

FINANCE AND POLICY COMMITTEE

MINUTES AND DECISION RECORD

20 JANUARY 2025

The meeting commenced at 2.00 pm in the Civic Centre, Hartlepool.

Present:

Councillor Brenda Harrison (In the Chair)

Councillors: Gary Allen, Rachel Creevy, Pamela Hargreaves, Jim Lindridge, Sue Little, John Nelson, Karen Oliver and Mike Young

In accordance with Council Procedure Rule 4.2 Councillor Dunbar was present as substitute for Councillor Feeney

Also Present: Minna Ireland, Parish Council Co-opted Member

Officers: Denise McGuckin, Managing Director
Hayley Martin, Director of Legal, Governance and HR
James Magog, Director of Finance, IT and Digital
Paul Dixon, Assistant Director, Corporate and Financial Services
Craig Blundred, Director of Public Health
Sally Robinson, Executive Director of Children’s and Joint Commissioning Services
Jill Harrison, Executive Director of Adult and Community Based Services
Tony Hanson, Executive Director of Development, Neighbourhoods and Regulatory Services
Connor Kerr and Steve Hilton, Communications and Marketing Team
Denise Wimpenny, Principal Democratic Services Officer

40. Apologies for Absence

An apology for absence was submitted on behalf of Councillor Tom Feeney.

41. Declarations of Interest

None.

42. Minutes of the meeting held on 27 November 2024

Received.

43. Minutes of the meeting of the Health and Wellbeing Board held on 9 September 2024

Received.

44. Matters Arising from the Health and Wellbeing Board minutes held on 9 September 2024

In relation to Minute 16 – Community Transformation of Adult Mental Health Services, and in response to a query raised as to whether this transformation had resulted in more appointments being available, the Executive Director of Adult and Community Based Services indicated that this was potentially an issue for Tees Esk and Wear Valley NHS Foundation Trust. A query was also raised in relation to the nearest in-patient mother and baby unit which the Executive Director of Adult and Community Based Services agreed to provide clarification on both issues following the meeting.

45. Medium Term Financial Strategy (MTFS) 2025/26 to 2027/28 *(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 impact of the Provisional Local Government Finance Settlement for 2025/26 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 2025/26.

Issue(s) for consideration

The Director of Finance, IT and Digital referred to the background to the budget position and reports considered by the Finance and Policy Committee on 25 June and 25 November 2024 which set out the continued financial challenges facing the Council for 2025/26 and over the MTFS period.

In support of the report the Director of Finance, IT and Digital provided a detailed presentation to the Committee highlighting the main issues that had impacted upon the preparation of the 2025/26 budget. Whilst the presentation outlined the detail of the provisional settlement and what this

provided for Hartlepool, it was highlighted that the final confirmed settlement was not expected until early February. The provisional settlement was positive with an additional £9.832m grant increase, details of which were provided. Whilst the additional funding had resulted in a reduction in the use of reserves and reduced the budget deficit, the Council continued to face increased pressures, the impact of which was outlined. It was highlighted that the core spending power increases assumed every Council increased Council Tax to their maximum.

In concluding his presentation, the Director outlined to Members the medium term position which showed a potential pathway to a balanced position with significant caveats and uncertainties as well as the background to his statutory advice.

The Chair took the opportunity to thank everyone involved in achieving a more positive settlement whilst acknowledging the challenges that remained.

In the discussion that followed the Director of Finance, IT and Digital responded to a number of queries raised arising from the report. Clarification was provided in relation to the treasury management and investment arrangements and measures in place to maximise reserves.

The following amendment to the budget was proposed and seconded:-

Amendment 1

Given the positive settlement and additional much needed funding for Hartlepool, a small number of budget savings were proposed to be removed in order to protect Council services at a cost of £271,000 to be funded from increased on-going business rates income and headroom in national insurance calculations, details of which were set out below:-

- Retain £35,000 events budget
- Retain £40,000 car parking promotions
- Retain £15,000 Christmas tree provision
- Rephase public toilet review £20,000
- Reduce allotment fee increase £15,000 in 2026/27

Additional investment in the following areas:-

- Street cleaning £86,000
- Landlord licensing progression £58,000
- Public park night time closures £22,000

Amendment 2

Following the completion of government business rates returns, an in-year, one-off surplus of £500,000 was forecast for the current year. In order to protect reserves, it was proposed to use this surplus to support the overall

budget in 2025/26 on a one-off basis. This was consistent with recommendation (vi) of the report.

In response to a request for advice on the proposal, the Director of Finance, IT and Digital expressed his support to the amendments.

Members debated the impact of a proposed increase in Council Tax in line with Central Government advice, transformation arrangements, the budget amendment, including the impact of the proposals on private sector businesses. A Member expressed concern in relation to the impact funding the proposals may place on adult social care particularly smaller providers to which the Executive Director of Adults and Community Based Services responded. The £10,000 budget allocation for Christmas tree provision was questioned and the need to reduce this figure was highlighted.

Whilst Members welcomed the increased settlement and commented on the benefits as a result, the continued budget challenges were acknowledged.

Appreciation was expressed to Jonathan Brash, the town's MP for his hard work and input in terms of support in securing a positive financial settlement for Hartlepool.

The Chair took the opportunity to express her personal thanks to the town's MP and thanked everyone present for their contributions to the debate and moved the recommendations set out in the report including the two amendments in relation to removal of proposed budget savings and to utilise the £500,000 surplus to support a reduction in use of reserves, details of which were set out above.

The following decisions were agreed by a majority vote by way of a show of hands.

Decision

That the following proposals be referred to Council on 20 February 2025:-

1. Note the contents of the report, including that the Core Spending Power increase is based on government's assumption that Councils will increase council tax to the maximum allowable.
2. That an increase to core council tax of 2.99% and an adult social care precept increase of 2%, thus providing £2.625m of recurring funding be recommended.
3. That the overall budget proposal set out in the report, including the two amendments in relation to removal of proposed budget savings and to utilise the £500,000 surplus to support a reduction in use of

reserves, details of which were set out above, be recommended to Council.

4. That any capital receipts generated be used to fund revenue costs associated with delivery of the transformation programme, as required, be recommended to Council.
5. That the robustness advice, detailed in section 11 of the report, be noted by Council.
6. That any changes arising from the completion of the NNDR1 and receipt of the Final Local Government Finance Settlement be adjusted in the 2025/26 budget, be noted.
7. That the detailed 2025/26 statutory council tax calculations incorporating the council tax levels set by individual precepting authorities i.e. the Police and Crime Commissioner, Cleveland Fire Authority and individual parish councils, be referred to Council on 20 February 2025.

The meeting concluded at 2.45 pm.

H MARTIN

DIRECTOR OF LEGAL, GOVERNANCE AND HUMAN RESOURCES

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