

FINANCE AND POLICY COMMITTEE

MINUTES AND DECISION RECORD

11 MARCH 2019

The meeting commenced at 10.05 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 Marjorie James 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
Dr Pat Riordan, Director of Public Health
Andrew Carter, Assistant Director, Economic Growth and Regeneration
Steve Hilton, Communications and Marketing Team
David Cosgrove, Democratic Services Team

108. Apologies for Absence

None.

109. Declarations of Interest

None.

110. Minutes of the meeting held on 12 February 2019

Confirmed.

111. Minutes of the meeting of the Health and Wellbeing Board held on 10 December 2019

Received.

112. Minutes of the meeting of the Safer Hartlepool Partnership held on 27 November 2019

Received.

113. Reshaping Drug and Alcohol Treatment Services
(*Director of Children and Joint Commissioning Services and Director of Public Health*)

Type of decision

Key Decision (test (i) & (ii) apply) Forward Plan Reference No. CJCS082/18

Purpose of report

To seek Finance and Policy Committee approval to the model for the future delivery of Drug and Alcohol Treatment Services and the procurement process.

Issue(s) for consideration

The Director of Children's and Joint Commissioning Services reported that drug and alcohol dependency in Hartlepool causes significant harm to both individuals and communities. Investment in prevention, treatment and recovery interventions helps to reduce this burden. For example, drug and alcohol users accessing substance misuse treatment services are less likely to be prone to illness and diseases and commit fewer crimes. Furthermore, treatment does not only improve the lives of those in receipt of services, but also that of their families and the communities in which they live.

Currently, Hartlepool has one of the highest death rates from drug misuse and alcohol related liver disease in the North East region. Substance misuse is also a major factor in the rising demand for children's social care services with high numbers of children becoming subject to child protection plans or looked after as a consequence of parental substance misuse.

On 25 July 2016, the Committee received a report detailing an option appraisal for the future delivery of substance misuse treatment and support. Members approved option two as the preferred model for service delivery and in April 2017 the Council moved to an in house delivery model for recovery support with the service transferring into the Council from the previous providers, Lifeline. At the same time, the Council exercised its right to invoke the extension clause on the clinical service commissioned from Addaction and this was further extended again in April 2018. There are no further extension options available within this contract which expires on 31 March 2019. However, to ensure appropriate provision is in place whilst future service provision is considered an exemption from the Contract Procedure Rules has been approved to extend the service for a further six

months.

Hartlepool's Health and Wellbeing Board asked for a "needs assessment" to be conducted during 2018 to inform the future strategic planning for the delivery of the substance misuse support and treatment service and that assessment has been completed. The needs assessment identified that there should be a transformative approach to the delivery of drug and alcohol treatment services in Hartlepool which would bring about significant change in behaviours, reducing levels of dependency and increasing the preventative offer.

The ambition was to deliver a single site offer in facilities that would be conducive to meeting the clinical and treatment support needs of those who use the service in a way that achieved the requirements outlined in the needs assessment. Any potential bid to deliver these services would need to outline how the provider would meet the accommodation requirements of the centralised service from new premises.

Taking into consideration the needs assessment and future requirements of a substance misuse treatment and support service, the following options for the future provision of services had been identified:

- Option 1: Current service model – In-house provision of psychosocial support and commissioned provision for clinical prescribing element with pharmacy contracts for needle exchange.
- Option 2: Bring all services in house – including clinical elements, under Council-employed head of drug and alcohol service.
- Option 3: Contract out all services – engage external providers with view to entering into a contract with one experienced provider to provide the entire service.
- Option 4: Enhanced current service (variant on option 1) – retain and strengthen in-house element (under experienced leadership) to receive all new referrals and provide immediate social and psychological support, and engage with external providers to provide the clinical element (prescribing, sexual health, blood-borne virus screening, wound care, primary care).

These options were appraised against the needs assessment and specification in detail in the report. Having completed the option appraisal officer advice was that option 4 provides the most effective and integrated model for the delivery of services that would achieve the ambition of the Council to move resources towards prevention. This option retained and strengthened the in-house element around a psycho-social key worker model and was ambitious to deliver a strengthened prevention offer particularly with young people.

