

# FINANCE AND POLICY COMMITTEE

## AGENDA



**Monday 26 November 2018**

**at 10.00 am**

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

MEMBERS: FINANCE AND POLICY COMMITTEE

Councillors C Akers-Belcher, S Akers-Belcher, Brewer, Brown, Cassidy, Cranney, Harrison, Marshall, Moore, Smith, Thomas 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 29 October 2018

**4. BUDGET AND POLICY FRAMEWORK ITEMS**

- 4.1 Savings Programme 2019/20 – *Director of Children's and Joint Commissioning Services and Interim Director of Public Health*
- 4.2 Statement of Gambling Principles – *Director of Regeneration and Neighbourhoods*

**5. KEY DECISIONS**

- 5.1 ICT Contract Extension – *Director of Finance and Policy*
- 5.2 Hartlepool Western Growth Corridor – Funding Strategy – *Director of Regeneration and Neighbourhoods*



## **6. OTHER ITEMS REQUIRING DECISION**

- 6.1 Investigatory Powers Commissioner's Office Desktop Based Documentary Inspection – *Chief Solicitor*
- 6.2 NJC Pay Award 2019 – *Assistant Director, Corporate Services*
- 6.3 Apprenticeship Programme – *Assistant Director, Corporate Services*
- 6.4 Workers Memorial Day – *Assistant Director, Corporate Services*

## **7. ITEMS FOR INFORMATION**

- 7.1 Strategic Financial Management Report - as at 30th September 2018 – *Corporate Management Team*

## **8. ANY OTHER BUSINESS WHICH THE CHAIR CONSIDERS URGENT**

### FOR INFORMATION

Future meeting dates –

Monday 17 December 2018 at 10.00 am  
Monday 14 January 2019 at 10.00 am  
Monday 28 January 2019 at 10.00 am  
Monday 11 March 2019 at 10.00 am



# **FINANCE AND POLICY COMMITTEE**

## **MINUTES AND DECISION RECORD**

29 OCTOBER 2018

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

**Present:**

Councillor Christopher Akers Belcher (In the Chair)

Councillors: Stephen Akers-Belcher, James Brewer, Paddy Brown, Kevin Cranney, Brenda Harrison, Ann Marshall, Shane Moore, Leisa Smith, Stephen Thomas and Mike Young.

Officers: Gill Alexander, Chief Executive  
Hayley Martin, Chief Solicitor  
Chris Little, Director of Finance and Policy  
John Morton, Assistant Director, Finance and Customer Services  
Denise Ogden, Director of Regeneration and Neighbourhoods  
Julian Heward, Communications and Marketing Team  
David Cosgrove, Democratic Services Team

### **49. Apologies for Absence**

None.

### **50. Declarations of Interest**

None at this point in the proceedings.

During the discussion on Minute No. 57 “Updated Local Welfare Support Framework” Councillor Moore declared a personal interest.

### **51. Minutes of the meeting held on 8 October 2018**

Confirmed.

### **52. Minutes of the meeting of the Safer Hartlepool Partnership held on 3 August 2018**

Received.

### **53. Local Council Tax Support 2019/20** *(Director of Finance and Policy)*

#### **Type of decision**

Budget and Policy Framework.

#### **Purpose of report**

The purposes of the report were to:

- (i) update Members on the operation of the Local Council Tax Support (LCTS) scheme and the scheme's future financial risks associated with the Government's national welfare reforms; and
- (ii) set out a proposed LCTS scheme for 2019/20.

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

The Assistant Director, Finance and Customer Services reported that since the abolition of the national Council Tax benefit scheme in 2013, Hartlepool had operated a LCTS scheme which had been fixed at 12% since 2014/15 when many other authorities had operated schemes at 20%.

Since June 2013, there had been a gradual reduction in the numbers of households receiving LCTS covering both Pensioner Households (a protected group under LCTS) and Working Age Households, from, approximately, 15,000 households in June 2013 to about 13,000 in August 2018. An updated assessment of caseload trends has been completed and further incremental reductions in claimant numbers were anticipated for future years and these had been factored into scheme forecasts.

The proposal set out in the report was to continue an LCTS scheme at 12% and the detailed modelling behind the proposal was set out within the report. The report highlighted the cumulative effect of Hartlepool maintaining a 12% scheme in 2019/20 rather than a 20% scheme as operated by many other authorities. This will give Band A households claiming benefit cumulative support of £711 and Band B households £829 covering the period 2013/14 to 2019/20.

The Chair welcomed the proposal, commending officers for the work that had gone into Hartlepool being able to maintain the 12% LCTS. A Member indicated they would wish to see a fully means tested system applied rather than the current scheme where the DWP often declared people had a 'notional' income significantly higher than their actual income which consequently meant they would receive less council tax support. Other Members indicated that they had similar reports from residents. The Chair indicated that it would be appropriate to request officers to determine if there was a need to follow the DWP guidelines on determining income or if a 'local' scheme could be implemented. The Assistant Director commented that the number of such instances would be relatively limited. The Chair

also referred to the two reports on the agenda which also dealt with issues around Welfare Support and Discretionary Housing Payments.

A Member questioned the administrative costs for the scheme after he had a resident complain that they were receiving a letter indicating their LCTS benefit each time they were paid their Universal Credit. The Assistant Director indicated that this highlighted an issue all Councils had to deal with as the benefit was calculated in a very specific manner which meant that each time there was any change to any benefit, including Universal Credit, a letter had to be sent to the resident informing them of the change to their LCTS entitlement. The Assistant Director indicated that a banding scheme could allow for minor changes in income without the need for constantly recalculating the amount of LCTS. Banding schemes did have, however, drawbacks particularly around the boundaries of the bands. The Director of Finance and Policy stated that officers were reviewing the potential of a banding scheme but no such scheme could be introduced any earlier than 2020/21. The Director considered it may be appropriate to convene a member/officer working group to review such a proposal. The Director added that once all Hartlepool residents in receipt of benefits had transitioned to Universal Credit, the administrative grant would be cut putting additional pressure on the service.

Members of the public raised questions around the burden of the scheme falling on other council tax payers; the overall costs of the scheme and how many households benefitted; and the actions taken against those that defaulted on their payments. It was indicated that the overall costs of the scheme in 2018/19 would be £11.96m which was applied to 13,200 households in Hartlepool. The same actions were applied in enforcement as with any other defaulter, though bailiffs were not used, due to the costs involved; the Council would seek to have a deduction from benefits order with the DWP. The Director of Finance and Policy commented that a report scheduled to be submitted to the next meeting would include details of the current financial situation regarding LCTS and council tax collection in general.

The following recommendations were agreed unanimously.

### **Decision**

1. That the future financial and administrative risks associated with the LCTS scheme be noted;
2. That the proposed 2019/20 LCTS scheme involving a cut of 12% be approved and referred to full Council for adoption.

## **54. Council Plan 2017/18 – 2019/20 Mid-Term Review** (Chief Executive)

### **Type of decision**

Budget and Policy Framework.

**Purpose of report**

The purpose of this report is to update elected members on the progress made at the mid-point of the Council Plan 2017/18 – 2019/20 and to set out the proposed amended Plan for agreement.

**Issue(s) for consideration**

The Chief Executive reported that the Council Plan 2017/18 – 2019/20 was adopted by Council on 16 March 2017. The Plan, which had been developed following the Your Say, Our Future consultation with residents and staff, sets out the priorities that the Council was committed to delivering by 2020. The mid-term review had led to an updated Plan, submitted as appendix 1 to the report, which:

- Removed those key deliverables that have been achieved;
- Amended those key deliverables where the future direction has changed or become clearer due to early work that has been completed;
- Included new key deliverables reflecting priorities that have emerged since the Council Plan was agreed in March 2017;
- Identified a suite of performance indicators that more clearly reflect the outcomes that the Council is aiming to deliver through the Council Plan.

The Chief Executive commented that the previous plan had focussed too much on measuring performance through a large number of numerical indicators and the revised plan would look towards thirty 'sustainability' measures. Once approved there would be dissemination of the revised plan to all Councillors and staff.

A Member welcomed the revised plan indicating that the new format was much clearer and concise. The Chair thanked the senior leadership team for the work in progressing towards the targets and all should be extremely pleased with the progress made.

A Member of the public questioned the scheme recently approved for the Jackson's Landing site and questioned why such development was going ahead when, presumably, any future development of a hotel or other facility could come to the site undoing the £1.4m scheme recently approved. The Chair clarified that the linear park scheme for Jackson's Landing would improve the outside boundary of the site and would make it more attractive to development. The hoteliers that had shown an interest in the site had indicated that the footprint for any potential development was more than adequate.

The Member of the public referred to the purchase costs of the site and whether the future sale would pay back the investment. The Chair commented that the Council had acquired the site with an interest free loan

from central government, the repayment of which would be the subject of a future report to the Tees Valley Combined Authority. Income had also been gained from the site from the recent events held there. The Chair of the Regeneration Services Committee stated that the proposed development of the site had always been on a phased approach with the linear park element preceding private sector investment, hopefully in the form of a new hotel, and potential further government investment for a new tourism attraction.

### **Decision**

That the amended Council Plan 2017/18 - 2019/20 be approved.

## **55. Stimulating the Visitor Economy – 5 Year Funding Strategy** *(Director of Regeneration and Neighbourhoods)*

### **Type of decision**

Key Decision – tests (i) and (ii) apply. General Exception Notice issued.

### **Purpose of report**

To seek endorsement to release the Civic Lottery Fund to support the delivery of the Council's cultural events programme.

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

The Director of Regeneration and Neighbourhoods reported that there were currently three main categories of events in Hartlepool that the Council had a direct involvement:

**HBC Events.** These were the large-scale event such as the Fireworks and the Christmas Light Switch On. Both of these events were organised by the Culture and Events Team, the main purpose was to drive tourism, regeneration and to support business in the Borough.

**HBC Supported Events.** The second type of events, supported by the Community Safety and Engagement Team were community-based events aimed at promoting community involvement and cohesion. Many of these events were held in the community supporting resident groups' occurring on an ad hoc basis whilst some take place annually.

**Private Events.** In addition to this there were events that were operated by external bodies and individuals that the Council may or may not have an involvement e.g. Wintertide Festival, Miles for Men and Race for Life.

The Cultural Services currently employs one Events Officer who was supported by the rest of the Culture team during peak times in the programme, however, due to the Council's ambitions in relation to regeneration and events, playing a strong role in changing the perception of

Hartlepool; this approach was no longer sustainable.

Further Council support was provided in the shape of the Independent Safety Advisory Group (ISAG) for all events that the Council was made aware of. The group offered advice to event organisers on issues including: medical and healthcare facilities required, security, health and safety, mitigating hostile vehicles and any specific issues with infrastructure on the site and hazards such as water.

The Director reported that the previous sponsorship arrangement for the Fireworks display and the Christmas light switch on had ceased and the sponsor was no longer able to support these events, which had seen a loss of £25,000 per annum to the Council.

The Tees Valley Combined Authority recognised Hartlepool's maritime history which had been identified as one of the priorities within their Cultural strategy. TVCA had agreed a £10m Culture and Tourism Investment programme for the region.

The Director stated that the current Events budget was insufficient and events were reliant upon external grants from organisations such as the Arts Council, Heritage Lottery Fund or the Tees Valley Combined Authority, and / or sponsorship. As appropriate external funding could not be relied upon over the next five years; the Council must identify additional funding sources to grow the events programme alongside our ambitions. The proposed additional funding was set out in section 6 of the report.

A key component of the funding package was the use of the Civic Lottery Fund capital which was currently £412,000. Historically, the Council had held this capital in trust and only utilised the interest as previously use was restricted by the Secretary of State. The restriction had now been removed and the fund could now be used to contribute towards staff costs and the delivery of the events programme over the next five years.

The Director highlighted that the release of the Civic Lottery Fund in this manner would mean the ending of the support from the interest of the fund towards Ward member budgets. As the Civic Lottery Fund would be used on a phased basis commencing in 2018/19, there would be the potential to provide Ward Member Budget top-ups of £300 in 2019/20 and £200 in 2020/21. Thereafter, there would be no further Ward Member Budget top-ups.

In order to deliver the Culture and Events programme over the next five years the Director reported that there would be some changes required to the current structure in terms of changes to existing staff responsibilities. These would be delivered by amendments to working hours and existing job descriptions and done so in accordance with the job evaluation process.

The proposed restructure would not result in any compulsory redundancies and informal communication would be undertaken with Trade Unions and



staff regarding the staffing implications as a consequence of this proposal being accepted. Formal consultation with staff and Trade unions would be carried out in line with Council policy.

The Chair of the Regeneration Services Committee commented that one of the town's economic strengths was the growth in tourism and there was great potential for jobs growth and benefit to local businesses as had been seen in Seaton Carew over the summer.

Members sought assurance that the most would be made of the assets the Council had, such as the Town Hall and Borough Hall and what measures were in place to bring in further sponsorship for events. The Director indicated that a new Performance Venues Manager would be tasked with bringing a more commercial approach to create greater income across the venues.

Members referred to the recent event in Ward Jackson Park which reflected the demand for cultural events throughout the town and asked what other future events were being considered. The Director indicated that the five year programme of events was flexible at this stage but assured Members they would be kept informed of events as they were confirmed.

The Chair welcomed the report and commented that the proposal would enhance the tourism and cultural offer within Hartlepool and built upon the existing attractions and funding, such as the National Museum of the Royal Navy which was already being described as one of the most significant destinations across the Tees Valley.

### **Decision**

1. That, as part of the Medium Term Financial Strategy (MTFS) proposals to be referred to Council in December 2018, approval be sought to use the Civic Lottery Fund to support the delivery of the culture and events programme as reported.
2. That the Phased reduction of the Ward Member Budget top-ups as reported be noted.

## **56. Employee Sickness Absence Annual Report 2017/18** (Assistant Director, Corporate Services)

### **Type of decision**

Non-key Decision.

### **Purpose of report**

The purpose of the report was to inform Finance and Policy Committee of the Council's performance in relation to employee sickness absence for 2017/18 and to outline a proposed strategy to reduce sickness levels.

**Issue(s) for consideration**

The Director of Finance and Policy reported that the Council had an ageing but committed workforce with approximately 25% of the workforce aged 55 or over and the number of young people in the workforce being comparatively low. An ageing workforce may present significant challenges in respect of age related health and wellbeing and the ageing process may lead to a range of unavoidable complex illnesses and conditions. An ageing workforce, therefore, represented a key driver for the sickness trend in the Council in 2017/18.

In the reporting year, Long Term Sickness (LTS) comprised 70% of the total sickness for the Council (7.74 days per FTE (full-time employee)) and was attributable to complex, serious conditions such as cancer, surgery and recovery, poor mental health and musculo-skeletal conditions. This was line with national trends, as reported by the Chartered Institute of Personnel Development (CIPD).

70% of the total sickness for HBC was accrued by 277 employees - representing approximately 12% of the workforce. Repeat absences were, however, low and of those employees that were absent with a LTS episode in the reporting year, 70% were off once, and for a period of less than 3 months. It was also shown that in Hartlepool, Short and Medium Term sickness was the second lowest in the Tees Valley and was also lower when compared with two other North East Public Sector organisations.

Short and medium term sickness for the Council accounted for approximately 30% of sickness absence in 2017/18 (3.31 days per full FTE). The main causes were minor illness, musculo-skeletal and domestic stress which is in line with the national trend reported by the Chartered Institute of Personnel Development.

The Director highlighted that the strategy set out in the report aimed to address the sickness rates with both proactive and preventative actions. It was proposed that the sickness target remain the same as last year at 8.5 days per FTE which still demonstrated ambition and continued commitment to the reduction of the sickness absence rate.

The Vice-Chair commented that he was pleased to see the introduction of health and wellbeing champions within the workforce. A Member asked if staff had access to counseling services. The Director stated that there was a commissioned counseling service that all staff could access.

**Decision**

1. That the report be noted and that the 2018/19 sickness absence target remain at 8.5 days per FTE; and
2. That the actions proposed to reduce sickness absence in 2018/19 be approved.

## **57. Updated Local Welfare Support Framework** *(Director of Children's and Joint Commissioning Services)*

### **Type of decision**

Non-key Decision.

### **Purpose of report**

To advise Members of proposed updates to the Local Welfare Support (LWS) framework, to confirm Local Welfare Support arrangements with Hartlepool Foodbank; and to seek approval of the updated framework.

