

# **FINANCE AND POLICY COMMITTEE**

## **MINUTES AND DECISION RECORD**

**28 SEPTEMBER 2022**

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

**Present:**

Councillor Shane Moore (In the Chair)

Councillors: Bob Buchan, Tom Cassidy, Brenda Harrison, Jim Lindridge, Sue Little, Andrew Martin-Wells, Melanie Morley and Mike Young.

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

Officers: Denise McGuckin, Managing Director  
Hayley Martin, Chief Solicitor  
Chris Little, Director of Resources and Development  
James Magog, Assistant Director, Finance  
Sally Robinson, Director of Children's and Joint Commissioning Services  
Jill Harrison, Director of Adult and Community Based Services  
Gemma Ptak, Assistant Director, Preventative and Community Based Services  
Penny Thompson, Head of Housing, Hardship and Welfare Services  
Tony Hanson, Director of Neighbourhoods and Regulatory Services  
Steve Hilton, Communications and Marketing Team  
David Cosgrove, Democratic Services Team

### **29. Apologies for Absence**

Councillor Jonathan Brash.

### **30. Declarations of Interest**

None.

### **31. Minutes of the meeting held on 22 August, 2022**

Received.

### **32. Minutes of the meeting of the Health and Wellbeing Board held on 4 July 2022**

Received.

A Member commented that the Health and Wellbeing Board meeting had considered the Hartlepool HealthWatch report on their investigation into Accessing GP Services but noted that there were no GPs at the meeting and questioned if they had been involved in the investigation. The Managing Director stated that she understood that all GPs and GP Practices were given an opportunity to be involved in the investigation. The usual GP representative to the Health and Wellbeing Board, and also the Board's vice-chair had recently resigned from the Board and a replacement had not yet been appointed.

### **33. Household Support Fund** *(Director, Children and Joint Commissioning Services and Director of Resources and Development)*

#### **Type of decision**

Key decision tests (1) and (2) apply. General exception notice applies.

#### **Purpose of report**

To present to Finance and Policy Committee information on the delivery of phases one and two of the government's Household Support Fund and proposals for delivery of a phase three scheme to support those in greatest need of assistance.

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

The Director of Children and Joint Commissioning Services reported that the programme was now in its third phase and the government had made a further series of changes to the guidance including the removal of the ring-fencing of grant to specific cohorts, the requirement for at least part of the allocation to utilise an application process and a prioritisation on support with energy costs.

The latest HSF delivery scheme is for the period 1 October 2022 to 31 March 2023. Plans for delivery must be submitted to government no later than the 28 October and be made publicly available including details of any application processes. The Director reported that the allocation for Hartlepool would be £993,000.

The report outlined the proposed delivery methods explored by officers to maximise the impact of the grant within the new conditions. Expressions of interest were sought from third party organisations and seven applications were received. Two of the groups had no previous experience of delivering significant schemes of a similar nature and, therefore, after assessment of

their resilience and delivery capacity and infrastructure, the five following organisations were proposed for delivery of the next phase of the Household Support Fund: -

- Hartlepool Foodbank
- The Bread and Butter Thing
- Citizens Advice Bureau
- Advice and Hart
- West View Advice and Resource Centre.

The Director highlighted that a report later on the agenda outlined a proposal for the creation of a network of Warm Hubs, should this decision be approved and grant funding not identified from other sources, £10,000 of the HSF could be allocated to this initiative. It was proposed, therefore, that the HSF application fund was correspondingly reduced to £40,000.

Members commented that with the ongoing cost of living crisis there were likely to be a greater number of people seeking this support and questioned if there was the potential of increased funding from government to meet that need. The Head of Housing, Hardship and Welfare Services commented that more money was unlikely and that there was no expectation that a further allocation of funding after this one would be forthcoming. The recent additional 'top-up' to Universal Credit had caused a temporary drop in enquiry numbers. Energy costs over the forthcoming months would, however, be an issue.

A Member questioned if any evaluation of the previous delivery had been undertaken to ensure the maximum benefit was being delivered by the organisations involved. It was reported that no formal evaluation had been imposed but the Head of Housing, Hardship and Welfare Services had regular contact with the organisations and all the feedback was very positive. The groups had managed to reach much greater numbers than had been initially estimated and had not taken any administrative fees from the allocations. There was, however, a small element of administration fee included with these proposed allocations.

