

# **FINANCE AND POLICY COMMITTEE MINUTES AND DECISION RECORD**

15 OCTOBER 2021

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

**Present:**

Councillor Shane Moore (In the Chair)

Councillors: Tim Fleming, Brenda Harrison, Jim Lindridge, Sue Little,  
David Nicholson, Amy Prince and Cameron Stokell.

Also Present: Councillor Pamela Hargreaves as substitute for Councillor  
Jonathan Brash in accordance with Council Procedure Rule 4.2.

Councillors Moss Boddy, Ben Clayton and Tom Feeney.

Officers: Denise McGuckin, Managing Director  
Hayley Martin, Chief Solicitor  
Chris Little, Director of Resources and Development  
Claire McLaren, Assistant Director, Corporate Services  
Sally Robinson, Director of Children's and Joint Commissioning Services  
Craig Blundred, Director of Public Health  
Gemma Ptak, Assistant Director, Preventative and Community Based  
Services  
Tony Hanson, Director of Neighbourhoods and Regulatory Services  
Steve Hilton, Communications and Marketing Team  
David Cosgrove, Democratic Services Team

## **34. Apologies for Absence**

Councillors Jonathan Brash, Paddy Brown and Mike Young.

## **35. Declarations of Interest**

Councillor Sue Little declared a personal interest in Minute No.

## **36. Minutes of the meeting held on 13 September 2021**

Councillor Hargreaves stated that a question she had asked the Chair in relation to what budgetary measures that had been put in place last municipal year when the proposal to freeze the increase in Council Tax had

been put forward had not been recorded. The Leader's response of 'no measures had been put in place' had also not been recorded.

The Leader stated the he recalled indicating that there had been the acknowledgement that the measure was to defer that consideration until the process that had now commenced in developing the budget for 2022/23.

Subject to the comments above, the minutes were received.

### **37. Strategic Financial Management Report - as at 31st August 2021** *(Director of Resources and Development)*

#### **Type of decision**

For information.

#### **Purpose of report**

The purpose of the report was to inform Members of:

- i) 2021/22 Forecast General Fund Outturn;
- ii) Corporate Income Collection Performance; and
- iii) 2021/22 Capital Programme Monitoring.

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

The Director of Resources and Development provided the Committee with a detailed first quarter strategic financial management report for the current financial year. The Director highlighted that the report updated Members on the final figure for Covid-19 financial support from the government which had been £3.178m for Hartlepool. Details of the commitments made on expenditure of this support were detailed in the report.

The Director highlighted to the meeting that the report, when prepared, had not taken into account increases in energy prices and the further recent additional increases. Both gas and electricity were purchased through NEPO (North East Procurement Organisation) and information received this week raised the concern that energy price would rises would have a significant effect in 2021/22 and 2022/23 though the Director indicated it is anticipated a significant element would only be a one-off 'blip'. At this time, the Director stated that it would be appropriate to fund the price increase in 2021/22 and 2022/23 as a one-off issue though it was likely they could account for all the remaining Covid-19 grant funding.

The Director also highlighted that the report showed that the collection rates for both Council Tax and Business rates were slightly behind where officers would have anticipated pre-covid.

#### **Decision**

That the report be noted.

### **38. Update on Developing Sustainable Solutions to Food Poverty** (*Director of Adult and Community Based Services*)

#### **Type of decision**

For information.

#### **Purpose of report**

To update the Committee regarding work that had been undertaken with 'The Bread and Butter Thing' to develop a sustainable solution to food poverty, linked to the developing role of Community Hubs.

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

The Assistant Director, Preventative and Community Based Services outlined the background to the development of the solution with 'The Bread and Butter Thing' to tackle the food poverty problem in the town which had been exacerbated by the Covid-19 pandemic. The response identified issues relating to longer term food poverty, particularly among the working poor and the over 65s, which needed a sustainable solution that did not create a dependency.

Following agreement by Finance and Policy Committee in August 2020, a procurement exercise was completed based on a subscription model that was utilised successfully in other areas of the country and the contract was awarded to 'The Bread and Butter Thing'. The report outlined how the model worked and its applications in both Manchester and locally in Darlington.

The key to the success of the model had been the delivery of the service through Community Hubs and the report provided some statistics on the numbers of people assisted and the food distributed. The service commenced at Community Hub Central and has now expanded to five locations over five days per week, this includes Community Hub Central, Community Hub South, Burbank House, St Hilda's Church and West View Advice and Resource Centre. The Chair questioned the location of the Headland location and the Assistant Director indicated that she would clarify this for Members after the meeting.

The report highlighted that feedback had been overwhelmingly positive and people were impressed with what they were getting for the contribution they were making. People were also positive that this was supporting a reduction in food waste.

The Assistant Director stated that the service had moved to being entirely self-sustaining one year after the initial £125,000 funding from the Council. There was a review of the service being undertaken to look at its hours of

operation and the types of additional products and services it may be able to provide.

