

# **FINANCE AND POLICY COMMITTEE**

## **MINUTES AND DECISION RECORD**

23 JANUARY 2023

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

**Present:**

Councillor Shane Moore (In the Chair)

Councillors: Moss Boddy, Bob Buchan, Tom Cassidy, Brenda Harrison, Jim Lindridge, Sue Little, Melanie Morley and Mike Young.

Also Present: Councillor Tom Feeney as substitute for Councillor Jonathan Brash; and Councillor Paddy Brown as substitute for Councillor Andrew Martin-Wells in accordance with Council Procedure Rule 4.2.

Edwin Jeffries, HJTUC

Officers: Denise McGuckin, Managing Director  
Hayley Martin, Chief Solicitor  
Neil Wilson, Deputy Chief Solicitor  
Chris Little, Director of Resources and Development  
James Magog, Assistant Director, Finance  
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  
Gemma Ptak, Assistant Director, Preventative and Community Based Services  
Tony Hanson, Director of Neighbourhoods and Regulatory Services  
Kieran Bostock, Assistant Director, Place Management  
Steve Hilton, Communications and Marketing Team  
David Cosgrove, Democratic Services Team

### **82. Apologies for Absence**

Councillors Jonathan Brash and Andrew Martin-Wells.

### **83. Declarations of Interest**

None.

### **84. Minutes of the meeting held on 12 December 2022**

Confirmed.

## **85. Medium Term Financial Strategy (MTFS) 2023/24 to 2025/26** *(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 impact of the Provisional Local Government Finance Settlement for 2023/24 and to enable Members to approve the budget proposals to be referred to Council, including the level of Council Tax and Adult Social Care (ASC) precept for 2023/24.

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

The Director of Resources and Development gave a presentation to the Committee highlighting the main issues that had impacted upon the preparation of the 2023/24 budget including the effects of inflation, the national pay award and the Chancellor's autumn statement and the Local Government Settlement which had not come through to Councils until 19 December 2022.

The presentation outlined the details of the provisional settlement and what this provided for Hartlepool. The settlement was better than expected with an additional £1.188m for Hartlepool targeted at Adult and Social care funding and Revenue Support Grant increase. The Director indicated that the additional funding would reduce the reliance on reserves in 2023/24 and reduced the deferred deficit. The Director also highlighted the savings proposals that had been considered by the Policy Committees and the comments circulated ahead of the meeting.

The Director outlined an additional Council Tax Support Fund announced by the government which aimed to provide all Local Council Tax Support (LCTS) households with an additional payment of £25 which would more than cover the proposed referendum limits rise for those households. A further report with options around the Council Tax Support Fund would be reported to the February meeting.

The Director concluded his presentation by outlining to Members the effects of the slightly improved settlement on the projected deficit in the financial years 2024/25 to 2026/27 and also his robustness advice.

The Chair noted the comments submitted by the Policy Committees on the savings proposals and in relation to the savings considered by the Neighbourhood Services Committee, the Chair noted the significant opposition to the proposals made by the public to the introduction of charges for brown 'garden waste' bins. A charge of £41.50 had been

proposed and the Chair proposed that in light of the comments from the public and following further discussion with senior officers, the charge should still be introduced but at a lower rate of £32. The Chair's proposal was seconded.

The Chair also referred to the saving proposed relating to Christmas Trees and proposed that other than the removal of tree at the National Museum of the Royal Navy, all the other trees should remain. The Chair's proposal was seconded.

A Member commented on the charges for brown bins was penalising gardeners who were adding to the townscape and ensuring the maintenance of good drainage. This was important with the increasing levels of surface water flooding. The Chair acknowledged the point and that made by members of the public that they were paying for their brown bin collections through their Council Tax; but those without gardens were also footing the bill for brown bin collections.

Some Members considered that more information should have been submitted on the proposal to introduce the brown bin charges including details on the costings and a greater level of public consultation. All Members should also have been involved at an earlier stage.