Members commented that it was deeply depressing that the latest data in the report showed that 39% of all Hartlepool children were now considered to be living in poverty. The stresses being placed on families were likely to cause even greater problems with people's mental health. The need for such support was becoming more necessary and it was questioned how the messages were getting out to the community on the availability of this support. The Head of Housing, Hardship and Welfare Services commented that the voluntary sector in Hartlepool was well established and very experienced at reaching out into the community. If people phoned into the Council they were signposted to the relevant organisation; the process did, however, rely on people reaching out.

There was concern around fuel poverty expressed by Members particularly those on pre-paid meters. Those with pre-paid meters were most likely to

find themselves in difficulty on a weekend though the organisations providing the emergency assistance for these people were only open Monday to Friday. The Head of Housing, Hardship and Welfare Services commented that Friday was generally the busiest day for people seeking gas or electricity payments and most companies did have a facility for people to go into debt over the weekend if their credit ran out.

### **Decision**

1. That the proposals outlined in the report together with the preferred implementation model and partner organisations be approved.
2. That delegation to the Director, Children and Joint Commissioning Services, in conjunction with the chair of Finance and Policy Committee, be approved to amend funding pots so as to ensure full utilisation of grant within the time period.

## **34. Local Council Tax Support 2023/24** *(Director of Resources and Development)*

### **Type of decision**

Budget and Policy Framework.

### **Purpose of report**

The purpose of the report was to:

- (i) to update Members on the operation of the Local Council Tax Support (LCTS) scheme; and
- (ii) to set out options for the operation of the LCTS scheme for 2023/24 for consideration and determine the option to be recommended to Council.

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

The Assistant Director, Finance reported that the Council had operated a “12% scheme” in every year since 2014/15 ensuring that working age households with a full entitlement pay no more than 12% of Council Tax. Having a supportive LCTS scheme is consistent with the Councils determination to support vulnerable households and the Council Plan 2021/22 to 2023/24. The 12% scheme means that for 2022/23 a Band A household in receipt of full support will pay £176 (inclusive of Council, Cleveland Fire Authority and the Police and Crime Commissioner). It was proposed that, following consideration of the alternatives, that a 12% scheme be maintained for 2023/24.

Members noted the reference to the potential introduction of a banded scheme as more claimants were moved on to Universal Credit. The Assistant Director indicated that the DWP were recommencing migration

from Housing Benefit to Universal Credit for housing financial support. . This has a consequential impact on the level of Housing Benefit Administration Grant received by the Council and, therefore, the size and structure of the Benefits Team within the Council. Some North East local authorities had already moved to a banded scheme but such schemes can cause some 'cliff edges' in the level of support provided. It was likely that the Council would need to move to such a scheme in the future as the Housing Benefit Administration Grant reduced. The Director of Resources and Development commented that a banded scheme needed to be investigated so a clear proposal could be brought to Members. Members may at that time wish to maintain a 12% but would need to know the funding implications for the administration of such a scheme as the government would no longer be providing the same level of financial support to the Council.

### **Decision**

1. That the current costs and administration impact/risks associated with the LCTS scheme be noted; and
2. That the 2023/24 scheme continue as a 12% scheme, and that this recommendation to be referred to full Council.

## **35. Medium Term Financial Strategy (MTFS) 2023/24 to 2024/25** *(Director of Resources and Development)*

### **Type of decision**

Budget and Policy Framework.

### **Purpose of report**

The purpose of the report was to provide an update on the Council's financial position and enable Members to approve the 2023/24 Council Tax level to be recommended to Council. The proposal reflects the national referendum limits and the financial position outlined in the report.

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

The Director of Resources and Development provided an update on the Council's current financial position which indicated that the previously reported budget deficit of £4.4m had now increased to £10.125m mainly driven by inflation pressures, the 2022 staff pay award and other service pressures. The Director commented that the report was specifically written from the perspective of the Council's financial position and how that had changed so did seem somewhat cold in light of the cost of living crisis.

The Director reminded Members that the Council had previously agreed to the indicative Council Tax rises for the next two years but unlike all other taxes that the public faced, Council Tax required an annual decision before

it could be increased. The report also set out the impact of not increasing Council Tax over the forthcoming two years which would add a further £2.7m to the deficit.

