

# **FINANCE AND POLICY COMMITTEE**

## **MINUTES AND DECISION RECORD**

**30 NOVEMBER 2020**

The meeting commenced at 10.00 am and was an online remote meeting in compliance with the Council Procedure Rules Relating to the holding of Remote Meetings and the Local Authorities and Police and Crime Panels (Coronavirus) (Flexibility of Local Authority Police and Crime Panel Meetings) (England and Wales) Regulations 2020.

**Present:**

Councillor Shane Moore (In the Chair)

Councillors: Christopher Akers-Belcher, James Brewer, Paddy Brown, Jim Lindridge, Sue Little, Ann Marshall, Leisa Smith, John Tennant, Stephen Thomas and Mike Young.

Also Present: Councillors Tom Cassidy and Tony Richardson.

Officers: Denise McGuckin, Managing Director  
Hayley Martin, Chief Solicitor  
Chris Little, Director of Resources and Development  
Sally Robinson, Director of Children's and Joint Commissioning Services  
Craig Blundred, Director of Public Health  
Jill Harrison, Director of Adult and Community Based Services  
Tony Hanson, Director of Neighbourhoods and Regulatory Services  
David Cosgrove and Denise Wimpenny, Democratic Services Team

### **45. Apologies for Absence**

None.

### **46. Declarations of Interest**

Councillor Christopher Akers-Belcher declared a personal interest in Minute No. 54 as an appointed Trustee of the Hartlepool Maritime Experience/National Museum of the Royal Navy.

### **47. Minutes of the meeting held on 19 October 2020**

Confirmed.

**48. Minutes of the meeting of the Safer Hartlepool Partnership held on 4 September 2020**

Received.

**49. Community Safety Plan (2020 – 2021)** (*Director of Neighbourhoods and Regulatory Services*)

**Type of decision**

Budget and Policy Framework.

**Purpose of report**

To consider the Safer Hartlepool Partnership Community Safety Plan 2020-2021 and to consider referral to Council for adoption.

**Issue(s) for consideration**

The Director of Neighbourhoods and Regulatory Services reported that the Community Safety Plan 2020-21 provided an overview of some of the recent activities undertaken to improve community safety in Hartlepool, and key findings from the Safer Hartlepool Partnership's Annual Strategic Assessment and public consultation.

The plan, submitted as an appendix to the report, set out the Partnership's strategic objective for 2020/21 and the key priorities that the Partnership will focus on. The Safer Hartlepool Partnership strategic objective for 2020-21 would be "To make Hartlepool a safe, prosperous and enjoyable place to live, work and visit".

The key priorities for the Partnership in 2020/21 are:

- Drugs and Alcohol;
- Anti-social Behaviour; and
- Domestic Violence.

It was reported that the proposed plan had been subject to an eight-week public consultation exercise.

The following decision was agreed without dissent.

**Decision**

That in accordance with the budget and policy framework, Finance and Policy Committee refers to full Council for adoption the Community Safety Plan 2020-2021.

## **50. Financial Position Update 2020/21 to 2022/23** (*Director of Resources and Development*)

### **Type of decision**

Budget and Policy Framework.

### **Purpose of report**

The purpose of the report was to provide updates on:

- i) the forecast 2020/21 General Fund outturn;
- ii) the financial impact of Covid-19;
- iii) General Fund budget 2021/22 and 2022/23.

### **Issue(s) for consideration**

The Director of Resources and Development provided the Committee with a detailed update on the financial position of the Council in the current financial year and the position for the following two financial years.

The Director highlighted some of the key issues included in the recent Spending Review announced by the Chancellor of the Exchequer which outlined the key elements to be included in the Local Government Settlement, though the provisional settlement was not likely to be announced until the week commencing 14 December and a further detailed report would be submitted to the Committee at its January meeting.