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

The Director of Finance and Policy reported that during 2017/18 £189,112 had been allocated to the Local Welfare Support (LWS) scheme of which £162,336 had been spent. Despite the continuing cuts in Government funding, the Medium Term Financial Strategy (MTFS) had continued to protect the real term value of the LWS budget as this formed an integral part of the Council's strategy to help partly mitigate the impact of national welfare changes. The other major component of this strategy is the Local Council Tax Support scheme, which continued to provide more support than in the other Tees Valley Authorities. The budget allocated to the LWS for 2018/19 was £193,618 and £182,310 had been spent/committed already. This was due to increased pressures for families and individuals following the introduction of Universal Credit. The proposed LWS budget for 2019/20 was £198,458.

The Director commented that it was hoped that today's (parliamentary) budget would provide some assistance to those transitioning to Universal Credit. The Director indicated that the Chair had asked that the additional assistance proposed for the Foodbank be increased from £8,000 to £10,000 and this proposal was reflected in the report. The Chair reported that he had had conversations with the Foodbank over the last week and they were suffering a significant fall in donations. The Chair indicated that he would wish to propose that a further £10,000 be allocated to the Foodbank from the Child and Family Poverty Reserve before Christmas to help them through what will be a difficult part of the year, which the Director of Finance and Policy had confirmed could be funded.

Councillor Moore declared a personal interest at this point in the meeting as a volunteer with the Hartlepool Foodbank. The Councillor commented that the Foodbank was still assisting a significant number of individuals and families who were in crisis, many of whom had been reticent to come forward in the past. The Councillor expressed his concern that there was a particular 'language' around foodbanks in general that in some ways was hindering some people seeking the help they needed. The constant talk of it being "appalling that in this day and age that we needed foodbanks and we must move away from this type of charity" often worked against some

people coming forward to get the assistance they desperately needed. The language around foodbanks needed to be more positive in terms of the assistance they provided to the community.

The Chair supported the comments but indicated that in many ways this was a national narrative at play. The Chair suggested that an additional article be added to the next issue of Hartbeat publicising the criteria around accessing the foodbank and seeking additional contributions from the public. The Chief Executive reported that Civic Centre staff had collected donations for a 'reverse advent' calendar last year which had been very successful and was to be repeated this year.

The Chair commented that the Council needed to be able to lobby more effectively on this subject and proposed that an additional recommendation be made seeking the collation of evidence to support the Council when lobbying for support in tackling the effects of the welfare reforms and their impact on child and family poverty in Hartlepool. This was seconded by the Vice-Chair.

### **Decision**

1. That the revised Local Welfare Support Administration Framework 2018/19 be approved.
2. That an increase be approved from £8,000 to £10,000 from the Local Welfare Support fund to the Foodbank.
3. That an additional donation to the Hartlepool Foodbank of £10,000 from the Child and Family Poverty Reserve ahead of Christmas, be approved.
4. That the next edition of Hartbeat includes an article on the Hartlepool Foodbank outlining the criteria for assistance from the foodbank and seeking donations from the public.

## **58. Updated Discretionary Housing Payment Frameworks** *(Director of Children's and Joint Commissioning Services)*

### **Type of decision**

Non-key Decision.

### **Purpose of report**

To advise Members of proposed updates to the Discretionary Housing Payment (DHP) framework; to advise Members of additional funding added from the Housing Revenues Account to the DHP fund to support HBC void properties; and to seek approval of the proposed updated framework.

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

The Director of Finance and Policy reported that the local authority had

received a Discretionary Housing Payment (DHP) grant each year since 2004. Since 2012 this grant had increased significantly year on year to support those adversely affected by welfare reforms. DHPs were made to eligible tenants who were in receipt of Housing Benefit or housing element of Universal Credit. The current approved framework ensured that some tenants could 'automatically' qualify for a DHP – these people fall within a 'protected group' (e.g. the terminally ill, foster carers etc). Others must complete an application form with any awards made subject to an applicant meeting agreed eligibility criteria.

The DHP framework was informed by the 'Discretionary Housing Payment Guidelines' issued by the Department for Work and Pensions each year. Members approved the last framework in 2015/16 and there had been no significant changes since.

During 2017/ 18 the government allocated £416,211 to the council and £415,271 was spent. A total of 1,578 awards were made, including those classed as in a 'protected group'. The DHP fund for 2018/19 is £455,632 and to date demand had proved considerably greater than in previous years. This could be linked directly to the ongoing impact of welfare reform (in particular the under occupation charge or 'bedroom tax' and the benefit cap) and to Universal Credit (claimants struggling to manage monthly payments and inconsistencies in how much they were paid each month).

Up until early October 2018 approximately £70,000 of DHP funding remained unallocated. There was no backlog in applications and the team received a steady intake of approximately 12-15 applications each week. It was impossible to say if the value of the remaining fund was adequate to meet the needs of further DHP applications received. However, as the financial year moved on the length of period for awards shortened and, therefore, smaller awards were made.

An updated Framework document was submitted as an appendix to the report with a series of updates as set out in the report. It was highlighted that one of the updates included adding Care leavers to the 'protected group' category enabling social workers and Housing Officers to support them and secure and sustain tenancies at the point of leaving care.

The Director also referred to the Regeneration Services Committee decision on the 18th June 2018 which approved the proposal for the Housing Revenue Account (HRA) to contribute towards DHP payments. This fund was ring-fenced to tenants applying for Council owned houses which were considered difficult to let or long term void. The agreed fund was £35,000 in total and was anticipated to cover approximately 64 properties. The application criteria were based on the property type and the eligibility of tenants would be managed by the Housing Management team.

The Chair commended the staff involved in processing Discretionary Housing Payments with the public. This was very emotionally draining work and they had done a fantastic job in processing the claims in a timely

fashion ensuring there was no backlog. A Member supported the Chair's comments and added that the effects on many clients transferred to Universal Credit had been very significant particularly the effects of the 'bedroom tax' which had been devastating for some people. The Chair indicated that this impact should be fed into the evidence base called for as part of the recommendation on the previous item.

**Decision**

1. That the updated Discretionary Housing Payment framework be approved.
2. That it be noted that Housing Revenues Account funding had been added to the Discretionary Housing Payment fund to support Council owned void properties.

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

None.

The Committee noted that the next meeting would be held on Monday 26 November 2018 at 10.00 am in the Civic Centre.

The meeting concluded at 11.00 am.

**H MARTIN**

**CHIEF SOLICITOR**

**PUBLICATION DATE: 5 NOVEMBER 2018**

# FINANCE & POLICY COMMITTEE

26<sup>th</sup> November 2017



**Report of:** DIRECTOR OF CHILDREN'S & JOINT  
COMMISSIONING SERVICES AND INTERIM  
DIRECTOR OF PUBLIC HEALTH

**Subject:** SAVINGS PROGRAMME 2019/20

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## 1.0 TYPE OF DECISION/APPLICABLE CATEGORY

1.1 Budget and Policy Framework.

## 2.0 PURPOSE OF REPORT

2.1 The purpose of this report is 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<sup>th</sup> November 2018.

## 3.0 BACKGROUND

3.1 In response to the multi-year funding settlement provided by the Government for 2016/17 to 2019/20 the Council previously developed a four year financial strategy. This strategy was designed to address the impact of a further four years of cuts in Government funding. By 2019/20 Hartlepool's core Government funding will be **45%** less than in 2013/14 - a reduction of **£20.9m**.

3.2 The previous plan was underpinned by:

- the use of one off reserves to provide a longer lead time to address the front loading of Government funding cuts over the period 2016/17 to 2019/20; and
- the achievement of housing growth, which over the period 2016/17 to 2019/20 had increased the number of properties by nearly 10%. By 2019/20 this housing growth will have achieved new recurring Council Tax income of approximately £3.6m to partly offset the impact of Government grant cuts and thereby avoid even higher budget cuts.

3.3 A comprehensive report on the “Medium Term Financial Strategy 2019/20 and Financial Outlook from 2020/21” was considered at the Finance and Policy Committee on 3<sup>rd</sup> September 2018. The report advised Members that since the previous plan was developed councils, including Hartlepool, have faced significant increased financial pressures, which have not been reflected in the funding provided by Government to councils in 2018/19 and 2019/20, in relation to:

- Looked after Children – the Local Government Association has estimated that by 2020 this pressure will reach £2 billion;
- Ending of 1% Public Sector pay cap – alongside the four year funding settlement for councils the Government previously indicated that a 1% public sector pay cap would continue until 2019/20. Recently agreed pay settlements across the public sector have exceeded the 1% pay cap. For Local Government employees a two year national pay settlement was agreed for 2018/19 and 2019/20 and for the majority of staff provides annual cost of living pay increases of 2%. For lower paid staff higher annual pay increases will apply.

By 2019/20 the national pay award will increase the Council’s recurring pay costs by 5.8%, which is slightly above the national average of 5.7%.

3.4 As a result of the above additional unfunded budget pressures and a further cut in Government funding in 2019/20 the Council now faces a net 2019/20 budget deficit of **£5.987m**. Clearly, on the back of eight years of austerity and cuts to the Council budget, the position facing the Council for 2019/20 is the most challenging so far.

3.5 However, as reported to the Finance and Policy Committee, it is anticipated that further budget deficits will arise in 2020/21 and 2021/22 as it is expected that further cuts in Government funding will be made. At this stage it is extremely difficult to forecast funding in 2020/21 as the Government are proposing to make significant changes to the Local Government funding system. At this stage there is no information available to assess the potential impact of the Prime Minister’s recent statement that austerity has ended and at best any financial benefits for local government are not anticipated until 2020/21.

3.6 Therefore, the immediate challenge facing the Council is the development of a strategy to address the 2019/20 deficit of **£5.987m**. This strategy will be underpinned by a review of reserves to identify one off funding to provide a slightly longer lead time to make permanent savings. However, this strategy does not remove the need to make these savings.

3.7 The strategy for 2019/20 will also be underpinned by identifying new savings which can be implemented in 2019/20 and detailed proposals for this Committee are provided in the next section.



#### 4.0 SAVINGS PROPOSALS 2019/20 – INCLUDING FINANCIAL CONSIDERATIONS

- 4.1 Public health services are funded through a ring-fenced specific Public Health grant. Since local authorities assumed responsibility for public health from the NHS in April 2013 the specific grant allocated to Hartlepool will have been cut in cash terms by £1.2m (a reduction of over 12%) by April 2019.
- 4.2 The 2019/20 grant allocation is £8.533m, a reduction of £228,000 (a cash reduction of 2.6% on the 2018/19 allocation).
- 4.3 This report identifies the proposals for dealing with the 2019/20 reduction in grant while also looking at how public health can contribute towards the unfunded wider budget pressures identified in Section 3 of this report.
- 4.4 In order to achieve the required savings a detailed assessment of all service areas funded by the grant has been undertaken. The five main service areas are:
- early years nursing;
  - drugs and alcohol;
  - healthy weight and healthy lives;
  - sexual health
  - smoking cessation.
- 4.5 A standard options appraisal approach was used to evaluate each service against weighted criteria. The criteria used, and weightings (out of 100) were as follows:
- service benefit is felt by many people (15);
  - benefit is substantial and long-lasting (15);
  - it reduces inequalities in health or wellbeing (15);
  - it empowers people and communities (10); it improves efficiency (10); it reduces demand on other Council services (10);
  - it reduces demand on other public services eg NHS (5);
  - there is a safety net if the Council does not provide this service (5);
  - it enjoys public support and protects reputation (5);
  - it is sustainable and provides environmental benefit (5);
  - the evidence base for all the above is strong (5).

Rather than curtail all areas slightly and render them less efficient and effective, it is proposed that all the cuts fall on the lowest priority service (**see Appendix A. This item contains exempt information under Schedule 12A of the Local Government Act 1972 (as amended by the Local Government), (Access to Information), (Variations Order 2006) namely, information relating to any individual (Para 3)), thereby protecting those at higher priority. Attention has been paid to trends in health need and**

uptake of services, focussing on areas of falling demand and least value for money.

**Further detail are contained within Confidential Appendix A**

**Exempt information means information falling within the following qualifications (subject to any condition). Information relating to the financial or business affairs of any particular person (including the authority holding that information).**

- 4.6 Hartlepool, along with all other Tees Valley local authorities makes annual contributions to Fresh North East (the regional dedicated tobacco control programme) and Balance North East (the regional dedicated alcohol information and support group) totalling £55,000. A decision was made in 2017 by all Tees Valley Authorities to cease these contributions from 1<sup>st</sup> April 2019 on the basis that the lobbying and press relations that Fresh and Balance offered was poorer value for money than other priorities, and also not closely aligned to local authorities core business. Formal notice has been served and that saving is therefore secured.
- 4.7 A summary of the proposed savings is provided in the Table below:-

	£'000
Public Health Grant Reduction	228
Cease contributions to 'Fresh' and 'Balance'	(55)
Other Public Health Savings #	(360)
<b>Additional Saving</b>	<b>(187)</b>

# - Details in relation to savings are shown in Confidential Appendix A

- 4.8 The savings identified above generate an additional £187,000 more than the grant reduction. However, in recognition of the wider financial pressures faced by the Council and the significant budget deficit it is proposed that this additional funding is used by the MTFS to support the changes in children's health and early help services, which will help deliver better public health outcomes.
- 4.9 As detailed in **Confidential Appendix A**, only £130,000 of additional funding will be available in 2019/20 to support the MTFS, with the balance being made available in 2020/21.

## **5.0 RISK IMPLICATIONS OF PROPOSED SAVINGS**

- 5.1 There are a number of risks implicit in the delivery of any package of savings and it is important to recognise these as part of any decision making. The primary risk relates to maintaining capacity to deliver front line services. A secondary risk is to relationships with the local NHS.

- 5.2.1 Other Risks are identified below:-

- Reduced budgets can lead to a reduced ability to deliver key targets, outputs and outcomes.
- Reputational damage for the Council. There may be an increase in the number of complaints or a reduction in the level of customer satisfaction. These complaints may come from partner organisations, especially the NHS Clinical Commission Group.
- Reductions in public health resources and health promotion activities so opportunities to inform and educate the public are reduced
- Notice is not served on the existing contract in a timely manner meaning the full savings are not achieved in 2019/20.

## **6 EQUALITY AND DIVERSITY CONSIDERATIONS**

- 6.2 There are no equality and diversity implications arising from this Report.

## **7 LEGAL CONSIDERATIONS**

- 7.1 The Health and Social Care Act 2012 gives responsibility for health improvement to upper tier and unitary local authorities. The Secretary of State has also delegated some health protection functions to local authorities. Section 12 of the Health and Social Care Act 2012 inserts a new section 2B into the National Health Service Act 2006 which gives each relevant local authority a new duty to take such steps as it considers appropriate to improve the health of the people in its area.
- 7.2 The proposals outlined in this report ensure that the Council continues to fulfil its statutory duties as set out in paragraph 7.1
- 7.3 There are no other specific legal considerations identified in relation to the savings proposed in this report.

## **8 STAFF CONSIDERATIONS**

- 8.2 There are no staffing implications for HBC staff, and minimal if any staffing implications for externally contracted services.

## **9 ASSET MANAGEMENT CONSIDERATIONS**

- 9.2 There are no asset management implications arising from this Report.

## **10 CONSULTATION**

- 11.1 Consultation will be undertaken with Trade Unions and individual staff groups affected by the proposals.

## 11 CONCLUSION

- 12.1 The Government has previously confirmed that Local Government funding cuts will continue until 2019/20. This means the sector will have faced nine consecutive years of funding cuts – which is unprecedented.
- 12.2 Councils, including Hartlepool, also face additional unfunded budget pressures in relation to Looked after Children and the national pay award for Local Government employees.
- 12.3 As a result of this funding cut and unfunded budget pressures the Council faces a 2019/20 budget deficit of **£5.987m**. This is a very significant deficit and means that 2019/20 is the most difficult year the Council has ever faced. Addressing this deficit will require significant changes in services which will take time to implement and a detailed plan is being developed. This plan includes the savings proposals detailed in this report.

## 11.2 RECOMMENDATIONS

- 13.1 That Members approve the recommendation set out within **Confidential Appendix 1** and reflect this in the budget proposals to be referred to full Council.

## 12 REASON FOR RECOMMENDATIONS

- 12.2 The proposals included in this report have been identified as being sustainable and deliverable.

## 13 BACKGROUND PAPERS

Finance and Policy Committee 3<sup>rd</sup> September 2018 - Medium Term Financial Strategy (MTFS) 2019/20 and Financial Outlook from 2020/21.

## 14 CONTACT OFFICERS

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# FINANCE AND POLICY COMMITTEE

26<sup>th</sup> November 2018



**Report of:** Director of Regeneration and Neighbourhoods

**Subject:** STATEMENT OF GAMBLING PRINCIPLES

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## 1. TYPE OF DECISION/APPLICABLE CATEGORY

1.1 Budget and Policy Framework

## 2. PURPOSE OF REPORT

2.1 To seek endorsement of a draft Statement of Gambling Principles which has been considered and approved by the Licensing Committee and which is proposed to be presented to Council for adoption in December 2018.

