.

The presentation went on highlight the following key points from the Director's report –

- There had been a 12.2% national funding shift from government funding to local Council Tax which now meant that Council Tax made up 61.5% of core funding.
- The Chancellor's recent budget included some additional one-off funding for Disabled Facilities Grants and pothole repair and for 2019/20 additional funding of £1.1m for Social Care, although this was only 40% of the main grant.
- The Spending Review to be announced in 2019 was likely to provide no real funding increase for local government for 2020/21 to 2023/24.
- A review of Council reserves identified that there were Locally Determined Reserves of £30.727m. Within this figure there were reserves to be retained for existing commitment/risks. The review had identified areas where risk was reduced and means that reserves of £7.909m could be released, from which it is recommended that:
 - £3.847m be allocated to support the 2019/20 budget to effectively 'buy time' for the implementation of savings, and
 - £4.062m be allocated to support the 2020/21 budget and the transition of the implementation of the savings/invest to safe initiatives.
- The 2019/20 Government Grant cut was 13% £2.794m, which is reflect in the overall budget deficit summarised below:-

	£m
Core Deficit (includes Grant Cut)	3.891
Add – National Pay Award	2.150
Add – Looked After Children costs	3.500
Less – approved savings and corporate savings	(1.379)
Less – Forecast Housing Growth	(0.658)
Less – Council Tax Increase	(1.517)
Net Deficit	5.987

- The strategy for managing the 2019/20 net deficit utilised £3.847m of identified reserves together with £1.040m of proposed budget savings and £1.1m social care funding.
- The financial outlook for 2020/21 and 2021/22 was very much dependent on the government's grant funding decisions. A cash freeze in grant would still mean that a further deficit of £5.662m had to be met which included the £3.847m deferred from 2019/20.
- Over the last eight years the council had deleted 500 posts providing £12.4m of recurring savings.
- Council Tax had increased in line with a shift in government policy from 2016/17 after five years of no increase.
- The challenges being faced by local government were being recognised by the House of Commons Committee on Public Accounts and a raft of other independent bodies.
- The proposed strategy for 2019/20 was based on an increase in Council Tax and some identified cuts/savings and the use of reserves; this would buy time but did not provide a permanent solution.
- Austerity was still a real issue for 2019/20 and while some help was being given in terms of the £1m of forecast help for adult social care there were still significant pressures of £3.5m in Looked After Children compounded by a government grant cut of £2.794m.
- To reverse the 2019/20 budget situation in relation to the grant cuts alone would require a 27% increase in government funding. To reverse the grant cuts and Council Tax increases would require a 41% increase in government grant.
- The Council had a simple choice; increase Council Tax by 3.9% or find another £1.517m of permanent savings.
- The provisional Local Government Finance Settlement confirmed the majority of figures presented to Members. There had been an additional distribution of levy from Business Rate income to all local authorities which had increased the allocation to Hartlepool, although there had also been a decrease in the amount of New Homes Bonus which meant the net gain was £102,000 which the Director recommended should be used to reduce the use of reserves in 2019/20. There were some consequent changes to the figures quoted in the detailed recommendations set out in the report.

Members queried the details of the additional funding allocated by central government. The Director stated that the Hartlepool share of the Business

Rate income was approximately £400,000. The New Homes Bonus had been reduced by approximately £300,000.

Members made comments on the severity of the government cuts and the effects on local government in general and the public in Hartlepool specifically. Members were concerned that many local authorities were being pushed to the point of being unsustainable. Members suggested that the Council's message had to be clear to Council Tax payers that the increase in Council tax was unavoidable and solely down to government policy.

The Vehicle Replacement Programme set out in Appendix G to the report was questioned; particularly the need to replace vehicles and specifically ten skips, in the current budget climate. The Director of Regeneration and Neighbourhoods stated that the skips included in the programme were those used at the Recycling Centre and Waste Transfer site. These were the very large waste containers into which residents dumped their waste and they did suffer from rust and rot through use. The skips were only replaced as and when needed and it may be the case that not all ten were needed in the financial year.

