

FINANCE AND POLICY COMMITTEE

MINUTES AND DECISION RECORD

3 JULY 2023

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

Present:

Councillor Mike Young (In the Chair)

Councillors: Moss Boddy, Bob Buchan, Tom Feeney, Gerard Hall, Brenda Harrison, Jim Lindridge, Sue Little, Andrew Martin-Wells and Melanie Morley.

Also Present: Councillor Steve Wallace, Vice-Chair of Audit and Governance Committee
Stephen Thomas, Hartlepool HealthWatch.

Officers: Denise McGuckin, Managing Director
Hayley Martin, Director of Legal, Governance and Human Resources
James Magog, Director of Finance, IT and Digital
Sally Robinson, Executive Director of Children's and Joint Commissioning Services
Craig Blundred, Director of Public Health
Jill Harrison, Executive Director of Adult and Community Based Services
Tony Hanson, Executive Director of Development, Neighbourhoods and Regulatory Services
Joan Stevens, Scrutiny Manager
David Cosgrove, Democratic Services Team

1. Apologies for Absence

Councillor Paddy Brown.

2. Declarations of Interest

None.

3. Minutes of the meeting held on 13 March 2023

A Member referred to Minute No. 108 'Equality, Diversity and Inclusion Policy' and asked if all staff had been informed of the new policy and if it was to be used as part of Member training on this issue, which the Member considered needed to be more robust. The Managing Director indicated that an action plan was being developed to go alongside the new policy and

this would include training for all employees and elected Members provided by NEREO. There would also be revised equality monitoring forms, which would also incorporate child and family poverty and all the characteristics included within the new policy as suggested by the LGA Corporate Peer Review.

Minutes received.

4. Minutes of the meeting of the Safer Hartlepool Partnership held on 6 March 2023

Received.

5. Final Outturn 2022/23 *(Director of Finance, IT and Digital)*

Type of decision

Budget and Policy Framework.

Purpose of report

To provide details of the final outturn position for 2022/23 financial year.

Issue(s) for consideration

The Director of Finance, IT and Digital presented a detailed report setting out the final budget outturn position, building on the in-year monitoring information received at prior meetings. The outturn position corresponds to the position set out in the statement of accounts. The final revenue outturn position is a net overspend of £0.962m after earmarking of reserves for specific purposes.

The Director outlined the main aspects of the General Fund Revenue Outturn highlighting the budgetary issues for each department. The report also set out details of the Housing Revenue Account, Income collection and the Collection Fund, and the Capital Budget Outturn. The Director also reported on two urgent decisions that had been taken in respect of capital schemes relating to property acquisition as part of the Screen Industries Production Village Scheme and the Hartlepool Magistrates Courts and Probation building.

Members queried the capital programme schemes for schools that were academies. The Executive Director of Children's and Joint Commissioning Services commented that these will have been schemes agreed before the schools became academies for which grant funding had been obtained and therefore, the Council had honoured those programmes of work. All future capital grant funding would go direct to the schools. There was also discussion around the existence of asbestos in schools and the appropriate safeguards around that. The Executive Director of Development,

Neighbourhoods and Regulatory Services stated that there were surveys and risk assessments carried out which identifies where asbestos exists in all school sites managed by the Council and these are shared with the schools.

The Chair requested that consideration of the specific write-off set out in the confidential Appendix N to the report be considered by the Committee at the end of the meeting.

The following decisions were agreed without dissent.

Decision

1. That the final 2022/23 outturn position of £0.962m overspend and the accompanying financial performance for the year, including decisions undertaken for urgency be noted;
2. That the final 2022/23 outturn in relation to the Housing Revenue Account detailed within Section 5 of the report be noted;
3. That the capital outturn position detailed within Section 7 of the report be noted.
4. That the write offs as detailed in Section 6 of the report be approved.

6. Medium Term Financial Strategy (MTFS) 2024/25 to 2026/27 *(Director of Finance, IT and Digital)*

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 timetable for the 2024/25 budget.

Issue(s) for consideration

The Director of Finance, IT and Digital presented a detailed report setting out the updated MTFS position for the three year position 2024/25 to 2026/27. The Council faced significant budget pressures over the period anticipated to total in excess of £18m. The government was still only providing one-year settlements and was predicating its 'spending power' increases to local government on the basis of the full use of Council Tax and Adult Social Care precept flexibility.