The Director highlighted the following key issues from the Chancellor's statement:

- The Chancellor estimated a 4.5% (£2.2bn) increase in core spending power but £1.2bn (55%) of this related to increased income from a 2% core council tax increase and a 3% Adult Social Care precept, i.e. a 5% total increase. There may be flexibility to defer the Adult Social Care precept increase from 2021/22 to 2022/23.
- Nationally, only £300m of new grant had been made available for children and adult social care; it had been hoped for £1bn. The £300m was made up of £150m new money and £150m from the New Homes Bonus pot with the 3% Adult Social Care precept providing £700m to give the headline £1bn.
- It had been hoped Hartlepool could have received £2.2m from an increased grant but this now looked likely to be only £700,000. Non-pay inflation within Children's and Adults Social Care in Hartlepool was £650,000 so there was effectively nothing to address the £2.5m demand pressures.
- Government's Council Tax policy effectively nationalised Council Tax increases and continued the funding shift to local tax payers.
- The Public Sector Pay Pause did include some uplift for the lowest paid and a less than forecast increase in the National Living Wage; based on

MTFS expectations these could provide savings of £400,000 and £800,000 respectively.

- Grants increases were forecast to increase by 0.5% providing an additional £200,000.
- Taking the above into account the predicted deficit was now forecast to be just below £4m based on a 2% indicative Council Tax increase. This deficit could be reduced by £1.2m if the Council Tax was increased to the total national referendum limit.
- Confirmation of funding for Homelessness, the new Domestic Abuse Bill and the continuation of the Troubled Families Programme were welcome but details of the actual funding allocations were awaited.
- In relation to funding around the Covid-19 Pandemic the Director indicated that with the allocations received and the announcements in the Chancellor's Statement, Hartlepool had effectively received funding to match its expenditure and forecast income losses.
- The Chancellor announced the new Levelling-up Fund; details of the bidding process for this £4bn had yet to be announced.

The Director concluded that the budget process for 2021/22 would be extremely difficult and would provide the financial foundation for future year's services.

The Chair noted that no decisions were being required of Elected Members at this meeting. The Chair expressed his disappointment at the announcement on the Social Care Grant with the proposal that 70% of the Government's headline announcement was passed to local authorities to raise through the Adult Social Care Precept.

The Chair proposed two additions to the recommendations in the report: -  
(i) That the Committee write to the Treasury, the Minister for Housing, Communities and Local Government and the town's Member of Parliament protesting the decision not to fully fund the £1bn Adult Social Care requesting that they re-visit their decision on the funding of Children's and Adult Social Care.

(ii) That as part of the current budget setting process meaningful public consultation be undertaken with the Council Tax payers of Hartlepool on their views of a proposed 3% increase in the Adult Social Care Precept. These were seconded by Councillor Smith.

Members discussed the issues around unemployment and how much this had risen in Hartlepool during the pandemic and how those paying council tax were being further burdened. The Director stated that this had been monitored through new claimant eligibility for Local Council Tax Support (LCTS) which had increased by 8% compared to last year. The problem created around furloughing of jobs that may be in businesses that may not survive in the longer term was yet to come through. The Director expressed his concern that the recovery may take longer than anticipated due to the Pandemic impact being longer than expected.

A Member suggested that the government needed to provide a two-year or longer funding agreements and that this should be added to the letter.

Members discussed issues around care costs in the market in general. The Director commented that there were still pressures in the local and regional market. The number of children in care was also discussed. The Director of Children's and Joint Commissioning Services stated that there were 357 children in care which equated to a medium sized primary school. An Elected Member questioned whether the Adult Social Care Homes premium was still being paid. The Director of Adult and Community Based Services stated the payments had ceased on 1 November due to new funding coming through from central government.

A Member questioned the impact of not agreeing a 2% Council Tax increase while accepting the 3% Adult Social Care Precept increase proposed by Government. The Director of Resources and Development stated that the difference between a 2% and 3% Council Tax increase was additional recurring income of £400,000. The following decision was agreed without dissent.