## 3. BACKGROUND

3.1 The Gambling Act 2005 requires licensing authorities to publish, every three years, a statement of the principles that they propose to apply in exercising their functions under the Act.

3.2 Hartlepool's current Statement of Gambling Principles was published in January 2016 and, as such, a new statement must be published no later than January 2019. Approval and adoption of the statement must be made by full Council.

3.3 A draft new statement was presented to the Licensing Committee at its meeting on 13<sup>th</sup> June 2018 and approval was given for a consultation exercise to be undertaken. A copy of this draft statement is attached as **Appendix 1**.

3.4 The consultation period ended on 21<sup>st</sup> September 2018 and no responses were received. This is not unusual as the draft statement does not contain any significant alterations to Hartlepool's current/previous statement and there have been no noteworthy local or national developments that required any amendments to the statement.

- 3.5 At its meeting on 10<sup>th</sup> October 2018, the Licensing Committee approved the draft statement and agreed to recommend it to Council for adoption.
- 3.6 On 25<sup>th</sup> October 2018, Council agreed to add the Statement of Gambling Principles to the budget & policy framework and it is therefore being presented to the Finance & Policy Committee for the first time.

#### **4. PROPOSALS**

- 4.1 Licensing authorities are required to publish a Statement of Gambling Principles every three years.
- 4.2 Hartlepool's current statement was published in January 2016 and, as such, a new statement must be published no later than January 2019.
- 4.3 A draft new statement (attached as **Appendix 1**) was considered by the Licensing Committee on 10<sup>th</sup> October 2018 where Members agreed that it should be recommended to Council for approval and adoption.
- 4.4 As with previous policies, the draft statement contains a 'no casino' resolution and the Licensing Committee determined that it should be retained. Whilst such a resolution is permitted by the Gambling Act it does not, in reality, carry any weight as casinos can only be developed in areas that have been pre-approved by the Gambling Commission and Hartlepool is not one of those areas.
- 4.5 However, the Licensing Committee felt that retaining the 'no casino' resolution makes an important statement that Hartlepool would not welcome any interest from developers should regulations change.
- 4.6 Formal adoption of the Statement of Gambling Principles must be made by full Council.

#### **5. RISK IMPLICATIONS**

- 5.1 There are no Risk Implications associated with this report.

#### **6. FINANCIAL CONSIDERATIONS**

- 6.1 There are no Financial Considerations associated with this report.

**7. LEGAL CONSIDERATIONS**

- 7.1 Section 349 of the Gambling Act 2005 requires licensing authorities to adopt and publish a Statement of Gambling Principles every three years. The Statement of Gambling Principles forms part of the Council's Budget and Policy Framework contained within Article 4 of the Constitution. The current Statement was published in January 2016 therefore the Council is legally required to publish its new Statement in January 2019.

**8. CONSULTATION**

- 8.1 A consultation exercise was undertaken between June and September 2018 and no responses were received.

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

- 9.1 There are no Child and Family Poverty considerations associated with this report.

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

- 10.1 There are no Equality and Diversity considerations associated with this report.

**11. SECTION 17 OF THE CRIME AND DISORDER ACT 1998 CONSIDERATIONS**

- 11.1 There are no Section 17 considerations associated with this report.

**12. STAFF CONSIDERATIONS**

- 12.1 There are no Staff Considerations associated with this report.

**13. ASSET MANAGEMENT CONSIDERATIONS**

- 13.1 There are no Asset Management considerations associated with this report.

## 14. RECOMMENDATIONS

- 14.1 That Members endorse the draft Statement of Gambling Principles as detailed in **Appendix 1**.
- 14.2 That Members endorse the inclusion of a 'No Casino' resolution in the draft Statement of Gambling Principles.

## 15. REASONS FOR RECOMMENDATIONS

- 15.1 Licensing authorities are required to adopt and publish a Statement of Gambling Principles every three years and, as the current statement was published in January 2016, the Council is legally required to publish its new statement no later than January 2019.

## 16. BACKGROUND PAPERS

- 16.1 There are no background papers associated with this report.

## 17. CONTACT OFFICERS

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# STATEMENT OF PRINCIPLES

## Gambling Act 2005

(Published 3rd January 2019)



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*This Statement of Licensing Principles was approved by Hartlepool Borough Council on 20th December 2018.*

*All references to the Guidance refer to the Gambling Commission's Guidance to Licensing Authorities, 5<sup>th</sup> Edition, published September 2015 (and updated September 2016).*

**PART A**

**1. The Licensing Objectives**

1.1 In exercising most of their functions under the Gambling Act 2005, licensing authorities must have regard to the licensing objectives as set out in section 1 of the Act. The licensing objectives are:

- Preventing gambling from being a source of crime or disorder, being associated with crime or disorder or being used to support crime
- Ensuring that gambling is conducted in a fair and open way
- Protecting children and other vulnerable persons from being harmed or exploited by gambling

1.2 It should be noted that the Gambling Commission has stated: “The requirement in relation to children is explicitly to protect them from being harmed or exploited by gambling”.

1.3 This licensing authority is aware that, as per Section 153, in making decisions about premises licences and temporary use notices it should aim to permit the use of premises for gambling in so far as it thinks it:

- In accordance with any relevant code of practice issued by the Gambling Commission
- In accordance with any relevant guidance issued by the Gambling Commission
- Reasonably consistent with the licensing objectives and
- In accordance with the authority’s statement of licensing policy

**2. Introduction**

2.1 Hartlepool is situated on the North East coast of England. The Borough consists of the town of Hartlepool and a number of small outlying villages. The total area of the Borough is 9,390 hectares.

2.2 Hartlepool is a unitary authority, providing a full range of services. It adjoins Durham to the north, Sedgefield District Council to the west and Stockton on Tees Borough Council to the south. The residential population is 90,161 of which ethnic minorities comprise 1.2% (2001 census).

2.3 Licensing authorities are required by the Gambling Act 2005 to publish a statement of the principles which they propose to apply when exercising their functions. This statement must be published at least every three years. The statement must also be reviewed from “time to time” and any amended parts re-consulted upon. The statement must be then re-published.

2.4 Hartlepool Borough Council consulted widely on this statement before it was published. A list of those persons consulted is detailed in Appendix 3.

2.5 The Gambling Act requires that the following parties are consulted by licensing authorities:

- The Chief Officer of Police;

- One or more persons who appear to the authority to represent the interests of persons carrying on gambling businesses in the authority's area;
- One or more persons who appear to the authority to represent the interests of persons who are likely to be affected by the exercise of the authority's functions under the Gambling Act 2005.

2.6 Our consultation took place between 19<sup>th</sup> June 2018 and 21<sup>st</sup> September 2018 and we took into consideration the Code of Practice on Consultations published by HM Government in 2008 which is available at <http://www.bis.gov.uk/files/file47158.pdf>.

2.7 The policy was approved at a meeting of the Full Council on 20<sup>th</sup> December 2018 and was published via our website on 3<sup>rd</sup> January 2019. Hard copies of the policy are available on request from the address detailed below.

2.8 Should you have any comments as regards this policy statement, or the consultation process, please send them via e-mail or letter to the following contact:

Trading Standards & Licensing Manager  
Hartlepool Borough Council  
Civic Centre  
Victoria Road  
Hartlepool  
TS24 8AY

e-mail: [licensing@hartlepool.gov.uk](mailto:licensing@hartlepool.gov.uk)

2.9 It should be noted that this statement of licensing principles will not override the right of any person to make an application (other than for a casino), make representations about an application, or apply for a review of a licence, as each will be considered on its own merits and according to the statutory requirements of the Gambling Act 2005.

#### 2.10 Gambling Prevalence Survey 2010

Overall, 73% of the adult population (aged 16 and over) participated in some form of gambling in the previous year. This equates to around 35.5 million adults. The most popular gambling activity was the National Lottery. In 2010, 59% of adults had bought tickets for the National Lottery Draw, a slight increase from the rates observed in 2007 (57%) but lower than rates observed in 1999 (65%).

2.11 Excluding those who had only gambled on the National Lottery Draw, 56% of adults participated in some other form of gambling in the past year. This highlights a significant increase in past year participation on other gambling activities, such as an increase in betting on other events i.e., events other than horse races or dog races with a bookmaker (3% in 1999, 9% in 2010), buying scratch cards (20% in 2007, 24% in 2010), buying other lotteries tickets (8% in 1999, 25% in 2010), gambling online on poker, bingo, casino and slot machine style games (3% in 2007, 5% in 2010) and gambling on fixed odds betting terminals (3% in 2007, 4% in 2010).

- 2.12 Two measures of problem gambling showed rates of problem gambling in the general population of 0.6% and 0.5%. A significant association was found between problem gambling and being male with regular parental gambling. It was also associated with poor health, being single and being Asian/British Asian. The highest prevalence of problem gambling was found among those who participated in spread betting (14.7%), Fixed Odds Betting Terminals (FOBTs) (11.2%) and betting exchanges (9.8%). Of these, only FOBTs are regulated under the Gambling Act 2005.

### **3. Declaration**

- 3.1 In producing the final statement, this licensing authority declares that it has had regard to the licensing objectives of the Gambling Act 2005, the Guidance to Licensing Authorities issued by the Gambling Commission, and any responses from those consulted on the statement.

### **4. Responsible Authorities**

- 4.1 **The licensing authority is required by regulations to state the principles it will apply in exercising its powers under Section 157(h) of the Act to designate, in writing, a body which is competent to advise the authority about the protection of children from harm. The principles are:**

- the need for the body to be responsible for an area covering the whole of the licensing authority's area; and
- the need for the body to be answerable to democratically elected persons, rather than any particular vested interest group.

- 4.2 Hartlepool Borough Council designates the Local Safeguarding Children Board for this purpose.

- 4.3 The contact details of all the Responsible Authorities under the Gambling Act 2005 are available via the Council's website at: [www.hartlepool.gov.uk/licensing](http://www.hartlepool.gov.uk/licensing).

### **5. Interested parties**

- 5.1 Interested parties can make representations about licence applications, or apply for a review of an existing licence. These parties are defined in the Gambling Act 2005 as follows:

- lives sufficiently close to the premises to be likely to be affected by the authorised activities
- has business interests that might be affected by the authorised activities
- represents persons in either of these two groups.

- 5.2 There are a number of factors that the Council may take into account when determining whether a person lives 'sufficiently close to the premises'. These include: -

- the size of the premises
- the nature of the premises
- the distance of the premises from the location of the person making the representation

- the potential impact of the premises such as the number of customers, routes likely to be taken by those visiting the establishment
- the circumstances of the person who lives close to the premises. This is not their personal characteristics, but their interests which may be relevant to the distance from the premises.

5.3 Relevant factors will depend on the particular application. For example the Council may consider that living sufficiently close to premises to likely be affected could have a different meaning for (a) a private resident, (b) a residential school for children with truanting problems and (c) a residential hostel for vulnerable adults.

5.4 For those with business interests, the licensing authority should be satisfied that the relevant business is likely to be genuinely affected. Factors that are likely to be relevant include:

- the size of the premises
- the 'catchment' area of the premises, that is, how far people travel to visit the premises
- whether the person making the representation has business interests in that catchment area that might be affected.

5.5 In addition to the above, interested parties can be persons who are democratically elected such as councillors and MP's. No specific evidence of being asked to represent an interested person will be required as long as the councillor / MP represents the ward likely to be affected. Likewise, parish councils likely to be affected will be considered to be interested parties. Other than these however, this authority will generally require written evidence that a person/body (e.g. an advocate / relative) 'represents' someone who either lives sufficiently close to the premises to be likely to be affected by the authorised activities and/or has business interests that might be affected by the authorised activities. A letter from one of these persons, requesting the representation is sufficient.

5.6 If individuals wish to approach councillors to ask them to represent their views then care should be taken that the councillors are not part of the Licensing Committee dealing with the licence application. If there are any doubts then please contact the licensing department at the Civic Centre, Hartlepool.

## **6. Exchange of Information**

6.1 Licensing authorities are required to include in their statements the principles to be applied by the authority in exercising the functions under sections 29 and 30 of the Act with respect to the exchange of information between it and the Gambling Commission, and the functions under section 350 of the Act with the respect to the exchange of information between it and the other persons listed in Schedule 6 to the Act.

6.2 The principle that this licensing authority applies is that it will act in accordance with the provisions of the Gambling Act 2005 in its exchange of information which includes the provision that the Data Protection Act 1998 will not be contravened. The licensing authority will also have regard to any Guidance issued by the Gambling Commission on this matter, as well as any relevant regulations issued by the Secretary of State under the powers provided in the Gambling Act 2005.

6.3 Should any protocols be established as regards information exchange with other bodies then they will be made available.

## **7. Enforcement**

7.1 Licensing authorities are required by regulation under the Gambling Act 2005 to state the principles to be applied by the authority in exercising the functions under Part 15 of the Act with respect to the inspection of premises; and the powers under section 346 of the Act to institute criminal proceedings in respect of the offences specified.

7.2 This licensing authority's principles are that:

7.3 It will be guided by the Gambling Commission's Guidance to Licensing Authorities and will endeavour to be:

- Proportionate: regulators should only intervene when necessary: remedies should be appropriate to the risk posed, and costs identified and minimised;
- Accountable: regulators must be able to justify decisions, and be subject to public scrutiny;
- Consistent: rules and standards must be joined up and implemented fairly;
- Transparent: regulators should be open, and keep regulations simple and user friendly; and
- Targeted: regulation should be focused on the problem, and minimise side effects.

7.4 As per the Gambling Commission's Guidance to Licensing Authorities this licensing authority will endeavour to avoid duplication with other regulatory regimes so far as possible.

7.5 This licensing authority has adopted and implemented a risk-based inspection programme, based on;

- The licensing objectives
- Relevant codes of practice
- Guidance issued by the Gambling Commission
- The principles set out in this statement of licensing policy

7.6 The main enforcement and compliance role for this licensing authority in terms of the Gambling Act 2005 is to ensure compliance with the premises licences and other permissions which it authorises. The Gambling Commission is the enforcement body for the operating and personal licences. It is also worth noting that concerns about manufacture, supply or repair of gaming machines are not dealt with by the licensing authority but should be notified to the Gambling Commission.

7.7 This licensing authority also keeps itself informed of developments as regards the work of the Better Regulation Executive in its consideration of the regulatory functions of local authorities.

7.8 Bearing in mind the principle of transparency, this licensing authority's enforcement/compliance protocols/written agreements are available upon request to the licensing department, Hartlepool Borough Council, Civic Centre, Hartlepool, TS24 8AY. Our risk methodology is also available upon request.

## **8. Licensing authority functions**

8.1 Licensing authorities are required under the Act to:

- Be responsible for the licensing of premises where gambling activities are to take place by issuing *Premises Licences*
- Issue *Provisional Statements*
- Regulate *members' clubs* and *miners' welfare institutes* who wish to undertake certain gaming activities via issuing Club Gaming Permits and/or Club Machine Permits
- Issue *Club Machine Permits* to *Commercial Clubs*
- Grant permits for the use of certain lower stake gaming machines at *unlicensed Family Entertainment Centres*
- Receive notifications from alcohol licensed premises (under the Licensing Act 2003) for the use of two or fewer gaming machines
- Issue *Licensed Premises Gaming Machine Permits* for premises licensed to sell/supply alcohol for consumption on the licensed premises, under the Licensing Act 2003, where there are more than two machines
- Register *small society lotteries* below prescribed thresholds
- Issue *Prize Gaming Permits*
- Receive and Endorse *Temporary Use Notices*
- Receive *Occasional Use Notices*
- Provide information to the Gambling Commission regarding details of licences issued (see section above on 'information exchange')
- Maintain registers of the permits and licences that are issued under these functions

8.2 It should be noted that licensing authorities are not to be involved in licensing remote gambling at all, which is regulated by the Gambling Commission via operating licences.