The report set out a strategy for balancing the budget position over the next three financial years. The gap to be addressed for 2024/25 is £2.845m,

with a three year gap of £7.957m. As Council Tax decisions will be made at a later date, the position for 2024/25 includes a memo item to highlight the increase in the gap up to £5.256m should no increase be applied. For every 1% Council Tax not applied, the Council loses circa £0.500m of income.

Members raised issues around the costs of energy for residential care homes and the impact on resident's charges and the fees paid by the Council. The costs of out of town care for children with highly complex needs was also raised with Members expressing their concern at the agencies levelling such charges. The Chair supported the views expressed and considered that more needed to be done at a national level on this issue.

There was discussion around the use of reserves to support the budget in the short term and the Director highlighted that specific reserves had been set aside for this purpose. In the future the Council would need to balance its budget without the use of reserves.

Members clarified the position in relation to a Council Tax rise and the Director stated that the recommendations did not tie-in a Council Tax rise but the report did set out clearly the advice in relation to that and the time table for decisions.

Decision

1. That the report and its contents be noted;
2. That the initial assessment of the forecast budget gap and proposed approach to address this gap in Section 8 of the report be noted. This included the earmarking of part of the Budget Support Fund to support the delivery of budget proposals;
3. That the risks and scenarios outlined in the report which may impact upon the financial position presented as part of future MTFS updates be noted; and
4. That the proposed budget timetable be noted.

7. Hartlepool Enterprise Centre *(Executive Director of Development, Neighbourhoods and Regulatory Services)*

Type of decision

Key Decision – General Exception Applies.

Purpose of report

To provide information requested by Council on 23rd March 2023 in relation to the proposed asset transfer of the Hartlepool Enterprise Centre (HEC) and to consider the options proposed in the report.

Issue(s) for consideration

The Executive Director of Development, Neighbourhoods and Regulatory Services reported on the background to the proposed disposal of the HEC building. Council at its meeting on 23 March 2023 (Minute No. 116 refers) requested that the disposal process be paused and investigated as there was a lack of clarity around the process and the method of the disposal.

The Executive Director outlined in the report the Community Asset Transfer Policy and also the process undertaken earlier in the year and the unsolicited offer to purchase the building. The Executive Director in his investigation acknowledged that the position in relation to the building and the means of its disposal could have been better communicated to Members.

In moving forward, the Executive Director set out two potential options for the Committee; recommence the existing sale process or re-examine the potential for Community Asset Transfer, though this would require some amendment to the policy.

Members commented that it was unreasonable that third sector bodies could access funding streams that the Council could not to secure the future of the HEC which was considered to be a valuable asset for the town. The Chair proposed that officers be directed to look at the potential for a Community Asset Transfer for the HEC as the preferred option so that Members could then examine the feedback from that marketing and balance that against the freehold offer for the site. This was supported by Members.

The following decision was agreed without dissent.

Decision

That the potential for a Community Asset Transfer for the Hartlepool Enterprise Centre be fully explored and that the feedback from that process be reported to the Committee.

8. Substance Misuse Needs Assessment and Draft Strategy (*Director of Public Health*)

Type of decision

Key Decision – General Exception Applies.

Purpose of report

To share the draft Substance Misuse Strategy, and to seek comments and approval from Finance and Policy Committee for final sign off of the strategy.

Issue(s) for consideration

The Director of Public Health presented the draft Substance Misuse Strategy to the Committee, a copy of which was appended to the report. The Director highlighted that the misuse of drugs and alcohol is one of the highest risk factors for ill-health across the UK with an estimate of 1 in 11 adults aged 16-59 having taken a drug in the last year, with 1.1 million adults having taken a class A drug. In the same year, it is estimated 358,000 hospital admissions were attributed to alcohol use, 6% higher than the previous year. Drug and alcohol use can lead to a number of physical and psychological conditions, such as liver disease, cardiovascular complications, high blood pressure, depression and anxiety.

The costs of alcohol and drug misuse to society are significant. Estimates show that the social and economic costs of alcohol-related harm amount to £21.5billion, while harm from illicit drug use costs £10.7billion. However, it is said £4 social return is made for every £1 spent on treatment and support services.