### **Decision**

1. That the report be noted;
2. The Committee noted that a further update would be provided after the Government issue the 2021/22 Provisional Local Government Finance to update the financial forecast and enable Members to determine the budget proposals to be recommended to Council.
3. That the membership of all Policy Committees be invited to the Finance and Policy Committee meeting in January 2021;
4. The Committee noted that owing to the impact of Covid income from fees and charges is not anticipated to return to the pre-Covid level until the end of 2021/22 and therefore approve the proposal to build a full review of fees and charges into the 2022/23 budget process.
5. That the Committee write to the Treasury, the Minister for Housing, Communities and Local Government and the town's Member of Parliament protesting the decision not to fully fund the £1bn Adult Social Care requesting that they re-visit their decision on the funding of Children's and Adult Social Care.
6. That as part of the current budget setting process meaningful public consultation be undertaken with the Council Tax payers of Hartlepool on their views of a proposed 3% increase in the Adult Social Care Precept.

## **51. COVID-19 Recovery and Renewal Plan and Council Plan 2020-23 Update** *(Managing Director)*

### **Type of decision**

Budget and Policy Framework (Council Plan) and for information update on a previous Key Decision (COVID-19 Recovery and Renewal Plan).

### **Purpose of report**

The purpose of the report was to provide an update to Elected Members on the progress made so far in delivering the COVID-19 Recovery and Renewal Plan as agreed by Finance and Policy Committee on 13th August 2020. The report also outlined a proposal to undertake further work to develop the new Council Plan before taking it forward to Council for adoption before the end of the 2020/21 municipal year.

### **Issue(s) for consideration**

The Managing Director provided the Committee with an update on the work to develop the new Council Plan and the progress of the COVID-19 Recovery and Renewal Plan. The Managing Director indicated that it was anticipated that the new Council Plan would be submitted to Members before the end of the current Municipal Year.

Members thanked the Managing Director for the update and recorded their thanks to all staff for their work in maintaining services and delivering new services during the Pandemic. The Managing Director thanked Members for their comments and added that the pressure of the Pandemic was having a huge impact on staff and resources.

The following decision was agreed without dissent.

### **Decision**

1. The Committee noted the progress made at the end of October 2020 on the delivery of the COVID-19 Recovery and Renewal Plan;
2. The Committee noted the intention to bring regular progress reports on the delivery of the COVID-19 Recovery and Renewal Plan to Finance and Policy Committee;
3. The Committee approved the proposal to review the proposed Council Plan 2020-23 and update it to reflect the impact of the pandemic on the Borough and the proposed timescales for adoption of the Council Plan.

**52. Council Tax Base and Section 106 Policy** (*Director of Resources and Development*)

**Type of decision**

Budget and Policy Framework.

**Purpose of report**

To provide information requested at Finance and Policy Committee on 13th August 2020 in relation to the Council Tax base and Section 106 policy.

**Issue(s) for consideration**

The Director of Resources and Development reported on the Council Tax Base for 2020/21 which was set out in an appendix to the report. The report also reflected the change in the Council Tax Base since 2004/05 particularly in relation to the numbers of higher band (Bands E to H) homes in the Borough.

The report also set out the amounts of Planning Obligations, S106 Agreement, contributions agreed with developers between 2015/16 and 2019/20, around 71% (£3.189m) of which related to affordable housing.

**Decision**

That the report be noted.

**53. Re-Procurement of Tees Integrated Sexual Health Service** (*Director of Public Health*)

**Type of decision**

Key Decision. General Exception Notice applies.

**Purpose of report**

To seek approval for Hartlepool to be part of a re-procurement of a Tees integrated sexual health service with a view to commence the new service on 1st August 2021.

**Issue(s) for consideration**

The Director of Public Health reported that in August 2016, sexual health services were re-commissioned to deliver integrated services across Teesside for 5 years with an option to extend for two 24 month periods. Virgin Care Services Ltd. was the successful bidder but they have recently rejected the offer of a 12 month extension to the contract resulting in the collaborative commissioners moving to procure a new service.

