

FINANCE AND POLICY COMMITTEE

AGENDA



Monday 21 June 2021

at 10.00 am

**in the Council Chamber,
Civic Centre, Hartlepool.**

A limited number of members of the public will be able to attend the meeting with spaces being available on a first come, first served basis. Those wishing to attend the meeting should phone (01429) 523568 or (01429) 523019 by midday on Friday 18 June 2021 and name and address details will be taken for NHS Test and Trace purposes.

MEMBERS: FINANCE AND POLICY COMMITTEE

Councillors Brash, Brown, Fleming, Harrison, Lindridge, Little, Moore, D Nicholson, Prince, Stokell and Young.

1. APOLOGIES FOR ABSENCE

2. TO RECEIVE ANY DECLARATIONS OF INTEREST BY MEMBERS

3. MINUTES

- 3.1 To receive the minutes of the meeting of the Finance and Policy Committee held on 15 March 2021.

4. PRESENTATION

- 4.1 The Role and Remit of the Finance and Policy Committee.

5. BUDGET AND POLICY FRAMEWORK ITEMS

- 5.1 Hartlepool Town Fund- *Managing Director* (to follow)

6. KEY DECISIONS

- 6.1 No items.

CIVIC CENTRE EVACUATION AND ASSEMBLY PROCEDURE

In the event of a fire alarm or a bomb alarm, please leave by the nearest emergency exit as directed by Council Officers. A Fire Alarm is a continuous ringing. A Bomb Alarm is a continuous tone. The Assembly Point for everyone is Victory Square by the Cenotaph. If the meeting has to be evacuated, please proceed to the Assembly Point so that you can be safely accounted for.

7. OTHER ITEMS REQUIRING DECISION

- 7.1 Irrecoverable Debts – Council Tax and Business Rates – *Director of Resources and Development*

8. ITEMS FOR INFORMATION

No items.

9. ANY OTHER BUSINESS WHICH THE CHAIR CONSIDERS URGENT

For Information:

Dates and times of forthcoming meetings of the Finance and Policy Committee –

Monday 12 July, 2021 at 10.00 am
Monday 13 September, 2021 at 10.00 am
Monday 11 October, 2021 at 10.00 am
Monday 15 November, 2021 at 10.00 am
Monday 13 December, 2021 at 10.00 am
Monday 17 January, 2022 at 10.00 am
Monday 14 February, 2022 at 10.00 am
Monday 14 March, 2022 at 10.00 am



FINANCE AND POLICY COMMITTEE MINUTES AND DECISION RECORD

15 MARCH 2021

The meeting commenced at 10.00 am and was an online remote meeting in compliance with the Council Procedure Rules Relating to the holding of Remote Meetings and the Local Authorities and Police and Crime Panels (Coronavirus) (Flexibility of Local Authority Police and Crime Panel Meetings) (England and Wales) Regulations 2020.

Present:

Councillor Shane Moore (In the Chair)

Councillors: Christopher Akers-Belcher, Jim Lindridge, Sue Little, Ann Marshall, Amy Prince, Leisa Smith, John Tennant, Stephen Thomas and Mike Young.

Also Present: Councillors Marjorie James and Tony Richardson.

Officers: Denise McGuckin, Managing Director
Hayley Martin, Chief Solicitor
Chris Little, Director of Resources and Development
James Magog, Assistant Director, Finance
Tim Wynn, Strategic Asset Manager
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
Amanda Whitaker and David Cosgrove, Democratic Services Team

91. Apologies for Absence

Councillor James Brewer.

92. Declarations of Interest

Councillor Christopher Akers-Belcher declared a personal interest as a Trustee of the National Museum of the Royal Navy (Minute 100 refers).

93. Minutes of the meeting held on 15 February 2021

Confirmed.

94. Minutes of the meeting of the Safer Hartlepool Partnership held on 22 January 2021

Received.

95. Minutes of the meeting of the Health and Wellbeing Board held on 7 December 2020

Received.

96. Proposal for Pilot Bulky Waste Scheme (*Director of Neighbourhood and Regulatory Services*)

Type of decision

Key Decision, Test (ii). General Exception Notice Applies.

Purpose of report

At the meeting on 1st December 2020, it was agreed that consideration of an annual ward bulky waste pilot scheme be explored and presented for consideration as part of the 2021/22 budget considerations. Two options were presented for consideration on 25th January and it was agreed that a further report would be considered by this Committee which explored those options further and clarified points raised by Members.

Issue(s) for consideration

The Director of Neighbourhood and Regulatory Services reported on the detailed background to the proposals to extend the bulky waste collection service and the incidents of fly-tipping which Members sought to address. It was highlighted that much 'fly-tipping occurred in back streets and was generally household waste.

It was proposed that the Council would introduce a self-funded extension of the existing scheme for a further 12 months based on the current charging requirements of £20 for 3 items, discounted to £10 for those on benefits, while the collection of one mattress only would be charged at £7.50. The extension would ensure there was recurring demand to sustain the additional income.

The Council would recruit additional staff, initially on suitable fixed-term contracts, with the intention to double the number of weekly paid collection slots, and at the same time, reduce the waiting times associated with requests for bulky waste removals. This proposal would support residents throughout the year.

This arrangement was expected to be cost neutral to the Council as the income collected from the paid bulky waste collections would offset the

costs incurred for additional officer capacity, vehicle and disposal costs operating on a full time basis, and as such will create additional roles on a fixed term basis.

Details were set out in the report of the alternative proposals investigated including a number of free bulky waste collections for each ward and ceasing the council service and utilising partners to provide the bulky waste collections.

The Director highlighted that a working group involving partners from all sectors and those operating litter-picking initiatives had been established to look at the issues around fly-tipping. One of the major issues identified was around ensuring residents knew 'how to do the right thing' when it came to disposing of waste.