The draft strategy will inform the development of an action plan which would set out under each theme the detail of how we would deliver this priority area, who will deliver, timescales and be informed by indicators in order to measure success through an outcome framework. This would be shared with Finance and Policy Committee at a later date for approval.

Members discussed the financial support allocated by government to these services and the impact of 'best start' services for families and young children in preventing these and other issues. There was also concern expressed at some of the data around alcohol problems being experienced among older women.

The following decision was agreed without dissent.

Decision

That the Substance Misuse Strategy for Hartlepool be approved.

There was a short comfort break at this point in the meeting.

9. Household Support Fund *(Executive Director, Children and Joint Commissioning Services and Director of Finance, IT and Digital)*

Type of decision

Key decision tests (1) and (2) apply. Forward plan entry CJCS 134/23.

Purpose of report

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

Issue(s) for consideration

The Executive Director, Children and Joint Commissioning Services reported that since September 2021 the Government had made available a 'Household Support Fund' targeting vulnerable households to help them with food and essentials as the country recovered from the pandemic. The report set out details of the groups previously supported and the numbers of residents that support had reached.

The latest HSF delivery scheme is for the period 01 April 2023 to 31 March 2024. Plans for delivery had to be submitted to government no later than the 17th May 2023 and an interim plan was submitted based on previous delivery processes and will be updated and shared with DWP once final agreement is confirmed with Members. The plan must be made publicly available including details of any application processes.

To date, the delivery methods chosen to deliver the previous HSF schemes have proven effective in reaching adults and children on a low income. Officers had met to explore the available options to maximise the impact of this grant to support vulnerable households in Hartlepool in accordance with the new grant conditions. It should be noted that the administration of such a large grant poses significant challenges to the capacity and workload of the local authority and the Third Party Organisations that it works in partnership with.

Details of the groups identified to be delivery partners and the allocation of funds to each was set out in detail in the report. Using this method of delivery this would mean that –

- 22% of the grant would be accessed via an application process where anyone struggling with the cost of living can apply;
- 73% would be allocated to households in receipt of benefits and on a low income;
- 5% of the grant would be used for administration and compliance of the fund including administration payments to voluntary and community sector organisations supporting the delivery of the grant.

The Executive Director also highlighted that should it become clear that individual strands of support was not being fully utilised, it is proposed to give delegation to the Director, Children and Joint Commissioning Services, in conjunction with the chair of Finance and Policy Committee, to amend funding pots so as to ensure full utilisation of grant within the time period.

Members welcomed the proposals and commented on the numbers of people that had been assisted through the previous funding. Members questioned if more local groups could be involved in the scheme. The Director stated that involvement had been through an open expression of interest, officers hadn't approached groups. There were new providers in this round of the scheme and some that worked across the whole town. A Member asked if there were details of the actual numbers of residents helped through the past programme and the executive Director stated these figures would be shared with Members as part of the annual update report.

Some Members expressed concern at some people becoming too reliant on the assistance provided through this support and asked if there was also financial management support being offered. The executive Director stated that there was a significant amount of local welfare support offered to provide people with 'a hand up, not a hand out'.

There was no dissent to the following decisions.

Decision

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

10. Workforce Strategy (*Director of Legal, Governance and Human Resources*)

Type of decision

Non-key Decision.

Purpose of report

The purpose of this report is to request Finance and Policy Committee approval for the Workforce Strategy (2023-2026) as attached as Appendix 1 to the report.

Issue(s) for consideration

The Director of Legal, Governance and Human Resources reported that the Workforce Strategy had been developed by the Executive Leadership Team and the Senior Leadership Team with the vision to enable and innovate a workforce that has the community at its heart delivering the best of services. This will be driven by strong and effective leaders who demonstrate and promote the Council values to look after and develop the workforce making it a great place to work. The Strategy is a framework, and the priority and detail behind each of the aims will be developed and agreed with ELT over the next three years.

Members welcomed the strategy and suggested that it be shared with all Members of the Council.

There was no dissent to the following decision.

Decision

That the Workforce Strategy (2023-2026) as submitted, be approved.

11. Final Report – Child and Family Poverty in Hartlepool *(Audit and Governance Committee)*

Type of decision

Non-key Decision.