**PART B**  
**PREMISES LICENCES: CONSIDERATION OF APPLICATIONS**

**9. General Principles**

- 9.1 Premises licences are subject to the requirements set out in the Gambling Act 2005 and regulations, as well as specific mandatory and default conditions which are detailed in regulations issued by the Secretary of State. Licensing authorities are able to exclude default conditions and also attach others, where it is believed to be appropriate.
- 9.2 **(i) Decision-making**
- 9.3 This licensing authority is aware that in making decisions about premises licences it should aim to permit the use of premises for gambling in so far as it thinks it:
- in accordance with any relevant code of practice issued by the Gambling Commission;
  - in accordance with any relevant guidance issued by the Gambling Commission;
  - reasonably consistent with the licensing objectives; and
  - in accordance with the authority's statement of licensing policy.
- 9.4 It is appreciated that as per the Gambling Commission's Guidance to Licensing Authorities "moral objections to gambling are not a valid reason to reject applications for premises licences" (except as regards any 'no casino resolution') and also that unmet demand is not a criterion for a licensing authority.
- 9.5 Each case will be decided upon its merits. This authority will not apply a rigid rule to its decision making. It will consider the examples of considerations provided in the Gambling Commission's Guidance to Licensing Authorities. It will also consider the Gambling Commission's Guidance that "has business interests" should be given the widest possible interpretation and include partnerships, charities, faith groups and medical practices.
- 9.6 **Definition of "premises"** – In the Act, "premises" is defined as including "any place". Section 152 therefore prevents more than one premises licence applying to any place. But a single building could be subject to more than one premises licence, provided they are for different parts of the building and the different parts of the building can be reasonably regarded as being different premises. This approach has been taken to allow large, multiple unit premises such as a pleasure park, pier, track or shopping mall to obtain discrete premises licences, where appropriate safeguards are in place. However, licensing authorities should pay particular attention if there are issues about sub-divisions of a single building or plot and should ensure that mandatory conditions relating to access between premises are observed.
- 9.7 The Gambling Commission states in the fifth edition of its Guidance to Licensing Authorities that: "In most cases the expectation is that a single building / plot will be the subject of an application for a licence, for example, 32 High Street. But, that does not mean 32 High Street cannot be the subject of separate premises licences for the basement and ground floor, if they are configured acceptably. Whether different parts of a building can properly be regarded as being separate premises will depend on the circumstances. The location of the premises will clearly be an important consideration and the suitability of the division is likely to be a matter for discussion between the



operator and the licensing officer. However, the Commission does not consider that areas of a building that are artificially or temporarily separated, for example by ropes or moveable partitions, can properly be regarded as different premises.”

9.8 This licensing authority takes particular note of the Gambling Commission’s Guidance to Licensing Authorities which states that: licensing authorities should take particular care in considering applications for multiple licences for a building and those relating to a discrete part of a building used for other (non-gambling) purposes. In particular they should be aware of the following:

- The third licensing objective seeks to protect children from being harmed by gambling. In practice that means not only preventing them from taking part in gambling, but also preventing them from being in close proximity to gambling. Therefore premises should be configured so that children are not invited to participate in, have accidental access to or closely observe gambling where they are prohibited from participating.
- Entrances to and exits from parts of a building covered by one or more premises licences should be separate and identifiable so that the separation of different premises is not compromised and people do not “drift” into a gambling area. In this context it should normally be possible to access the premises without going through another licensed premises or premises with a permit.
- Customers should be able to participate in the activity names on the premises licence.

9.9 The Guidance also gives a list of factors which the licensing authority should be aware of, which may include:

- Do the premises have a separate registration for business rates
- Is the premises’ neighbouring premises owned by the same person or someone else?
- Can each of the premises be accessed from the street or a public passageway?
- Can the premises only be accessed from any other gambling premises?

9.10 This authority will consider these and other relevant factors in making its decision, depending on all the circumstances of the case.

9.11 **The Gambling Commission’s relevant access provisions for each premises type are reproduced below:**

#### 9.12 **Casinos**

- The principal access entrance to the premises must be from a street
- No entrance to a casino must be from premises that are used wholly or mainly by children and/or young persons
- No customer must be able to enter a casino directly from any other premises which holds a gambling premises licence

#### 9.13 **Adult Gaming Centre**

- No customer must be able to access the premises directly from any other licensed gambling premises

### **9.14 Betting Shops**

- Access must be from a street or from another premises with a betting premises licence
- No direct access from a betting shop to another premises used for the retail sale of merchandise or services. In effect there cannot be an entrance to a betting shop from a shop of any kind and you could not have a betting shop at the back of a café – the whole area would have to be licensed.

### **9.15 Tracks**

- No customer should be able to access the premises directly from:
  - a casino
  - an adult gaming centre

### **9.16 Bingo Premises**

- No customer must be able to access the premise directly from:
  - a casino
  - an adult gaming centre
  - a betting premises, other than a track

### **9.17 Family Entertainment Centre**

- No customer must be able to access the premises directly from:
  - a casino
  - an adult gaming centre
  - a betting premises, other than a track

Part 7 of the Gambling Commission's Guidance to Licensing Authorities contains further guidance on this issue, which this authority will also take into account in its decision-making.

### **9.18 Premises “ready for gambling”**

9.19 The Guidance states that a licence to use premises for gambling should only be issued in relation to premises that the licensing authority can be satisfied are going to be ready to be used for gambling in the reasonably near future, consistent with the scale of building or alterations required before the premises are brought into use.

9.20 If the construction of a premises is not yet complete, or if they need alteration, or if the applicant does not yet have a right to occupy them, then an application for a provisional statement should be made instead.

9.21 In deciding whether a premises licence can be granted where there are outstanding construction or alteration works at a premises, this authority will determine applications on their merits, applying a two stage consideration process:-

- First, whether the premises ought to be permitted to be used for gambling
- Second, whether appropriate conditions can be put in place to cater for the situation that the premises are not yet in the state in which they ought to be before gambling takes place.

9.22 Applicants should note that this authority is entitled to decide that it is appropriate to grant a licence subject to conditions, but it is not obliged to grant such a licence.

9.23 More detailed examples of the circumstances in which such a licence may be granted can be found in the Gambling Commission's Guidance to Licensing Authorities.

9.24 **Location** - This licensing authority is aware that demand issues cannot be considered with regard to the location of premises but that considerations in terms of the licensing objectives are relevant to its decision-making. As per the Gambling Commission's Guidance to Licensing Authorities, this authority will pay particular attention to the protection of children and vulnerable persons from being harmed or exploited by gambling, as well as issues of crime and disorder. Should any specific policy be decided upon as regards areas where gambling premises should not be located, this statement will be updated. It should be noted that any such policy does not preclude any application being made and each application will be decided on its merits, with the onus upon the applicant showing how potential concerns can be overcome.

9.25 **Planning** - The Gambling Commission Guidance to Licensing Authorities states:

7.58 – In determining applications, the licensing authority should not take into consideration matters that are not related to gambling and the licensing objectives. One example would be the likelihood of the applicant obtaining planning permission or building regulations approval for their proposal. Licensing authorities should bear in mind that a premises licence, once it comes into effect, authorises premises to be used for gambling. Accordingly, a licence to use premises for gambling should only be issued in relation to premises that the licensing authority can be satisfied are going to be ready to be used for gambling in the reasonably near future, consistent with the scale of building or alterations required before the premises are brought into use. Equally, licences should only be issued where they are expected to be used for the gambling activity named on the licence. This is why the Act allows a potential operator to apply for a provisional statement if construction of the premises is not yet complete, or they need alteration, or he does not yet have a right to occupy them. [Part 11](#) of this guidance gives more information about provisional statements.

9.26 This authority will not take into account irrelevant matters as per the above guidance. In addition this authority notes the following excerpt from the Guidance:

7.65 - When dealing with a premises licence application for finished buildings, the licensing authority should not take into account whether those buildings have or comply with the necessary planning or building consents. Those matters should be dealt with under relevant planning control and building regulation powers, and not form part of the consideration for the premises licence. Section 210 of the 2005 Act prevents licensing authorities taking into account the likelihood of the proposal by the applicant obtaining planning or building consent when considering a premises licence application. Equally the grant of a gambling premises licence does not prejudice or prevent any action that may be appropriate under the law relating to planning or building.

9.27 **Duplication with other regulatory regimes** - This licensing authority seeks to avoid any duplication with other statutory / regulatory systems where possible, including planning. This authority will not consider whether a licence application is likely to be awarded planning permission or building regulations approval, in its consideration of it. It will though, listen to, and consider carefully, any concerns about conditions which

are not able to be met by licensees due to planning restrictions, should such a situation arise.

- 9.28 When dealing with a premises licence application for finished buildings, this authority will not take into account whether those buildings have to comply with the necessary planning or buildings consents. Fire or health and safety risks will not be taken into account, as these matters are dealt with under relevant planning control, buildings and other regulations and must not form part of the consideration for the premises licence.
- 9.29 **Licensing objectives** - Premises licences granted must be reasonably consistent with the licensing objectives. With regard to these objectives, this licensing authority has considered the Gambling Commission's Guidance to Licensing Authorities and some comments are made below.
- 9.30 **Preventing gambling from being a source of crime or disorder, being associated with crime or disorder or being used to support crime** - This licensing authority is aware that the Gambling Commission takes a leading role in preventing gambling from being a source of crime. The Gambling Commission's Guidance does however envisage that licensing authorities should pay attention to the proposed location of gambling premises in terms of this licensing objective. Thus, where an area has known high levels of organised crime this authority will consider carefully whether gambling premises are suitable to be located there and whether conditions may be suitable such as the provision of door supervisors. This licensing authority is aware of the distinction between disorder and nuisance and will consider factors (for example whether police assistance was required and how threatening the behaviour was to those who could see it) so as to make that distinction.
- 9.31 Ensuring that gambling is conducted in a fair and open way - **This licensing authority has noted that the Gambling Commission states that it generally does not expect licensing authorities to be concerned with ensuring that gambling is conducted in a fair and open way as this will be addressed via operating and personal licences.**
- 9.32 **Protecting children and other vulnerable persons from being harmed or exploited by gambling** - This licensing authority has noted the Gambling Commission's Guidance that this objective means preventing children from taking part in gambling (as well as restriction of advertising so that gambling products are not aimed at or are, particularly attractive to children). The licensing authority will therefore consider, as suggested in the Gambling Commission's Guidance, whether specific measures are required at particular premises, with regard to this licensing objective. Appropriate measures may include supervision of entrances / machines, segregation of areas etc.
- 9.33 This licensing authority is also aware of the Gambling Commission Codes of Practice as regards this licensing objective, in relation to specific premises.
- 9.34 As regards the term "vulnerable persons" it is noted that the Gambling Commission does not seek to offer a definition but states that "it will for regulatory purposes assume that this group includes people who gamble more than they want to; people who gambling beyond their means; and people who may not be able to make informed or balanced decisions about gambling due to a mental impairment, alcohol or drugs." This licensing authority will consider this licensing objective on a case by case basis.
- 9.35 **Conditions** - Any conditions attached to licences will be proportionate and will be:

- relevant to the need to make the proposed building suitable as a gambling facility;
  - directly related to the premises and the type of licence applied for;
  - fairly and reasonably related to the scale and type of premises; and
  - reasonable in all other respects.
- 9.36 Decisions on individual conditions will be made on a case by case basis, although there will be a number of measures this licensing authority will consider utilising should there be a perceived need, such as the use of supervisors, appropriate signage for adult only areas etc. There are specific comments made in this regard under some of the licence types below. This licensing authority will also expect the licence applicant to offer his/her own suggestions as to way in which the licensing objectives can be met effectively.
- 9.37 This licensing authority will also consider specific measures which may be required for buildings which are subject to multiple premises licences. Such measures may include the supervision of entrances; segregation of gambling from non-gambling areas frequented by children; and the supervision of gaming machines in non-adult gambling specific premises in order to pursue the licensing objectives. These matters are in accordance with the Gambling Commission's Guidance.
- 9.38 This authority will also ensure that where category C or above machines are on offer in premises to which children are admitted:
- all such machines are located in an area of the premises which is separated from the remainder of the premises by a physical barrier which is effective to prevent access other than through a designated entrance;
  - only adults are admitted to the area where these machines are located;
  - access to the area where the machines are located is supervised;
  - the area where these machines are located is arranged so that it can be observed by the staff or the licence holder; and
  - at the entrance to and inside any such areas there are prominently displayed notices indicating that access to the area is prohibited to persons under 18.
- 9.39 These considerations will apply to premises including buildings where multiple premises licences are applicable.
- 9.40 This licensing authority is aware that tracks may be subject to one or more than one premises licence, provided each licence relates to a specified area of the track. As per the Gambling Commission's Guidance, this licensing authority will consider the impact upon the third licensing objective and the need to ensure that entrances to each type of premises are distinct and that children are excluded from gambling areas where they are not permitted to enter.
- 9.41 It is noted that there are conditions which the licensing authority cannot attach to premises licences which are:
- any condition on the premises licence which makes it impossible to comply with an operating licence condition;
  - conditions relating to gaming machine categories, numbers, or method of operation;
  - conditions which provide that membership of a club or body be required (the Gambling Act 2005 specifically removes the membership requirement for casino and bingo clubs and this provision prevents it being reinstated; and

- conditions in relation to stakes, fees, winning or prizes.

9.42 **Door Supervisors** - The Gambling Commission advises in its Guidance to Licensing Authorities that if a licensing authority is concerned that a premises may attract disorder or be subject to attempts at unauthorised access (for example by children and young persons) then it may require that the entrances to the premises are controlled by a door supervisor, and is entitled to impose a premises licence to this effect.

9.43 Where it is decided that supervision of entrances/machines is appropriate for particular cases, a consideration of whether these need to be SIA licensed or not will be necessary. It will not be automatically assumed that they need to be licensed, as the statutory requirements for different types of premises vary (as per the Guidance, Part 33).

#### 9.44 **Local Risk Assessments**

9.45 Since 6 April 2016, the Gambling Commission's 'Licence Conditions Code of Practice' (LCCP) has required all existing licensees that provide gambling facilities at their premises, to assess the local risks to the licensing objectives and have policies, procedures and control measures to reduce those risks. Licensees must take into account any relevant matters identified in the licensing authorities (gambling) Statement of Policy when making their risk assessments.

9.46 In making risk assessments, licensees must take into account relevant matters identified in this policy.

9.47 The LCCP also states that licensees must review (and update as necessary) their local risk assessments:

- To take account of significant changes in local circumstances, including those identified in this policy;
- When there are significant changes at a licensee's premises that may affect their mitigation of local risks;
- When applying for a variation of a premise licence; and
- In any case, undertake a local risk assessment when applying for a new premise licence.

9.48 The licensing authority will expect the local risk assessment to consider as a minimum:

- Whether the premise is in an area with high levels of crime and/or disorder
- Whether the premise is in an area of high deprivation
- The demographics of the area in respect of vulnerable groups of people including those with gambling dependencies, where this information is available
- Location of services and amenities for children in the area such as schools, playgrounds, leisure facilities and other areas where children may gather.

9.49 The risk assessment may also include:

- Procedures in place to ensure staff are adequately trained in how to monitor and deal with customers suspected of excessive gambling (including brief intervention training for staff), vulnerable persons or children and also details and regularity of training given
- Details of supervisory and management procedures in place including number of staff available and their designated duties and responsibilities

- Details of any consideration given to the need for CCTV in the premise and if installed how the system will be operated and monitored and what coverage it is designed to give in the premise.
- Details of the signage and documents relating to games rules, gambling care providers and other relevant information including a consideration of whether information needs to be provided in another language that may be prevalent in the locality.

9.50 Such information may be used to inform the decision the Authority makes about whether to grant a licence, to grant a licence with special conditions or to refuse the application. The policy does not prevent an application made and each application will be decided on its merits with the onus being on the applicant to show how the concerns.

## **10. Adult Gaming Centres**

10.1 This licensing authority will specifically have regard to the need to protect children and vulnerable persons from harm or being exploited by gambling and will expect the applicant to satisfy the authority that there will be sufficient measures to, for example, ensure that under 18 year olds do not have access to the premises.

10.2 This licensing authority may consider measures to meet the licensing objectives such as:

- Proof of age schemes
- CCTV
- Supervision of entrances / machine areas
- Physical separation of areas
- Location of entry
- Notices / signage
- Specific opening hours
- Self-exclusion schemes
- Provision of information leaflets / helpline numbers for organisations such as GamCare.

This list is not mandatory, nor exhaustive, and is merely indicative of example measures.

## **11. (Licensed) Family Entertainment Centres:**

11.1 This licensing authority will specifically have regard to the need to protect children and vulnerable persons from harm or being exploited by gambling and will expect the applicant to satisfy the authority, for example, that there will be sufficient measures to ensure that under 18 year olds do not have access to the adult only gaming machine areas.

11.2 This licensing authority may consider measures to meet the licensing objectives such as:

- CCTV
- Supervision of entrances / machine areas
- Physical separation of areas
- Location of entry

- Notices / signage
- Specific opening hours
- Self-exclusion schemes
- Provision of information leaflets / helpline numbers for organisations such as GamCare.
- Measures / training for staff on how to deal with suspected truant school children on the premises

11.3 This list is not mandatory, nor exhaustive, and is merely indicative of example measures.

11.4 This licensing authority will, as per the Gambling Commission's guidance, refer to the Commission's website to see any conditions that apply to operating licences covering the way in which the area containing the category C machines should be delineated. This licensing authority will also make itself aware of any mandatory or default conditions on these premises licences, when they have been published.

