

# **FINANCE AND POLICY COMMITTEE**

## **MINUTES AND DECISION RECORD**

30 JANUARY 2020

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

**Present:**

Councillor Shane Moore (In the Chair)

Councillors: Christopher Akers-Belcher, James Brewer, Paddy Brown, Jim Lindridge, Sue Little, Ann Marshall, Leisa Smith, and Mike Young.

Also Present: Councillor Tom Cassidy as substitute for Councillor John Tennant in accordance with Council Procedure Rule 4.2.  
Councillor Ann Johnson as substitute for Councillor Dave Hunter in accordance with Council Procedure Rule 4.2.

Councillors Marjorie James, Carl Richardson, Stephen Thomas and Barbara Ward.

Officers: Gill Alexander, Chief Executive  
Hayley Martin, Chief Solicitor  
Chris Little, Director of Finance and Policy  
Dr Pat Riordan, Director of Public Health  
Jill Harrison, Director of Adult and Community Based Services  
Gemma Ptak, Assistant Director, Preventative and Community Based Services  
Andrew Carter, Assistant Director, Economic Growth and Regeneration  
Tony Hanson, Assistant Director, Environment and Neighbourhoods  
Steve Hilton, Communications and Marketing Team  
Tim Wynn, Strategic Asset Manager  
David Cosgrove, Democratic Services Team

### **89. Apologies for Absence**

Councillors Dave Hunter, Amy Prince and John Tennant.

### **90. Declarations of Interest**

None.

## **91. Minutes of the meeting held on 13 January 2020**

Received.

## **92. Leisure Facilities Review and Options Appraisal - (Director of Adult and Community Based Services)**

### **Type of decision**

Key Decision test (i) and (ii) - ACBS088/19.

### **Purpose of report**

To agree options and an investment programme to meet the recommendations of the Playing Pitch and Indoor Facility Strategy.

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

The Assistant Director, Preventative and Community Based Services outlined the key recommendations from the Playing Pitch and Indoor Facility Strategy 2019 – 2024 and the key feedback from consultation on the provision of a new strategic leisure development and the priorities the public saw for the facilities it should have. These had led to the development of a set of facilities that any new leisure development should contain.

The Assistant Director outlined the options that had been appraised to enable the replacement of the current facilities at the Mill House Leisure Centre. These were: -

Option 1: Refurbishment of existing Mill House Leisure Centre;  
Option 2: Further development on the Brierton Site;  
Option 3: Redevelopment on existing site and integration with Victoria Park;  
Option 4: Integration with the Waterfront Development.

The options have been appraised against the following strategic objectives:

- Enable accessibility through a centrally located facility.
- Ensure good access to transport links including pedestrian, cycling, bus and rail.
- Provide a combined offer inclusive of leisure, culture, sport and wider infrastructure to improve the health and wellness of the population.
- Develop an attraction for visitors within and beyond Hartlepool maximising impact on the local economy.
- Attract investment opportunities and achieve associated outcomes.
- Deliver a financially viable business model exploring commercial opportunities to capitalise on income potential.
- Design new leisure offer in response to the recommended facility mix.
- Design, construct and operate new leisure offer within aspired timeline.

- Develop a new leisure facility based on affordability, investment opportunities and best value for money.
- Develop a sustainable leisure offer that is able to accommodate population demand now and in the future.

A weighting has been applied to each of the objectives taking into consideration the priorities identified in the Playing Pitch and Indoor Facilities Strategy and through the public consultation. A full option appraisal was attached as an appendix to the report. A summary of the evaluation scores was:

	Total
MHLC Refurbishment	6
Brierton Site	8
HUFC Site	12
Waterfront Development	20

The Waterfront Development option scored highest against the strategic objectives. This option would provide the opportunity to develop a bespoke leisure attraction that is centrally located and offered unique additionality in terms of opportunities for wider integration and access to other services and attractions. The construction of a new facility on this site could be achieved without any disruption to existing leisure operations and the existing Mill House Leisure Centre would be able to operate until the new development was operational.

The event space and public realm previously approved by members would integrate with the leisure offer providing opportunities to integrate the indoor and outdoor offer. At full Council in March 2019, Members approved the first priority for the Indigenous Growth Fund would be the Events space at the Waterfront. An appendix to the report showed a suggested site plan of the Waterfront demonstrating how there would be clear connectivity.