A Member also questioned the poverty impact assessment form included with the report which did not reflect the impact of the proposed Council Tax rise. The Director indicated that as a tax already paid, Council Tax was not included. The Council did address issue of poverty with Council Tax through the LCTS scheme which at 12% was one of the most generous operated by a local authority.

Members questioned the impact of the two proposals made by the Chair on the budget deficit. The Director stated that an additional £55,000 would be required from the budget support fund. The changes to the potential take up of the brown bin charge were also questioned. The Director of Neighbourhoods and Regulatory Services stated that there were 37,000 households with brown bins in the town and it was expected that in the first year 6,000 (16%) would take up the scheme. The Director also reported that there was a proposed charge of £20 for an additional brown bin to be collected up to a maximum of four bins for one household. The supply of a previously used additional brown bin would be £16, which would cover the cost of refurbishment of a returned brown bin so they were recycled into use.

A Member commented that while the settlement figure may have been better than expected it was still below what was needed. The Member was also deeply concerned that the government approach was simply to keep putting council tax up year after year regardless of people's ability to be able to pay. Households were already having to make difficult choices and this would only add to the pressure. The Chair stated he could not

disagree; government was shifting the funding for local authorities from central government grant to local council tax payers.

During further debate, the Committee discussed issues around council tax and government funding. The Director of Neighbourhoods and Regulatory Services also explained how households and brown bins would be identified when they had paid the fee for collection. A Member also expressed concerns at the £400,000 saving in Adult Social Care through demand management. The Member considered this a difficult saving in an aging society and the push towards greater NHS funding of services for people with identified health needs and scrutiny of complex / high cost packages of care would be extremely difficult when the NHS was already in crisis.

The Chair thanked everyone present for their contribution to the debate and moved the recommendations set out in the report with the two amendments relating to reducing the brown bin charges to £32 and only reducing the number of Christmas Trees by one.

The following decisions were agreed on a majority vote.

### **Decision**

That the following proposals be referred to Council on 26th January 2023:

1. That the report be noted, including noting that 38% (£1.916 billion) of the Government's national Spending Power increase for 2023/24 is based on 'making available' an increase in Council Tax (up to 3%) and Adult Social Care precept (up to 2%) flexibility as part of their strategy for funding services;
2. That it be noted that these limits are year specific, which means any unused limit results in a permanent reduction in recurring income;
3. That Council be recommended to use of the increased Council Tax flexibility provided by the Government and recommend an increase in Council Tax of 2.9% and the Adult Social Care precept of 2%. This will provide additional recurring income of £2.303m, which will help protect services and provide the most robust basis for setting the 2023/24 budget;
4. That feedback on 2023/24 savings detailed in Appendix A to the report from the Policy Committees be noted and that the following amendments be made to those proposals:
  - A reduction in the proposed Garden Waste charge from £41.50 to £32.00, which reduces the 2023/24 savings from £250,000 to £195,000;

- A reduction in the Christmas Tree saving from £9,000 to £3,000, which will retain existing trees other than the one located at the Historic Quay;
  - The replacement of above reduced savings of £61,000 with an increase in one off funding from the Budget Support Fund Reserves;
5. That on the basis of approving recommendations (3 and 4 above) the overall package of savings to balance the 2023/24 budget as detailed in paragraph 9.12 of the report be approved.

In summary these changes result in the following package to balance the 2023/24 budget:

	£'m	% of deficit
<b>Gross Deficit</b>	<b>10.039</b>	
Less – Reduction in general inflation provision	(0.610)	6.1%
Less – Increase in recurring resources	(2.903)	28.9%
Less – Proposed savings	(1.707)	17.0%
Less – Council Tax and ASC increase	(2.303)	22.9%
Less – One off funding	(2.516)	25.1%
<b>Deficit Still to be addressed</b>	<b>0</b>	<b>100.0%</b>

6. That the robustness advice detailed in section 9 to the report be noted, which supports recommendation 5;
7. That the forecast deficits for 2024/25 to 2026/27 detailed in paragraph 7.4 to the report be noted and that a robust saving plan will need to be developed during 2023 to address these deficits; and
8. The Committee noted that the Government was providing one off funding of £100m and required councils to allocate £25 to LCTS households to reduce 2023/24 Council Tax bills. Modelling was being completed to assess the cost of the mandatory scheme and options for using any remaining balance would be submitted to the Finance and Policy Committee in February.