A Member questioned the choice of bringing services in-house through

option 4 when option 3, on paper, seemed to mitigate the Council's risk. The Director indicated that option 3 would push all services back out to contract when the Council had already brought services back in-house. Option 4 allowed for a better integration of services. The Member questioned how the delivery of the needle exchange service was working now as there had been considerable problems with drug paraphernalia being discarded around the town. The Director stated that the difficulties that existed last year with the service had been rectified and the new offer would provide the ability to wrap services around drug users through a key worker model.

A Member questioned whether there was a cost difference between the models. The Director stated that the cost envelope for the service would remain the same as at present. The ambition was that through the key worker model and wrap around services there would be greater ability to reduce the costs of acute services to reinvest in prevention services over time.

The Chair commented that in his role as Chair of the Health and Wellbeing Board and the Safer Hartlepool Partnership he saw clearly how this service cut across so many services and agencies and affected everything from housing through worklessness and the numbers of looked after children. The Chair moved the adoption of Option 4.

Decision

That the recommendation to support option 4 as the preferred option for service delivery be supported as it provided the most effective and integrated model for the delivery of substance misuse treatment and support services.

114. 15 Church St Renovation (*Director of Regeneration and Neighbourhoods*)

Type of decision

Key Decision (test (i)) Forward Plan Reference No. RN 37/18

Purpose of report

To seek approval for the funding required to carry out the renovation of 15 Church Street.

Issue(s) for consideration

The Assistant Director, Economic Growth and Regeneration reported that 15 Church Street (formerly Mama Mias) was located in the Innovation and Skills Quarter adjoining Shades and had been acquired by the Council in August 2018. At the time of purchase, the property had been disused for a considerable period and was in generally poor condition. The purpose of

the acquisition was to further the regeneration of Church Street by means of renovating the property and bringing it back into use. In brief the property comprises a ground floor hot food takeaway shop and two upper floors of residential accommodation.

It is proposed to re-configure the upper floors into two 2 bedroom flats to be let by the Council's housing section on an affordable or social rent basis with all revenue and expenditure being within the Housing Revenue Account. This was the basis on which Homes England and Section 106 monies were being used for the project.

It was proposed to renovate the shop and to let it as a self-contained retail unit within Use Classes A1 or A2 (i.e. shop (excluding hot food takeaway) or professional and financial services) or as a café, dependent on market demand. It will not be let as a hot food takeaway as such a use would be detrimental to the letting and management of the flats.

Since the purchase of the building was approved, the estimated cost of works has been amended to £207,000, which was £21,000 less than the previous estimate as a result of changes to specifications. It was proposed to fund the renovation work to the shop using heritage grant funding and prudential borrowing, and to fund the work to the residential element from a combination of Homes England grant, Section 106 affordable housing contributions and prudential borrowing.

The proposed 'General Fund' borrowing of £78,000 would be met from shop rent income as part of a 'Full Repair and Insuring' operating lease, with the tenant being responsible for all repairs and operating costs. The borrowing of £56,000 could be met from the net rental income of the flats after deducting operating costs.

The HRA scheme funding includes an amount of £35,000 from Homes England. Based on discussions with the funder, officers are confident that the application for grant will be successful. In the unlikely event that this funding is not confirmed the shortfall will need to be funded from section 106 monies.

Funding for the shop included Townscape Heritage grants which would be subject to successful applications for both the 'Building Grant' £20,000 and 'Restoration of Architectural Details Grant' £10,000 in relation to the non-residential element of the property. The purchase of the building included Section 106 contributions and Homes England grant totaling £140,000. The overall level of external funding for the scheme is £213,000 which accounts for 61% of the total cost with the balance being self funding from expected rental income.

The Assistant Director highlighted that the additional borrowing required would require referral to Council as a departure from the budget and policy framework.

Members questioned the income that could be generated from the property and whether the flats would be let to students in light of their location. The Assistant Director stated that the rental income figures were commercially sensitive. The flats would be let through the Council's property service and tenants would be assessed accordingly

There were questions from members of the public around the purchase decision by officers and the limits around those and what other properties had been brought this way and the stock of housing the Council now owned. The Chief Executive stated in the meeting that there were no specific limits on such decisions but there were checks and balances in the process but she would provide a written response to the member of the public.

