

FINANCE AND POLICY COMMITTEE

MINUTES AND DECISION RECORD

13 FEBRUARY 2023

The meeting commenced at 2.00 pm 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, Andrew Martin-Wells, Melanie Morley and Mike Young.

Also Present: Edwin Jeffries, Hartlepool Joint Trades Union Committee

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
Steve Hilton, Communications and Marketing Team
David Cosgrove, Democratic Services Team

92. Apologies for Absence

Councillor Jonathan Brash.

93. Declarations of Interest

None.

94. Minutes of the meeting held on 23 January 2023

Received.

95. Hartlepool Mayoral Development Corporation (Managing Director)

Type of decision

Key Decision – General Exemption Notice Applies.

Purpose of report

The purpose of the report was to update Members on work that has been carried out to secure sufficient safeguards and assurances within the Hartlepool Mayoral Development Corporation Constitution since Council considered this matter on the 23 November and to seek Members endorsement of the updated Constitution.

Issue(s) for consideration

The Managing Director reported that as Members were aware the Tees Valley Mayor could request the transfer of publically owned assets to the Mayoral Development Corporation and a separate consultation process was expected to be carried out by the Secretary of State imminently.

Members were requested to endorse the updated constitution submitted with the report and provide their views regarding the transfer of public assets and planning powers in response to the consultation. Section 3 of the report provided a reminder of the process since the announcement by the Tees Valley Mayor to set up Development Corporations in Hartlepool and Middlesbrough in July 2022, together with the remit and objectives of the Development Corporation.

In October 2022 the Tees Valley Mayor notified the Secretary of State of the designation of the Hartlepool Development Corporation. A masterplan had been commissioned, and ARUP's have almost completed this piece of work. HBC officers including the Managing Director had been engaged in the process, there were some areas still being developed for example economic statistics, final images and a design code. The final version would be presented to a meeting of the Hartlepool Development Corporation board once formally established, followed by a formal launch event.

Section 5 of the report outlined the legislation related to establishing Development Corporations and powers which would transfer to the Development Corporation covering Business rates relief and Town and Country planning. Section 6 of the report covered the transfer of Public Assets. The legislation enabled the Secretary of State to make a scheme to transfer property, rights and liabilities to the Development Corporation, which included publically owned assets. The final decision as to whether an asset is transferred rests with the Secretary of State.

Officers had been in extensive discussions and negotiations with TVCA regarding which assets were necessary to transfer to enable regeneration to take place, and the list included in the confidential appendix 3 to the report had been agreed and work would continue on detailed Heads of Terms for each asset based on the principles included in the report.

A draft constitution setting out the governance arrangements and rules of procedure for the Hartlepool Development Corporation was attached as appendix 4 to the report. Officers had negotiated with the Tees Valley Mayor to include assurances and safeguards along with the spirit of the Council delegations to the Managing Director. These were:

- The Tees Valley Mayor will not have a casting vote.
- HBC elected member representation must be present for any meeting to be quorate.
- That the Board cannot make decisions that impose financial or other liabilities upon HBC.
- That an elected member of HBC will be the Vice Chair of the Board.
- The Managing Director of HBC is a non-voting member of the Board.

The Chair recorded his thanks to the officers involved in the detailed negotiations with the TVCA. A Member expressed concern at the membership of the Board and considered that there were insufficient voices with Hartlepool at their heart on the Board and there should be greater elected Member representation on the Board. The Chair disagreed indicating that the business representatives had strong links to Hartlepool. There was potentially two more seats on the Board, up to the maximum of 8 people and the Managing Director stated that through the negotiations HBC had gained the HBC elected Member representative being the vice-chair of the Board and that the Board would be inquorate without their presence.

Members queried what level of information would be shared from the Board with HBC elected Members. The Managing Director stated that all the Board meetings would be open to the public and the papers available on line. Following further discussion in the meeting the Managing Director stated that regular reports could be submitted to full Council to keep all Members informed.

Following a proposal from the Chair and seconded by the Vice-Chair, the meeting moved into closed session to discuss the confidential appendices to the report.

Decision

That the meeting move into closed session and the press and public be excluded from the meeting in accordance with Council Procedure Rules.

96. 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 97 – Hartlepool Mayoral Development Corporation – 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 3) information relating to the financial or business affairs of any particular person (including the authority holding that information)

97. Hartlepool Mayoral Development Corporation

(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 (Paragraph 3) information relating to the financial or business affairs of any particular person (including the authority holding that information)

Type of decision

Key Decision – General Exemption Notice Applies.

Purpose of report

The purpose of the report was to update Members on work that has been carried out to secure sufficient safeguards and assurances within the Hartlepool Mayoral Development Corporation Constitution since Council considered this matter on the 23 November and to seek Members endorsement of the updated Constitution.

Issue(s) for consideration

Details of the Committee's discussions are set out in the Exempt Section of the minutes.

Decision

That the meeting return to open session.

98. Hartlepool Mayoral Development Corporation

(Managing Director)

Type of decision

Key Decision – General Exemption Notice Applies.