The Director of Finance and Policy assured members that assets such as vehicles were 'sweated' to the point they had to be replaced. The costs of vehicles were built into the operational costs of many services and were key to those services continuing. The Chair of the Neighbourhood Services Committee stated that the Committee had scrutinised the replacement vehicles programme to ensure value for money. A balance had to be struck between using vehicles and equipment for as long as possible and it spending too much time in the workshop being repaired. Without the appropriate vehicles/equipment being available quite a number of services simply didn't happen—grass cutting for example.

A member of the public commented on the use of ward member budgets and suggested that they be removed. The Chair commented that ward member budgets were being reduced in 2019/20 though did request that the Regeneration Services Committee review the use and future of ward member budgets.

The member of the public also questioned the need for the new railings on Stockton Road as part of the improvement scheme and whether that money could be saved. The Director of Regeneration and Neighbourhoods stated that the railings were part of the overall scheme funded largely by Tees Valley Combined Authority (TVCA). Any monies not spent on the scheme would be returned to TVCA, not the Council.

A member of the public questioned the collection of council tax and business rates, exempt properties and debt write offs. The Director of Finance and Policy commented that in national regulations there were some instances when an empty property was considered exempt from Council Tax, such as after a bereavement. Government had changed the

regulations to allow Council's to impose a premium on empty domestic properties. time. In terms of business rates, Hartlepool's collection rate was still very high and debt write-offs were very low and only where all other recovery options had been pursued.

In referring Members to the recommendations, the Director of Finance and Policy amended the figures in recommendations 10 and 11 to take account of the additional government grant allocation of £102,000 reported at the meeting.

The following recommendations were supported unanimously.

Decision

That the following proposals be referred to full Council on 20 December 2018.

“That Council -

1. Notes that on the basis of the Chancellor's Budget announcement on 29th October 2018 the cuts in Government funding implemented over the nine years up to 2019/20 will not be reversed,
2. Notes the 2019 Spending Review will determine the Government's spending priorities for 2020/21 to 2023/24, which in total for Government departments (other than NHS England) will not see any real terms increase in funding;
3. Notes the additional Social Care funding allocated to Hartlepool for 2019/20 is £1.1m, which equates to approximately 40% of the 2019/20 Government Grant cut of £2.794m;
4. Notes that in his Budget statement to Parliament the Chancellor's stated “we are giving Councils greater control over the monies they raise through the Adult Social Care precept”. To also note that the Government has confirmed the Council Tax referendum limits for 2019/20, including the Adult Social Care precept;
5. Notes the 2019/20 Government Grant cut of £2.794m – a 26% cut;
6. Approves the indicative core Council Tax increase of 2.9%, plus 1% Adult Social Precept, which will achieve total additional recurring income of £1.517m to help protect services;
7. Approves the detailed departmental and corporate saving proposals of £1.040m detailed in Appendix F to the report;
8. Notes that after reflecting the 2019/20 Social Care funding allocation, 2019/20 Council Tax increase and departmental/corporate savings the Council still faces a 2019/20 budget deficit of £3.847m;