A transport analysis conducted on the site (not specific to a leisure development) confirms that the proposal of built infrastructure on the site complies with national and local transport policy and that there are opportunities to travel to the site other than by single occupancy car. These include walking, cycling and public transport.

Hartlepool was one of 100 places invited to develop proposals for a Town Deal, as part of the Government's £3.6bn Towns Fund. Capacity funding had been provided to develop a Town Centre Masterplan that would set out a programme of transformative structural changes that would enable Hartlepool Town Centre to evolve and adapt in response to the challenges of vacant retail space, declining footfall, declining market share, limited end user/occupier demand, poor quality public realm and a fragmented retail and leisure offer within the town. The masterplan would form the basis of a Town Deal between the Council and central Government facilitating the release of additional funds up to £25m. This would aim to regenerate the central area of Hartlepool and strengthen connectivity between the

Waterfront and town centre including the current Mill House Leisure Centre location and providing options for future use of the land.

The replacement of Mill House Leisure Centre needed to be considered as part of a wider leisure facility investment programme that would meet the recommendations of the Playing Pitch and Indoor Facility Strategy, address public consultation outcomes and ensure a sustainable high quality offer across the town. A wider investment programme would reduce ongoing financial pressures associated with operational challenges and income targets while improving the quality of services to effectively compete with other providers.

This would require consideration of a series of developments and improvements to the following facilities which were set out in detail in the report: -

Grayfield's Recreation Ground and Pavilion  
Brierton Sports Centre  
Headland Sports Hall  
Hartlepool Indoor Bowls Club

There were staff considerations associated with the proposals linked to further development of business models and operational infrastructure. This was not expected to result in job losses but may involve staff restructures. If Grayfield's is progressed as a community asset transfer there is a risk of redeployment for one member of staff employed for 3 hours per week.

The Chair welcomed the report and presentation and thanked officers for the extensive work that had gone into the proposals. The Chair commented that this was a fantastic opportunity to bring 21st century leisure facilities to the town.

A Member raised a series of questions on the proposal for the new Waterfront site, seeking clarification on; future financial costs relating to the new development would not fall on council tax payers, opening hours and increased income, potentially damaging competition with local gyms, the strength of the site for construction, and the Community Asset transfer of Grayfield's and the security of continued delivery on the site. The Director of Finance and Policy stated that, as was set out in this report and the following report on the agenda, the Council was in a positive position due to changes in the Council's pension fund contributions which was assured and would allow for the prudential borrowing proposed. As for future costs not falling on council tax payers the Director of Finance and Policy could not give such an assurance only that the proposals and financial situation were sustainable.

The Assistant Director indicated that opening hours would be extended and it was anticipated that income from the new development would be higher. There would also be a much improved digital offer. There were other gym

operations in the town and this had been considered as part of the development of the proposals. The demographics of the customer base of the local authority offer were, however, much different and the Waterfront offer would include a 'water' offer not available elsewhere. There was also a strong demand for the current gym offer with customers regularly turned away from the spinning class for example.

In relation to the site, the Assistant Director, Environment and Neighbourhoods stated that it was impossible to give a 100% guarantee that additional foundation piling work would not be needed but the site report produced by consultants stated that the proposals on this site would be 'fine'.

In relation to the asset transfer of the Grayfield's site, the Assistant Director, Preventative and Community Based Services, stated that there would be robust 'heads of terms' together with 'terms of adherence' with the Football Foundation.

There was discussion around the option to re-develop the Mill House facility adjacent to the current building and in conjunction with a redevelopment of the Victoria Park Football Ground. The Chief Executive stated that there had been discussion with Hartlepool United FC (HUFC) and the Council would continue to work with them on their plans. However, the waterside development proposed included most of the necessary finances.

A Member raised concern that the proposals did not include a swimming pool on the Brierton site. The Councillor stated that such a facility had been promised to residents when the original sports development was undertaken on the old school site. The Member was also of the opinion that residents in the Manor House ward, and those to the south, could find accessing the new development on the waterfront difficult as they would have little public transport access. There were already no play facilities for children in the ward and safety schemes such as the Brierton Lane / Catcote Road junction scheme were being 'put off'. The ward would be contributing a capital receipt from the additional land being sold for more housing but without the benefit of additional facilities for the residents. The Assistant Director, Preventative and Community Based Services commented that the Council was working with existing pool operators in the town on a swim strategy. While there could be no progress on a swim provision at Brierton at this time, there was an opportunity to focus on and improve the facilities that were there now.