The Chair of the Neighbourhood Services Committee and other Members welcomed the proposals. A Member queried the different charge for mattresses as a single item collection and asked if that single charge could also be applied to other items if it was a single collection only. The Director stated this would be investigated further.

In debate Members suggested that the publicity around the introduction of the revised bulky waste collection scheme also focus on how and what people could recycle and how to check that other operators were licensed and disposed of waste collected properly. It was also suggested some joint publicity and advice from the Fire Authority be included on fly-tipping and the fire risk potential.

Decision

1. That based on the findings of the investigative work, it is proposed that the Council introduce a self-funded extension of the existing bulky waste collection scheme for a further 12 months based on the current charging requirements of £20 for 3 items, discounted to £10 for those on benefits, while the collection of one mattress only would be charged at £7.50.
2. That a publicity campaign is undertaken to promote the service and ensure that the public are aware of the services on offer and that the publicity include additional advice on recycling, the dangers and fines for fly-tipping, advice from the Fire Authority and how householders could identify properly licensed waste disposal companies.

97. Neighbourhood Investment Programme Update (*Director of Neighbourhood and Regulatory Services*)

Type of decision

Key Decision, Test (ii). General Exception Notice Applies.

Purpose of report

To provide an update on the capital investment programme that delivered improvements to neighbourhoods across Hartlepool through the Neighbourhood Investment Programme. The report also proposed three schemes for approval as part of the under spend remaining from the original allocation. The report also sought Members' approval to consider a themed approach to future projects based on the £1m allocation previously approved by Full Council.

Issue(s) for consideration

At a Members Seminar held on 1st March 2021, a presentation was given to update Members on the success of the projects undertaken and to seek their support with the schemes proposed for the existing under spend. Members' views and aspirations were also sought with regards to the new budget allocation and whether the same criteria should be applied for the implementation of new schemes.

There is an unallocated amount of £260,000 from the original £1.5m allocated for the Neighbourhood Investment Programme. Three schemes were presented to Members at the seminar to take forward with the under spend, which Members supported, and are:

- (i) British Cycling's Places to Ride Programme, to develop accessible, traffic-free, community facilities and opportunities that encourage more people to cycle more often and hence lead healthier, more active lives. The project will focus primarily on Summerhill Country Park. Funding is required for the Council to take this project forward, therefore it is proposed to allocate £120,000 from the Neighbourhood Investment Programme budget, which will help us to secure the £250,000 from the British Cycling's Places to Ride Programme.
- (ii) SeaScapes covers the Magnesian Limestone Coast from south of the River Tyne to the River Tees. The project, supported by the National Lottery Heritage Fund, aims to better protect and celebrate this heritage-rich and distinctive coastline. Twenty interconnected projects will be delivered over a period of four years, many of which will be in Hartlepool. These will include the Hartlepool Lights scheme which will repair and restore the Highlight located on the Waterfront and Beacon Tower on North Pier; both grade II listed. It was proposed that £10,000 is allocated from this budget in order to facilitate a scheme of restoration works for each structure.
- (iii) Seaton Carew Bus Station Public Toilets - The bus station is a grade II listed building and provides key public facilities to the south of the area. It is proposed that the remaining allocation of £130,000 is allocated to support work to the property.

The view of Members at the seminar was that the focus of the future £1m funding should be directed towards infrastructure that supports health, physical activity and play, improved toilet facilities and shopping parades. There were 30 projects not taken forward and taking into account the requests of Members at the seminar and those schemes that remain outstanding, they can be split into the following three themes:

Infrastructure that supports Health, Physical Activity and Play – provision of play areas at Masefield Road and Midlothian field, improvements to sports facilities on the Town Moor, a woodland/park/walking /running /nature trail environment on the landfill site along Coronation Drive, enhancement works to the Central Park and improvements to Rift House Recreation Ground.

Toilets – in addition to the work at Seaton Carew Bus Station, survey works to estimate required works at other public toilets.

Shopping Parades – improvements at the north end of Fens Shops, improvements to facades on Northgate and Seaton sea front from Seaton Hotel to Station Lane.

It was also proposed that some funding should be set aside for a project to commemorate the Covid-19 Pandemic.

A ward Member for the Manor ward welcomed the proposal for the new play area and commented that if the site proposed for the playing area at Masefield Road was unsuitable, an area near Swinburne Road could provide an alternative site.

A Member referred to the proposed works at Rift House Recreation Ground and referred to the difficulties accessing the recreation ground, particularly for those with limited mobility and the disabled, which needed to be addressed as a matter of some urgency. The Chair asked that the access issues raised be followed up after the meeting.

There was some discussion around what type of commemoration should be created around the pandemic and the Managing Director and some Members considered that rather than having a memorial to those that had died, something that provided a place of reflection would be more appropriate to reflect not only those that had died but also the huge effort in fighting the virus and how communities had re-engaged and come together. The anniversary of the imposition of the lockdown restrictions was very near and the Managing Director announced that there would be light beacons at the Headland, National Museum of the Royal Navy and Seaton Carew to mark the anniversary.

Decision

1. That the current progress on implementing the Neighbourhood Investment Programme be noted.

2. That the match funding of £120,000 be approved for the British Cycling Bid and that the award of £250,000 be accepted.
3. That the proposed works to provide funding towards Seascape Project of £10,000 be approved.
4. That the proposed works to Seaton Carew Bus Station Public Toilets of £130,000 be approved.
5. That the proposal set out in the report for Phase 2 of the Neighbourhood Investment Plan as reported be approved to allow officers to undertake further work to identify high level estimated costs and explore other funding options to support the delivery of those schemes.