9. Approves the outcome of the Reserves Review which has identified one off resources of £7.909m which can be re-allocated to establish a “Budget Support Fund 2019/20 to 2021/22 reserve”;
10. Approves the use of £3.745m of the “Budget Support Fund 2019/20 to 2021/22 reserve” to address the remaining 2019/20 budget deficit;
11. Approves the proposal to earmark the remaining “Budget Support Fund 2019/20 to 2021/22 reserve” of £4.164m to support Invest to Save initiatives, or the phased implementation of 2020/21 savings which require a longer lead time to implement, as detailed in paragraph 5.18 of the report;
12. Notes that recommendation 10 defers a £3.847m budget deficit to 2020/21;
13. Notes that on the basis of grant freezes in 2020/21 and 2021/22 a detailed savings plan will need to be developed to achieve further savings of £4.830m in 2020/21 (including £3.847m deferred from 2019/20) and £0.832m in 2021/22, based on the work streams detailed in paragraph 6.1 of the report;
14. Notes the 2020/21 and 2021/22 deficits may increase if further Government grants are implemented in these years and the 2019/20 Social Care funding is not sustained;
15. Following a change in the law, to note that approval from the Secretary of State is not required to release the Civic Lottery Reserve of £411,000 and, therefore, approves the proposal to use this amount over five years to provide annual support towards the Cultural and Events programme, to match fund external grant funding;
16. Notes that as the Civic Lottery Reserve is spent the annual interest available to support Ward Member budget will reduce from £500 in the current year to £300 in 2019/20, then £200 in 2020/21, then nil in 2021/22;
17. Approves the capital expenditure proposals detailed in section 7 and summarised in Appendix H to the report, which covers:
 - Capital expenditure funded from external funding secured by the Council;
 - Requirements in relation to operational vehicles;
 - Student Accommodation;
 - Coast Protection.
18. Delegates Authority to the Director of Finance and Policy, in consultation with the Chair of Finance and Policy Committee, the Chief Executive and Chief Solicitor, to determine the capital financing strategy for 2018/19 and 2019/20 which maximises future financial

flexibility of the Council;

19. Notes the advice of the Director of Finance and Policy in relation to budget risks and robustness advice detailed in section 12 of the report. This includes the Directors advice that if the proposed 2019/20 Council Tax increase is not approved recurring budget reductions of £1.517m income will need to be identified and approved by Council for implementation from 1st April 2019 before the Director can sign an alternative budget proposal off as robust.
20. To notes that the Director of Finance and Policy will not be able to sign off an increased use of reserves for 2019/20 above the recommended level of £3.847m as robust, as this would defer an increased deficit to 2020/21 and also reduce uncommitted reserves available to support the implementation of the 2020/21 savings plan.
21. Approves the proposal that a review of Civic arrangements be undertaken to consider alternative operating models, including charges for Members use of the Civic Centre car park, as soon as practical and if in-year savings can be achieved these will be used to reduce the planned use of Reserves.

79. 0- 25 SEND (Special Educational Needs and Disability) Team Reorganisation *(Director, Children's and Joint Commissioning Services)*

Type of decision

Non-key Decision.

Purpose of report

To seek approval from members for the reorganisation of the 0 - 25 Special Educational Needs and Disability (SEND) Team across two departments - Children's and Joint Commissioning Services and Adults and Community Based Services.

Issue(s) for consideration

The Director of Children's and Joint Commissioning Services reported on the background to the creation of the 0 - 25 Special Educational Needs and Disability (SEND) Team and its operation since 2012. The Director stated that over the last year it had come to light that transitions for our young people aged 18+ have been challenging and it was agreed between Children and Joint Commissioning Department and Adults and Community Based Services Department to undertake a review of the current picture to understand if the needs of our young adults were being met appropriately.

A review took place between June 2018 and September 2018 which included:

- Four workshops with staff to understand current and proposed pathways;
- Commissioning workshop to understand challenges across children and adults;
- A review of the number, age group and complexities of the cases currently being held by the team.

A number of recommendations came out of the review:

- The re-establishment of a Transitions Operational Group to review all young people aged 16+. This group will review the transition plan and ascertain the complexity of the case to decide whether to allocate an adult worker alongside the children's worker to support transition.
- A reorganisation of the team to split to a children's team and an adults teams to ensure that children's needs are met effectively within children's legislation and adults within adult legislation.
- A review of commissioning processes to ensure that children and adults services work together when commissioning packages of care for young people moving to adulthood. This has already started due to the bringing together of the children and adults commissioning function within the Joint Commissioning Division.