The debate heard some Member support for the redevelopment of the existing site and the option for development with facilities with HUFC. Utilising the waterfront development as a fifth community hub was also suggested and Members sought assurance that the summer free swims programme would continue in the waterfront development. The meeting also noted that the hotel development that had been discussed for the site could still potentially happen on other land around the marina.

The impact of the proposals on the long term future of the Indoor Bowls Club was also raised by members of the public and the Assistant Director, Preventative and Community Based Services stated that there were ongoing discussions with the Hartlepool Indoor Bowls Club Committee and these would continue with the Council committed to working with the club on the long-term future of the building.

At the conclusion of the debate the Chair thanked all present for their contributions and put the recommendations as set out in the report to the meeting. The following recommendations were agreed unanimously.

### **Decision**

1. That approval be given to the preferred option (Option 4) for the replacement of Mill House Leisure Centre and that the capital investment proposals that would enable the recommendations of the Playing Pitch and Indoor Facilities Strategy to be implemented be approved, as detailed in the confidential appendix to the report which 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).
2. That approval be given to the proposed investments in Brierton Sports Centre, Headland Sports Centre and Hartlepool Indoor Bowls Club as detailed in the confidential appendix to the report which 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).
3. That officers be authorised to progress a community asset transfer for Grayfield's and to seek Council approval to use Prudential Borrowing of £160,000 to reinstate the artificial pitch and complete other external works, subject to securing a new operator for the site. Repayment of the prudential borrowing will be made over 10 years from the annual saving in running costs achieved from a successful asset transfer.
4. That approval be given to the disposal of the surplus land on the Brierton site, as identified in the report, with the capital receipt being used to support investment proposals for the site.

## **93. Capital and Indigenous Growth Investment Programme** *(Director of Finance and Policy, and Director of Regeneration and Neighbourhoods)*

### **Type of decision**

## Budget and Policy Framework.

### **Purpose of report**

The purpose of this report was to enable Members to determine the Capital and Indigenous Growth Investment Programme and to approve the initial capital budgets for individual projects, as delegated from Full Council on the 19 December 2019 as part of the Budget and Policy Framework decision regarding the Authority's Medium Term Financial Strategy.

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

The Director of Finance and Policy outlined the decisions taken at Full Council in relation to the Capital Programme and the delegation to this Committee. The MTFS report advised Members that the capital priorities to be funded from the approved resources would include:

- Leisure Facilities – delivery of a replacement for the Mill House, improvement of other existing facilities and demolition of the existing Mill House;
- Waterfront – public realm/events space, public art, exhibition space and RML497;
- Cultural assets - Borough Hall, Town Hall, Art Gallery and Headland band stand area;
- Attracting Investment / Business Park Investment;
- Shades –based on successful Heritage Lottery Fund bid;
- Wingfield Castle;
- Neighbourhood Improvement Plan.

The delivery of these priorities would depend on the detailed specification, costs and project milestones for individual projects. This work was underway and further details were provided in the report to enable Members to consider indicative budgets for individual schemes.

Delivery of this level of capital investment would need careful management and a phased implementation programme to ensure the overall programme could be delivered within the overall funding limit. Therefore, to manage this programme it was recommended that appropriate industry standard arrangements were adopted

The provisional settlement provided the Council with Government revenue funding of £28.133m, which was £14,000 more than forecast in the December MTFS. In addition, updated calculations in relation to local factors would provide additional resources of £76,000. For planning purposes these resources were anticipated to be recurring in 2020/21 and future years. It was recommended that these additional recurring resources were used to support additional Prudential Borrowing of £2 million. This was subject to formal approval by this Committee and Council.