## 12. Casinos

12.1 This licensing authority has passed a 'no casino' resolution on the basis that whilst it recognises that gambling can be an enjoyable and harmless activity for many, it believes that a casino may provide an environment that may harm vulnerable persons who may gamble beyond their means.

12.2 Potential licence applicants should note that as a 'no-casino' resolution has been passed by this authority no applications for casino premises licences will be considered. Any applications received will be returned with a notification that a 'no-casino' resolution is in place.

## 13. Bingo premises

13.1 This licensing authority notes that the Gambling Commission's Guidance regarding the unusual circumstances in which the splitting of a pre-existing premises into two adjacent premises might be permitted: -

*18.5 Licensing authorities need to satisfy themselves that bingo can be played in any bingo premises for which they issue a premises licence. An operator may choose to vary their licence to exclude a previously licensed area of that premises, and then apply for a new premises licence, or multiple new premises licences, with the aim of creating separate premises in that area. Essentially providing multiple licensed premises within a single building or site. Before issuing additional bingo premises licences, licensing authorities need to consider whether bingo can be played at each of those new premises.*

## 14. Betting premises

14.1 *Betting machines* - This licensing authority will, as per the Gambling Commission's Guidance, take into account the size of the premises, the number of counter positions available for person-to-person transactions, and the ability of staff to monitor the use of the machines by children and young persons (it is an offence for those under 18 to bet) or by vulnerable people, when considering the number/nature/circumstances of betting machines an operator wants to offer.



**15. Travelling Fairs**

- 15.1 This licensing authority is responsible for deciding whether, where category D machines and / or equal chance prize gaming without a permit is to be made available for use at travelling fairs, the statutory requirement that the facilities for gambling amount to no more than an ancillary amusement at the fair is met.
- 15.2 The licensing authority will also consider whether the applicant falls within the statutory definition of a travelling fair.
- 15.3 It is noted that the 27-day statutory maximum for the land being used as a fair applies on a per calendar year basis, and that it applies to the piece of land on which the fairs are held, regardless of whether it is the same or different travelling fairs occupying the land. This licensing authority will work with its neighbouring authorities to ensure that land which crosses our boundaries is monitored so that the statutory limits are not exceeded.

**16. Provisional Statements**

- 16.1 Developers may wish to apply to this authority for provisional statements before entering into a contract to buy or lease property or land to judge whether a development is worth taking forward in light of the need to obtain a premises licence. There is no need for the applicant to hold an operating licence in order to apply for a provisional statement.
- 16.2 S204 of the Gambling Act provides for a person to make an application to the licensing authority for a provisional statement in respect of premises that he or she:
- expects to be constructed;
  - expects to be altered; or
  - expects to acquire a right to occupy.
- 16.3 The process for considering an application for a provisional statement is the same as that for a premises licence application. The applicant is obliged to give notice of the application in the same way as applying for a premises licence. Responsible authorities and interested parties may make representations and there are rights of appeal.
- 16.4 In contrast to the premises licence application, the applicant does not have to hold or have applied for an operating licence from the Gambling Commission (except in the case of a track) and they do not have to have a right to occupy the premises in respect of which their provisional application is made.
- 16.5 The holder of a provisional statement may then apply for a premises licence once the premises are constructed, altered or acquired. The licensing authority will be constrained in the matters it can consider when determining the premises licence application, and in terms of representations about premises licence applications that follow the grant of a provisional statement, no further representations from relevant authorities or interested parties can be taken into account unless:
- they concern matters which could not have been addressed at the provisional statement stage, or
  - they reflect a change in the applicant's circumstances.

16.6 In addition, the authority may refuse the premises licence (or grant it on terms different to those attached to the provisional statement) only by reference to matters:

- which could not have been raised by objectors at the provisional statement stage;
- which in the authority's opinion reflect a change in the operator's circumstances; or
- where the premises has not been constructed in accordance with the plan submitted with the application. This must be a substantial change to the plan and this licensing authority notes that it can discuss any concerns it has with the applicant before making a decision.

## **17. Reviews**

17.1 Requests for a review of a premises licence can be made by interested parties or responsible authorities; however, it is for the licensing authority to decide whether the review is to be carried-out. This will be on the basis of whether the request for the review is relevant to the matters listed below;

- in accordance with any relevant Code of Practice issued by the Gambling Commission;
- in accordance with any relevant guidance issued by the Gambling Commission;
- reasonably consistent with the licensing objectives; and
- in accordance with the authority's statement of principles.

17.2 The request for the review will also be subject to the consideration by the authority as to whether the request is frivolous, vexatious, or whether it will certainly not cause this authority to wish to alter/revoke/suspend the licence, or whether it is substantially the same as previous representations or requests for review.

17.3 The licensing authority can also initiate a review of a particular premises licence, or a particular class of premises licence on the basis of any reason which it thinks is appropriate.

17.4 Once a valid application for a review has been received by the licensing authority, representations can be made by responsible authorities and interested parties during a 28 day period. This period begins 7 days after the application was received by the licensing authority, who will publish notice of the application within 7 days of receipt.

17.5 The licensing authority must carry out the review as soon as possible after the 28 day period for making representations has passed.

17.6 The purpose of the review will be to determine whether the licensing authority should take any action in relation to the licence. If action is justified, the options open to the licensing authority are:-

- (a) add, remove or amend a licence condition imposed by the licensing authority;
- (b) exclude a default condition imposed by the Secretary of State or Scottish Ministers (e.g. opening hours) or remove or amend such an exclusion;
- (c) suspend the premises licence for a period not exceeding three months; and
- (d) revoke the premises licence.

- 17.7 In determining what action, if any, should be taken following a review, the licensing authority must have regard to the principles set out in section 153 of the Act, as well as any relevant representations.
- 17.8 In particular, the licensing authority may also initiate a review of a premises licence on the grounds that a premises licence holder has not provided facilities for gambling at the premises. This is to prevent people from applying for licences in a speculative manner without intending to use them.
- 17.9 Once the review has been completed, the licensing authority must, as soon as possible, notify its decision to:
- the licence holder
  - the applicant for review (if any)
  - the Commission
  - any person who made representations
  - the chief officer of police or chief constable; and
  - Her Majesty's Commissioners for Revenue and Customs

**PART C**  
**Permits / Temporary & Occasional Use Notice**

**18. Unlicensed Family Entertainment Centre gaming machine permits**

18.1 Where a premises does not hold a premises licence but wishes to provide gaming machines, it may apply to the licensing authority for this permit. It should be noted that the applicant must show that the premises will be wholly or mainly used for making gaming machines available for use (Section 238).

18.2 Gambling Commission Guidance states: "...An application for a permit may be granted only if the licensing authority is satisfied that the premises will be used as an unlicensed FEC, and if the chief officer of police has been consulted on the application....Licensing authorities might wish to consider asking applicants to demonstrate:

- a full understanding of the maximum stakes and prizes of the gambling that is permissible in unlicensed FECs;
- that the applicant has no relevant convictions (those that are set out in Schedule 7 of the Act; and
- that staff are trained to have a full understanding of the maximum stakes and prizes.

18.3 It should be noted that a licensing authority cannot attach conditions to this type of permit.

18.4 This licensing authority will expect the applicant to show that there are policies and procedures in place to protect children from harm. Harm in this context is not limited to harm from gambling but includes wider child protection considerations. The efficiency of such policies and procedures will each be considered on their merits, however, they may include appropriate measures / training for staff as regards suspected truant school children on the premises, measures / training covering how staff would deal with unsupervised very young children being on the premises, or children causing perceived problems on / around the premises.

**19. (Alcohol) Licensed premises gaming machine permits - Automatic entitlement: 2 machines**

19.1 There is provision in the Act for premises licensed to sell alcohol for consumption on the premises to automatically have 2 gaming machines, of categories C and/or D. The premises merely need to notify the licensing authority.

19.2 The licensing authority can remove the automatic authorisation in respect of any particular premises if:

- provision of the machines is not reasonably consistent with the pursuit of the licensing objectives;
- gaming has taken place on the premises that breaches a condition of section 282 of the Gambling Act (i.e. that written notice has been provided to the licensing authority, that a fee has been provided and that any relevant code of practice issued by the Gambling Commission about the location and operation of the machine has been complied with);
- the premises are mainly used for gaming; or

- an offence under the Gambling Act has been committed on the premises.

### 19.3 Permit: 3 or more machines

- 19.4 If a premises wishes to have more than 2 machines, then it needs to apply for a permit and the licensing authority must consider that application based upon the licensing objectives, any guidance issued by the Gambling Commission and “*such matters as they think relevant.*”
- 19.5 This licensing authority considers that “*such matters*” will be decided on a case by case basis but generally there will be regard to the need to protect children and vulnerable persons from harmed or being exploited by gambling and will expect the applicant to satisfy the authority that there will be sufficient measures to ensure that under 18 year olds do not have access to the adult only gaming machines. Measures which will satisfy the authority that there will be no access may include the adult machines being in sight of the bar, or in the sight of staff who will monitor that the machines are not being used by those under 18. Notices and signage may also be help. As regards the protection of vulnerable persons, applicants may wish to consider the provision of information leaflets / helpline numbers for organisations such as GamCare.
- 19.6 It is recognised that some alcohol licensed premises may apply for a premises licence for their non-alcohol licensed areas. Any such application would most likely need to be applied for, and dealt with as an Adult Gaming Centre premises licence.
- 19.7 It should be noted that the licensing authority can decide to grant the application with a smaller number of machines and/or a different category of machines than that applied for. Conditions (other than these) cannot be attached.
- 19.8 It should also be noted that the holder of a permit must comply with any Code of Practice issued by the Gambling Commission about the location and operation of the machine.

### 20. Prize Gaming Permits

- 20.1 In making its decision on an application for this permit the licensing authority does not need to (but may) have regard to the licensing objectives but must have regard to any Gambling Commission guidance.
- 20.2 It should be noted that there are conditions in the Gambling Act 2005 by which the permit holder must comply, but that the licensing authority cannot attach conditions. The conditions in the Act are:
- the limits on participation fees, as set out in regulations, must be complied with;
  - all chances to participate in the gaming must be allocated on the premises on which the gaming is taking place and on one day; the game must be played and completed on the day the chances are allocated; and the result of the game must be made public in the premises on the day that it is played;
  - the prize for which the game is played must not exceed the amount set out in regulations (if a money prize), or the prescribed value (if non-monetary prize); and
  - participation in the gaming must not entitle the player to take part in any other gambling.

**21. Club Gaming and Club Machines Permits**

- 21.1 Members Clubs and Miners' welfare institutes (but not Commercial Clubs) may apply for a Club Gaming Permit or a Clubs Gaming machines permit. The Club Gaming Permit will enable the premises to provide gaming machines (3 machines of categories B, C or D), equal chance gaming and games of chance as set-out in forthcoming regulations. A Club Gaming machine permit will enable the premises to provide gaming machines (3 machines of categories B, C or D).
- 21.2 Gambling Commission Guidance states: "Members clubs must have at least 25 members and be established and conducted "wholly or mainly" for purposes other than gaming, unless the gaming is permitted by separate regulations. The Secretary of State has made regulation and these cover bridge and whist clubs, which replicates the position under the Gambling Act 1968. A members' club must be permanent in nature, not established to make commercial profit, and controlled by its members equally. Examples include working men's clubs, branches of Royal British Legion and clubs with political affiliations."
- 21.3 The Commission Guidance also notes that "licensing authorities may only refuse an application on the grounds that:
- (a) the applicant does not fulfil the requirements for a members' or commercial club or miners' welfare institute and therefore is not entitled to receive the type of permit for which it has applied;
  - (b) the applicant's premises are used wholly or mainly by children and/or young persons;
  - (c) an offence under the Act or a breach of a permit has been committed by the applicant while providing gaming facilities;
  - (d) a permit held by the applicant has been cancelled in the previous ten years; or
  - (e) an objection has been lodged by the Commission or the police.
- 21.4 There is also a 'fast-track' procedure available under the Act for premises which hold a Club Premises Certificate under the Licensing Act 2003 (Schedule 12 paragraph 10). As the Gambling Commission's Guidance to Licensing Authorities states: "Under the fast-track procedure there is no opportunity for objections to be made by the Commission or the police, and the ground upon which an authority can refuse a permit are reduced." and "The grounds on which an application under the process may be refused are:
- (a) that the club is established primarily for gaming, other than gaming prescribed under schedule 12;
  - (b) that in addition to the prescribed gaming, the applicant provides facilities for other gaming; or
  - (c) that a club gaming permit or club machine permit issued to the applicant in the last ten years has been cancelled."
- 21.5 There are statutory conditions on club gaming permits that no child uses a category B or C machine on the premises and that the holder complies with any relevant provision of a code of practice about the location and operation of gaming machines.

## **22. Temporary Use Notices**

- 22.1 Temporary Use Notices allow the use of premises for gambling where there is no premises licence but where a gambling operator wishes to use the premises temporarily for providing facilities for gambling. Premises that might be suitable for a Temporary Use Notice, according to the Gambling Commission, would include hotels, conference centres and sporting venues.
- 22.2 The licensing authority can only grant a Temporary Use Notice to a person or company holding a relevant operating licence, i.e. a non-remote casino operating licence.
- 22.3 The Secretary of State has the power to determine what form of gambling can be authorised by Temporary Use Notices, and at the time of writing this Statement the relevant regulations (SI no 3157: The Gambling Act 2005 (Temporary Use Notices) Regulations 2007) state that Temporary Use Notices can only be used to permit the provision of facilities or equal chance gaming, where the gaming is intended to produce a single winner, which in practice means poker tournaments.
- 22.4 There are a number of statutory limits as regards Temporary Use Notices. The meaning of "premises" in Part 8 of the Act is discussed in Part 7 of the Gambling Commission Guidance to Licensing Authorities. As with "premises", the definition of "a set of premises" will be a question of fact in the particular circumstances of each notice that is given. In the Act "premises" is defined as including "any place".
- 22.5 In considering whether a place falls within the definition of "a set of premises", the licensing authority needs to look at, amongst other things, the ownership/occupation and control of the premises.
- 22.6 This licensing authority expects to object to notices where it appears that their effect would be to permit regular gambling in a place that could be described as one set of premises, as recommended in the Gambling Commission's Guidance to Licensing Authorities.

## **23. Occasional Use Notices**

- 23.1 The licensing authority has very little discretion as regards these notices aside from ensuring that the statutory limit of 8 days in a calendar year is not exceeded. This licensing authority will though consider the definition of a 'track' and whether the applicant is permitted to avail him/herself of the notice.

END

**CONTACT DETAILS, ADVICE & GUIDANCE**

Further details regarding the licensing application process, including application forms, can be obtained from:

The Licensing Team  
Hartlepool Borough Council  
Civic Centre  
Victoria Road  
Hartlepool  
TS24 8AY

Tel No: 01429 523354  
Fax No: 01429 523308  
Email: [licensing@hartlepool.gov.uk](mailto:licensing@hartlepool.gov.uk)  
Web Site: [www.hartlepool.gov.uk/licensing](http://www.hartlepool.gov.uk/licensing)



### Local Area Profile

The Gambling Commission recommends that licensing authorities provide a 'local area profile' to assist gambling operators to understand the risks, or potential risks, associated with particular geographical areas.