Decision

1. That the proposed redevelopment of 15 Church Street as reported and the renovation works budget of £207,000 be approved
2. That the use of grant funding of £213,000 as reported, which accounts for 61% of the total costs of the project, be noted.
3. That the General Fund borrowing of £78,000 in relation to the shop to be repaid from forecast rent income be referred to Council for approval.
4. That the HRA borrowing of £56,000 in relation to the flats to be repaid from annual rental income be referred to Council for approval.

115. Review of Civic Expenditure *(Director of Regeneration and Neighbourhoods and Chief Solicitor)*

Type of decision

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

Purpose of report

Members are asked to review current civic expenditure and:

- a) Consider the cessation of Ward Member budgets with a view to allocating the funding towards the Council's Capital programme.
- b) Consider the introduction of car parking charges for Members.

Issue(s) for consideration

The Chief Solicitor reported that at Council on the 20 December 2018, Members approved the proposal that civic engagement and associated activities and arrangements be reviewed. The minute states:

'That approval be given to 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 could be achieved these would be used to reduce the planned use of Reserves.'

This review had commenced, however, further consultation with Group Leaders and Policy Chairs was required before any proposals could be put to Constitution Committee to enable Members to make recommendations to Full Council.

However, two areas which it had been possible to review are:

- Ward Member Budgets
- Elected member Car Parking arrangements

Details of the history and use of ward member budgets were outlined and there has been wide variation in the pattern of spending across Ward Member Budgets and it has been an area which has been consistently underspent overall. The budget for 2019/20 has reduced to £66,000 to reflect the removal of the Civic Lottery funding.

In 2017, Members agreed to reduce Ward Member Budgets to enable the lifeguard service to be protected. At the same time a Neighbourhood Improvement Capital Programme was created to fund capital improvement schemes within wards. This had attracted additional funding from the Thirteen Group and had enabled a strategic approach based on needs assessments. Members may wish to consider further enhancing the Council's strategic capital planning approach by ending ward member budgets from 2020/21 onwards and utilising the funding to borrow prudentially. This could enable members to honour any commitments made for 2019/20 and enable the additional capital funding to be incorporated into the strategic capital plan for 2020/21 onwards. If Members determine to remove Ward Member Budgets the £66k annual revenue could be used to support one off prudential borrowing of £1.5m to contribute towards the Council's overall Capital programme.

In relation to car parking charges, the Chief Solicitor reported that there were no statutory provisions relating to car parking expenses for Elected Members. The current Member Allowances Scheme also does not include any reference to car parking expenses.

There were currently 23 elected members registered to park in the underground car park and 12 bays were allocated for Members use. Based on the existing annual staff parking charge the income foregone for the 12 allocated bays was £2,664. To recover this amount from the 23 members registered the annual charge would be £116. If Members were to decide to implement this charge, the amount could be deducted from Members net allowances (i.e. after tax and NI deductions) on a monthly basis.

During the debate, the general consensus among Members was that they supported the introduction of car parking charges. The main focus of the

debate was centred on the cessation of the Ward Member Budgets. Members commented that while they may not have indicated to officers, they were 'saving' their Ward Member Budgets to facilitate larger schemes; one Member indicated that they wished to purchase a community defibrillator for example. The Chair requested that approaches be made to all Members ahead of Council to ascertain if they were planning specific projects/purchases from their Ward Member Budgets.

Other Members were concerned that the ending of Ward Member Budgets would end some very specific ward work they funded in their ward, such as supporting local families in poverty with school uniforms for their children. The bulky waste collection schemes funded by some ward councillors was also highlighted as a positive that they would not wish to see ended.

The Chair commented that schemes such as the school uniform scheme could become part of the Child and Family Poverty approach and suggested that the next update report on the Child and Family Poverty Reserve include specific reference to school uniforms and how families in need could be supported. The Chair also requested a further report on the potential uses of the £66k that could be saved from the ending of Ward Member Budgets looking at options of moving the funding to the Child and Family Poverty Reserve or as a means of furnishing capital borrowing to enhance the Community Investment Plan. This was supported by the meeting.

