

REGENERATION SERVICES COMMITTEE

MINUTES AND DECISION RECORD

19 November 2018

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

Present:

Councillor Kevin Cranney (In the Chair)

Councillors: Paddy Brown, Rob Cook, Jim Lindridge, Shane Moore, and Mike Young

Also Present: Councillor Ann Marshall

Officers: Andy Carter, Assistant Director, Economic Growth and Regeneration
Denise Wimpenny, Principal Democratic Services Officer

29. Apologies for Absence

An apology for absence was submitted on behalf of Councillor Leisa Smith.

30. Declarations of Interest

None

31. Minutes of the meeting held on 22 October 2018

Received

32. Savings Programme 2019/20 *(Director of Regeneration and Neighbourhoods)*

Type of decision

Budget and Policy Framework

Purpose of report

To enable Members to consider proposals to achieve further savings in 2019/20 and to provide feedback on these proposals to the Finance and Policy Committee meeting on 26 November 2018.

Issue(s) for consideration by the Committee

The Assistant Director presented the report which provided background information to the Council's development of a four year financial strategy which was designed to address the impact of a further four years of cuts in Government funding. By 2019/20 Hartlepool's core Government funding would be 45% less than in 2013/14, a reduction of £20.9m.

A comprehensive report that had been considered by Finance and Policy Committee on 3 September 2018 which advised Members that since the previous plan had been developed councils, including Hartlepool, had faced significant increased financial pressures, which had not been reflected in the funding provided by Government to councils in 2018/19 and 2019/20 in relation to Looked After Children and the ending of the 1% public sector pay cap. As a result of these additional unfunded budget pressures and a further cut in Government funding in 2019/20, the Council now faced a net 2019/20 budget deficit of £5.987m. Given the eight years of austerity and cuts to the Council budget, the position facing the Council for 2019/20 was the most challenging so far and it was anticipated that further budget deficits would arise in 2020/21 and 2021/2022 and that further cuts in Government funding would be made.

At this stage there was no information available to assess the potential impact of the Prime Minister's recent statement that austerity had ended and at best any financial benefits for local government were not anticipated until 2020/2021. If the Government was to end austerity for Hartlepool for 2019/20 they would need to provide a grant increase of 27% just to cover the Revenue Support grant cut they had previously announced for 2019/20. To completely end austerity and cover the £6m deficit and to freeze Council Tax they would need to provide a 41% grant increase.

The Assistant Director went on to provide details of the savings proposals for this Committee of £50K. Historically each of the 5 Tees Valley Local Authorities had contributed financially to a strategic administrative function at the Tees Valley level. This contribution had reduced over the years and was currently at approximately £50K. It was proposed to cease this contribution as the Tees Valley Combined Authority was now a central Government funded organisation.

In the discussion that followed presentation of the report, the Chair commented on the importance of fulfilling the aims of the Council to safeguard economic growth and regeneration within the town. Reference

was made to the special meeting that had recently been scheduled for 6 February, where there would be an opportunity to fully debate business growth opportunities.

A number of queries were raised regarding the proposals. The Assistant Director provided clarification in relation to the potential impact of the proposals and indicated that the saving had been identified from an area which would result in minimal impact. The Committee commented on the importance of stimulating growth in order to generate income and wealth within the town and acknowledged that the level of savings were greater in other areas of the Council. Members highlighted the importance of sharing/publicising the reasons for limiting savings levels within Regeneration and it was suggested that the £50K saving be utilised to ensure maximum benefits for the town.

The Chair was pleased to report that following an analysis of tourism and hospitality activities in the town, 2017 had seen an increase of 5 to 6% in such activity which had resulted in significant income contributions to the local economy. Disappointment was expressed in relation to the impact of negative and inaccurate reports in social media and the press regarding the cost implications of investing in regeneration projects. It was clarified that funding in relation to regeneration projects of this type were utilised from grant funding and not Council monies. The Committee went on to further debate the income benefits and job opportunities arising from regeneration projects within the town. Reference was made to a recent event at the House of Lords regarding scrutiny in coastal towns where it had been recognised that more funding was needed in these areas.

Members commented on future priorities for the department and were keen to explore this further at the special meeting in February.

Decision

- (i) That the contents of the report be noted.
- (ii) That the savings proposals, as set out in the report, be supported and the comments of Members be utilised to formulate a response to be presented to Finance and Policy Committee on 26 November 2018.

33. Date and Time of Next Meeting

It was reported that the next meeting would be held on Monday 17 December 2018 at 2.00 pm. The Chair requested that any suggested agenda items for the February meeting should be e-mailed to the Chair for discussion with the Vice-Chair and Assistant Director.

The meeting concluded at 2.20 pm.

H MARTIN

CHIEF SOLICITOR

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