The recent Ofsted Inspection of Children's Services (ILACS) stated that the children with disabilities team were good at understanding and responding to children with additional needs in relation to their disability. However, it was highlighted that they needed to strengthen their safeguarding practice. The Director stated that in light of this it was proposed that the proposed 0-18 children with disabilities team moves to the Safeguarding and Support Business Unit to ensure that there was appropriate safeguarding oversight. Details of the proposed staffing arrangements were set out.

Decision

That the reorganisation for the 0-25 SEND Team, as reported, be approved.

80. Council Tax Base 2019/20 *(Director of Finance and Policy)*

Type of decision

Non Key Decision.

Purpose of report

The report sought member approval, as required by statutory regulations, to a calculated Council Tax Base for 2019/20 which would be used for Council Tax billing purposes.

Issue(s) for consideration

The Director of Finance and Policy reported that the Council was required by law to calculate its Council Tax Base for the forthcoming year, and

inform the major precepting authorities Cleveland Police Authority and Cleveland Fire Authority and local precepting authorities (Parish Councils), before 31st January 2019. The Council Tax Base is expressed as the number of Band D equivalent properties.

As part of the Government's welfare reforms, Councils were required to determine and operate their own local schemes for providing support with Council Tax. Under these arrangements, there was a requirement to adjust the Council Tax Base to reflect the impact of the Local Council Tax Support (LCTS) scheme. Finance and Policy Committee on 29 October 2018 approved the continuation of a 12% scheme for 2019/20, the same as for the last 5 years. This proposal continued to provide more support for low income households than the schemes operated by the other Tees Valley Authorities. This decision was subject to approval by Council on 20 December 2018. The LCTS adjustment was expressed in terms of an equivalent number of Band D's within each Appendix.

The Director highlighted to the meeting the Rating (Property in Common Occupation) and Council Tax (Empty Dwellings) Act 2018 which had received royal assent on 1 November 2018. This Act allowed Councils to increase the Council Tax long term empty home premium to 100% from 1 April 2019 for properties that had been empty more than 2 years. Furthermore, the legislation provided that from April 2020 the premium can be increased to 200% for any properties empty between 5 and 10 years and from April 2021 a 300% premium can be charged on any properties empty for more than 10 years.

In Hartlepool there were currently 204 properties paying the 50% empty homes premium. If the Council decided to increase the premium to 100% for 2019/20 the estimated increase in the Tax Base would be 71.38 Band D's. This technical change option was not currently reflected within the Tax Base calculations contained within the report. The Chair indicated that until the impact of imposing the new regulations were known, the current situation should be maintained. The Chair requested a further report on the new regulations to a future meeting.

A member of the public referred to the LCTS scheme and the impact of Council Tax on pensioners. The Chair commented that when the government had changed the regulations of the LCTS scheme, pensioners were protected and regardless of what changes the Council made to its LCTS scheme pensioners would receive the same protection they had always received. The LCTS scheme at 12% provided increased support to those in most need across the town and was a key element of the Council's focus on tackling family poverty.

The member of the public referred to previous questions raised at the Committee in relation to the numbers of people taken to court by the authority for failure to pay their Council Tax. The Chair indicated that a response would be forwarded.

Decision

1. That a Hartlepool BC Council Tax Base for 2019/20 of 24,411 be approved as detailed in Appendix 1 to the report.
2. That a Council Tax Base for 2019/20 for Parishes who may levy a precept upon the Council's Collection Fund be approved as detailed in Appendices 2 to 9 to the report:

Dalton Piercy	103.6	Elwick	637.5
Greatham	576.2	Hart	323.7
Newton Bewley	35.0	Headland	724.4
Brierton	13.2	Claxton	15.7

3. That the Council should not apply, at this time, the new powers set out in the Rating (Property in Common Occupation) and Council Tax (Empty Dwellings) Act 2018.

81. Neighbourhood Investment and Highway Improvement Programme *(Director of Regeneration and Neighbourhoods)*

Type of decision

Non-key Decision.

Purpose of report

To provide an update on the capital investment programme that will deliver improvements to neighbourhoods across Hartlepool through the Neighbourhood Investment Programme and Highway Improvement Programme.