As an area profile can change with time, Hartlepool Borough Council refers licence holders, or potential applicants, to the following sources of information about Hartlepool: -

Tees Valley Combined Authority - <https://teesvalley-ca.gov.uk/research-intelligence/area-profile/>

Government website – Indices of deprivation 2015 -  
<https://www.gov.uk/government/statistics/english-indices-of-deprivation-2015>

**SUMMARY OF LICENSING AUTHORITY DELEGATIONS PERMITTED  
UNDER THE GAMBLING ACT**

<b>Matter to be dealt with</b>	<b>Full Council</b>	<b>Sub-Committee of Licensing Committee</b>	<b>Officers</b>
Final approval of three year Statement of licensing principles	X		
Policy not to permit casinos	X		
Application for premises licence		Where representations have been received and not withdrawn	Where no representations received/representations have been withdrawn
Application for a variation to a licence		Where representations have been received and not withdrawn	Where no representations received/representations have been withdrawn
Application for a transfer of a licence		Where representations have been received from the Commission	Where no representations received from the Commission
Application for a provisional statement		Where representations have been received and not withdrawn	Where no representations received/representations have been withdrawn
Review of a premises licence		X	
Application for club gaming/club machine permits		Where objections have been made (and not withdrawn)	Where no objections made/objections have been withdrawn
Cancellation of club gaming/club machine permits		X	
Applications for other permits			X
Cancellation of licensed premises gaming machine permits			X
Consideration of temporary use notice			X
Decision to give a counter notice to a temporary use notice		X	

**CONSULTATION**

The following individuals/agencies and organisations were consulted about this Statement of Licensing Principles between June and August 2018: -

Hartlepool Borough Council councillors  
Chief of Cleveland Police  
Cleveland Fire Service  
Hartlepool Borough Council Planning Department  
Hartlepool Borough Council Trading Standards Service  
Hartlepool Borough Council Environmental Health  
Combined Authority  
HMRC  
Gamblers Anonymous  
GamCare  
British Beer and Pub Association  
Association of British Bookmakers  
Bingo Association  
Remote Gambling Association  
Business in Sport & Leisure  
Casino Operators Association  
BACTA  
British Holiday & Home Parks Association  
British Race Courses Association Ltd  
British Casino Association

# FINANCE AND POLICY COMMITTEE

26<sup>th</sup> November 2018



**Report of:** Director of Finance and Policy

**Subject:** ICT Contract Extension

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## 1. TYPE OF DECISION

Key Decision (test (i) applies).

Forward Plan Reference – 72/18.

The report had been intended for submission to the Committee on 29<sup>th</sup> October 2018. However, due to workload, there was a departure from the Forward Plan.

## 2. PURPOSE OF REPORT

- 2.1 To seek approval for Officers to negotiate a 3 year extension to the current ICT Contract with Northgate Public Services (NPS).

## 3. BACKGROUND

- 3.1 The Council entered into an ICT contract with NPS in October 2013. The original 7 year contract is due to terminate in October 2020. The contract can be extended for a maximum of 3 years, taking the contract to October 2023.

## 4. CONTRACT BENEFITS

- 4.1. The existing contract delivered an initial annual saving of £700k in 2013/14 and that has subsequently increased to an annual saving of £1.13m in 2018/19 delivered through the contract, which is a reduction of 18% on the 2012/13 cost of ICT. Over the period 2013/14 to 2018/19 the existing contract will have saved approximately £5.5m and by October 2020 the total saving will increase to approximately £7.1m.
- 4.2. The contract has a fixed pricing model, meaning that full cost details for each contract year were clearly specified from the start of the contract. This fixed pricing model continues during the extension period, giving a degree of

stability to the Medium Term Financial Strategy (MTFS) in the current financial climate because costs for any additional years are already identified.

- 4.3. The contract also ensured that any provider created a physical presence within the Borough. Northgate took up a lease at the former Hanson House building in Lynn Street which meant that 175 staff would be located in the Borough. In addition, 85 new roles have been created over the past 5 years, including a successful Modern Apprenticeship programme which is also in place for the Northgate contract.
- 4.4. The lease for the building generates £150k p.a. in rental income and a further £43k p.a. in facilities management income for the Council.
- 4.5. The contract has delivered on a number of projects that were initially specified including –
  - Relocation and refresh of IT servers providing greater resilience, business continuity and disaster recovery capabilities.
  - Refresh of desktop equipment to a combination of new Laptop, PC, Tablet PC and VDI Terminals
  - On-going compliance with Public Sector Network requirements by virtue of upgraded software and network security to ensure that the Council's key business processes can continue to communicate and operate effectively with partner agencies.

## **5. PROPOSAL**

- 5.1. The initial contract arrangement provides a potential break in the contract to manage any significant changes in the Council's ICT requirements, which could not be met by extending the contract. As this is not the case a full re-procurement exercise for an ICT contract would not be appropriate at the current time and involve significant one off procurement costs.
- 5.2. At the same time there are significant changes taking place within the IT industry regarding how software is purchased and licensed, how data is managed and stored and how services will be provided in the future. These changes reflect an anticipated continued shift to 'cloud' based solutions – effectively bigger computer data centres.  
All of this makes the current marketplace relatively volatile and the extension period should allow the market to settle and the Council to take advantage of improved business models and reduced costs from the procurement of a new contract to be awarded from October 2023.

- 5.3. An extension would generate a further recurring annual savings of £110,000 in the contract baseline for the 3 years of the extension. These savings will need to be allocated to offset the removal of the outage compensation payment which was built into the MTFS and to cover increased external licensing costs to avoid an unbudgeted pressure. The increased licensing costs are affecting all Councils and would also be an additional cost if a procurement exercise was undertaken.
- 5.4. The extension period includes further investment of £117,000 per annum to partially refresh desktop, network, server and telephony hardware to ensure the Council maintains a modern, fit for purpose, ICT estate. This cost is covered within the contracted extension price.

## **6. RISK IMPLICATIONS**

- 6.1. The key risk is that a modern ICT estate is not in place to allow the Council to conduct business effectively. The existing contract has provided such an estate since 2013 and should continue to do so throughout any extension period.
- 6.2. To seek a new contract, be that with the current or an alternative supplier, at the current time, would remove the financial stability that has been identified for the costs of ICT within the MTFS.

## **7. FINANCIAL CONSIDERATIONS**

- 7.1 As referenced in paragraph 4.1 the existing contract has secured increasing annual recurring saving since the contract was awarded in 2013/14. In 2018/19 this saving is £1.13m. As detailed in section 5.3, an extension to the current contract would generate additional annual recurring savings of £110,000.

## **8. LEGAL CONSIDERATIONS**

- 8.1 As set out above, the current contract includes an extension clause which allows for the original contract to be extended to October 2023. The contract extension will need to be negotiated and subjected to normal procurement and legal considerations.

## **9. CONSULTATION**

- 9.1 Work has already begun with departments in determining an ICT strategy for 2019. The ICT Strategy that is developed will inform the proposed contract extension and the nature of any future ICT contracts.

**10. CHILD AND FAMILY POVERTY IMPLICATIONS**

No Implications.

**11. EQUALITY AND DIVERSITY CONSIDERATIONS**

No implications.

**12. STAFF CONSIDERATIONS**

No implications.

**13. ASSET MANAGEMENT CONSIDERATIONS**

An extension will allow the current lease for Northgate House to continue at the current pricing level.

**14. RECOMMENDATIONS**

14.1 It is recommended that Members:-

- (i) agree in principle, a 3 year extension to the current ICT Contract with Northgate Public Services;
- (ii) Delegate authority to the Director of Finance and Policy, in consultation with the Chair of Finance and Policy Committee, the Chief Executive and Chief Solicitor, to agree the detailed terms of a 3 year extension.

**15. REASONS FOR RECOMMENDATIONS**

15.1. Obtain a further recurring annual saving of £110,000 in the baseline ICT contract costs

15.2. Ensure that the Council's ICT estate remains fit for purpose whilst delivering a cost effective solution taking into account the constraints under which the Council is operating.

15.3. Maintain a high quality tenant in Northgate House.

**16. BACKGROUND PAPERS**

Finance & Policy Committee report of 23<sup>rd</sup> June 2013, ICT Managed Service – Minute 42 refers.

**17. CONTACT OFFICER**

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# FINANCE AND POLICY COMMITTEE

26th November 2018



**Report of:** Director of Regeneration and Neighbourhoods

**Subject:** HARTLEPOOL WESTERN GROWTH CORRIDOR–  
FUNDING STRATEGY

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## 1. TYPE OF DECISION/APPLICABLE CATEGORY

- 1.1 Key Decision – tests (i) and (ii) apply. General Exception Notice applies.

## 2. PURPOSE OF REPORT

- 2.1 This report sets out the need and importance of delivering the Hartlepool Western Growth Corridor and associated Grade Separated Junction in terms of the future growth of Hartlepool. The costs of the scheme and the proposed funding are set out within the report, including information on the external funding that has been secured towards this project.
- 2.2 Given the importance of these infrastructure improvements it is necessary to prudentially borrow upfront in order to cover the shortfall in funding and to relieve pressure on the existing road network. Over the next 10 years the authority will be able to secure Section 106 payments (Town and Country Planning Act 1990) from housing developments within the vicinity of the bypass which will should the repay the prudential borrowing.

## 3. BACKGROUND

- 3.1 Hartlepool Local Plan – Following receipt of the Planning Inspectors Final Report, Hartlepool Borough Council adopted the new Local Plan on 22<sup>nd</sup> May 2018. The Local Plan now forms part of the Development Plan for the Borough and covers the period 1 April 2016 to 31<sup>st</sup> March 2031.
- 3.2 The Local Plan covers a range of topics which set out a strategy for how Hartlepool will develop over the next 15 years. The plan identifies sites for employment, housing, retail, recreation and leisure, green spaces and a range of other uses.

- 3.3 The housing and employment growth is closely aligned with the aspirations of the Tees Valley Strategic Economic Plan (TV SEP) which seeks to create 25,000 new jobs over the next 10 years across the Tees Valley area. Housing growth across the plan period equates to 410 dwellings per year. The plan therefore identifies a housing requirement for the next fifteen years of 6,150 dwellings.
- 3.4 There are already a large number of planning permissions approved which amount to over 3,500. The remainder of the 6,150 therefore needs to be new allocations across the Borough. Given the geography of the Borough and the employment designations to the south of the urban area, westward growth is the only practical option.
- 3.5 The plan identified two main westward growth areas, the South West Extension for just over 1,200 new homes which Planning Committee has previously been minded to approve and growth in the Elwick Road area at High Tunstall (1200 homes) and Quarry Farm (220 homes). These locations not only relate well to existing facilities but also offer the opportunity to provide a range of new community facilities which will support growth in this area of the town. It is recognised that there are highway improvements which will be critical to the Elwick Road corridor to support these sites and future growth of the Borough. The road infrastructure improvements proposed within the plan and the rationale for them is detailed within the remainder of the report.

#### **4. PROPOSAL**

- 4.1 The Hartlepool Western Growth Corridor has developed through the Hartlepool Local Plan in conjunction with discussions between the Local Authority and Highways England. Historically the junctions at Elwick Village and Dalton Piercy have raised safety concerns and there have been a number of accidents, some of which were fatal and improvements were recommended following a coroner's inquest into one of those deaths. As a result Highways England secured funding to look at design options for the creation of a grade separated junction at the northern Elwick/ A19 junction.
- 4.2 The further need for these works was demonstrated as a result of traffic monitoring surveys undertaken on the A19, where a camera was placed on the Elwick junctions. This showed vehicles queuing back into the deceleration lane waiting to the right turn into the village. This clearly demonstrated a major safety concern as vehicles queuing back into the outside northbound lane of the A19 could lead to further serious road traffic accidents.
- 4.3 These safety and capacity issues resulted in to Highways England putting a holding recommendation on planning applications which were forthcoming which would intensify the traffic movements through Elwick Village. This means that the Local Authority is unable to give planning permission until the highway issues are satisfactorily addressed.

- 4.4 The aforementioned safety concerns coupled with the wider issues of increasing congestion on the two main routes into Hartlepool namely the A689 and the A179 highlighted the need for the Council, through the Local Plan, to propose road infrastructure improvements. These improvements will address these concerns and improve the quality, safety and reliability of the network over the plan period (2016-31) and beyond. The proposed highway network upgrade will also improve the safety and amenity of residents within Elwick Village in terms of reducing the level of traffic travelling through the village. As such Local Plan Policy Inf2 (Improving Connectivity in Hartlepool) and the Local Infrastructure Plan require the development of a grade separated junction on the A19 and realignment of Elwick Road to provide a bypass to the north of Elwick Village.
- 4.5 Over the last 18 months officers have worked closely with Highways England, Land Agent(s) and in house Engineers to progress the development of a detailed design for the bypass. A Growing Places loan for £600,000 was secured to pay for the detailed design and land acquisition costs. This loan will be converted to grant and be included within the Tees Valley Combined Authority contribution to the scheme.
- 4.6 Meeting with the landowners was important to ensure that the proposed route took account of operational needs of the farmers and mitigation could be incorporated into the overall scheme. The design has been developed in-house and site investigations have also informed the proposed design. A final design (**see Appendix 1**) and estimated costings have now been completed. Officers are in the process of meeting with the land agents representing the landowners to progress the land acquisition. If these negotiations fail then a Compulsory Purchase Order (CPO) will be required.
- 4.7 Should there be a requirement for a CPO to acquire the land then this will have an impact on both programme and budget. It is estimated that a CPO could add a further two years onto the delivery programme for the bypass and a further £0.1m in legal fees.
- 4.8 It is anticipated that a planning application will be submitted early 2019 for the bypass and grade separated junction.
- 4.9 As part of the development of the detailed design, detailed costings for individual elements of the works have been produced. The summary of these works is shown below in Table 1. It should be noted that the scheme will be subject to a competitive tender process and as such the costs provided are an estimate. The programming of the works themselves are subject to Highways England approval for the construction of the bridge and these details are still being finalised. At this stage Highways England have not raised concerns regarding the programming of the works. The estimated costs have been based on other recent build costs for similar scale bridges elsewhere in the Tees Valley and are an upper estimate so there is contingency built in to the figures provided. Section 6 further covers sensitivity analysis in relation to contingency sums.

<b>Scheme Element</b>	<b>Amount</b>
Preliminaries	£1,500,000
Bypass construction	£7,696,000
Bridge Costs	£7,500,000
Land, design, utility and supervision costs	£1,000,000
A19 safety improvements	£750,000
Street Lighting	60,000
<b>Total</b>	<b>£18,506,000</b>

**Table 1 – Cost of Grade Separated Junction and Bypass**

- 4.10 In addition to the bypass, further works will be required to the Local Road Network. These works will require an upgrade to the Elwick Road/ Wooler Road junction and the Hart Lane/ Serpentine Road signalised junction. Detailed design is yet to commence on these schemes although, a budget estimate for the works is currently £4.0m. These works are not conditional on any planning application and further funding will be required to cover this, some of which may become available through the recycling of the section 106 monies following the repayment of the borrowing. Further information on this is presented in Section 6. A future report covering the Local Road Network will be brought back to Committee once further feasibility work has been undertaken.
- 4.11 To further improve safety along the A19 it is proposed to close the three existing junctions at Elwick and Dalton Piercy as well as restricting U-turn manoeuvres on the remaining gaps between the A179 and the A689. This work will be subject to a Traffic Regulation Order which will be undertaken by Highways England. An allowance for these works has been identified in Table 1 above.

## **5. RISK IMPLICATIONS**

- 5.1 All of the estimated costs are pre-tender estimates and given the scale of the project and complexity of the design, significant contingencies have been included to allow for potential additional costs associated with any necessary design changes and price risk associated with the procurement process. Concise site investigation at the detailed design stage will minimise the risk of any unforeseen ground conditions and any necessary changes will be incorporated within the design and funded from contingencies.
- 5.2 In the event that any contingencies are not required the overall scheme cost will reduce and the Council will seek to reduce the level of prudential borrowing in the first instance, this will be proportional in conjunction with any external grant funders.
- 5.3 There is a risk that the land purchase negotiations are delayed or have to progress through a Compulsory Purchase Order (CPO) if agreement cannot be reached. The CPO may add an approximate two years onto the delivery programme. The progress of negotiations is being monitored

closely to minimise the risk of any delays. A CPO process would also add an approximate £0.1m in legal fees.

- 5.4 Discussions have been ongoing with Highways England to deliver the proposed infrastructure improvements in order to minimise disruption to the Strategic Road Network (A19). Further works delivered by Highways England are due to commence in 2020 between Wolviston and Norton. It is not anticipated that the Wolviston works will delay the bypass delivery as by design most of the bypass can be constructed with minimal disruption to the A19. Discussions with Highways England will remain ongoing throughout the detailed design.
- 5.5 As outlined in the Financial Section below there is a risk that the build out of Housing development is delayed and this will impact on the phasing of S106 Developer contributions and Council Tax Income generated by the new properties. This position will be monitored closely and factored into future Medium Term Financial Strategy (MTFS) reports.
- 5.6 The repayment of the prudential borrowing is to be repaid from contributions in the various S106 agreements. A risk was identified that there was a possibility that Developers might seek to avoid repayment of the highways contributions after the junction and bypass were in use. Counsels advice was taken and appropriate provisions are to be imposed in the S106 agreements to mitigate this risk. There still remains the possibility that a developer might exercise their right to apply to have the obligations removed after five years on the grounds that they are no longer necessary. The possibility of such an application applies to all S106 Agreements but recent case law suggests that, in the present circumstances, such an application would be unlikely to succeed.