The report outlined the timetable for the development and reporting of the budget which would include all Policy Committees considering their initial savings proposals in late November / early December. The Director also referred to the Robustness Advice he was required to provide Members on the budget forecasts when they were submitted for approval. The Director was clear that even at this stage in the process of the development of the budget, not achieving the Council Tax income would not be robust as it would reduce the recurring income and require even greater savings to be made in 2023/24.

The Chair commented that elected Members were 'between a rock and a hard place' in terms of next year's budget and the Council Tax increase. Members had a duty to ensure that the Authority was in a sound financial position going forward and while no Member wanted to be in this position it was the reality we all face. Members had earlier in the year considered that an achievable financial plan had been agreed for the next two years but events beyond our control had now thrown that plan in the bin. In terms of the pay award, it had to be remembered that 60% of all Council staff were on the lowest pay bands and needed an increase in light of the cost of living crisis. The reduction in government funding means the only way to increase funding was to increase Council Tax. Government needed to, at least, fund the national pay award.

Members expressed their concerns at the budget position now reported and voiced their criticism of the lack of government funding. Members suggested that a further approach to the Hartlepool Member of Parliament needed to be made for her to press our case for additional funding with Ministers. It was felt that there had to be another way than simply placing a further increase in Council Tax on the public of Hartlepool.

Following a debate where Members expressed their deep concerns at the financial situation the council faced it was suggested that the Town's MP not only be invited to a meeting of this Committee but to all the individual Policy Committees when they were considering their savings proposals so the MP could see clearly the choices that a shortfall in government funding placed on the elected Members of the Council and the impact they would have on the people of the town and often the most vulnerable groups.

The Managing Director also proposed that an additional 'in person' Members' Seminar would be scheduled to explain clearly the current financial situation to all Members. Members suggested that the seminar should be mandatory for all Councillors to attend though the Managing Director indicated that while it was not possible to make that the case, all Members should be encouraged to attend.

Decisions 1, 2, 4, 5 and 6 were agreed unanimously. Decision 3 was agreed by a majority vote.

### **Decision**

1. That the contents of the report be noted;
2. It was noted that the significant inflation pressures now facing the Council and the risk from these pressures would increase in 2023/24 and 2024/25;
3. That this Committee recommends to Council that the 2023/24 indicative 1.9% Council Tax increase and 1% Adult Social Care precept are confirmed.
4. The Committee noted that recommendation 3 above reflects national Referendum Limits previously set by the Government for 2023/24 and 2024/25.
5. That the Member of Parliament for Hartlepool be invited to attend all the Policy Committee meetings (including Finance and Policy Committee) when the individual budget savings proposals were being considered.
6. That an additional 'in person' Members' Seminar be held at the earliest opportunity for focussed discussions on the Medium Term Financial Strategy (MTFS) 2023/24 to 2024/25.

## **36. NEC House Lease Surrender and Renewal** (*Director of Resources and Development*)

### **Type of decision**

Key Decision (test (i)) Forward Plan Reference No. CE83/22. (Report originally listed in the Forward Plan for decision in October 2022.)

### **Purpose of report**

The purpose of the report was to seek approval of acceptance of a surrender of the existing lease and grant of a new lease of NEC House to the current lessee, NEC Software Solutions Ltd.

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

NEC Software Solutions Ltd had leased NEC House (formerly known as Bryan Hanson House and then Northgate House) from the Council since March 2014. NEC were formerly Northgate Public Services (UK) Ltd and prior to that Northgate Information Solutions UK Ltd. In 2020 the original lease was extended on the same terms such that it would expire in September 2023.

Following negotiations with NEC it is now proposed to accept a surrender of the existing lease and to grant a new lease on the terms set out in the 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, (paragraph 3) information relating to the financial or business affairs of any particular person (including the authority holding that information).

### **Decision**

That a new lease on the terms set out in the confidential appendix to the report be approved. 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, (paragraph 3) information relating to the financial or business affairs of any particular person (including the authority holding that information).

## **37. Warm Hubs** *(Director of Adult and Community Based Services)*

### **Type of decision**

Non-key decision.

### **Purpose of report**

To update the Committee on proposals for Hartlepool Warm Hubs and to seek approval for the planned approach and funding.