On Teesside, open access sexual health services were commissioned by six different commissioning bodies (Hartlepool BC, Middlesbrough BC, Redcar and Cleveland BC, Stockton-on-Tees BC, NHS Tees Valley Clinical Commissioning Group (formerly South Tees Clinical Commissioning Group and Hartlepool and Stockton Clinical Commissioning Group) and NHS England. Services were seamless at the point of delivery to patients.

Recent changes in public health outcome performance and COVID-19 had driven the need to change the service model. In order to achieve this the Tees Sexual Health Needs Assessment had been refreshed alongside the collation of views sought from stakeholders. A service performance review and a recent piece of research to understand market appetite had led to a revised service specification being developed.

It was proposed, therefore, that Hartlepool Borough Council along with collaborative commissioning partners commission the new service model. The new contract would be in place for 1 August 2021.

A Member questioned the work around the reduction of under 18s pregnancies and how this work would be delivered collaboratively. The Director stated that based on current performance this was an area of concern and all partners were working on how the new contract would deliver this work across the area.

The following decision was agreed without dissent.

### **Decision**

That approval be given to Hartlepool being part of a re-procurement of a Tees integrated sexual health service with a view to commencing the new service on 1st August 2021.

## **54. HME/NMRN/HMS Trincomalee Review** *(Director of Resources and Development)*

### **Type of decision**

Key Decision - Special Urgency Notice Applies.

### **Purpose of report**

To seek approval to amend the existing agreements with the National Museum of the Royal Navy (NMRN).

### **Issue(s) for consideration**

The Director of Resources and Development reported that when it was agreed to transfer of Hartlepool Maritime Experience to the NMRN in 2016, a subsidy was to be paid on a sliding scale for the first five years following transfer as set out in the Confidential Appendix to the report. The appendix



contain exempt information under Schedule 12A of the Local Government Act 1972, (as amended by the Local Government (Access to Information) (Variation) Order 2006) namely, information relating to the financial or business affairs of any particular person (including the authority holding that information).

As a consequence of COVID-19 the operation of the site has been adversely impacted and its viability questioned. Without continued support over this period there is a likelihood that NMRN would seek to exercise their break clause and terminate their tenancy. It was proposed, therefore, to extend the period in which the NMRN can exercise the existing break clause in the lease; and extend the payment of a subsidy for a further 12 months from the Council.

The extension of the break clause and of the subsidy would afford the NMRN with the support and time necessary to put in place a suitable recovery plan to ensure the long term viability of the site. The existing legal agreements would require amendment to reflect the decision of committee.

Members agreed that it was important to continue the partnership with the NMRN and that the proposal was agreed without dissent.

### **Decision**

1. That approval be given to the extended subsidy on the basis of the terms set out in the Confidential Appendices to the report. The appendices contain exempt information under Schedule 12A of the Local Government Act 1972, (as amended by the Local Government (Access to Information) (Variation) Order 2006) namely, information relating to the financial or business affairs of any particular person (including the authority holding that information).
2. That approval be given to vary the terms of the existing lease and extend the availability period of the break clause from 3 June 2021 to a revised date of 3 June 2022.

## **55. Allocation of the Community Pot** *(Director of Adult and Community Based Services)*

### **Type of decision**

Non-key decision.

### **Purpose of report**

To seek agreement from the Finance and Policy Committee regarding the criteria and allocation process for the Community Pot.

### **Issue(s) for consideration**

The Director of Adult and Community Based Services reported that a decision had been taken at the meeting on 13 August 2020 to create a Community Pot to support COVID19 recovery. The Community Pot was created utilising the balance of New Burdens funding, an element of the Family Poverty Reserve, an underspend on ward Member budgets and the uncommitted balance of the Local Authority Emergency Assistance Grant for food and essential supplies giving a total of £225,000. The Committee approved the expenditure of £25,000 earmarked to support a programme of activities for Young People and delegated authority to the Chief Executive in consultation with the Chair of Finance and Policy Committee to approve the use of this fund and that the proposal for the remaining £200,000 would come back to this Committee. Details of the two Young Peoples schemes were set out in the report and these included £10,000 to provide sail training for vulnerable young people on the Black Diamond through the company Sailing North East and £15,000 to supplement the existing Sport England funded 'Family Fund' project.