98. Capital Investment Strategy – National Museum for the Royal Navy Projects *(Managing Director)*

Type of decision

Key Decision, Test (ii). General Exception Notice Applies.

Purpose of report

To obtain a decision in relation to the release of capital funding.

Issue(s) for consideration

The Managing Director reported that the NMRN has identified a potential opportunity to secure a major collection of swords which are of national significance and are currently in the ownership of a private individual who wishes to sell this collection. Securing this collection would provide a major national visitor attraction for the expanded NMRN exhibition space. The collection of 300 swords is world class and is the finest collection of naval edged weapons ever assembled and includes Lord Nelson's personal fighting sword which he always carried into battle.

The NMRN are exploring various external funding opportunities to meet all, or part, of the costs of acquiring this collection. However, these options will take many months to progress. In view of the uncertainty regarding potential external funding streams the NMRN has requested that as a fall back the Council releases some of the existing funding to purchase the swords collection. The NMRN recognise that this funding will need to be repaid. The loan agreement with NMRN will specify repayment from either one, or a combination sources set out in the report.

Members supported the proposal with the Chair adding that there was also a more local link with the collection containing the sword of the Captain of HMS Shannon, the sister ship of the Trincomalee.

There was no dissent to the following recommendations.

Decision

1. That the proposals to release funding requested as detailed in confidential appendix to the report be approved. The appendix contained 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).
2. That authority be delegated to the Managing Director to complete the legal agreement with National Museum for the Royal Navy in accordance with the principles detailed in the report.
3. It was noted that if the National Museum for the Royal Navy drawdown this facility, details of the valuation agreed would be reported to a future meeting of this Committee.

99. Sale of Land at Coronation Drive *(Director of Resources and Development)*

Type of decision

Key Decision, Test (ii). General Exception Notice Applies.

Purpose of report

The purpose of the report was to seek approval for the sale of residential development land at Coronation Drive.

Issue(s) for consideration

The Director of Resources and Development reported the Council owns an area of land extending to approximately 5.6 ha (13.82 acres) adjoining Coronation Drive and Warrior Drive which was brownfield land with former uses including a timber yard, railway sidings and spoil dumping from the former Seaton Carew Iron Works. The site is now grassed but the spoil heap mounds (approximately 10 metres in height) remain and prior to any residential development the land would require very extensive remediation works. In addition, parts of the site had a peat covering to depths of up to 3.0 metres, which was a further impediment to development due to the need for piled or raft foundations, or to avoid building over these areas.

Based on ground investigation reports prepared by a number of firms of geotechnical engineers since 2013, remediation costs have been estimated as set out in a confidential appendix to the report. The appendix 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).

Notwithstanding the nature of the site it had been identified as a suitable location for housing development since at least 2010. The majority of the land (approximately 7.25 acres) was identified as a housing site in the Local Plan adopted in 2018 (reference HSG 3). There had been previous interest in the site which had not progressed, however, following discussions with a major developer specialising in residential urban regeneration, an offer had been received from them for the purchase of the land. The terms are set out in confidential appendix to the report. The appendix 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).

Successful completion of the proposed sale could result in a capital receipt contributing to the Medium Term Financial Strategy targets as well as enhanced Council Tax revenue. Depending on the mix of properties it was estimated the additional recurring Council Tax income could be between £230,000 and £263,000 once the development is complete and this would help achieve Council Tax growth target included in Medium Term Financial Strategy.

Members expressed concerns at the impact of further housing in Seaton Carew on the infrastructure, particularly the local primary school which Members commented was already too small for the town. The Director of Neighbourhoods and Regulatory Services commented that discussion around any potential planning application would include discussions on a Section 106 agreement which could include contributions towards local infrastructure improvements.

Some Members also expressed concern in relation to the land contamination and the works that had to be undertaken on a nearby development to remediate contamination after the development had been finished. The Director indicated that Members could be reassured the developer would need to prepare a remediation plan that satisfied the professional officers of the Council and met statutory requirements. Much had changed since the previous problems.

Members also expressed some concerns that the reported capital receipt may not be achieved due to the remediation costs and a Ward Councillor stated that they would not be able to support the sale should it prove that any future S106 agreement was reduced or void due to the costs of remediation.

Members expressed a desire to discuss some of the matters covered in the confidential appendices to the report and it was moved and seconded that the meeting move into closed session.

Decision

That further consideration of the details contained within the confidential appendix to the report be undertaken in closed session.

100. 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 101 – Sale of Land at Coronation Drive – 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).

101. Sale of Land at Coronation Drive (*Director of Resources and Development*) 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.**Type of decision**

Key Decision, Test (ii). General Exception Notice Applies.

Purpose of report

The purpose of the report was to seek approval for the sale of residential development land at Coronation Drive.

Issue(s) for consideration

Details of the Committee's discussion is contained in the confidential section of the minutes.

Decision

The meeting returned to open session.

102. Sale of Land at Coronation Drive *(Director of Resources and Development)*

Type of decision

Key Decision, Test (ii). General Exception Notice Applies.

Purpose of report

The purpose of the report was to seek approval for the sale of residential development land at Coronation Drive.

Issue(s) for consideration

Upon returning to open session Members expressed further their concerns at the costs of remediation for the land and the need to protect the Council from any future situation similar to that which occurred at other areas in the past.

A Seaton Ward Councillor commented that many residents were happy with the land as open space. The Chair noted that the land had been identified as potential housing land since the Local Plan adopted in 2010.

The following recommendations were agreed without dissent.

Decision

1. That the proposed offer set out in the confidential appendix to the report be noted. The appendix 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 following further site investigations undertaken by the developer, a further report would be submitted to a future meeting to enable Members to consider the proposed sale terms in relation to the actual value of the capital receipt and section 106 contributions.
3. That progress in achieving this land sale will be reported as part of the 2022/23 budget process to enable Members to approve as strategy for using these resources once it is certain the sale will be completed.