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

The Assistant Director, Preventative and Community Based Services reported on a proposal to work with local partners, building on the great partnership working that developed during the pandemic, to create a network of Warm Hubs; places where people can come together to stay warm, enjoy a cup of tea and a biscuit and access other opportunities should they wish to. This would be similar to the schemes being established in other areas across the region in response to the cost of living crisis and the concerns around the potential for people simply not being able to afford to heat their homes this winter. If external funding could not be sourced, the funding referred to in the Household Support Fund report considered earlier on the agenda could be utilised to support the scheme.

A map and directory would be developed showing all of the places available across the public, private, health and voluntary sectors so that anyone who is cold knows where they can go to get warm, stay warm and enjoy some company and a hot drink. Organisations would be invited to express their interest if they believe they had a space that can be promoted as a 'Warm Hub'. All organisations that sign up would be asked to commit to the



Hartlepool Warm Hubs Promise to help local people who want to use the Warm Hubs to know what to expect when they step across the threshold of a Warm Hub building; a guarantee of respect, dignity and warmth.

Members welcomed the proposal and asked how the information would be shared with elected Members so they could signpost people to the nearest venue and if there was a proposal that there should be a venue in each ward. The Assistant Director indicated that once organisations and venues joined the scheme it would be possible to analyse any gaps in provision. It was intended that information would be shared through Hartlepool Now and the Council website.

The following decision was agreed without dissent.

### **Decision**

That the establishment of Hartlepool Warm Hubs and the creation of a small grant scheme to support the proposal be approved, using up to £10,000 of the Household Support Fund in the event that external funding cannot be secured.

## **38. Waterfront Regeneration Programme; Project Update** *(Director of Adult and Community Based Services and Director of Resources and Development)*

### **Type of decision**

Non-key decision.

### **Purpose of report**

To provide members with an update on three of the projects within the Waterfront Regeneration Programme; the Wingfield Castle (WC) Repair and Restoration, Museum of Hartlepool (MoH) refurbishment and the Damboard (DB) Repair and to seek agreement of the preferred options for each project.

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

The Assistant Director, Preventative and Community Based Services reported that the programme was part of a wider capital programme which is primarily funded by TVCA, Prudential borrowing and grant funding from other institutions (e.g. Arts Council). Following instruction Committee in October 2021, further information has been sought regarding the options and costs of works required to both the Wingfield Castle and the Dam Board and these were reported in detail in the report, together with details of the potential investment at the Museum of Hartlepool.

All three schemes were interdependent and the extent of those interdependencies had become clearer during the assessments. The

Wingfield Castle and Dam Board projects were linked by funding and programme. The Wingfield Castle and Museum of Hartlepool were linked by scope and programme. In summary, for the Wingfield Castle to be repaired sufficiently, as per the recommended option, it needed to be dry docked in the Trincomalee Dock. For this to be possible, the Dam Board needs to have been repaired and the Trincomalee floated out.

The report set out the detailed options that had been considered in relation to the repair and restoration of the Wingfield Castle and the required works to Dam Board. The preferred option for the Wingfield Castle was to repair in dry dock and then re-floated. For the Dam Board it is suggested that both the stop log solutions (Option 2: Stop Log A and Option 3: Stop Log B) were taken forward, as there was still uncertainty around the sill level and its true impact on floating out HMS Trincomalee.

The investment into the Museum of Hartlepool was still being worked through with much depending on the costs of the works to both the Wingfield Castle and the Dam Board projects. The expansion plans of the National Museum of the Royal Navy would also play a part in the determination of the final scheme.

The Assistant Director highlighted that there was funding allocated within the Council's Capital Programme towards these schemes. Appendix A to the report set out the projected costs for the three projects at this stage. This appendix contained exempt information under the 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).

Members questioned if the restoration projects would assist in returning the visitor numbers back to pre-Covid levels. The Assistant Director commented that the feasibility study had looked at visitor figures and did predict increased numbers. There had been wider work undertaken on the visitor numbers and their demographics to focus future work on increasing visitor numbers. Members also questioned if, when restored, the Wingfield Castle would be marketed as a visitor attraction on its own or as part of the Museum of Hartlepool. The Assistant Director stated that the Wingfield Castle had always been part of the overall offer of the Museum of Hartlepool and would continue to be.

The Chair wished to record his thanks to all involved in the work behind bringing these schemes forward to Committee.

The following recommendations were agreed without dissent.