Issue(s) for consideration

The Director of Regeneration and Neighbourhoods reported that in March 2017 Finance and Policy Committee considered a programme of capital investment to deliver improvements to neighbourhoods across Hartlepool. Alongside this scheme a programme of highway improvement works were agreed by the Neighbourhood Services Committee on 12th September 2018. The two programmes would run concurrently and both benefit from funds provided from Thirteen Group.

A document has been produced outlining the details available on each scheme within the Neighbourhood Improvement Programme (NIP). It provided the current timetable for the works and costs where these were available, alongside location plans and photographs of the sites. A copy of the document was submitted with the report.

Since the last committee one new project had been proposed and installed;

the creation of a memorial wood at Summerhill. It had been developed to commemorate the end of the First World War with five trees donated to the project by Mike Hill MP through the Queen's Commonwealth Canopy Scheme, which would plant fifty thousand trees across the UK to create a network of forest conservation initiatives.

A further scheme had been proposed by a Member for consideration, namely improvements to the existing play area at Hindpool Close. The scope for enhancements was constricted due to Thirteen Group owning the land alongside the play space, however, discussions with Thirteen Group have resolved this with the offer of funds for works to the space, and the potential gift of an area of land. It was also noted that Thirteen had agreed to pay for the installation of six Belly Bins in the Owton Manor area.

An increase in the costs from £66,000 to £77,450 had been identified on the repairs to the Headland Town Square due to additional unexpected works, such as drainage improvements to the area. Investigation work is also underway in order to assess potential enhancements that can be made to the Junior Play Area although final costs are still awaited. It is proposed that any increase in costs on both of these projects were taken from the contributions provided by Thirteen Group.

The Council had secured £550,000 of funding to deliver improvements to Rossmere Park and works to deliver this project commenced on 4 December. Anti-social behaviour and damage to play equipment remains an issue in all of our parks, therefore, it was proposed that the installation of CCTV into our four main parks of Burn Valley, Rossmere, Seaton and Ward Jackson was considered further. This would involve funding sources being explored, which could involve reallocating funding previously earmarked to use on our gateway roundabouts and barriers as these schemes were still to be progressed. In addition improvements to Jutland Road and Church Street CCTV would also be undertaken.

A Member questioned some of the schemes listed for the Headland, specifically the Union Street railings and the Redheugh Gardens scheme. The Director stated that the Union Street railings had always been intended as a Thirteen scheme. In relation to the Redheugh Gardens scheme, costings for the works would be shared with the Member.

In relation to the reallocation of funding from the gateway roundabouts and barriers scheme to undertake the proposed CCTV improvements a Member questioned the need to undertake the barrier works in the first place and also the need for the King Oswy Road shops works. The Director indicated that if Members supported the CCTV works, the barrier works would be put on hold, until full costings regarding CCTV provision were known and, thereafter, we would look to prioritise replacing barriers based upon need. The King Oswy Shops scheme had been a priority raised by Members with the Chief Executive in 2015.

The Chair of the Neighbourhood Services Committee welcomed the

proposals set out in the report which would invest in peoples local environments. There had been some delay in bringing the schemes forward for implementation while as much match funding as possible was brought forward to extend the amount of works undertaken. The CCTV scheme, particularly the cameras in the parks, was an important investment which would make people feel safer and protect the investment in the parks. Members welcomed the CCTV proposals and the additional provision particularly in Rossmere Park and the ward councillor thanked all involved. The Director added that when the CCTV installations were implemented there would be wide publicity, including with schools, so that everyone was aware.

A Member questioned the allocation of £50,000 to towards maintenance over five years and asked if this was needed or could it be drawn from one of the other budget areas. The Director stated that the intention was to avoid any further burdens on budgets.

A Member of the public referred to the budget allocation for the Rossmere Park works of £550,000 when the contract awarded was only for £450,000. The Director stated that there will have been allocations for preliminary works and contingencies but that she would share the details with the member of the public.