103. Covid-19 Financial Position Update *(Director of Resources and Development)*

Type of decision

Non-key Decision.

Purpose of report

To provide information in relation to funding provided by the Government as direct financial support to address the financial impacts of Covid on the Council and funding the Government allocated to the Council to pay out to third parties.

Issue(s) for consideration

The Director of Resources and Development submitted a comprehensive report setting out details of the various government funding regimes that the Council had had to administer and process as part of the national response to the Covid-19 Pandemic. These included details of the funding directly granted to the Authority to manage the demands and loss of income created by the pandemic and also those regimes where local government had been tasked with distributing funds to businesses and individuals. The Director recorded the Corporate Management Team's thanks to the all staff that had adapted to new ways of working and quickly implementing new schemes and regimes and getting funds out to the community so quickly.

The Chair stated that he wished to record his thanks to all those in the Finance Division for their work in processing all the various support schemes that had come through from government and getting the support out to the community so quickly and asked that his comments be passed on to staff. This was supported by all Members of the Committee. Members also acknowledged the work of the new Assistant Director, Finance who had joined the Council as the pandemic had started.

A Member questioned if there was any action that could or was to be taken against those that had committed fraud in the claiming of grants and those businesses that had accepted the initial support from government of £10,000 and had still subsequently gone out of business. The Director commented that the Chancellor's budget had included a commitment to enhance fraud detection teams. The majority of all the grants paid had been a government direction and their criteria, the Council simply facilitated the payment process. It had to be acknowledged that businesses had failed during the pandemic for very genuine reasons and despite the financial support provided by the Government. The Director also highlighted that the Council was required to submit weekly returns to Government on the various grant regimes it was administering.

The Managing Director reminded Members, that whilst this report focussed on the government funding received in supporting the Council's response to COVID19 she also wanted to place on record her thanks to all staff who have over the last year have been outstanding in ensuring our most vulnerable individuals, families and children have been supported.

Decision

1. That the report be noted.

2. That the Committee's comments be shared with staff.

104. General Enforcement Policy (*Chief Solicitor and Director of Neighbourhoods and Regulatory Services*)

Type of decision

Non-key Decision.

Purpose of report

The purpose of the report was to seek approval of a General Enforcement Policy, as submitted, which sets out the approach of Hartlepool Borough Council towards enforcement.

Issue(s) for consideration

The Director of Neighbourhoods and Regulatory Services reported that a over-arching General Enforcement Policy had been drafted in line with these principles, and aimed to ensure all enforcement:

- is consistent, transparent, accountable, proportionate and targeted;
- is risk-based to ensure an effective use of resources;
- improves protection for the community and businesses;
- and reduces the regulatory burden on businesses.

Consultation on the policy had produced very positive feedback from the public, businesses and partners.

The Chair welcomed the policy and indicated that he also looked forward to the enforcement teams being back up to full strength in the very near future.

Decision

That the General Enforcement Policy, as submitted, be approved.

105. Any Other Items which the Chairman Considers are Urgent

The Chairman ruled that the following item of business should be considered by the Committee as a matter of urgency in accordance with the provisions of Section 100(B) (4)(b) of the Local Government Act 1972 in order that the matter could be dealt with without delay.

Minute 107 - Proposed Property Purchase

106. 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 107 – Proposed Property Purchase – 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).

107. Proposed Property Purchase (*Director of Resources and Development*) 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.

Type of decision

Key Decision – Special Urgency Notice applies.

Purpose of report

The purpose of this report is to seek approval for the purchase of a property to facilitate highways improvements.

Issue(s) for consideration

Details of the proposal and the Committee's discussions are set out in the confidential section of the minutes.

Decision

The Committee's decision is set out in the confidential section of the minutes.

The meeting concluded at 12.10 pm.

H MARTIN

CHIEF SOLICITOR

PUBLICATION DATE: 23 MARCH 2021

FINANCE AND POLICY COMMITTEE

21st June 2021



Report of: Director, Resources and Development

Subject: HARTLEPOOL TOWN FUND

1. TYPE OF DECISION/APPLICABLE CATEGORY

For Information.

2. PURPOSE OF REPORT

- 2.1 The purpose of the report is to inform the Finance and Policy Committee of the Heads of Terms that have been offered to Hartlepool for a £25m Town Deal.

3. BACKGROUND

- 3.1 In September 2019, the Government announced that Hartlepool was included in an initial list of 101 places invited to develop Town Deal proposals as part of the £3.6 billion Towns Fund.
- 3.2 To apply for funding of up to £25m, projects for each town must be identified and described in a Town Investment Plan. The Plan sets out the benefits that these projects will bring, how they will be developed over the next six to twelve months and how they will be delivered within a five year period.
- 3.3 The Town Investment Plan was developed by Hartlepool's Town Deal Board, a partnership which includes representatives from the public, private and voluntary sectors. The Town Investment Plan was submitted to Government in January 2021.
- 3.4 Understanding local aspirations and concerns has helped shape the proposals and ensured that the priority projects identified will create lasting benefits for existing and future residents. The Towns Fund is based on delivering long-term and sustainable economic growth in Hartlepool, particularly in response to the challenges presented by Covid-19.