## 86. LGA Corporate Peer Challenge Feedback Report (Managing Director)

### Type of decision

Non-key decision.

### Purpose of report

To present to members the feedback report following the Local Government Association (LGA) Corporate Peer Challenge (CPC) held in December 2022.

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

The Managing Director gave a presentation to the Committee setting out the main aspects of the feedback report from the recent LGA Corporate Peer Challenge.

The Managing Director stated that it had been some ten years since the last corporate peer challenge. The Managing Director outlined the membership of the team that had visited Hartlepool in December, which included members with a knowledge of a committee system and the issues facing a small local authority like Hartlepool. The presentation outlined the purpose and process of a CPC and the scope and brief of the peer challenge for Hartlepool. The report of the team included some detailed recommendations and the Managing Director stated that the next step was to produce an action plan in response to the recommendations. The Managing Director thanked the officers and members of the CPC team for giving up their own time to carry out the review.

The Managing Director reported that the overall message was a positive one reflecting Hartlepool's ability to punch above its weight even when still emerging from the Covid-19 pandemic. It was recognised staff are dedicated, loyal and passionate about serving our communities. It was recognised we are community focused and have a great source of data and intelligence we should consider our approach to community engagement, and have meaningful consultations to strengthen community insight and partnership working. There were recommendations regarding governance and the committee system which had been in place since 2013, the CPC team felt there was scope to streamline the decision making process and ensure that decisions are made at the most appropriate level and review the scheme of delegation, reduce the number of Full Council meetings and empower Committees and promote efficient decision making. Comments were also made on the over reliance of reserves to address the budgeting issues and the risks of burn-out among senior staff.

The Managing Director stated that the report would be referred to Council for consideration and then an action plan would be developed to address the recommendations within the feedback report. It was highlighted that the corporate peer challenge team would return in six months to see how the action plan was being addressed.

Members welcomed the report and noted the comments around decision making. It was commented that officers should be proud of their dedication services and ambition to improve the town despite the challenging financial situation.

A Member commented that while it was very positive to see the additional capital investment that was being attracted into Hartlepool the fact remained that there was still extensive poverty and a financial situation that was based on year on year council tax rises. Other Members did feel that

the capital investment was one way to generate the jobs needed to boost the town's economy. The Managing Director stated that Members' should not underestimate the work that went into the bids for capital investment and winning those bids was only the start of the process.

A Member commented that they saw the report as more challenging than others and the key aspect would be what was included in the action plan. The Member asked if this would be available for the Council meeting on 26 January so that Members could properly debate the options to move forward from the review. The Managing Director stated Members were asked to accept the report and authorise her to produce an action plan in response to the recommendations with a view to presenting this to Members towards the end of this financial year. The Chair stated that it would be important to have Members involved in any discussions on an action plan so that the Council was in the best position for the future.

The Chair outlined his own reflections on the peer challenge process and indicated that he welcomed the suggestions for greater empowerment of the committee system. The Chair also commented that regardless of the social media comments of a very small minority, the Council had a track record of good financial management and it was good to read in the report that the peer review team supported that. The Chair commented that he had asked the peer challenge team if some of the Council's services had been cut back too far and their conclusion was that Hartlepool had some high standards with cleanliness being high in comparison with other areas across the country, and that potentially the Council was doing too much at times.

The following decision was agreed without dissent.

### **Decision**

1. That the feedback report from the Corporate Peer Challenge be noted and referred on to full Council.
2. That the Managing Director be authorised to produce an action plan setting out the Council's proposed response which will be reported to a future Finance and Policy Committee and Council meeting later this financial year.

## **87. ICT Contract Preferred Supplier** (*Director of Resources and Development*)

### **Type of decision**

For information.

### **Purpose of report**

The purpose of the report was to update Finance and Policy Committee on the outcome of the comprehensive procurement process of a new ICT managed contract provider including the appointment of the preferred supplier.