Hartlepool had been chosen as one of 100 places that had been invited to develop proposals for a Town Deal, as part of the Government's £3.6bn Towns Fund. Capacity funding had been provided to develop a Town Centre Masterplan that would set out a programme of transformative structural changes that would enable Hartlepool Town Centre to evolve and adapt in response to the challenges of vacant retail space, declining footfall, declining market share, limited end user/occupier demand, poor quality public realm and a fragmented retail and leisure offer within the town. The masterplan would then form the basis of a Town Deal between the Council and central Government facilitating the release of additional funds up to £25M, for the regeneration of the central area of Hartlepool, to regenerate the area and address connectivity issues between the Waterfront and Town centre, the shopping centre and York Road as well as taking in the current Mill House location and HUFC area of the town.

An initial assessment of the anticipated costs of delivering the schemes detailed in paragraph 2.3 has been completed. In addition, for some specific schemes the Council may be able to secure external funding, or achieve a capital receipt, or allocate Section 106 monies. In some cases the Council will only secure external funding by providing match funding from its own resources. Securing these additional resources is not guaranteed as the Council will be in competition with other councils. In some cases the Council is at an advanced stage of discussion with external funders, most notably in relation to Heritage Lottery Funding for Shades.

Details of the potential funding required, the sources and indicative budget allocations for individual projects were set the confidential appendix to the report which 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).

A Member commented that the recent Members seminar had informed Councillors of some of the issues discovered during the recent Church Street Works which would have been of interest to the public. The Council should look to providing some photographs of ongoing schemes, highlighting things of interest or problems that were causing delays, so they were better informed and less likely to criticise the Council. Confirmation was also sought in relation to the investment in the Council's business parks. The Director stated that the figures did include an investment programme and the Chair of the Regeneration Services Committee also indicated that he had asked for further proposals for the business parks.

A Members stated that they wished to discuss matters set out in the Exempt section of the report. It was proposed and seconded that the meeting move into closed session. Details of the discussion are set out in the Exempt section of the minutes.



## **Decision**

That the meeting moved into closed session.

### **94. 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 95 – Capital and Indigenous Growth Investment Programme – 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).

### **95. Capital and Indigenous Growth Investment Programme** *(Director of Finance and Policy, and Director of Regeneration and Neighbourhoods)* 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**

The purpose of this report was to enable Members to determine the Capital and Indigenous Growth Investment Programme and to approve the initial capital budgets for individual projects, as delegated from Full Council on the 19 December 2019 as part of the Budget and Policy Framework decision regarding the Authority's Medium Term Financial Strategy.

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

The further discussions are set out in the exempt section of the minutes.

The meeting returned to open session to conclude the item and agree the recommendations in the report together with an additional recommendation proposed during the closed session discussions relating to the merging of

the budget for the Waterfront Public Realm/Events Space with the Waterfront Public Art budget to allow the schemes to advance together.

The following recommendations were agreed unanimously.

### **Decision**

1. That the final MTFS report to be considered by this Committee on 10th February 2020 and then referred to Council on 20th February 2020 will recommend using the additional 2020/21 recurring revenue funding of £90,000 to support additional Prudential Borrowing of £2 million to increase the Capital Investment Programme pot;
2. That the project management and approval arrangements detailed in the report be approved;
3. That the Committee approves initial budget allocations detailed in the confidential appendix to the report which 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);
4. The Committee noted that the initial budget allocations referred to in recommendation 3 include the £0.5m allocated to enable work to progress on the development of detailed business cases, which is delegated to the Chief Executive, in consultation with the Chair of Finance and Policy Committee and Director of Finance and Policy;
5. The Committee noted that recommendation 3 excludes TVCA development funding of £0.650m and TVCA IGF development funding of £0.25m, which would be used for development of detailed business cases and managed by the Chief Executive, in consultation with the Chair of Finance and Policy Committee and Director of Finance and Policy;
6. The Committee noted that once contract prices were available these details would be reported to Finance and Policy Committee as part of an open public report. Adopting these arrangements would ensure the Council could secure the best possible contractual terms;
7. The Committee noted that progress against the final approved budget will be included in the regular financial management reports submitted Finance and Policy Committee.
8. That the budget for the Waterfront Public Realm/Events Space be merged with the Waterfront Public Art budget to allow the schemes to advance together.

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

None.

The Committee noted that the next meeting would be held on Monday 10 February, 2020 at 10.00 am in the Civic Centre, Hartlepool.

The meeting concluded at 12.45 pm

**H MARTIN**

**CHIEF SOLICITOR**

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