

# **FINANCE AND POLICY COMMITTEE**

## **MINUTES AND DECISION RECORD**

7 JULY 2021

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

**Present:**

Councillor Shane Moore (In the Chair)

Councillors: Jonathan Brash, Jim Lindridge, Sue Little, David Nicholson,  
Amy Prince, Cameron Stokell and Mike Young.

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  
Danielle Swainston, Assistant Director, Joint Commissioning  
David Cosgrove, Democratic Services Team

### **8. Apologies for Absence**

Councillors Tim Fleming and Brenda Harrison.

### **9. Declarations of Interest**

Councillor Moore declared a personal interest in Minute No.

### **10. Minutes of the meeting held on 21 June 2021**

Received.

### **11. Proposal to Increase Capacity for SEND Education Provision** *(Director of Resources and Development and Director of Children's and Joint Commissioning Services)*

**Type of decision**

Key Decision - test (i)

### **Purpose of report**

To enable the Committee to consider the proposal referred from Children's Service Committee on 23rd June 2021 to increase capacity for Special Educational Needs and/or Disabilities (SEND) Education Provision at Catcote Academy using Prudential Borrowing, which would be paid back through the High Needs Block (HNB) and, therefore, not impact on the Council's General Fund revenue budget.

For this Committee to approve the request and to then seek Council approval for the Prudential Borrowing.

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

The Director of Resources and Development outlined the main aspects of the proposal which had been presented to and approved by Children's Services Committee on 23 June 2021. The Director also reported that the proposal had been supported by the Schools Forum.

The Chair of the Children's Services Committee stated his support for the proposal indicating that Catcote School had not been renewed in the same way as the other secondary schools in the town and this investment in the school would provide the additional school places needed which would also reduce the Authorities costs in providing education for SEND pupils.

The need to report the proposal to this committee was questioned but the Director stated that in the Council's Constitution any proposal that had financial impact had to be approved by this Committee prior to referral to Council as a proposal outside the existing Budget and Policy Framework.

The following recommendations were agreed without dissent.

### **Decision**

1. That the proposals referred from Children's Services Committee, which were unanimously supported, to support a sustainable solution for the provision of additional capacity for children with SEND and to request approval from Council to Prudentially Borrow £1.550m saving the Schools High Needs Block between £0.343m and £0.783m annually.
2. The Committee noted the loan repayment cost would be met from the Schools High Needs Block and would not impact on the General Fund Budget of the Council.
3. That Council be requested to approve the total capital budget for the project of £2.750m, which was funded by grant funding of £1.2m and £1.550m from Prudential Borrowing.

## **12. Children's Social Care Capacity** *(Director of Resources and Development and Director of Children's and Joint Commissioning Services)*

### **Type of decision**

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

### **Purpose of report**

To enable Members to consider a proposal to increase Children's Social Care Capacity.

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

The Director of Resources and Development indicated that as reported to Finance and Policy Committee on 30th November 2020, within the Medium Term Financial Strategy, further placement capacity is needed to meet existing and forecast demand and ensure the Council has a sufficient supply of placements within residential care.

The proposal reported was to open an additional Children's Home as this provided the best possible outcome for children and was 25% (£0.2m) more cost effective than external placements. The budget approved by Council on 28th January 2021 included an increase in the Children's Social Care budget, including the funding to increase capacity.

The MTFs proposal was based on renting an appropriate property, as this service delivery model has previously been used successfully to deliver and existing home. Further work had been completed on the development of a new Children's Home and this had identified that a better longer term solution may be to purchase a suitable property. Initial budget modelling indicates the funding allocated for rent should be sufficient to meet the Prudential Borrowing costs of buying a suitable property and carry out the necessary modifications to meet Ofsted requirements and provide an appropriate home for our children.

The proposal was to provide two Children's Home, one with capacity for three children and one for four children. The cost of acquiring and converting two properties would depend on the individual properties purchased and there were two options:

- Option 1 – purchase two properties – estimated acquisition and conversion costs £750,000 – annual loan repayment cost £28,000.
- Option 2 – use of existing council owned property and purchase of one additional property – estimated acquisition and conversion costs £850,000 – annual loan repayment cost £32,000.

Option 2 reflected the decision made at Finance and Policy Committee on 15th March 2021 when Members approved the purchase of a property to

facilitate highways improvements. The report indicated the property would be resold. As part of the consideration of the report Members requested that officers consider the feasibility of retaining the property for service delivery. Owing to the market price paid for this property it was estimated that the overall costs of option 2 will be higher than option 1. With both options the purchase of properties provided a housing asset which could be sold at a future date if no longer required for service needs. There was also revenue budget capacity to support Prudential Borrowing for either option 1 or 2 to fund the acquisition and conversion costs.

The Director of Children's and Joint Commissioning Services indicated that the property in the Council's ownership could provide a home for three children with only internal works required to meet registration standards.

Members expressed some concern at the current state of the housing market and purchasing property at the potential peak of a 'price bubble'. The Director of Resources and Development stated that with the proposal to retain the property for the long term, this would flatten out any market pricing issues while retaining the asset. Members understood the proposal at this time was not to extend the property recently purchased but that this could be a possibility for the future to provide for additional children. The Director of Children's and Joint Commissioning Services commented that officers had viewed the property and considered it a suitable and improved alternative for the existing children's home.

Members supported the proposed Option 2 in the report as being in the best long-term interests of the Authority and utilising an existing property to re-provide the service currently in a rented property.

The following recommendations were agreed without dissent.

### **Decision**

1. The Committee expressed unanimous support for Option 2 – use of an existing council owned property and the purchase of one additional property – as detailed in the report.
2. That Council approval be sought to use Prudential Borrowing of up to £850,000 to purchase and convert two properties to provide two children's homes and to note the loan repayment costs could be funded from the existing revenue budget;
3. The Committee noted the operation of Children's Homes by the Council is a lower cost option than external placements and provided Hartlepool based services for children where it is appropriate for them to remain in the town;
4. That authority be delegated to the Managing Director, in consultation with the Chair of Finance and Policy Committee, the Chair of Children's Service Committee and the Director of Resources and

Development, to allocate the overall capital budget between the acquisition and refurbishment of two properties.

**13. Any Other Items which the Chairman Considers are Urgent**

None.

The meeting concluded at 10.30 am.

**H MARTIN**

**CHIEF SOLICITOR**

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