Purpose of report

The purpose of the report was to update Members on work that has been carried out to secure sufficient safeguards and assurances within the Hartlepool Mayoral Development Corporation Constitution since Council considered this matter on the 23 November and to seek Members endorsement of the updated Constitution.

Issue(s) for consideration

The Chair moved the recommendations as set out in the report and added an additional recommendation to refer the report to full Council on 23 February.

The following recommendations were approved by a majority vote.

Decision

1. That the Hartlepool Development Corporation Constitution, as submitted, be endorsed.
2. That the overarching principles governing asset transfer be noted and that work continue to agree financial compensation.
3. That the comments of Members be noted and fed in to the Secretary of State consultation relating to the transfer of HBC owned assets.
4. That authority be delegated to the Managing Director, in consultation with the Chief Solicitor and s151 Officer, to negotiate and agree the heads of terms and any accompanying Memorandum of Understanding/Legal agreements between the Hartlepool Development Corporation and the Council including the scheme of delegation in relation to the transfer and discharge of Planning powers.
5. That the report and recommendations be referred to the meeting of full Council on 23 February 2023.

Councillor Boddy requested that his abstention from the above decision be recorded.

99. Capital Programme 2023/24 to 2026/27 (*Director of Resources and Development*)

Type of decision

Budget and Policy Framework.

Purpose of report

The purpose of the report was:

- (i) To approve the Capital Strategy for 2023/24 to 2026/27 to be recommended to Council for approval. The strategy was a requirement of the Prudential Capital Code; and
- (ii) To approve the Capital Programme new starts 2023/24 to 2026/27, to be recommended to Council for approval.

Issue(s) for consideration

The Assistant Director, Finance reported that the Council had, in recent years, developed an ambitious Capital Programme, ensuring investment in existing and new assets within the Borough, to support delivery of the priorities set out in the Council Plan. The report drew together the Capital Programme and Capital Strategy, aligning them with the Medium Term Financial Strategy (MTFS) and Treasury Management Strategy as an integral part of the Councils Strategic and Financial Planning Framework. For completeness, the capital programme included planned Housing Revenue Account (HRA) investment. Decisions on HRA investment were subject to Business Cases and were included as part of HRA Business Plan updates provided to Finance and Policy Committee on a regular basis.

The Chartered Institute of Public Finance and Accountancy has recently strengthened the code given concern around interpretation of key requirements, including commercial investments and the adverse financial impact these have had on some councils. In response to these developments, more frequent monitoring and reporting of Treasury Management and Prudential Indicators to Audit and Governance Committee has commenced in the current year.

A formal Capital Strategy has been produced for Members' approval which was designed to provide a framework for how the capital and regeneration objectives of the Council are delivered, enabling the Council's ambitions to be met whilst ensuring that proposals are affordable and risk is minimised. It outlines the planned programme of expenditure, how the programme is governed and risk managed.

In terms of the current Capital Programme, the Assistant Director reported that the appendices to the report set out the schemes previously approved by relevant Committees and Council. The full programme is included to ensure Members are provided clarity on the depth and breadth of the programme over the medium term and to ensure a point of reference for the quarterly monitoring reports to Finance and Policy Committee.

The Assistant Director particularly highlighted the Council's borrowing requirement to fund the Capital Strategy which remained around 5% of the Net Revenue Budget for the forthcoming five financial years which compared very favourably against other North East local authorities.

Members discussed the works being undertaken at Hartlepool Railway Station to bring the second platform back into use. The Director of

Neighbourhoods and Regulatory Services commented that the new platform would improve the capacity problems experienced on the north east coast rail line. Members also referenced the future Nuclear Power Station and the potential Scotch Corner TV and film studio plan.

There was no dissent to the following decisions.

Decision

1. That the Capital Strategy for 2023/24 to 2026/27 be recommended to Council for approval. The strategy was a requirement of the Prudential Capital Code;
2. That the Capital Programme new starts 2023/24 to 2026/27, as set out at Appendix 10 to the report, be recommended to Council for approval;
3. That the delegation to relevant policy committees to approve detailed schemes arising from confirmed specific grant allocations be approved;
4. That that any capital receipts generated will initially be considered for funding the existing capital programme.
5. That the existing capital programme set out on Appendices 3-9 to the report be noted.

100. Statutory Council Tax Calculations / Medium Term Financial Strategy (MTFS) 2023/24 *(Director of Resources and Development)*

Type of decision

Budget and Policy Framework.

Purpose of report

The purpose of the report was to provide details of the final 2023/24 Local Government Finance settlement announcement and to advise Members of the arrangements to finalise the 2023/24 technical budget calculations to be referred to Council on 23rd February 2023.

Issue(s) for consideration

The Director of Resources and Development reported that the final Local Government Finance Settlement was issued on 6th February 2023 and basically confirms the provisional settlement issued just before Christmas. The final Government funding allocated to Hartlepool is £45,000 higher than the provisional settlement. It was recommended this increase in funding is

allocated to reduce the use of the Budget Support Fund from £1.516m to £1.471m.

The Local Government Act 1992 and relevant regulations required the Council to approve the statutory Council Tax calculation incorporating the Council Tax levels set by individual precepting authorities i.e. the Police and Crime Commissioner, Cleveland Fire Authority and parish councils. This issue will be addressed in a report to Council on 23rd February 2023.