4. HEADS OF TERMS

- 4.1 The Government have offered a Town Deal for Hartlepool to a value of up to £25 million. The Government will work with Hartlepool Borough Council and the Town Deal Board to support the delivery of a Town Deal, with the goal of ensuring all Hartlepool residents have a share in the town's success.
- 4.2 The Heads of Terms is not a contractually binding document and the offer is subject to various conditions being met. The Heads of Terms will act as a Memorandum of Understanding for the future development and delivery of Hartlepool's Town Investment Plan and project proposals. It sets out joint expectations as Hartlepool enters the business case development phase.
- 4.3 The projects included within the Heads of Terms include:
- Reimagining 'Middleton Grange' Shopping Centre
 - Delivering Wesley Chapel-developing a key heritage asset
 - Developing Waterfront connections- enhancing the public realm and connections between the waterfront, town centre and train station
 - Implementing the Health and Care Academy
 - Creating the Civil Engineering Institute
- 4.4 Funding for individual projects will be subject to successfully completing Phase 2 of the Towns Fund process. This includes detailed project development and business case assurance at local level. It is also dependent on final spending profiles, and the further project-specific conditions being met.
- 4.5 Hartlepool must then complete business cases for the projects being taken forward and submit the Summary Document within 12 months of the deal being agreed. The Ministry of Housing, Communities and Local Government (MHCLG) will then provide the agreed funding up to the maximum amount of £25m for those projects, provided that all conditions are met.

5.0 TIMESCALES AND NEXT STEPS

- 5.1 Within two months of accepting the Town Deal offer, Hartlepool should provide:
- Details of the projects being taken forward (including for each project the capital/revenue split and the financial profile)
 - Overall capital/revenue split and financial profile for the Town Deal
 - A plan for addressing key conditions relating to those projects and the overall Town Investment Plan.
- 5.2 Hartlepool must complete business cases for the projects being taken forward and submit the Town Deal Summary Document within 12 months of accepting the offer. Business cases should follow the Council's usual

assurance processes and be undertaken in partnership with the Town Deal Board.

- 5.3 The Stakeholder Strategy and Communications Plan for the Town Deal will be reviewed over the next two months to ensure that engagement is built into the development of the identified proposals.
- 5.4 The membership of the Town Deal Board will also be reviewed to ensure that it remains representative and includes all relevant stakeholders to oversee the development of the project business cases.

6. RISK IMPLICATIONS

- 6.1 If the priority projects identified for funding do not progress, MHCLG cannot guarantee that funding can be assigned to alternative projects or that if it is those will be to the same value. This may result in an overall reduction in the amount of funding received.
- 6.2 There are risks attached to each of the prioritised projects due to the level of development work that's still required to be completed at business case stage. This work includes detailed project design, technical studies, assessments, negotiations, planning and further community and stakeholder engagement.
- 6.3 If any issues arise with the identified projects at business case stage there could be a risk to public confidence and public perception. Public buy-in for the projects may therefore be difficult to achieve. This risk will be managed through a clear communications and stakeholder engagement strategy.
- 6.4 The timescales for developing and approving the individual project business cases are tight. There is a risk that the timescales may not be met if insufficient resources and capacity are available for project development and business case development work. This will partly be managed through the £70k additional capacity funding that was successfully applied for from the Government.

7. FINANCIAL CONSIDERATIONS

- 7.1 A Town Deal of up to £25m has been awarded to Hartlepool as set out in section 4. Further details will be reported to future Finance and Policy Committee meetings in due course.

8. LEGAL CONSIDERATIONS

- 8.1 There are no legal considerations as a result of this report.

9. CONSULTATION

- 9.1 The Town Deal Board approved the Heads of Terms at the meeting on 11th June 2021. The Town Investment Plan was subject to extensive public consultation as set out in the Finance and Policy Committee report of 20th January 2021, which approved the bid for submission.
- 9.2 Public Consultation and Stakeholder engagement will continue throughout the development of the individual project business cases and delivery of the identified interventions. This work will be led on by the Town Deal Board Engagement Sub Group.

10. CHILD AND FAMILY POVERTY (IMPACT ASSESSMENT FORM TO BE COMPLETED AS APPROPRIATE.)

- 10.1 The proposals for the Towns Fund will have a positive impact on reducing child and family poverty. The aim of the fund is to address growth constraints and unlock the economic potential of Hartlepool. The fund also forms part of the Government's broader COVID-19 recovery package.
- 10.2 The individual projects are designed to create jobs, improve skills and generate new economic activity, particularly within the town centre. This will provide opportunities for local people and help to reduce the incidences of child and family poverty.

11. EQUALITY AND DIVERSITY CONSIDERATIONS (IMPACT ASSESSMENT FORM TO BE COMPLETED AS APPROPRIATE.)

- 11.1 The economic benefits from the Town Investment Plan are designed to benefit all individuals and groups within Hartlepool.

12. STAFF CONSIDERATIONS

- 12.1 Staff resources will be reviewed to ensure sufficient capacity is available to develop the identified projects and the Stage 2 business cases.

13. ASSET MANAGEMENT CONSIDERATIONS

- 13.1 There are no asset management considerations as a result of this report.

14. RECOMMENDATIONS

14.1 The Finance and Policy Committee are requested to:

1. Note that Heads of Terms have been offered for a £25m Town Deal.
2. Note the timescales and next steps set out within section 5 and that a further report will be presented to a future meeting with additional detail in due course.

15. REASONS FOR RECOMMENDATIONS

15.1 The recommendation relates to the Heads of Terms for a Town Deal from the Government worth up to £25m.

16. BACKGROUND PAPERS

- 16.1 Finance and Policy Committee, 25th January 2021, Towns Fund Hartlepool Town Investment Plan
- 16.2 Regeneration Services Committee, 20th January 2021, Towns Fund Hartlepool Town Investment Plan
- 16.3 Finance and Policy Committee, 29th June 2020, Towns Fund, Town Centre Masterplan and High Street Taskforce

17. CONTACT OFFICERS

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Sign Off:-

Managing Director



Director of Resources and Development



Chief Solicitor



FINANCE AND POLICY COMMITTEE

21 June 2021



Report of: Director of Resources and Development

Subject: IRRECOVERABLE DEBTS – COUNCIL TAX
AND BUSINESS RATES

1. TYPE OF DECISION/APPLICABLE CATEGORY

1.1 Non Key Decision.

2. PURPOSE OF REPORT

2.1 To seek Members approval to write-off a number of Council Tax and Business Rates debts which are now considered irrecoverable.