A member of the public referred to the BIS works and questioned when it would be open for new businesses and what criteria were being applied to those companies taking space in the BIS. The Director stated that the BIS would be opening in March 2019 and that six businesses had already 'signed up' for space within the new facility. The focus of the BIS would be around creative industries and the Council was working in partnership with the Northern School of Arts (NSoA) and its graduates. An open day had been carried out for NSoA graduates and partners but the site was still under construction and the Director indicated that she would be happy to organise a visit once the construction phase was finished.

A Member questioned the Rossmere Park contract further and the allocation of the tender and also raised a number of health and safety concerns. The Chair assured the meeting that the appropriate contract procedure rules had been applied.

A member of the public commented on the disconnect between utility companies undertaking works and then the reinstatement of those works. There had been lengthy disruption at the Burn Valley roundabout and also on Wooler Road in recent months. The Chair of the Neighbourhood Services Committee agreed with the concerns raised and also indicated he had concerns with some of the reinstatement works. The Chair of the Neighbourhood Services Committee stated that he had requested officers to raise these concerns with the utility companies and the Neighbourhood Services Committee would also look at this issue.

A Member raised issues with the Redheugh Gardens works on the

Headland particularly the design of the new footpaths at the War Memorial and asked if some further discussions could be held with the Parish Council, stakeholders and residents. The Director acknowledged that there appeared to be a dispute between residents and the Parish Council but that officers would try to facilitate a resolution.

Decision

1. The Committee noted the current progress on implementing the Neighbourhood Investment Programme and Highway Investment Programme.
2. The Committee noted the allocation of £250,000 from Thirteen Group to support the schemes outlined in Section 4.8.
3. The proposed addition of enhanced play facilities at Hindpool Close were approved for inclusion in the programme.
4. The donation of six belly bins from Thirteen Group to be installed at Owton Manor as reported was approved.
5. The Committee noted that the works that were recently carried out to the Memorial Woodland at Summerhill.
6. That approval be given to the reallocation of funding from roundabouts and barriers to install CCTV in our Parks, improve CCTV in Church Street and Jutland Road as a priority.

82. Corporate Procurement Quarterly Report on Contracts *(Director of Finance and Policy)*

Type of decision

For information only.

Purpose of report

To satisfy the requirements of the Council's Contract Procedure Rules with regard to the Finance and Policy Committee receiving and examining quarterly reports on the outcome of contract letting procedures including those where the lowest/highest price is not payable/receivable; and receiving and examining reports on any exemptions granted in respect of the Council's Contract Procedure Rules.

Issue(s) for consideration

The Director of Finance and Policy reported that alongside the detailed tender information set out in the appendices to the report, additional related information showing details of exemptions granted to the Contract Procedure Rules were also included in the quarterly report.

The Committee revisited the report later in the meeting and those discussions are set out at Minute No. 85

Decision

That the report be noted.

83. King John's Tavern, Middleton Grange Shopping Centre *(Director of Regeneration and Neighbourhoods)*

Type of decision

Key Decision (test (i) applies). General Exception Notice applies.

Purpose of report

The purpose of the report was to enable the Committee to consider a request from the tenants of the Middleton Grange Shopping Centre, to effectively sell Unit 1 South Road namely the JD Wetherspoon King John's Tavern Public House to JD Wetherspoon themselves.

Issue(s) for consideration

The Director of Regeneration and Neighbourhoods reported that the Council leased the Middleton Grange Centre to Mars Pension Trustees Ltd. on a 150 year lease from December 1991. The King John's Tavern was presently sub-let to JD Wetherspoon Ltd on a 40 year lease which was due to expire in December 2037. Mars had formally applied to the Council for consent to grant Wetherspoon's a long lease of 125 years at a peppercorn rent, without any rent review, subject to the payment of a premium as outlined in the confidential appendix 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 Director highlighted that under the terms of the lease and the relevant legislation if the request was refused there was a risk that tenant could pursue legal action against the Council and if they were successful it could result in the Council having to pay damages and legal costs and having to grant consent to the request.

