

FINANCE AND POLICY COMMITTEE

MINUTES AND DECISION RECORD

21 JUNE 2021

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

Present:

Councillor Shane Moore (In the Chair)

Councillors: Jonathan Brash, Paddy Brown, Tim Fleming, Brenda Harrison, Sue Little, David Nicholson, Amy Prince, Cameron Stokell and Mike Young.

Also Present: Councillor Peter Jackson as substitute for Councillor Jim Lindridge in accordance with Council Procedure Rule 4.2.

Officers: Denise McGuckin, Managing Director
Hayley Martin, Chief Solicitor
Chris Little, Director of Resources and Development
James Magog, Assistant Director, Finance
Steve Hilton, Communications and Marketing Team
David Cosgrove, Democratic Services Team

1. Apologies for Absence

Councillor Jim Lindridge.

2. Declarations of Interest

None.

3. Minutes of the meeting held on 15 March 2021

Minutes received.

Councillor Little questioned the progress of the sale of land at Coronation Drive (Minute 101 refers). The Managing Director stated that there was no specific progress to report to Members at this time but that they would be kept informed of progress once the developer had concluded their site investigations.

4. The Role and Remit of the Finance and Policy Committee *(Managing Director)*

Type of decision

For information.

Issue(s) for consideration

The Managing Director gave a short presentation to the Committee outlining the role and remit of the Finance and Policy Committee as set out in the Council Constitution and the service areas of the authority that fell under its management. The presentation also included a brief overview of the Council's current budget position which would be the subject of detailed reports to forthcoming meetings.

Decision

That the presentation and overview provided by the Managing Director be noted.

5. Hartlepool Town Fund *(Managing Director)*

Type of decision

For Information.

Purpose of report

The purpose of the report was to inform the Committee of the Heads of Terms that have been offered to Hartlepool for a £25m Town Deal.

Issue(s) for consideration

The Managing Director reported the great news that Government have offered a Town Deal for Hartlepool up to a value of £25 million. The Government would 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.

The Heads of Terms was 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 set out the joint expectations as Hartlepool entered the business case development phase.

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.

Hartlepool must 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) would then provide the agreed funding up to the maximum amount of £25m for those projects, provided that all conditions were met.

The report set out in further detail the timescales involved and the risk implications for the Council as responsible authority for the expenditure and schemes which would be managed by the Town Deal Board. The Managing Director highlighted that none of the schemes approved could be substituted or additional schemes brought forward.

During debate there was reference to the recent visit by the Secretary of State for Housing, Communities and Local Government Robert Jenrick MP and the excellent partnership working that had been behind the successful bid for funding.

Members expressed some concern that there was one scheme that did not include an element of 'public payback' and were particularly reticent to fund a scheme where the owner of the property was in a position to complete the scheme. Some Members stated that they were minded not to support the scheme unless there was some clear public benefit for the future.

The Managing Director also assured Members that the ongoing work of the Town Deal Board would be undertaken 'in public' as it had to this point in time and that the Board had its own website which Members and the public could scrutinise. (www.hartlepool.gov.uk/HartlepoolTownDeal)

During the debate the Managing Director also informed the Committee that a Levelling Up Fund bid had been submitted to government the previous week, and if successful details would be reported to the Committee at a future date.

Decision

1. That the Committee notes that Heads of Terms had been offered for a £25m Town Deal and that the deal be welcomed by the Committee.
2. That the timescales and next steps set out within the report be noted and that a further report with additional detail would be presented to a future meeting.

6. Irrecoverable Debts – Council Tax and Business Rates *(Director of Resources and Development)*

Type of decision

Non Key Decision.

Purpose of report

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

Issue(s) for consideration

The Director of Resources and Development reported that 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. The report provided comparative information in relation to collection levels.

The report set out in detail, together with appendices detailing the individual Council Tax and Business Rates debts over £1,000, the recovery actions taken to try to secure the payment of debts and comparisons with other North east Authorities which showed Hartlepool among the lower end of debt write-offs. Appendices A, B, C, D, E and F to the report 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).

The Director also reported on the actions taken during the Covid-19 pandemic that had effected debt recovery and highlighted that the Government support grants for businesses during the pandemic could not be used to offset already accrued debt.

In discussion the Vice-Chair referred to consideration being given by HMRC (Her Majesty's Revenues and Customs) to pursuing the 'individual' for debt recovery rather than the business after a business had failed. The Director stated that he would seek further clarification on such an approach but highlighted that in the case of business failures, HMRC outranked local authorities in the recovery of debt from the assets of such businesses and that there was often little or no assets left to repay debts to local authorities.

Members noted the comments of the Vice-Chair on the potential of recovery from the individual as they noted that in a number of cases, the same people were behind a number of business failures that had left substantial debt owed to the Council. Members commented that the Council should

look to not supporting any future business development involving such people who had a track record of business failures leaving substantial debt owed to the Authority.

The Director explained to the Committee in response to questions that the Council was required to write out these debts from its accounts and could not simply 'hold' the debt. Records of all debtors were retained and should they re-appear, collection of the outstanding debt would be attempted again. Returns also had to be made to government for business rates, the Council needed to record the 50% of the debt owed to the government so that element did not have to be paid by the Council. The Director also outlined the recovery processes used to pursue debt.

The Director advised that budget monitoring reports included performance information in relation to debt recovery and in response to a Member question future reports would make reference to any significant outstanding debt so that Members had some background to these annual reports.

Decision

1. That the effective recovery arrangements for Council Tax and Business Rates and performance levels reported be noted.
2. That approval be given to write-out irrecoverable Council Tax and Business Rates debts for the financial years 2019/20 and 2020/21 as reported.
3. The Committee noted that the write offs were less than 0.5% of the total amount due for 2019/20 and 2020/21 and also noted 85% of Business Rates write off was the result of companies subject to liquidation or being dissolved.

7. Any Other Items which the Chairman Considers are Urgent

The Chairman ruled that the following items 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.

Timing of Committee Meetings

The Chair reported that Councillor Brash had requested that from September onwards, consideration be given to changing the time of meetings of the Committee to allow those Members that worked greater opportunity to be involved in meetings. Councillor Brash explained that he was proposing that every other meeting be moved to outside the normal working day to better facilitate attendance of working councillors and members of the public. After a short debate a recorded vote was taken on the proposal.

Those in favour: Councillors Brash, Harrison and Prince.

Those in against: Councillors Brown, Fleming, Little, Moore, D Nicholson, Stokell and Young.

Those abstaining: Councillor Jackson.

The vote, therefore, was lost.

Hartlepool United FC's Promotion to the Football League

The Chair congratulated HUFC on their promotion back to the Football League and indicated that he had discussed with the Managing Director some appropriate celebrations that could be coordinated with the club. The aim was to hold an open topped bus tour of the town. Members supported the proposal and also congratulated the club on its promotion.

The meeting concluded at 11.30 am

H MARTIN

CHIEF SOLICITOR

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