## **6. FINANCIAL CONSIDERATIONS**

### **6.1 Overview**

- 6.2 As reported to Council on 28<sup>th</sup> September 2017 two potential funding scenarios have been further examined. One highlighted the financial impact if no external grant funding was secured for this scheme; the other reflected anticipated potential National Productivity Investment Fund (NPIF) and Housing Infrastructure Fund (HIF) grant funding.
- 6.3 Since the report was considered the Council's NPIF and HIF bids were unsuccessful as the funding pots were oversubscribed and the Council was not prioritised for funding. The Council has however secured £4.172m grant from Tees Valley Combined Authority (TVCA). The Council is being supported by TVCA to find additional funding and is in advanced discussions with Homes England for a further £4.173m which is anticipated will be confirmed in the near future. On this basis the Council will have secured external funding of £8.345m.

6.4 As previously reported the remaining estimated costs of £10.161m will need to be funded from prudential borrowing which will be fully repaid from S106 developer contributions over a period of 7 to 10 years, depending upon the build out rate of the developments referred to in Section 4 of this report.

6.5 As outlined above the Council will have achieved £8.345m in grant funding and S106 money of £18.703m is anticipated to be secured in relation to the associated grade separated junction and bypass and the local road network. The potential S106 monies exceeds the estimated costs of the bypass and local road network owing to the receipt of grant monies by approximately £4.5m. On the basis that the overall road costs are within budget, this amount will be able to be released to fund other S106 contribution objectives, i.e. affordable housing, school places and leisure facilities. However these monies cannot be released until;

- The road schemes are complete and the amount funded from S106 is known; and,
- The S106 monies have been received, as these monies will be received over a 15 year period and the first priority is the repayment of prudential borrowing to avoid an unfunded budget pressure. It is anticipated that money received over the next 7 to 10 years will pay back the prudential borrowing.

## 6.6 Risk Assessment

6.7 Interest Rate Risk – Whilst the S106 monies will be sufficient to fund the cost of providing the Elwick Bypass the Council will need to use prudential borrowing to fund the upfront Capital costs not funded from grant. There will therefore be an interest cost of using prudential borrowing which cannot be funded from S106 monies.

6.8 On the basis of forecast S106 payments commencing in 2020/21 it is anticipated that a 10 year loan will be required to fund the upfront capital costs and allow for potential variations in the profile of S106 receipts to repay the loan. It is anticipated that annual interest costs in relation to a £10.161m loan will be £0.265m based on current interest rates. This would commit Council Tax income from approximately 157 properties of housing growth.

6.9 The full annual impact of interest costs are currently expected in 2021/22 as initial costs of the project will be funded by grant. However the timing of drawing down this loan will be dependent on the timing of the project commencing. This means that the Council faces interest rate risk as there is a possibility of interest rates rising in future years. Table 2 demonstrates the impact of increases in interest rates and the number of houses committed to fund the resulting annual interest costs.

	<b>Forecast Interest Rate (2.6%)</b>	<b>Forecast Interest Rate +1%</b>	<b>Forecast Interest Rate +2%</b>
Interest Cost of £10.161m Borrowing Requirement	£0.265m	£0.367m	£0.469m
<b>Number of houses committed to fund interest</b>	<b>157</b>	<b>218</b>	<b>278</b>

Table 2 – Forecasted Interest

As section 106 contributions are received the interest risk will reduce as these monies will be invested, pending repayment of the 10 year maturity loan.

- 6.10 Price Risk and Interest Rate Risk – If the cost of the project were to increase and had to be funded by additional prudential borrowing this would result in increased interest costs. Table 3 shows the impact of a potential £1m increase in costs and the number of houses committed to fund increased interest rate costs.

	<b>Forecast Interest Rate (2.6%)</b>	<b>Forecast Interest Rate +1%</b>	<b>Forecast Interest Rate +2%</b>
Interest Cost of £11.161m Borrowing Requirement	£0.291m	£0.403m	£0.515m
<b>Number of houses committed to fund interest</b>	<b>173</b>	<b>239</b>	<b>306</b>

Table 3 – Cost Increase Sensitivity

- 6.11 Housing Growth Risk - To manage the potential risk that the S106 monies are not received over the forecast period of 7 to 10 years it is recommended to repay the Prudential Borrowing over a 50 year period to reflect the lifespan of the project. The resulting annual repayment cost would be approximately £0.2m per annum and this would be the minimum amount of S106 monies that would need to be repaid to avoid a revenue budget pressure. However, as it is expected that S106 monies will exceed this minimum requirement, the actual monies received will be used to repay prudential borrowing to reduce the loan outstanding and achieve full repayment with the forecast 7 to 10 years.
- 6.12 Housing Developments Delayed – In the event that the project is not completed and there is a delay in the achievement of anticipated housing development the Council would have to meet interest costs of £0.265m (current forecast), plus principal repayment costs £0.2m, i.e. total potential annual cost of £0.465m. Based on the current timetable for implementing this project this cost would arise in 2022/23.
- 6.13 There is currently no provision in the MTFS for this potential scenario as it is anticipated that interest costs would be funded from increased Council Tax income from housing growth and principal repayment costs will be

funded from S106 monies. This is considered to be a low risk for the following reasons

- Forecast interest costs of £0.265m require 157 properties to be completed compared to 200 forecast over the period up to 2022/23
- Principal repayment costs of £0.2m require S106 funding from 17 properties.

- 6.14 CPO Risk – In the event of a CPO there would be additional legal costs initially estimated at £0.1m but could be higher depending on the process. Land values following a CPO will likely be decided by a Land Tribunal and as such the costs will be in line with those already allowed within the budget. This can be funded from S106 monies but would reduce the amount available to fund other S106 contribution objectives. Additional borrowing will also be required and would increase the interest costs identified in paragraph 6.9 by 1%. In the event of a CPO being required, it is recommended that authority is delegated to the Chief Executive, in consultation with the Director of Finance and Policy, the Chief Solicitor and the Chair of Finance and Policy Committee to increase the borrowing approval accordingly, subject to any increase being repayable from S106 monies. Details will be reported to a future Council meeting.
- 6.15 Local Road Network – As detailed in Section 3 of the report there is likely to be a requirement for work to be done to increase capacity on the Local Road Network initially estimated at £4m. These costs will be funded from S106 monies. The timing of these works is dependent on the housing sites progressing. A future report will be brought when the position is more certain and this will consider the impact of the timing of S106 receipts and the availability of these resources to fund the works to the Local Road Network.
- 6.16 Contingencies – Contingencies have been built in to the costs outlined above. In the event this is not needed the amount borrowed will reduce and annual interest costs will reduce to £0.244m (equating to 145 houses). However, this cannot be relied upon until the scheme is completed and costs are known.
- 6.17 Balance of S106 - As outlined in paragraph 6.5 above potential S106 monies secured for highways exceeds the estimated cost of the bypass and local road network by approximately £4.5m owing to the receipt of grant monies. This amount will be available to be spent on a range of other obligations such as affordable housing, school places and leisure facilities. However, these monies cannot be committed until they have been received.
- 6.18 In addition there is provision for an additional £1m of S106 monies specific to these contribution objectives without having to rely on recycling of the highways contributions.



## **7. LEGAL CONSIDERATIONS**

- 7.1 The key legal implications in this report relate to the Section 106 legal agreements to be agreed in relation to the various developments and progress of a Compulsory Purchase Order. The S106 Agreements, secure contributions for the highways works as detailed above and, in addition, provide for any excess monies to be recycled and spent on the normal range of obligations such as education and affordable housing. As far as possible legally within the constraints of the S106 procedure, future risk of non-payment of contributions have been mitigated.
- 7.2 On relation to compulsory purchase this report defines the purposes for which the land is required and the plan appended in Appendix 1 defines the land which is likely to be taken (either temporary or permanently). The required land purchases are currently progressing through negotiation and there may be slight amendments to the proposed land take as a result. Should negotiations prove fruitless then a Compulsory Purchase Order will be required. The intention is to outsource the required legal work to a specialist firm, the costs of which have been identified in Section 6.14. At the present time it is intended that the CPO will be made under powers under the Highways Act 1980 but it may also be necessary to obtain delegated CPO powers from the Secretary of State or enter into additional agreements with Highways England as the design work is progressed.

## **8. CONSULTATION**

- 8.1 The proposal for a grade separated junction and bypass at Elwick Village has been part of the emerging Local Plan through the Preferred Options Stage in 2016 and during the Publication Stage of the Local Plan in early 2017.
- 8.2 Each of these stages were approved by Regeneration Services Committee for public consultation periods of eight weeks each. During the Publication Stage of the Local Plan a letter regarding the consultation was sent to every household within the borough as well as all the statutory consultees (such as Highways England, Natural England etc) and all stakeholders on the Local Plan consultation database. The Local Plan was submitted to the Secretary of State on the 23<sup>rd</sup> March 2017 following full Council approval.
- 8.3 Consultation and liaison with the landowners commenced in February 2016 and is ongoing through the respective land agents.
- 8.4 Further consultation events were held in the Town Centre and Elwick Village in January and February 2016 to present the preferred route to residents.
- 8.5 Following submission of the planning application, residents will have the opportunity to submit formal comments on the proposed scheme.

**9. CHILD AND FAMILY POVERTY**

- 9.1 Whilst this report is part of the Budget and Policy Framework, as indicated in the table in **Appendix 2**, there are no child and family poverty implications relating to this report.

**10. EQUALITY AND DIVERSITY CONSIDERATIONS**

- 10.1 There are no equality and diversity considerations relating to this report.

**11. SECTION 17 OF THE CRIME AND DISORDER ACT 1998 CONSIDERATIONS**

- 11.1 There are no Section 17 considerations relating to this report.

**12. STAFF CONSIDERATIONS**

- 12.1 There are no staff considerations relating to this report.

**13. ASSET MANAGEMENT CONSIDERATIONS**

- 13.1 The Western Growth Corridor will create a new stretch of carriageway which will form part of the local road network and will have to be managed and maintained by the local highway authority. The grade separated junction will also form part of the local road network, the slip roads will become the responsibility of Highways England to maintain.

**14. CONCLUSION**

- 14.1 The Western Growth Corridor and associated Grade Separated Junction is designed to address safety and capacity issues in relation to traffic movements through Elwick village. It will also facilitate future housing growth which in turn will provide increased Council Tax income to help maintain Council services.
- 14.2 Since the previous report to Council in September 2017 the Council has secured £4.172M from TVCA and is in advanced discussions to secure a further £4.173M from Homes England with a final decision anticipated by early 2019. Securing this external grant funds 45% of the estimated cost of this scheme.
- 14.3 Based on the current estimated scheme cost of £18.506M this means the Council need to borrow £10.161M for the bypass. This is significantly less than the maximum potential borrowing reported to Council on 28<sup>th</sup> September 2017 of £18M.

- 14.4 It is anticipated that the interest costs on the borrowing of £10.161M will be funded from increased Council Tax income and repayment of the prudential borrowing will be funded from S106 receipts, over a 7 to 10 year period
- 14.5 As set out in section 6 there are risks around the timing of the housing developments and receipt of S106. However it is expected that these can be managed as the S106 anticipated to be secured to support highways expenditure exceeds the amount needed to repay the borrowing and a loan will be taken out that will allow for variation in the profile of S106 receipts.
- 14.6 A future report will be brought in relation to the Local Road Network when the position is more certain and this will consider the impact of the timing of S106 receipts and the availability of these resources to fund the works.

## 15. RECOMMENDATIONS

- 15.1 It is recommended the Members refer the following to Council:
- i. Seek approval to add to the capital programme £18.506M for the Western Growth Corridor and associated Grade Separated Junction.
  - ii. To note that grant funding of £8.345M is anticipated to be secured in relation to this scheme in early 2019 of which £4.172M has been confirmed.
  - iii. Seek approval to use prudential borrowing of £10.161M and to note this is below the maximum previously approved by Council on 28 September 2017 of £18M.
  - iv. Note that the annual loan repayments (excluding interest) of using prudential borrowing will be funded from S106 Developer Contributions. Under these arrangements the prudential borrowing of £10.161M will be repaid over a 7 to 10 year period.
  - v. Note that the full annual interest cost currently expected in 2021/22 until the loan is repaid, will be funded from Council Tax income generated from approximately 157 properties.
  - vi. Note that a future report will be brought in relation to the Local Road Network.
  - vii. Resolve to instigate the CPO process to acquire the land required should negotiations fail to progress. An update on progress shall provided to Council and appropriate delegations will be sought at that time. A further report will need to be brought before Council in the future to 'make' the CPO and that will be accompanied by a Statement of Reasons and a full schedule of the land to be taken.

- viii. Seek approval that in the event of a CPO being required, authority is delegated to the Chief Executive, in consultation with the Director of Finance and Policy, the Chief Solicitor and the Chair of Finance and Policy Committee to increase the borrowing approval accordingly, within the overall limit which can be repaid from section 106 contributions.

## **16. REASONS FOR RECOMMENDATIONS**

- 16.1 This report has set out the need and importance of delivering the Hartlepool Western Growth Corridor in terms of the future housing and economic growth of Hartlepool. Given the importance of these infrastructure improvements it is considered necessary to have in place a final funding commitment from Council to agree the prudential borrowing to cover the cost of the scheme. Over the next 7 to 10 years the authority will be able to secure Section 106 payments from housing developments within the vicinity of the bypass which will repay the prudential borrowing.

The Western Growth Corridor and associated Grade Separated Junction is designed to address safety and capacity issues in relation to traffic movements through Elwick village. It will also facilitate future housing growth which in turn will provide increased Council Tax income to help maintain Council services.

A future report will be brought in relation to the Local Road Network when the position is more certain and this will consider the impact of the timing of S106 receipts and the availability of these resources to fund the works.

## **17. BACKGROUND PAPERS**

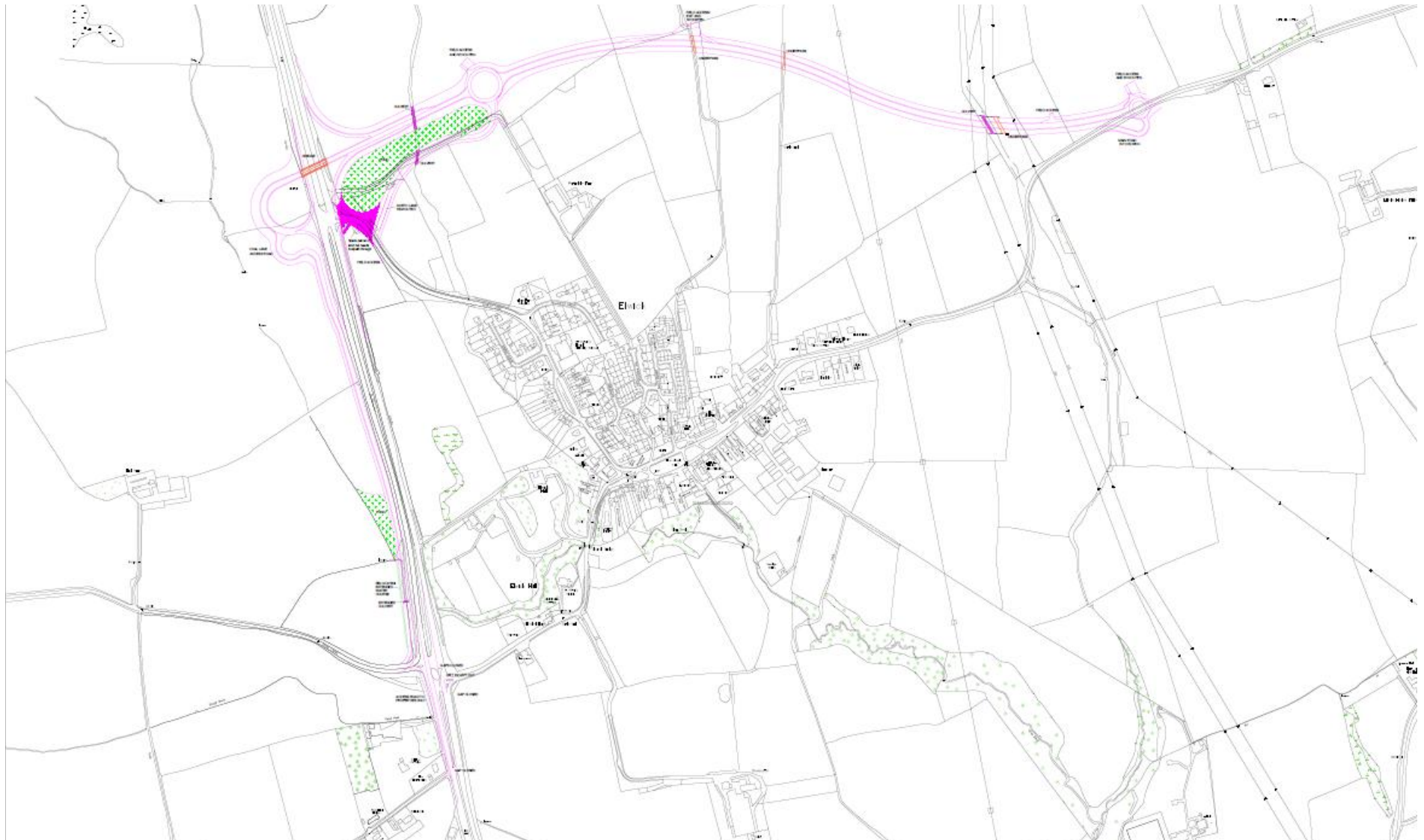
- 17.1 Previous Finance and Policy paper RN07/17.
- 17.2 Previous Council paper- 28<sup>th</sup> September 2017.