While the Council would receive a windfall payment as set out in the confidential appendix, it would, however, receive no other income for the remaining period of the lease, except in the event of the property being subsequently sold for a sum in excess of the premium paid within 5 years from completion, an overage payment of 50% was payable, from which the Council would receive 15%.

The Chair proposed that the windfall payment be allocated to the Family Poverty Reserve, as he wished to see the reserve replenished as there continued to be significant demand to support Hartlepool families from the impact of Universal Credit. This proposal would not address the small income reduction from the rental reduction and the Chair stated that he had agreed with the Director of Finance and Policy that this could be offset by slightly reducing the recurring contribution to the Family Poverty Reserves which was funded from a saving in External Audit fees. This proposal provided more money into the Family Poverty Reserve to meet current needs while avoiding an additional budget pressure. The proposal was seconded by the Vice-Chair.

Members supported the proposal indicating that Wetherspoon's was seen as a positive brand, though they were also aware that the company was rationalising its building stock where the company didn't own the site and Members wished to see the retention of jobs. A member of the public questioned if this was approved, was the other Wetherspoon operation, the Ward Jackson, under threat. The Director indicated that she did not believe so as Wetherspoon owned the Ward Jackson building.

Members indicated to the Chair that there were questions they wished to raise in the confidential section of the report. The appropriate resolution was moved and, therefore, the remainder of the debate and the decision are set out at Minute No. 87.

Decision

The decision of the Committee was set out at Minute No. 87.

84. Sale of Land, Seaton Lane (*Director of Regeneration and Neighbourhoods*)

Type of decision

Key Decision (test (i)) Forward Plan Reference No. RN 25/18.

Purpose of report

To obtain a decision in relation to the sale of land and related expenditure of grant funding at Seaton Lane.

This report had been brought forward in advance of the timescale set out in the published Forward Plan as time was of the essence in making the decision due to the circumstances of the matter including the use of significant grant funding.

Issue(s) for consideration

The Director of Regeneration and Neighbourhoods reported that the

Council owned two parcels of land fronting Seaton Lane, one to the east and one to the west of the Golden Meadows housing estate also owned by the Council. The land extended to a total of approximately 3.71 acres (1.5 ha) and was currently grassed but considered suitable for residential development.

The land had been identified for disposal for some time, and had been marketed for sale on two occasions since 2013, including in late 2016. Unfortunately sales that were agreed following marketing had not proceeded, in part due to the unusually high level of abnormal costs associated with residential development of the site. Although the sites were currently grassed and only used for grazing, parts of the site are affected by contamination from previous uses and as a result significant remediation together with other abnormal works were required to ready the land for the construction of houses and the associated infrastructure.

In late 2017 an opportunity arose to apply for grant funding from the Government's One Public Estate Land Release Fund. The purpose of the Land Release Fund was to increase the supply of new housing by enabling publicly owned sites which were suitable for housing but required site remediation or other significant works before they could be developed to be brought forward for residential development. The application was successful and the Council had received the first tranche of the grant (£112,000). The grant totals £205,000 with the second tranche being payable in 2019/20.

The use of the grant money, however, depends on the site being developed within a timescale given in the grant application of release of the land for housing by 2020 (i.e. on the granting of planning permission and exchange of contract).

The Council had received two offers for the site. The two offers were quite different; Developer A was proposing a conventional cash offer from an established regional developer based on a contract conditional only on planning and satisfactory completion of the grant funded works. Developer B was a local developer offering payment in housing stock to be constructed on the site and transferred to the Council as affordable housing.

The offers and assessment of them were set out in full in the confidential appendix 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).

A Member referred to the existing Golden Meadows housing estate indicating that they had not been aware of any remediation works required to that land. The Chair of Regeneration Services Committee stated that no remediation had been required to that development site. The contamination

on the site was ‘pepper-potted’ around the site with two areas requiring remediation on one side of Golden Meadows and three on the other side.

