

FINANCE AND POLICY COMMITTEE

MINUTES AND DECISION RECORD

30 SEPTEMBER 2019

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

Present:

Councillor Shane Moore (In the Chair)

Councillors: James Brewer, Jim Lindridge, Ann Marshall, Leisa Smith, John Tennant, and Mike Young.

Also Present: Edwin Jeffries, Hartlepool Joint Trade Unions Committee

Officers: Gill Alexander, Chief Executive
Hayley Martin, Chief Solicitor
Chris Little, Director of Finance and Policy
Jill Harrison, Director of Adult and Community Based Services
Steve Hilton, Communications and Marketing Team
David Cosgrove, Democratic Services Team

39. Apologies for Absence

Councillors Christopher Akers-Belcher, Paddy Brown, Dave Hunter and Sue Little.

40. Declarations of Interest

None.

41. Minutes of the meeting held on 27 August 2019

Received.

Members requested an update on Minute No. 32 'Navigation Point Car Park'. The Chief Executive stated that an offer had been made to the owners of the car park but they had rejected the offer and subsequently decided to take the car park off the open market and retain it as an asset.

42. Medium Term Financial Strategy (MTFS) 2020/21 to 2021/22 *(Director of Finance and Policy)*

Type of decision

Budget and Policy Framework.

Purpose of report

The purpose of this report is to update the MTFS to reflect the one year Spending Review for 2020/21 and to enable Members to determine the budget proposals they wish to refer for consultation.

Issue(s) for consideration

The Chief Financial Officer reported on the background to the Council's current and the Chancellor of the Exchequer's one year Spending Review for 2020/21 announced to Parliament on 4 September 2019. The Government has indicated that a three year Spending Review will be completed next year. This will determine the Government's medium term priorities. For planning purposes it is assumed that Government funding allocated to councils for 2020/21 will continue at this level. However, there is a risk that the next Spending Review may reduce the total funding allocated to councils. There is a potentially greater risk that Government reforms of the national funding system for councils may result in the redistribution of resources between authorities.

The Director anticipated that the one year Spending Review would have a positive impact on the Council's budget position for 2020/21 once the detailed settlement was received in December. The budget forecasts had been updated to reflect the recent Spending Review announcement for 2020/21 and the net impact of the increased funding provided by the Spending Review and local changes was a reduction in the forecast 2020/21 budget deficit from £4.830m to £2.636m. After reflecting the benefits of the Spending Review announcement and proposed savings set out in the report, the budget deficit could be reduced from £4.830m to £0.291m. Of this, it was anticipated that a fees and charges increase could provide a further £100,000 reducing the deficit to £191,000 and it was proposed that a further report would be submitted to Members once proposals to achieve the additional savings had been identified.

Members expressed their disappointment that there had been no specific funding directed towards dealing with the pressures around looked after children (LAC). Members also noted the reference to the new housing developments bringing additional council tax into the Authority but were concerned at the focus on higher banded properties when there was a need for affordable properties. The Director stated that the Council did through its own housing stock promote the numbers of affordable housing in the town but that new developments of higher banded properties were needed to balance the significant numbers of band A and B properties.

The Chair of Children's Services Committee noted the figures that showed that 58% of all council expenditure was spent on children and adult social care services and asked for details of the split of that money between the Adult Social Care precept, central government and Council Tax. The Director stated he would share that information with Members after the meeting.

Decision

- i) That the report be noted.
- ii) That the announcement that the Government was providing an additional £1 billion for children and Adult Social Care pressures be noted;
- iii) The Committee noted that the Government had confirmed the Adult Social Care precept would continue for 2020/21 at 2%, which would generate £500 million to partly match the £1 billion referred to in recommendation (ii). The continuation of the Adult Social Care precept for a fifth year continued to shift part of the funding of these services onto Council Tax, pending the Government determining a longer terms funding strategy for Adult Social care.
- iv) The Committee noted the Government Spending Review figures suggested an additional core Council Tax referendum limit of 2.5% to 3%, i.e. a total referendum limit including the Adult Social Care precept of 4.5% to 5%;
- v) The Committee noted the forecast reduction in the 2020/21 budget deficit from £4.830m to £2.636m resulting from the one year Spending Review for 2020/21, which included a 2% Adult Social Care precept and core Council Tax increase of 1.9%, i.e. a total increase of 3.9% which was less than the forecast national Council Tax Referendum limit of 4.5% to 5%.
- vi) The Committee noted that without a 2% Adult Social Care precept and core Council Tax increase of 1.9% for 2020/21 the Council would reduce recurring income by £1.605m and would need to identify, therefore, additional cuts to offset the loss of this recurring income;
- vii) The proposal to refer the proposed Innovation and Efficiency strategy work streams savings detailed in Appendix A, totalling £2.345m to individual policy committees was approved, which would leave a residual deficit of £0.291m still to be addressed. The Committee noted that further proposals for addressing the remaining gap would be submitted to a future meeting and would be based on achieving £0.100m from reviewing fees / charges and £0.191m from a further review of expenditure budgets;