Decision

1. That progress in relation to Ward Member Budgets to date be noted;
2. That Council be requested to approve the implementation of car parking charges for Elected Members from May 2019.
3. That a further report be submitted to the Finance and Policy Committee at the earliest opportunity setting out the potential options for the use of the annual allocation of the £66k Ward Member Budget to
 - (i) potentially support either by use in full or part for one off prudential borrowing of £1.5m towards the Council's capital programme or the Community Investment Plan;
 - (ii) potentially allocate the recurring Ward Member Budget to the Child and Family Poverty Reserve;
 - (iii) simply end the Ward Member Budget at the end of 2019/20 and save the allocated budget.
4. Committee noted that a further report on other Civic and Democratic costs would be submitted to a future Constitution Committee meeting.

116. 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.

Members indicated that they wished to discuss the contract details set out in the confidential appendices to the report and the Chair, therefore, moved the appropriate resolution to exclude the press and public from the meeting.

The Committee's further discussions are set out in the exempt section of the minutes at Minute 119.

Decision

The Committee's decision is set out in the exempt section of the minutes.

117. Any Other Items which the Chairman Considers are Urgent

None.

118. 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 119 – Corporate Procurement Quarterly Report on Contracts – 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 120 – Approval for Compulsory Redundancies – 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 1) information relating to an individual and (Para 3) information relating to the financial or business affairs of any particular person (including the authority holding that information).

119. Corporate Procurement Quarterly Report on

Contracts (*Director of Finance and Policy*) This item contains exempt information under Schedule 12A Local Government Act 1972 as amended by the Local Government (Access to Information) (Variation) Order 2006 namely (Para 3) information relating to the financial or business affairs of any particular person (including the authority holding that information).

Type of decision

For information only.

Purpose of report

To 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.

Further to Minute 116, Members indicated that they wished to discuss the contract details set out in the confidential appendices to the report and the Chair, therefore, moved the appropriate resolution to exclude the press and public from the meeting.

The Committee's further discussions are set out in the exempt section of the minutes.

Decision

The Committee's decision is set out in the exempt section of the minutes.

- 120. Approval for Compulsory Redundancies** (*Assistant Director, Corporate Services*) 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 1) information relating to an individual and (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

To seek a decision regarding the future employment of employees who were affected by departmental restructures and budget proposals for 2019/20. Employees affected by this decision were identified on the submitted confidential schedule at Appendix A.

Issue(s) for consideration

The Director of Finance and Policy reported that in December 2018, the Committee considered and agreed a report setting out a medium term financial strategy (MTFS) for the Council and proposals for achieving savings in 2019/20. The MTFS report advised Members that the 2019/20 savings proposals included the deletion of 19 posts from 1 April 2019 as part of the savings proposals. This included 6 posts which could be managed through a combination of managing vacancies, or approving voluntary redundancies where possible within operational requirements. At that stage it was anticipated that the remaining 13 posts may unfortunately result in compulsory redundancies.

Members were advised that the Corporate Management Team would seek to maximise staffing reductions which could be achieved by managing vacancies and accepting requests for voluntary redundancies, to reduce the number of compulsory redundancies. This approach would also seek to maximise redeployment opportunities.

The proposal was for Finance and Policy Committee to approve the compulsory redundancies identified in the confidential appendix to the report. Trade Unions had been consulted and employees identified as potentially affected by the proposals have been formally consulted in accordance with the Council's Reorganisation, Redundancy and Redeployment Policy.

The Chair commented that since austerity commenced the Council had lost £20m of annual budget and officers had to be commended for keeping the levels of compulsory redundancies to a minimal level over the years. Members reluctantly agreed to the redundancies set out in the report.

Decision

1. That the compulsory redundancy of those staff identified in Appendix A to the report be approved.
2. The Committee noted that during individual notice periods employees would be on the Redeployment Register and the Council would continue to seek alternative employment under the Compulsory Redundancy Redeployment Procedure.

The meeting concluded at 11.20 am.

H MARTIN

CHIEF SOLICITOR

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