Members indicated their wish to discuss the terms of the offers set out in the confidential appendix to the report. The appropriate resolution was moved and, therefore, the remainder of the debate and the decision are set out at Minute No. 88.

Decision

The decision of the Committee was set out at Minute No. 88.

85. Corporate Procurement Quarterly Report on Contracts *(Director of Finance and Policy)*

Type of decision

For information only.

Purpose of report

To satisfy the requirements of the Council’s Contract Procedure Rules with regard to the Finance and Policy Committee receiving and examining quarterly reports on the outcome of contract letting procedures including those where the lowest/highest price is not payable/receivable; and receiving and examining reports on any exemptions granted in respect of the Council’s Contract Procedure Rules.

Issue(s) for consideration

A Member raised an issue with the selection of some of the successful tenderers for some contracts highlighting that in a number of instances money could have been saved if the lowest tender had been accepted. The Director of Finance and Policy stated that lowest price would be a starting point when assessing tenders but there would be other quality criteria and those would be set at the beginning of the tender process. The lowest quote was not always the best value to the Council. The Vice-Chair added that social value and local jobs were also an important criteria. The Member asked that the weighting of these other issues be shared.

A Member also referred to the quotations for the roof repairs to the Borough Hall and the difference in the submitted tenders. The Director of Finance and Policy indicated that the lower tender had been fully examined and it was believed that the works required could be delivered by the company at the price quoted.

Members questioned the checking process of the companies that had submitted tenders and asked why those procedures could not be undertaken in advance. The Director of Regeneration and Neighbourhoods assured Members that all contractors had to be pre-approved in order to

submit tenders and this involved appropriate financial, insurance and other checks. In terms of the detailed checking after submission of tenders, the Director stated that one of the biggest concerns was around health and safety and assuring firms had the appropriate levels of assurance and registration. One of the issues for most local firms was the levels to which they registered in terms of health and safety.

Decision

That the report be noted.

86. 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 87 – King John’s Tavern, Middleton Grange Shopping Centre – 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).

Minute 88 – Sale of Land, Seaton Lane – 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).

87. King John’s Tavern, Middleton Grange Shopping Centre (*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

Key Decision (test (i) applies). General Exception Notice applies.

Purpose of report

The purpose of the report was to enable the Committee to consider a

request from the tenants of the Middleton Grange Shopping Centre, to effectively sell Unit 1 South Road namely the JD Wetherspoon King John's Tavern Public House to JD Wetherspoon themselves.

Issue(s) for consideration

Details of the Committee's discussions on the confidential appendix to the report are set out in the exempt section of the minutes.
The recommendations below were agreed unanimously.

Decision

1. That consent to the request in relation to Unit 1, South Road be approved.
2. That the savings in Auditors' Fees be utilized to offset the rental income that would be lost.
3. That the windfall payment be allocated to the Family Poverty Reserve.

88. Sale of Land, Seaton Lane (*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

Key Decision (test (i)) Forward Plan Reference No. RN 25/18.

Purpose of report

To obtain a decision in relation to the sale of land and related expenditure of grant funding at Seaton Lane.

This report had been brought forward in advance of the timescale set out in the published Forward Plan as time was of the essence in making the decision due to the circumstances of the matter including the use of significant grant funding.

Issue(s) for consideration

Details of the Committee's discussions on the confidential appendix to the report are 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.

89. Any Other Items which the Chairman Considers are Urgent

The Chair indicated that he had not been advised of any other items of business.

The Committee noted that the next meeting would be held on Monday 14 January 2019 commencing at 10.00 am in the Civic Centre.

A Member raised the issue of Member Allowances and the past payment of allowances to individual Councillors that had been raised in the press recently. The Chair indicated that the Member would be advised accordingly after the meeting.

The Chair extended Christmas best wishes to all in attendance.

The meeting concluded at 12.15 pm.

H MARTIN

CHIEF SOLICITOR

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