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

The Assistant Director, Finance reported on the outcome of the comprehensive procurement process of a new ICT managed contract provider. The report set out the process undertaken including soft marketing testing and the support received from SOCITM Advisory and Ward Hardaway Solicitors.

The outcome of the procurement process was submitted at Appendix A 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).

Following the issue of the 'notice to award' there would be a statutory standstill period of at least 10 calendar days. This was a short pause between the point when the contract award decision is notified to bidders, and the final contract conclusion, during which time suppliers can challenge the decision. Bidders can use this time to review the notice they receive, informing them of the award decision. The Chief Solicitor reminded Members that they should not disclose the name of the preferred bidder until that time period had lapsed.

The Director of Resources and Development recorded his thanks to the Assistant Director and the team for the work involved in bringing the tendering procedure to this positive conclusion.

There was no dissent to the following decision.

### **Decision**

That the award of the contract to the highest scoring bidder as set out in the appendix to the report be noted. 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).



For the consideration of the following item, the only officers present were:-  
Denise McGuckin, Managing Director  
Neil Wilson, Deputy Chief Solicitor  
Chris Little, Director of Resources and Development  
David Cosgrove, Democratic Services Team.

## **88. 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 a report was considered and approved by the Committee on 19th September 2022 to address the resignation of an Assistant Director in the Resources and Development department, who had secured a promotion with another council. It was envisaged the changes approved at that time would provide a stable basis for the foreseeable future and would not require any further changes. However, at the start of November, the Director of Resources and Development tendered his resignation. We have agreed a leave date of 31st May 2023 to provide an appropriate lead time to put in place appropriate succession arrangements.

The LGA Corporate Peer Challenge (CPC), undertaken in December 2022, identified leadership has a strong record of delivery and in many areas this is evidenced by the positive outcome of external inspections. The CPC also identified:

- There is a need to modernise ways of working and review organisational structures and remits to drive transformation, release capacity for strategic planning, strengthen the corporate core and mitigate risk.
- The organisational structure has evolved in an ad hoc way overtime leading to large portfolios for many staff, with some conflicting priorities.
- Queried whether HBC have sufficient senior capacity in the right place with the right skills to drive forward the vision for the Town whilst also continuing to deliver across ambitious plans already in place; and
- Referred to the 'Hartlepool Way' of 'getting things done no matter what' risks burnout and overstretch without clear prioritisation.

The Managing Director considered it was important to plan for the future and transform from a traditional local authority to one fit for the 21st Century.

The aim of the recommended changes was to ensure that the Council had an Executive Leadership team clearly focused on the Council's priorities and challenges and is joined-up in delivering excellent and consistent services. The proposals to achieve this aim were set out in Appendix 1 in the exempt section of 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).

In order to discuss those proposals, the appropriate resolution was moved, seconded and agreed and the meeting moved into closed session.

### **Decision**

The decisions of the Committee are set out below.

## **89. 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 88 – Senior Leadership Restructure – 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. 2) Information which is likely to reveal the identity of an individual.

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

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. 2).

### **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 Committee considered the Managing Director's proposals for the restructure of the senior leadership of the Authority.

The following decisions were agreed on a majority vote.

**Decision**

1. That the updated Chief Officer Pay Structure (at Appendix 2 to the report) be approved and the inclusion of an additional Chief Officer pay band between the current Band A Chief Officer and Director pay band.
2. 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 the report be approved;
3. It was noted that the proposals as set out in the Not for Publication element of the report would form the basis of appropriate communications and consultations with those staff affected;
4. It was noted that an Appointments Panel would need to be convened to agree arrangements for appointing to posts.
5. It was noted that the proposed structure provides a recurring saving, identified in the Not for Publication element of the report.
6. The changes to the officer governance arrangements were noted.
7. It was noted that that the Pay Policy would be updated to reflect the updated Chief Officer Pay structure.

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

The Committee noted that the next meeting would be held on Monday 13 February, 2023 at 2.00 pm in the Civic Centre.

The meeting concluded at 12.10 p.m.

**H MARTIN**

**CHIEF SOLICITOR  
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