3. BACKGROUND

3.1 The Council's financial procedure rules provide that any debt due to the Council of £1,000 or more can only be written-off with the agreement of the Finance and Policy Committee. This low write-off value, requiring Member approval provides a much higher public visibility of this issue than in other councils which have a higher limit, or delegate this responsibility to officers.

Council Tax

3.2 After the award of relevant discounts, exemptions and Local Council Tax Support awards, the Council collected over £48m of Council Tax in 2019/20. The Council's performance in collection of Council Tax continues to be positive with a 95.19% collection rate for 2019/20, compared to a Tees Valley average of 94.39%. The collection performance was impacted by reduced collection activity during March 2020 in the light of the emerging Covid-19 pandemic. After 5 years in excess of 98.8% of Council Tax will have been collected.

3.3 The collection performance for 2020/21 has been more severely impacted by the Covid-19 pandemic. In light of the difficult financial circumstances facing residents a pause on recovery action was implemented over the summer. Other councils across the North East

adopted this approach. Recovery began in the autumn with informal reminder letters, prior to the formal recovery process recommencing. For households in receipt of Local Council Tax Support (LCTS), the government's hardship funding grant has meant that many have had no Council Tax liability in the current year. The collection rate for 2020/21 reduced to 93.20%, compared to a Tees Valley average of 93.40%. The rate is expected to recover to historical levels as we emerge from the Covid-19 pandemic.

Business Rates

- 3.4 The Council collected over £34m of business rates in 2019/20, of which 50% is retained locally under the current Business Rate Retention system. The Council's performance in collection of Business Rates continues to be positive with a 98.62% collection rate for 2019/20, compared to a Tees Valley average of 98.68%. After 5 years in excess of 99.7% of Business Rates will have been collected.
- 3.5 As with Council Tax, the collection performance during 2020/21 has been impacted by the Covid-19 pandemic, including as a consequence of the administrative burden of the various strands of Business Support Grants managed throughout the year. Despite this, brought forward debt reduced by 22% as the Council continued to apply previously agreed payment plans. The collection rate for 2020/21 reduced to 96.40%, compared to a Tees Valley average of 96.56%.

Recovery Actions Council Tax and Business Rates

- 3.6 The Council has robust and effective arrangements for billing and collecting Council Tax and Business Rates income, including defined timescales for recovery action for outstanding payments. These arrangements include a range of recovery actions to secure Council Tax and Business Rates recovery including court action, enforcement agents (bailiffs), Attachment of Earnings Orders, Attachment of Benefits Orders, bankruptcy / liquidation proceedings and charging orders. For absconded debtors, extensive tracing is undertaken over a period of time and should any forwarding address become apparent, the relevant Council Tax / Business Rate debt would be reinstated onto the system, and enforcement action would recommence.
- 3.7 For Business Rates recommended for write off, these largely relate to company liquidations where the Council is limited to submitting a claim in insolvency proceedings. As the Council ranks below other creditors notably HM Revenue and Customs, the Council is unlikely to receive any settlement from these proceedings.
- 3.8 Despite the high level of collection and the robust and effective recovery process, inevitably a number of accounts become irrecoverable each year. Writing off sums deemed irrecoverable is considered good financial practice since it enables the financial position of the Authority

to reflect the reality that these debts are unlikely to be paid. However, if any payment is subsequently received in respect of any of the individual debts referred to in this report, the relevant debt will also be reinstated onto the council's financial systems.

Implications of Covid-19 on Write-off Proposals

- 3.9 The urgency of the Council wide response to Covid-19 at the beginning of 2020/21 resulted in no write-offs for 2019/20 being brought before committee for approval. Whilst proposed write-offs for 2019/20 were included in the Councils accounting records for the purposes of the statement of accounts and also government returns, there is a need to formally have these approved by committee.
- 3.10 In addition, the temporary suspension of recovery action during the early part of the year provided a unique opportunity for a "deep dive" review into all outstanding accounts. This review has resulted in more accounts being deemed to be irrecoverable than may normally be the case.

4 PROPOSALS

- 4.1 The appendices attached to this report detail the individual Council Tax and Business Rates debts over £1,000, and the reasons why each debt remains unrecovered. The amounts recommended for write off are the net debt outstanding and these amounts often span more than one financial year. The total amount proposed for write off are as follows:

Table 1 - Council Tax

Appendix	Category	2019/20	2020/21
A	Deceased Debts	£27,513.12	£29,693.87
B	Absconder Debts	£10,436.24	£74,127.06
C	Bankrupt / Debt Relief Orders	£41,376.08	£16,114.59
D	Miscellaneous	£15,011.50	£19,375.10
	Total	£94,336.94	£139,310.62

Table 2 - Business Rates

Appendix	Category	2019/20	2020/21
E	Sole Trader Bankrupt	£0.00	£4,352.45
F	Sole Trader Absconder / Miscellaneous	£55,815.64	£24,075.11
G	Limited Company Liquidation / Dissolved	£140,130.84	£315,007.49
	Total	£195,946.48	£343,435.05

Appendices A, B, C, D, E and F contain exempt information under Schedule 12A Local Government Act 1972 (as amended by the Local Government (Access to Information) (Variation) Order 2006) namely (para3), information relating to the financial or business affairs of any particular person (including the authority holding that information)