Purpose of report

To present the findings of the Audit and Governance Committee following completion of its investigation into Child and Family Poverty in Hartlepool.

Issue(s) for consideration

The Vice-Chair of Audit and Governance Committee presented to the Committee the final report of the Audit and Governance Committee's investigation into Child and Family Poverty in Hartlepool. The Vice-Chair thanked the Audit and Governance Committee Members and the former Chair Rob Cook for their work in undertaking the investigation and he commended the report and its recommendation to the Committee.

The Vice-Chair of Audit and Governance Committee highlighted the recommendations around the establishment of a Poverty Truth Commission and the socio-economic duty.

The Vice-Chair of Audit and Governance Committee commended the report and also thanked the Statutory Scrutiny Manager and her team for all their work in preparing the final report. A Member commented that it was disappointing that all schools did not access all the free advice and support

that was available to them and particularly commended the work of SHINE North East.

The Chair supported the report and its recommendations and particularly the work to be undertaken on the socio-economic duty. The Chair also supported the use of all the support available to schools.

Decision

That Finance and Policy Committee approves the recommendations of the Audit and Governance Committee, following their investigation into Child and Family Poverty in Hartlepool, as detailed below:-

- 1) Exceptional services are provided in Hartlepool to mitigate the effects of poverty and these are the predominant focus of Hartlepool Council poverty activities. However, going forward, strategies and services need to move towards a more hands up/prevention/route out of poverty focused model lead to deliver more impactful change. As is being planned by the Trussell Trust Foodbank and The Joseph Rowntree Foundation.
- 2) The voluntary Socio Economic Duty be potentially adopted with the assistance of a working group that will look into:
 - What is required to facilitate the formal adopt the Socio Economic Duty;
 - What would be the benefits of its adoption;
 - How might it reduce poverty; and
 - What all of the above mean in practical and financial terms for the Council.
- 3) The establishment of a Hartlepool Poverty Truth Commission be progressed with the assistance from Thrive Teesside and the Poverty Truth Network. The purpose being to incorporate lived experience of socio economic disadvantage at all levels of decision making and policy development.
- 4) As and when the outcomes of ongoing national work in relation to best practice and service improvement becomes available, a further refresh of the new Child and Family Poverty Strategy be undertaken.
- 5) The implementation of the recommendations contained within the report to be monitored by the Audit and Governance Committee. Alongside an update on the poverty position in Hartlepool.
- 6) National targets have been removed for the reduction of poverty, however, national indicators have been created. It would be beneficial to set a series of Hartlepool specific indicators, against which outcomes (including the activities of the Poverty Truth Commission and adoption of the Socio Economic Duty) can be measured.

- 7) Ward based poverty data to be sent to Cllrs on an annual basis.
- 8) In terms of Schools, a poverty update is to be provided at a Head Teachers Briefing, as part of which schools:
 - Will be reminded of the value of the 'Poverty Proofing' exercise offered by Children North East;
 - Be encouraged to seek guidance and advice from external source where available, such as the SHINE Trust; and
 - Asked to promote the second hand uniforms scheme (Hartlepool Preloved Clothing) as a means of reducing costs for parents.
- 9) In terms of decision making:
 - Impact assessments are a part of the 'key' decision making process and development of strategies and Child and Family Poverty Impact Assessment and Equability and Diversity Impact Assessments are to be amalgamated to simplify the process; and
 - Where the process for monitoring the implementation of decisions identifies a potential 'new' or 'increased' poverty impact, the Impact Assessment should be revisited to gain a full understanding of the position and any action that may be required.
- 10) In terms of debt collection:
 - The impact of debt collection on those experiencing poverty needs to be evaluated with a view to supporting the provision of focused assistance and support; and
 - Where debt is poverty related, options for changes to procedures for debt collection be explored in terms of the provision of additional support / assistance.
- 11) In terms of advice and support:
 - Citizens Advice and other debt counselling services to be promoted to local groups and the VCS.
 - Awareness rolled out to partners/voluntary sectors on initiatives such as Baby Bank/Sensory spot.
- 12) The Council to seek from the Joseph Rowntree Foundation (JRF) an ongoing strategic commitment to work with Hartlepool Borough Council on Hartlepool's poverty issues.