- viii) The Committee noted that detailed proposals in relation to the issues relating to the Ward Members Budget saving and Public Health issues would be reported in the next budget report;
- ix) That the proposal that when the final budget report is referred to Council that delegation be sought for this Committee to approve the use of up to £0.5m of the uncommitted Budget Support Fund to fund invest to save initiatives, subject to these proposals achieving a pay-back period of 3 years or less. This proposal would enable further savings to be achieved from initiatives such as property rationalisation;
- x) The Committee noted that this report and a brief survey would be used for public consultation on the budget proposals via the Council website.

43. Apprenticeship Charter and Coping with Terminal Illness Pledge *(Assistant Director Corporate Services)*

Type of decision

Non-key Decision.

Purpose of report

The purpose of the report was to seek Finance and Policy Committee approval for the Council to commit to a joint HBC and Hartlepool Joint Trade Union Committee (HJTUC) Apprenticeship Charter and a separate pledge to our terminally ill employees and their families.

Issue(s) for consideration

The Director of Finance and Policy reported that the UNISON local trade union representatives had approached the Council to ask for a commitment to their Apprenticeship Charter and the TUC Dying to Work Charter. Following extensive consultation, the Apprenticeship Charter and separate Coping with Terminal Illness Pledge have been approved locally with the Hartlepool Joint Trade Union Committee (HJTUC). The charter and pledge were submitted for consideration and agreement by Finance and Policy Committee on behalf of the Council.

Decision

That the Committee approve the Council's commitment to the Apprenticeship Charter and the Pledge for Coping with Terminal Illness Pledge and the signing of both as part of a formal ceremony.

44. Strategic Financial Management Report - as at 31st July 2019 *(Corporate Management Team)*

Type of decision

For information.

Purpose of report

The purpose of the report was to inform Members of:

- i) 2019/20 Forecast General Fund Outturn;
- ii) Corporate Income Collection Performance; and
- iii) 2019/20 Capital Programme Monitoring.

Issue(s) for consideration

The Director of Finance and Policy reported an assessment of the forecast 2019/20 outturn had been completed and a departmental over spend of £850,000 was anticipated. A strategy for funding this has been developed and was set out in the report. There remained an underlying budget pressure within Looked After Children related costs of £1.241m, partly offset by one-off underspends of £0.391m. The Director also highlighted that Council Tax and Business Rate collection rates were slightly ahead of this time last year.

Members were concerned at the continuing pressures due to Looked After Children and questioned the levels of costs being borne through children being placed in specialist placements out of borough. The Director stated that he would liaise with the Director of Children and Joint Commissioning Services and send a formal response after the meeting. The Chair of Children's Services Committee indicated that the Authority was trying to address the numbers of children placed outside the borough and the recently approved proposal for a SEMH (Social, Emotional and Mental Health) Special Free School at Golden Flatts would assist in that aim. The Chair commented that in his meetings with other Council Leader's in the Tees Valley it was clear that all were under a similar pressure though he did feel that Hartlepool seemed to be managing the pressures better than others.

Decision

That the report and the forecast 2019/20 departmental revenue budget over spend of £850,000, which mainly relates to the costs of Looked After Children, be noted.

45. 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.
- 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.

Decision

That the report be noted.

46. Any Other Items which the Chairman Considers are Urgent

None.

The Committee noted that the next meeting would be held on Monday 14 October, 2019 at 10.00 am.

The meeting concluded at 10.37 am.

H MARTIN

CHIEF SOLICITOR

PUBLICATION DATE: 7 OCTOBER 2019