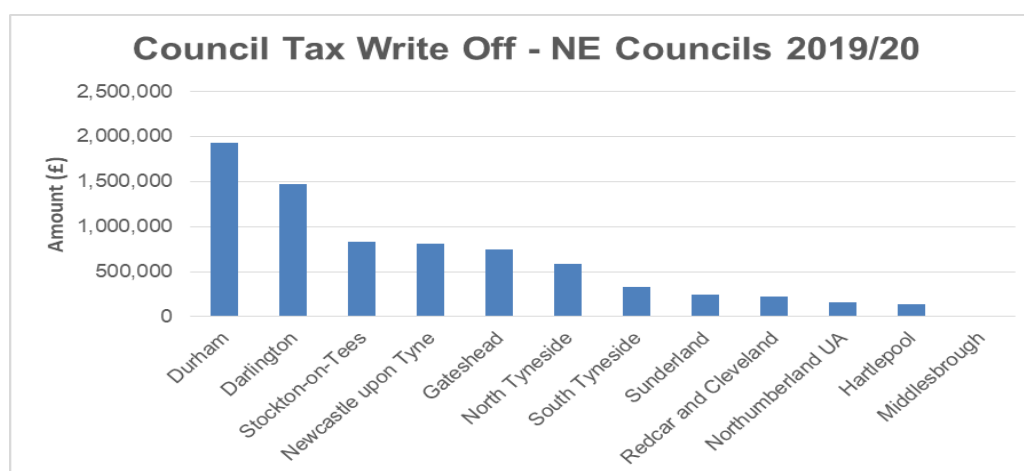
- 4.2 All debts submitted for write-off from the accounting records have been comprehensively scrutinised by officers.

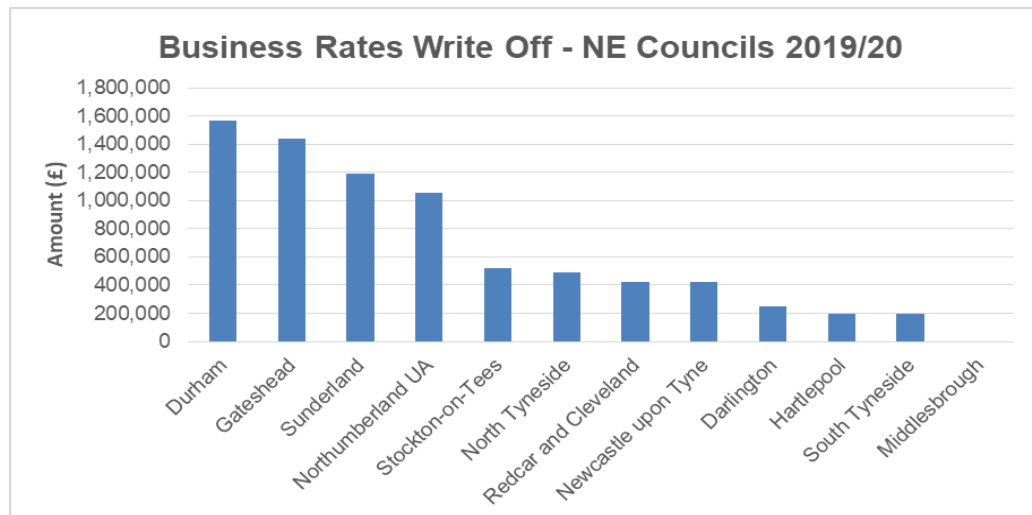
5. RISK IMPLICATIONS

- 5.1 When determining the Council Tax Base for a financial year and the forecast yield from Business Rates, an assessment and adjustment is made for potential non collection. In addition, as part of the process for compiling the annual statement of accounts, a detailed review is made of all Council Tax and Business Rates accounts and accounting provisions are established against which any debts considered to be non collectable can subsequently be written off. These risk management arrangements are consistent with statutory requirements and good practice.

6. FINANCIAL CONSIDERATIONS

- 6.1 The amount proposed for write out in this report continues to be low compared to the annual amount collected. On the basis of the 2019/20 write-offs in this report being approved, across the 12 North East Councils in 2019/20 Hartlepool wrote off the second lowest amount of Council Tax and the third lowest amount of Business Rates as shown in the graphs below. Whilst this in part is due to our relative size, it also reflects the Council's good long term collection rates and sustained robust recovery procedures.





6.2 The government has confirmed that for 2020/21 they will compensate Councils for 75% of irrecoverable losses on Council Tax and Business Rates in the light of the Covid-19 pandemic. Whilst for Council Tax the government does not consider increased bad debt or write offs to be irrecoverable, it does for Business Rates; the rationale being that Business Rates write off tend to be as a result of bankruptcy or liquidation of the company. As such it is likely that the Council will be compensated for a proportion of the Business Rate write offs contained within this report, although the exact value of this compensation arrangement will only be confirmed upon audit of the Councils Collection Fund.

6.3 The proposed write offs in this report have all been taken into account in the forecast Council Tax and Business Rate Collection Fund outturn position for the year. The Councils relative share of the Collection Fund outturn has been reflected in the budget position for 2021/22.

7. LEGAL CONSIDERATIONS

7.1 National legislation determines the priority given to the payment of amounts due to individual creditors. Where creditors have made loans secured on assets (e.g. mortgages on property) they can take action to sell those assets to recover their money. Any money left over from the sale after the debt has been repaid is added to the sum to be shared between the other creditors.

7.2 Where a company or individual is put into liquidation or bankruptcy any proceeds from the sale of assets, after payment of secured creditors, will be allocated to unsecured creditors in the following order of priority:

- fees and charges of the bankruptcy or liquidation
- debts to preferential creditors, such as wages owed and contributions to occupational pension schemes
- for a company, any creditor holding a floating charge over an asset

- all unsecured creditors
- any interest payable on debts
- for a company, the shareholders.