12. Final Report – Final Report – Accessibility of Council Services in Hartlepool for Those with Disabilities and Long Term Conditions *(Audit and Governance Committee)*

Type of decision

Non-key Decision.

Purpose of report

To present the findings of the Audit and Governance Committee following completion of its investigation into Accessibility of Council Services in Hartlepool for Those with Disabilities and Long Term Conditions.

Issue(s) for consideration

The Vice-Chair of Audit and Governance Committee presented to the Committee the final report of the Audit and Governance Committees investigation into Accessibility of Council Services in Hartlepool for Those with Disabilities and Long Term Conditions. The Vice-Chair thanked the Audit and Governance Committee Members and the former Chair Rob Cook for their work in undertaking the investigation and he commended the report and its recommendation to the Committee.

The Vice-Chair of Audit and Governance Committee highlighted the role of Hartlepool HealthWatch is supporting the investigation and the representative of HealthWatch addressed the committee outlining some of the concerns around the Council's website raised by service users and how equality of access needed to be a fundamental part of every service across the Council.

Members questioned some of the statistics within the report specifically around those that had a positive experience in accessing Council services. The Statutory Scrutiny Manager commented that one of the clear positives that came out of the consultation was the positive view of Council staff. It was clear that they were helpful and always keen to ensure everybody had access to services.

A Member considered it was difficult to come to any conclusions when the numbers of public responding to the investigation was so low; in some instances response of form only 11 people were being used as the basis for recommendations. The Peer Group report highlighted that there was a need to make our consultation better. The Chair asked if Members were suggesting that despite the fact the report had been heavily researched with outside organisations that the public feedback was insufficient. The Managing Director questioned if it was the public feedback element that needed to be revisited and this was agreed by Members. Members also suggested that details of the engagement process also needed to be more clearly documented.

Decision

That consideration of the recommendations of the Audit and Governance Committees investigation into Accessibility of Council Services in Hartlepool for Those with Disabilities and Long Term Conditions be deferred to allow further public engagement to be undertaken and documented within the report.

13. Council Plan 2021-2024 – Progress Update *(Managing Director)*

Type of decision

For information.

Purpose of report

To provide an update to Finance and Policy Committee on the progress made on the delivery of the Council Plan 2021/22 – 2023/24. The report also included the 2022/23 Performance Indicator Report and the latest version of the Strategic Risk Register.

Issue(s) for consideration

The Managing Director submitted for the Committee's information the updated progress report on the implementation of the Council Plan, the Performance Indicator Report and the latest version of the Strategic Risk Register. The Managing Director commended the work of all staff across the Authority in delivering the aims of the Council Plan. The Council did face difficulties in several areas of recruiting and retaining staff and the aging workforce; issues that were national concerns for local government.

The Director reported that a full version of the Council Plan and the progress against it would be supplied to all Councillors.

Decision

1. That the progress made on the Council Plan 2021-2024 by May 2023 be noted;
2. That the Council Plan Performance Indicator report for 2022/23 as set out in appendix 1 to the report be noted;
3. That the updated Strategic Risk Register as set out in appendix 2 to the report be noted;
4. That the development of the Council Plan Annual Report 2022/23 be noted..

14. Any Other Items which the Chairman Considers are Urgent

None.

The Committee noted that the next meeting would be held on Monday 18 September, 2023 at 10.00 am in the Civic Centre, Hartlepool.

15. 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 16 – Final Outturn 2022/23 – 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 3). Information relating to the financial or business affairs of any particular person (including the authority holding that information).

16. Final Outturn 2022/23 *(Director of Finance, IT and Digital)*

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

Type of decision

Budget and Policy Framework.

Purpose of report

To provide details of the final outturn position for 2022/23 financial year.

Issue(s) for consideration

The Director of Finance, IT and Digital reported on the proposed write out of a debt in relation to residential accommodation charges. Members discussed the details of the case with officers outlining some of the detail behind the issue. The Chair requested that in light of Members concerns, a more detailed report be submitted to a future meeting to provide Members the detail they require prior to making a decision.

Decision

That the write off as detailed the confidential Appendix N be deferred and that a further detailed report be submitted to the Committee.

The meeting concluded at 12.10 pm.

H MARTIN

DIRECTOR OF LEGAL, GOVERNANCE AND HUMAN RESOURCES

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