The Chair and the Members of the Committee welcomed the report and the operation of the 'The Bread and Butter Thing' in Hartlepool but expressed their great concern that while unemployment was rising significantly following the pandemic, the greater number of users of this service were working people. All Members also paid tribute to all those involved in delivering the scheme.

Members discussed at some length their concerns at the need for such a service and the 'additionality' that could be provided around the service to provide further advice and resources to those people using 'The Bread and Butter Thing'. Members sought assurance that the scheme was reaching the right and sufficient people to make a difference. The Assistant Director stated that there had been no specific promotion of the service, much was done through word of mouth. Many were already receiving some kind of support elsewhere through the system and were signposted to 'The Bread and Butter Thing' as another means of support. The Assistant Director indicated that she would share some statistics with Members after the meeting on those using the scheme.

The operation of the scheme through the Community Hubs was welcomed and the Assistant Director encouraged Members to visit the Community Hubs to see the numbers of services available.

### **Decision**

That the report be noted.

## **39. Community Pot Update** (*Director of Adult and Community Based Services*)

### **Type of decision**

For information.

### **Purpose of report**

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

The Assistant Director, Preventative and Community Based Services reported on the background to the implementation of community pot of £225,000 to support a programme of activities for young people and community-led initiatives aimed at tackling the social and economic impact of COVID19. Allocations from the Community Pot were agreed on 15 February 2021 and were outlined in the report together with a brief summary of the projects and the outcomes achieved.

Members welcomed the report and the outcomes achieved but there were concerns at the sustainability of the work the community pot had funded and whether an expectation had been created that would not be met once the funding was exhausted. The Assistant Director stated that this had been one of the key considerations at the outset of the fund and much time had been spent in ensuring that the funding built the infrastructure around the schemes to ensure their longer term viability and that they were not duplication of existing community support. The Assistant Director indicated that a further update report could show how that had been achieved and how they linked together.

Members noted the update on the Hartlepool Financial Inclusion Partnership (FIP) which included work towards the development of a Credit Union. The development of a credit union for the town was seen as huge positive by Members who indicate their support for the proposal.

### **Decision**

That the report be noted and that a further update be provided highlighting some of the outcomes of the schemes supported by the Community Pot.

## **40. Corporate Complaints Monitoring Report for 2020/21** (Assistant Director, Corporate Services)

### **Type of decision**

For information.

### **Purpose of report**

The purpose of the report was to inform Committee of the 2020/21 outturn position in relation to corporate complaints and those considered by the Local Government Social Care Ombudsman (LGSCO).

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

The Assistant Director, Corporate Services reported on the number of complaints received by the Council along with the final outcome of those complaints in 2020/21. The number of corporate complaints received was 7, down from 25 the previous year, with 3 being upheld or partially upheld. This gave a percentage of 42% upheld or partially upheld, up from 36% in the previous year. It was believed the reduction in the number of complaints was due to the effects of the Covid-19 pandemic but the position would be monitored closely over this year.

The LGSCO Annual Review 2021 Letter set out the annual statistics on complaints made to the LGSCO about Hartlepool Borough Council (HBC) for the year ending 31 March 2021. The data showed both the complaints and the enquiries that the LGSCO had recorded along with any decisions

they have made. In summary, during 2020/21 the LGSCO received 16 complaints or enquiries about HBC, which was a reduction of 7 on the previous year. Of these, only 4 complaints progressed to detailed investigation by the LGSCO; 1 not being upheld and 3 were upheld.

The Assistant Director also referred to the updating of the Complaints, Comments and Compliments Policy which was available on the Council website.

Members noted the report and were keen to understand the effects of the Covid-19 pandemic that would be reflected during this year; some had expected complaints to increase rather than decrease. Members also expressed a wish to have a report on the compliments received by the Council for the work undertaken by staff. Members asked if compliments were fed back through to staff where appropriate. The Assistant Director indicated that such a report could be provided. The Managing Director stated that all compliments were fed through to Directors and that they communicated those to the staff involved.

### **Decision**

That the report be noted and that a further report be submitted outlining the numbers of compliments received by departments.

## **41. Medium Term Financial Strategy (MTFS) 2022/23 to 2024/25** *(Director of Resources and Development)*

### **Type of decision**

Budget and Policy Framework.

### **Purpose of report**

The purposes of the report was to provide details of proposed savings to be referred to individual Policy Committees; and to review income across the Authority.

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

The Director of Resources and Development presented his detailed report to Members outlining the background to the current financial position the Council faced. At the meeting on 13th September 2021 an updated MTFS report detailed the forecast budget deficits for the next three years, including the impact of reducing the total deficit from £11.435m to £7.523m by increasing Council Tax up to the level of the forecast national Referendum Limit, including the 3% deferred Adult Social Care precept. Members considered the issues detailed in the report and made detailed recommendation to Council, which were considered and approved on 30 September 2021. A savings plan now needed to be developed to deliver total savings of £7.523m. The majority of this deficit was front loaded in

2022/23. To support the plan it was recommended that reserves were used to phase the deficit over the next three years.