Detailed criteria for the use of the remaining Community Pot funds were set out in the report. A brief application form had been developed (attached as an appendix to the report) which would be circulated to VCS (Voluntary Community Sector) organisations early in December, subject to the criteria reported being approved. Organisations will be able to apply for funding of £20,000 to £200,000. The lower limit is proposed to ensure that the funding available is sufficient to have an impact and to avoid the administration of the funding becoming a disproportionate burden. The higher limit is proposed to allow VCS organisations to work collaboratively on ambitious projects that will potentially have a greater impact; any bids over £50,000 will need to provide evidence of collaboration between two or more VCS organisations and a single award of £200,000 would only be made if there was evidence of a sustainable VCS partnership working on town wide priorities.

Applications would be requested with a closing date in early January with a panel of officers and partners considering the applications before reporting recommended schemes to Finance and Policy Committee for consideration and approval.

The Chair and Members fully endorsed the proposal.

The following decision was agreed without dissent.

### **Decision**

That the proposed criteria and allocation process for the Community Pot be approved and that further reports regarding the proposed projects and subsequent outcomes achieved be reported to the Committee in line with the process detailed in the report.

## **56. Corporate Procurement Quarterly Report on Contracts** *(Chief Solicitor)*

### **Type of decision**

For information only in accordance with the Council's Contract procedure Rules within the Constitution.

### **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 Chief Solicitor reported on the Contracts awarded by the Council in accordance with Contract Procedure Rules for the period July to October 2020

### **Decision**

That the report be noted.

## **57. Dry Recycling Contract: Examination of Future Options** *(Director of Neighbourhoods and Regulatory Services)*

### **Type of decision**

For information.

### **Purpose of report**

The Committee was requested to note the requirement to tender for the dry recyclable contract.

### **Issue(s) for consideration**

The Director of Neighbourhoods and Regulatory Services reported that the Council's current kerbside collection method is co-mingled glass, paper, cardboard, plastic, metals all in one bin, which is an extremely safe and cost effective collection method. The contract for sorting, processing and sale to end markets of the Council's kerbside collected dry recyclable materials is currently with Palm Recycling Limited.

This contract was initially for three years, with an additional two one year extensions and the contract had been extended to the first of those possible extensions, which expires at the end of March 2021. This extension had been agreed in December 2019 with Palm Recycling Limited.

Discussions had taken place with Palm Recycling Limited to extend the contract into its final year, however, due to the implications of Covid and the company's move to a new business model in dealing with recyclable materials, it was unlikely that an agreement would be reached.

It was proposed that a new dry recycling contract for the 'sorting, processing and sale of the Council's dry recycling materials' be procured based on the co-mingled arrangements currently in place, which would require a new tender process to be carried out.

A copy of the draft tender documents were submitted in a 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).

A Member questioned if the new contract proposal included an increase in the types of waste that could be recycled in line with other areas, egg cartons were one example. The Director indicated that this very much depended on the contractor as each tended to have slightly different sorting arrangements.

There was no dissent to the following decision.

### **Decision**

That the Committee notes the requirement for a new dry recycling contract for the 'sorting, processing and sale of the Council's dry recycling materials' which will be undertaken under a co-mingled arrangement.

## **58. Any Other Items which the Chairman Considers are Urgent**

None.

The Committee noted the next meeting would be held on Monday 18 January 2021 commencing at 10.00 am.

The meeting concluded at 11.20 am.

**H MARTIN, CHIEF SOLICITOR**  
**PUBLICATION DATE: 10 DECEMBER 2020**