There was no dissent to the following decisions.

Decision

1. It was noted that the final settlement provided an increase in Government funding of £45,000, and the Committee approved the use of this increase to reduce the approved use of the Budget Support Fund from £1.516m to £1.471m.
2. It was noted that the detailed 2023/24 statutory Council Tax calculations, incorporating the Council Tax levels set by individual precepting authorities would be referred to Council on 23rd February 2023.

101. Council Tax Support Fund (*Director of Resources and Development*)

Type of decision

Non key decision.

Purpose of report

The report sought to;

- Provide members with details of the Governments Council Tax Support Fund announced for 2023/24; and
- Seek member approval for the Funds operation, given the likelihood of funding being available for a discretionary element.

Issue(s) for consideration

The Assistant Director, Finance reported that as reported in the January Medium Term Financial Strategy report, the Department of Levelling Up, Housing and Communities (DLUHC) issued guidance and provisional allocations for a Council Tax Support Fund to operate during 2023/24. This is £100m of one off funding to support the most vulnerable households in England. Hartlepool's provisional allocation is £348,937.

Guidance had been received from Government with a key aspect being that Councils should use most of their funding allocations to reduce bills for current working age and pension age Local Council Tax Support (LCTS)

claimants by up to £25. Councils could use their remaining allocation to determine their own local approaches to supporting economically vulnerable households with Council Tax bills.

The Assistant Director reported that in order to ensure the administration was made as manageable as possible, and in order to avoid confusion for residents, it was proposed that the £25 mandatory value stipulated by government is increased locally to £30, and is applied to LCTS recipients on 1 April 2023 the annual billing process undertaken in March. In practice this would mean:

- Where a LCTS taxpayers bill is in excess of £30, a £30 discount will be provided;
- Where a LCTS taxpayers bill is between £0 and £30, the discount will be equal to the value of the bill;
- Where a LCTS taxpayer has a zero liability, no discount will be applied; and
- Anyone claiming LCTS after the 1 April 2023 will not receive an award.

Eligible LCTS recipients will be notified via their annual Council Tax bill. Based on the current recipients, 10,285 households in receipt of LCTS will benefit at a cost of £307,231. Based on this proposal a projected residual balance of £41,706 would remain available for supporting economically vulnerable households with Council Tax bills during the year. It was proposed that this was made available to supplement the Council's existing Local Welfare Support budget, as this would be the most effective way of supporting households. The Welfare Support team would administer through existing welfare support channels.

The proposal was supported by Members though the Chair proposed that the discretionary element of the funding be available to all households, not just those eligible for Local Council Tax Support.

Decision

1. That the proposed operation of the Council Tax Support Fund 2023/24 as reported, be approved, including increasing the support from the £25 minimum level to £30.
2. That the residual balance be available to support economically vulnerable households during 2023/24.

102. Procurement Social Value Statement of Intent (Managing Director)

Type of decision

Non-key decision.

Purpose of report

To comply with the Council motion and ensure that Social Value principles are applied in a way that enables the Council to maximise economic, social and environmental benefits for Hartlepool and its citizens.

Issue(s) for consideration

The Managing Director reported that as Members would recall, Council considered a motion last year regarding Economic Impact Assessments for the capital programme, fire and rehire and also social value. The Economic Growth and Regeneration Committee have dealt with the first two elements of the motion and also considered the statement of intent now presented to members.

The report provided context regarding our current expenditure in Hartlepool, the Tees Valley and the North East region. The Social Value Statement of Intent submitted as Appendix A to the report set out the key principles and how it will be embedded across the authority and included within our contract procedure rules.

The views and comments of Economic Growth and Regeneration Committee were set out with a recommendation that this Committee adopt the document. The implementation and outcomes would be monitored over the next 6 to 8 months and an update will be provided to Committee. Members were requested to endorse the Social Value Statement of Intent and refer it to the Constitution Committee for inclusion in the Contract Procedure Rules.

There was no dissent to the following decision.

Decision

That the Statement of Intent be approved and referred to the Constitution Committee for incorporation in the Councils Contract Procedure Rules within the Constitution.

103. Strategic Financial Management Report as at 31 December 2022 *(Director of Resources and Development)*

Type of decision

For information.

Purpose of report

The purpose of the report was to inform 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 submitted a detailed update on the Council's financial position. The Director highlighted the recent increase in the Bank of England Base Rate, the current inflation figures and the collection rates for both Council Tax and Business rates.

Members noted the extremely high current energy costs and how this was affecting the budget. The Director stated that the combined purchasing power of the contract managed by the North east Purchasing Organisation had cushioned the Council from the worst of the price rises. Through NEPO, the Director reported that a letter had been sent to the Secretary of State requesting relief for the energy costs incurred by leisure facilities.

Decision

That the report be noted.

104. Any Other Items which the Chairman Considers are Urgent

None.

The Committee noted that the next meeting would be held on Monday 13 March 2023 at 11.00 am in the Civic Centre.

The meeting concluded at 2.55 pm.

H MARTIN

CHIEF SOLICITOR

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