The Director outlined the three phases of the savings programme for 2022/23, 2023/24 and 2024/25. Achieving the savings plan will be challenging and will need to be managed carefully to ensure planned savings are delivered and reliance on reserves is phased out – as this was not sustainable.

The Director stated there were still a number of uncertainties that could affect the picture further. The outcome of the spending review by central government was expected in late October and it was not clear yet as to whether this would include the full funding of the 1.25% increase in National Insurance. The final settlement for 2022/23 would, if past years were an indication, not be received until mid-December placing further pressure on the budget development and decision making.

In terms of the proposed savings outlined in the exempt section of the report (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: - Paragraph 1 - Information relating to any individual and Paragraph 2 - Information which is likely to reveal the identity of an individual) the Director stated that they only represented 65% of the total three year deficit of £7.523m. If some of these proposals were not supported by Members this percentage would reduce and alternative savings would have to be identified. This would be particularly challenging for 2022/23.

In relation to potential capital budget savings, the Director stated that work was ongoing to manage the impact of inflation and materials price rises across the construction industry. This would involve achieving capital receipts from the sale of the Councils remaining assets.

In view of the very serious financial position facing the Council all opportunities to achieve recurring revenue saving need to be considered and the Council could potentially make Prudential Borrowing loan repayment savings to help towards reducing the overall recurring revenue deficit. Two areas where such borrowing had not yet been committed were the Neighbourhood Investment Plan and the Wingfield Castle/Dam Board project. Details of the two proposals was set out in the report for Members consideration.

The report also addressed a review of fees and charges income for the authority. One area of significant concern highlighted by the Director was Residential Care fees (including self-funders) which will be impacted by the changes announced by the Government on 7<sup>th</sup> September 2021. These changes cap the level of contribution individuals will make to their care costs and this may reduce this income, which should be replaced with additional grant funding from October 2023. A detailed assessment will be

undertaken once more information is provided on how these national changes will be implemented.

Current fees and charges had been reviewed to determine if additional income can be generated by increasing charges by more than 2%, whilst ensuring services remained accessible. This review had not identified any specific areas where income could be increased. There were additional income streams that could be considered and the appendix to the report set out considerations around the implementation of a charge for the collection of Garden Waste and increasing Allotment charges to make the service self-funding.

In opening the debate the Chair indicated that those savings specific to Policy Committee's would be referred there for those Members to consider and pass comments back to this Committee. The Managing Director clarified that this Committee had to have oversight of the proposed savings in accordance with the constitution and would also be the body that recommended the eventual savings to Council. Policy Committees may also have their own suggestions.

Some Members were concerned that not all Members would be able to attend and raise their concerns at the Policy Committee meetings. The Chair indicated that he had allowed Councillors who were not Members of the meeting to attend and voice their concerns and would hope that all other policy committee chairs would do the same.

Members expressed their deep concerns and reluctance to consider the proposed savings set out in the exempt section of the report but understood the financial situation the Council was in. Members did feel there needed to be better communication with the public on the level of funding cuts from central government and that it was those funding cuts that had led to the current situation. The Chair indicated his thanks to officers for the work that had gone into producing the proposals set out in the report. He knew that it hadn't been easy and that Directors were as deeply concerned at the proposed savings as elected Members. Members supported the Chair's comments.

The Chair indicated that he would be working with the Communications Team on the public messages around the savings proposed and welcomed Members input. Members expressed a wish to hear the MP's views on the financial position and the savings the Council was having to make.

The meeting moved into closed session to consider the savings proposals set out in the exempt appendix to the report.

## **Decision**

The Committee's decisions are set out in the Exempt section of the minutes.



## **42. 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 43 – Medium Term Financial Strategy (MTFS) 2022/23 to 2024/25 – 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 paragraph 1, information relating to any individual, and paragraph 2, information which is likely to reveal the identity of an individual.

## **43. Medium Term Financial Strategy (MTFS) 2022/23 to 2024/25** *(Director of Resources and Development)* 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 and 2)

### **Type of decision**

Budget and Policy Framework.

### **Purpose of report**

The purposes of the report was to provide details of proposed savings to be referred to individual Policy Committees; and to review income across the Authority.

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

The Committee considered the detailed budget proposals set out in the exempt section of the report. 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: - Paragraph 1 - Information relating to any individual and Paragraph 2 - Information which is likely to reveal the identity of an individual. An outline of the Committee's comments are set out in the Exempt section of the minutes.

### **Decision**

The Committee's decisions are set out in the Exempt section of the minutes.

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

None.

The Committee noted that the next meeting would be held on Monday 15 November 2021 commencing at 10.00 am in the Civic Centre.

The meeting concluded at 1.12 pm.

**H MARTIN**

**CHIEF SOLICITOR**

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