7.3 It should be noted that councils cannot place a charge on property in relation Business Rates, (unless granted voluntarily), therefore any unpaid business rates are classified as unsecured creditors.

8. CONSULTATION

8.1 There are no consultation considerations.

9. CHILD AND FAMILY POVERTY

9.1 There are no child / family poverty considerations.

10. EQUALITY AND DIVERSITY

10.1 There are no equality and diversity considerations.

11. STAFF CONSIDERATIONS

11.1 There are no staff considerations.

12. ASSET MANAGEMENT CONSIDERATIONS

12.1 There are no asset management considerations.

13. CONCLUSION

13.1 The Council has a strong collection performance for both Council Tax and Business Rates. Despite these robust and effective recovery arrangements, some debts for Council Tax and Business Rates will become unrecoverable.

13.2 The proposed write offs in this report have all been taken into account in the forecast Council Tax and Business Rate Collection Fund outturn position for the year. The Councils relative share of the Collection Fund outturn has been reflected in the budget position for 2021/22.

14. RECOMMENDATION

14.1. That Members note the effective recovery arrangements for Council Tax and Business Rates and performance levels contained within this report.

14.2 That Members agree to write-out irrecoverable Council Tax and Business Rates debts for the financial years 2019/20 and 2020/21 detailed in paragraph 4.1, tables 1 and 2.

- 14.3 Note these write off are less than 0.5% of the total amount due for 2019/20 and 2020/21. To also note 85% of Business Rates write off is the result of companies being subject to liquidation or dissolved.

15. REASONS FOR RECOMMENDATION

- 15.1 To ensure the appropriate accounting treatment of debtors within the council's financial systems and financial accounts.

16. BACKGROUND PAPERS

- 16.1 There are no background papers.

17. CONTACT OFFICER

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Sign Off:-

Chief Executive	<input checked="" type="checkbox"/>
Director of Resources and Development	<input checked="" type="checkbox"/>
Chief Solicitor	<input checked="" type="checkbox"/>

LIMITED COMPANY - LIQUIDATION / DISSOLVED

Account Ref	Name	Address	O/S BALANCE	From	To	Reason for write off
9050385850	Rochdale Body & Paint Ltd	Brenda Road	£38,866.28	01.01.11	03.02.13	Company Dissolved
9050368425	D S Restaurant (Ne) Ltd	Unit 3, Navigation Point, The Marina	£9,873.41	08.05.17	29.10.18	Company Dissolved
9050371140	J J Wine Bar Ltd	Unit 4, Navigation Point, The Marina	£5,823.04	06.10.17	31.07.18	Liquidation
9050372643	Fts Transport Ltd	P & E Coaches/Classy Clothes, Usworth Rd	£4,945.94	01.10.17	19.06.18	Liquidation
9050327818	Sweet P,S Hartlepool Ltd	Sweet Pea Garden Centre, Sarah Street	£6,412.50	01.04.17	18.03.19	Liquidation
9050369588	All About The Ale Ltd	Unit 19, Navigation Point, The Marina	£1,620.01	29.06.17	11.04.18	Liquidation
9050363385	North East Play Ltd	Unit 23 Park View Rd West (Mr Twisters)	£7,921.36	01.04.17	31.03.19	proposal to strike off. No assets. Uneconomical to continue
9050364624	Spices Hartlepool Ltd	Unit 16-18 Navigation Point	£1,618.26	01.04.17	07.03.18	Ceased Trading - liquidation in process
9050346677	K & K Nurseries Ltd	Throston Grange Lane	£2,599.17	01.04.18	24.01.19	Company dissolved
9050370861	London Spas Manufacturing Ltd	Unit D, Sovereign Park	£37,889.33	01.09.17	30.09.19	Company dissolved
9050370969	London Spas Manufacturing Ltd	Tofts Farm Ind Estate	£16,203.60	15.09.17	31.01.19	Company dissolved
9050378633	Shisha Bar (Hartlepool) Ltd	Unit 4 Navigation Point	£6,357.94	01.08.18	25.07.19	Company dissolved
Total (2019/20)			£140,130.84			

LIMITED COMPANY - LIQUIDATION / DISSOLVED

Account Ref	Name	Address	O/S BALANCE	From	To	Reason for write off
9050318274	1st Leisure Ltd	Rios, 107 York Road	£2,481.18	01.04.11	31.03.13	ceased trading
9050362869	Connect Leisure Services Ltd	The Sports Domes, Tees Road	£24,679.18	01.11.15	31.03.16	Company Dissolved
9050362877	Alma Sports Associates Ltd	The Sports Domes, Tees Road	£141,520.44	01.04.16	21.08.18	Liquidation
9050371981	1898 Leisure Ltd	Hillcarter Hotel, 31-32 Church Street	£35,403.27	23.05.17	19.05.18	Company Dissolved
9050375650	Replenish Ltd	Hillcarter Hotel, 31-32 Church Street	£31,584.75	20.05.18	06.06.19	Company Dissolved
9050364918	Sovereign Hotels Ltd	Hillcarter Hotel, 31-32 Church Street	£14,106.72	24.12.16	27.04.17	Company Dissolved
9050352995	Woodworld Mouldings Ltd	Tofts Farm Ind Estate	£13,604.01	01.07.15	10.05.16	Company Dissolved
9050379699	TT Restaurant NE Ltd	Unit 3, Navigation Point	£4,332.52	30.10.18	28.05.19	Company Dissolved
9050357385	Eden Estates (North East) Ltd	109 York Road	£9,291.80	26.11.15	28.03.17	Company Dissolved
9050351735	Furniture Express (Hartlepool) Ltd	126/127 Middleton Grange	£38,003.62	01.04.18	28.06.20	Company Dissolved
Total (2020/21)			£315,007.49			