### **Decision**

1. That in relation to the Wingfield Castle, option C1, to repair in dry dock and then re-float the vessel be approved.
2. That in relation to the Dam Board, both the stop log solutions (Option 2: Stop Log A and Option 3: Stop Log B) be taken forward, as there was still uncertainty around the sill level and its true impact on floating out HMS Trincomalee.
3. That work continue on the presentation of a preferred option and costed project brief for the Museum of Hartlepool project to the Capital Programme Board.

## **39. Strategic Financial Management Report - as at 31st July 2022** *(Director of Resources and Development)*

### **Type of decision**

For information.

### **Purpose of report**

The report informed Members of:

- i) 2022/23 Forecast General Fund Outturn;
- ii) Corporate Income Collection Performance; and
- iii) 2022/23 Capital Programme Monitoring.

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

The Director of Resources and Development provided the Committee with a report setting out the most up-to-date position on the current budget. The impact of inflation was already being felt in many service areas and rising energy costs would also impact though officers were seeking to mitigate these effects as far as was possible. The impact of the national pay award would also have a significant effect as the budgeted increase of 3% was significantly outweighed by the overall calculated cost of 7% for the national offer made to staff. A year end overspend is currently forecast and will need to be funded from the Budget Support Fund, which reduces financial resilience.

The Director also reported that Council Tax and Business Rates collection rates had improved over the most recent quarter.

### **Decision**

That the report be noted.

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

**Type of decision**

For information.

**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 provided a detailed update on contracts and tenders approved in the last quarter. A Member commented that the most recent meeting of the Economic Growth and Regeneration Committee had discussed local commissioning of services and that an Officer Working Group was investigating this in detail. The Managing Director stated that a report was likely to the November meeting of the Committee on the outcome of the working groups work.

**Decision**

That the report be noted.

#### **41. Senior Leadership Restructure** *(Managing Director)*

**Type of decision**

Non-key Decision.

**Purpose of report**

To make recommendations in respect of the Chief Officer structure of the Resources and Development department.

**Issue(s) for consideration**

The Managing Director reported that following the resignation of an Assistant Director in the Resources and Development Department she was proposing a limited number of changes to the senior management structure which were set out in the confidential appendix to the report. The aim of the recommended changes was to ensure that the Council continued to have a

senior leadership team clearly focused on the challenges facing the Council, which makes best use of the expertise currently in the authority and delivers for the Council excellent and consistent services. The proposals to achieve this aim were included in an exempt appendix to the report. The appendix contained exempt information under Schedule 12A of the Local Government Act 1972 (as amended by the Local Government (Access to Information) (Variation) Order 2006) namely, Para 2 – Information which is likely to reveal the identity of an individual). It was highlighted that the changed posts and the new post were still subject to Job Evaluation. A copy of the Hartlepool Joint Trade Union Committee's response to the proposals was tabled at the meeting.

In discussing the proposals, Members questioned the additional responsibilities being placed on some staff and their ability to take those on. The Managing Director stated that it was a risk but this had to be measured against the possibility of being able to recruit a replacement Assistant Director with the breadth of experience necessary for the existing post. The structure proposed was what the Managing Director considered was best placed to meet the various demands.

Members also raised the concern of the potential loss of significant institutional knowledge as staff retired. The Managing Director stated that Hartlepool did have a very loyal workforce. It was 'our' role to develop our staff and that sometimes did mean that they moved on to better opportunities with other employers. The Chair commented that the continued development of the apprenticeships programme was key to providing the new younger staff the council required.

The Chair noted that until the Job Evaluation process had been concluded, the financial impact of the changes could not be fully determined and therefore sought the Committee's support for the proposals on the understanding they could be delivered within the cost envelope reported but that should this not be the case, a further report to the Committee would be required.

### **Decision**

1. That the deletion and addition of the posts, including changes in responsibilities and the grading of the posts, identified in the Not For Publication element of this report be approved;
2. That appointment to the new Head of IT and Customer Services is not at a Chief Officer level be noted and, therefore, the appointment would not require an Appointments Panel and would be carried out in line with existing recruitment arrangements.
3. That the proposals set out in the Not for Publication element of the report will form the basis of appropriate communications and consultations with those staff affected;

4. It was noted the proposed structure provided a recurring saving, identified in the Not for Publication element of the report but that should this not be achieved following Job evaluation, then a further report would be brought to this Committee.

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

None.

The meeting concluded at 12.15 pm

**H MARTIN**

**CHIEF SOLICITOR**

**PUBLICATION DATE: 12 OCTOBER 2022**