## **18. CONTACT OFFICER**

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Email [denise.ogden@hartlepool.gov.uk](mailto:denise.ogden@hartlepool.gov.uk)  
Tel: 01429 523301

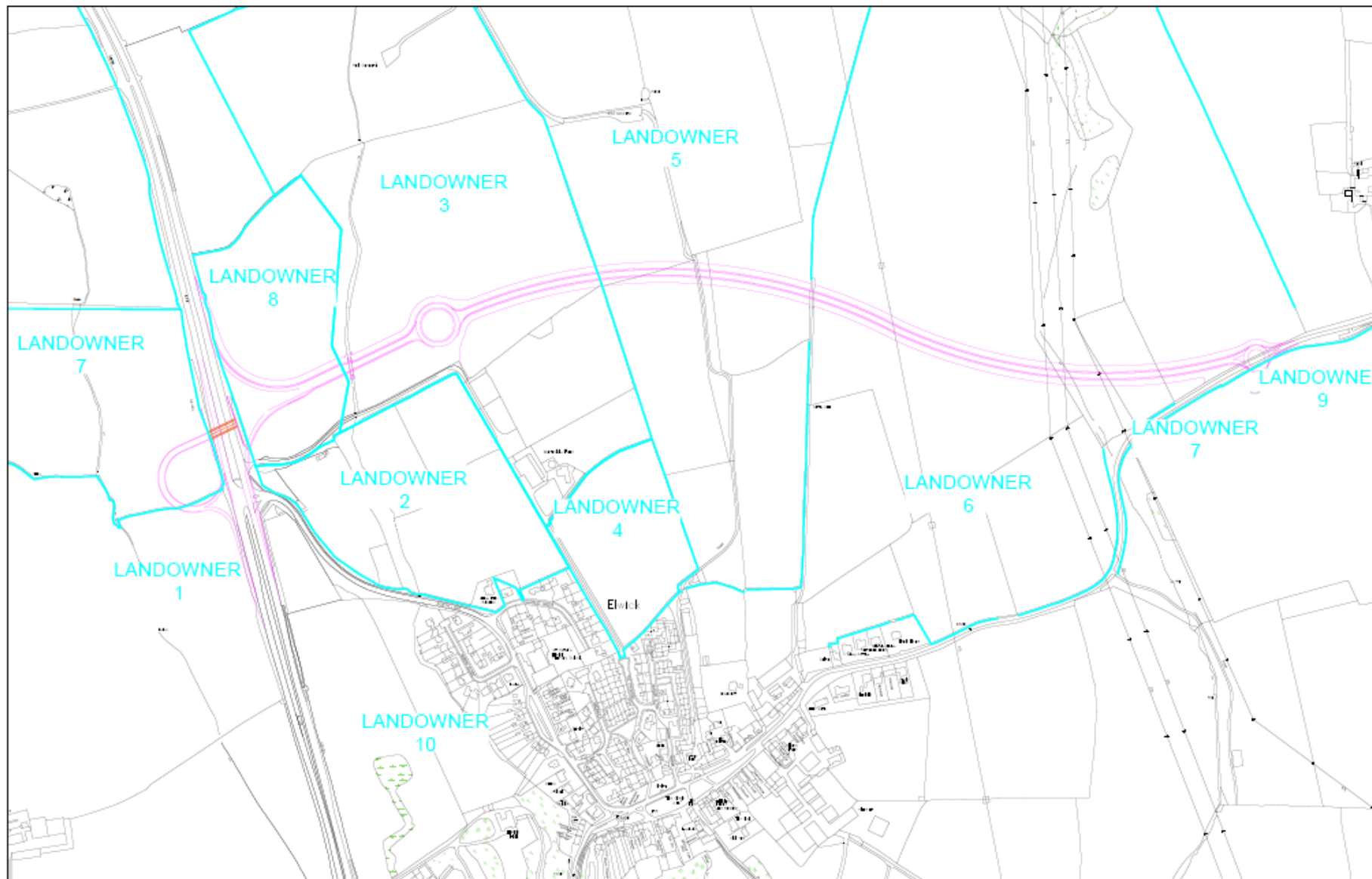
## 5.2 APPENDIX 1

### DRAFT FINAL DESIGN OF GRADE SEPARATED JUNCTION AND ELWICK BYPASS- LAND OVERLAY



## 5.2 APPENDIX 1

### DRAFT FINAL DESIGN OF GRADE SEPARATED JUNCTION AND ELWICK BYPASS- LAND OVERLAY



## 5.2 APPENDIX 2

# POVERTY IMPACT ASSESSMENT

<b>1. Is this decision a Budget &amp; Policy Framework or Key Decision? <u>YES</u></b> If YES please answer question 2 below				
<b>2. Will there be an impact of the decision requested in respect of Child and Family Poverty? <u>NO</u></b> If YES please complete the matrix below				
GROUP	POSITIVE IMPACT	NEGATIVE IMPACT	NO IMPACT	REASON & EVIDENCE
Young working people aged 18 - 21			X	
Those who are disabled or suffer from illness / mental illness			X	
Those with low educational attainment			X	
Those who are unemployed			X	
Those who are underemployed			X	
Children born into families in poverty			X	
Those who find difficulty in managing their finances			X	
Lone parents			X	
Those from minority ethnic backgrounds			X	
Poverty is measured in different ways. Will the policy / decision have an impact on child and family poverty and in what way?				
Poverty Measure (examples of poverty measures appended overleaf)	POSITIVE IMPACT	NEGATIVE IMPACT	NO IMPACT	REASON & EVIDENCE
Overall impact of Policy / Decision				
NO IMPACT / NO CHANGE		ADJUST / CHANGE POLICY / SERVICE		

## 5.2 APPENDIX 2

# POVERTY IMPACT ASSESSMENT

ADVERSE IMPACT BUT CONTINUE		STOP / REMOVE POLICY / SERVICE	
<b>Examples of Indicators that impact of Child and Family Poverty.</b>			
<b>Economic</b>			
Children in Low Income Families (%)			
Children in Working Households (%)			
Overall employment rate (%)			
Proportion of young people who are NEET			
Adults with Learning difficulties in employment			
<b>Education</b>			
Free School meals attainment gap (key stage 2 and key stage 4)			
Gap in progression to higher education FSM / Non FSM			
Achievement gap between disadvantaged pupils and all pupils (key stage 2 and key stage 4)			
<b>Housing</b>			
Average time taken to process Housing Benefit / Council tax benefit claims			
Number of affordable homes built			
<b>Health</b>			
Prevalence of underweight children in reception year			
Prevalence of obese children in reception year			
Prevalence of underweight children in year 6			
Prevalence of obese children in reception year 6			
Life expectancy			



# FINANCE AND POLICY COMMITTEE

26 November 2018



**Report of:** Chief Solicitor

**Subject:** INVESTIGATORY POWERS COMMISSIONER'S  
OFFICE DESKTOP BASED DOCUMENTARY  
INSPECTION

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## 1. TYPE OF DECISION/APPLICABLE CATEGORY

Non-key decision.

## 2. PURPOSE OF REPORT

- 2.1 To advise the Committee of the desktop based documentary inspection undertaken by the Investigatory Powers Commissioner and his resulting recommendations as to the compliance with the Regulation of Investigatory Powers Act 2000.

## 3. BACKGROUND

- 3.1 Since the creation of the former Office of Surveillance Commissioners (now the Investigatory Powers Commissioner's Office) through the provisions of the Regulation of Investigatory Powers Act, 2000 (RIPA) there have been a number of inspections in respect of the management of covert activities by the Authority. The outcome of the last inspection was reported to this Committee on 16 October 2015. Following receipt of correspondence from the Investigatory Powers Commissioner (**attached at Appendix 1**) which included a number of recommendations, a response has been sent to the Commissioner who has been notified that a report would be submitted to this Committee. The Commissioner was advised also that he would be updated as to the decisions of the Committee in addressing the recommendations arising from the desktop based documentary inspection.

#### 4. RECOMMENDATIONS ARISING FROM THE INSPECTION

4.1 The desktop review concluded that there was no need for a physical inspection at this stage but made a number of recommendations. Those recommendations and the Council's responses thereto are set out below:-

1. **Whilst RIPA awareness training has been undertaken since the last inspection, there is a need for regular training and awareness to be developed and introduced throughout the Council and in order that those who may engage RIPA powers, remain "match fit" –**  
*Arrangements are to be made for regular annual training to be introduced throughout the Council for those Officers who may engage in RIPA powers. An all day RIPA training session was held on 16<sup>th</sup> October and it is planned that the next training event will be held in October 2019.*
2. **Whilst the Senior Responsible Officer (SRO) has received Authorised Officer training, their use to authorise RIPA applications should only be as a last resort. Their primary role as SRO is to oversee the use of RIPA powers by other Council employees – the recommendation has been noted and the Policy has been amended to clarify that the SRO will authorise RIPA applications only in exceptional circumstances (in the absence of the other authorised officers)**
3. **The Council's Policy documents, whilst recently updated, should be amended/or added to in the following areas:-**
  - ***In order to avoid ambiguity any reference to the use of the urgency procedures for the authorisation of Directed Surveillance or CHIS should be removed. Authorisation from a Judicial authority is required (paragraph 6.1)***
  - ***Details on the use of Social Networking Sites (SNS) beginning at paragraph 5.7 of the policy document, should be developed further to include advice and guidance contained within the revised Code of Practice for Covert Surveillance and Property Interference 2018 (paragraphs 3.10 to 3.17)***
  - ***The authorisation period for a juvenile CHIS has been amended and is now for a maximum duration of four months and not one month as documented at Section 8 of the Council policy document (revised Code of Practice for Covert Human Intelligence Sources 2018, paragraph 4.2 refers).***
  - ***Any references to the Office of Surveillance Commissioners (OSC) as the oversight body for RIPA powers should be updated to reflect the oversight now undertaken by the Investigatory Powers Commissioner's Office (IPCO).***

The policy has been updated to reflect the areas identified (updated policy attached as **Appendix 2**).

**5. RISK IMPLICATIONS**

- 5.1 Public criticism and the undermining of subsequent criminal proceedings undertaken by the Council.

**6. FINANCIAL CONSIDERATIONS**

- 6.1 The cost of annual training for those Officers who may engage in use of RIPA powers will be minimal.

**7. LEGAL CONSIDERATIONS**

- 7.1 There is a legal requirement to follow the Council's policy and procedures in compliance with the Regulation of Investigatory Powers Act 2000 and accompanying legislation.

**8. STAFF CONSIDERATIONS**

- 8.1 Annual training will be scheduled for staff who may engage in use of RIPA powers.

**9. OTHER CONSIDERATIONS**

Child And Family Poverty	No relevant issues.
Equality And Diversity Considerations	No relevant issues.
Consultation	No relevant issues.
Asset Management Considerations	No relevant issues.

**10. RECOMMENDATIONS**

- 10.1 That the Committee approve the responses to the recommendations contained within the desktop inspection report.
- 10.2 That the Council's response is formally notified to the Investigatory Powers Commissioner's Office and that annual reports are submitted to the Audit and Governance Committee.

**11. REASONS FOR RECOMMENDATIONS**

- 11.1 To ensure the matters that require remedy, highlighted by the desktop based documentary inspection, are addressed.

**12. BACKGROUND PAPERS**

Finance and Policy Committee Report – 16 October 2018  
Letter to Chief Executive dated 16<sup>th</sup> October 2018 from The Investigatory Powers Commissioner, Investigatory Powers Commissioner's Office.

**16. CONTACT OFFICERS**

Hayley Martin  
Chief Solicitor  
Tel: 01429 523003  
E mail: Hayley.martin@hartlepool.gov.uk



PO Box 29105, London  
SW1V 1ZU

Ms Gill Alexander  
Chief Executive  
Hartlepool Borough Council  
Civic Centre  
Victoria Road  
Hartlepool  
TS24 8AY

16<sup>th</sup> October 2018

Dear Chief Executive,

### **Inspection of Hartlepool Borough Council**

Your Council was recently subject of a desktop based documentary inspection by one of my Inspectors, Mr Graham McCrory MBE. I am grateful to you for facilitating this through your Legal and Democratic Services team manager, Ms Amanda Whitaker who has provided the relevant materials and also spoke to my Inspector to provide further details.

Whilst there is no need for a physical inspection at this stage, the desktop review has identified certain matters that require remedy and Mr McCrory has made the following recommendations:

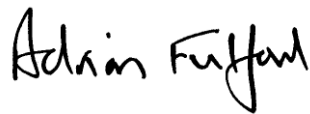
1. Whilst RIPA awareness training has been undertaken since the last inspection, there is a need for regular training and awareness to be developed and introduced throughout the Council and in order that those who may engage RIPA powers, remain “match fit”.
2. Whilst the Senior Responsible Officer (SRO) has received Authorising Officer training, their use to authorise RIPA applications should only be as a last resort. Their primary role as SRO is to oversee the use of RIPA powers by other Council employees.
3. The Councils’ Policy documents, whilst recently updated, should be amended/or added to in the following areas:
  - In order to avoid ambiguity any reference to the use of the urgency procedures for the authorisation of Directed Surveillance or CHIS should be removed. Authorisation from a Judicial authority is required (Paragraph 6.1)
  - Details on the use of Social Networking Sites (SNS) beginning at paragraph 5.7 of the policy document, should be developed further to include advice and guidance contained within the revised Code of Practice for Covert Surveillance and Property Interference 2018 (Paragraphs 3.10 to 3.17)
  - The authorisation period for a juvenile CHIS has been amended and is now for a maximum duration of four months and not one month as documented at Section 8 of the Council policy document (revised Code of Practice for Covert Human Intelligence Sources 2018, paragraph 4.2 refers)
  - Any references to the Office of Surveillance Commissioners (OSC) as the oversight body for RIPA powers should be updated to reflect the oversight now undertaken by the Investigatory Powers Commissioner’s Office (IPCO).

I shall be grateful if you would respond to me within six weeks from the date of this letter to advise the action taken in response. I will then decide whether a physical inspection is required.

I take the opportunity here to remind you of the importance of regular, ongoing internal oversight of the actual or potential use of these powers, which should be managed through your Senior Responsible Officer Ms. Hayley Martin. Officers need to maintain their levels of training lest, however remote a possibility it may appear, the powers need to be used. I also draw attention to the increasing usefulness and accessibility of social media which can offer initial investigative leads and assist with your enforcement or other responsibilities, but it behoves you to ensure that such resources as these are used in a controlled, auditable, and well understood manner. The Home Office Covert Surveillance and Property Interference Code of Practice, as alluded to, provides some helpful advice on this point.

My Office is available to you should you have any queries following the recent desktop inspection, or at any point in the future. Contact details are provided at the foot of this letter.

Yours sincerely,

A handwritten signature in black ink, reading 'Adrian Fulford'. The signature is written in a cursive, slightly stylized font.

The Rt. Hon. Lord Justice Fulford  
The Investigatory Powers Commissioner



**REGULATION OF INVESTIGATORY POWERS ACT 2000**

**POLICY AND PROCEDURE**

**ON THE USE OF COVERT SURVEILLANCE**

Title	Regulation of Investigatory Powers Act 2000
Owner	Chief Solicitor
Version	2
Issue date	October 2018
Approved by	Audit and Governance Committee
Next Revision Due	Oct 2019

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7. Considering Applications for Directed Surveillance
8. Considering Applications for the use of CHIS
9. Acquisition and Disclosure of Communications Data
10. Considering applications for the Acquisition and Disclosure of Communications Data
11. Working with other Agencies
12. Applying for Judicial Approval
13. Records Management

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| Appendix 2 | List of Designated Persons and SPOCs                                     |
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## 1. **INTRODUCTION**

1.1 This document sets out the policy and procedures adopted by Hartlepool Borough Council (“the Council”) in relation to Part II of the Regulation of Investigatory Powers Act 2000 (“RIPA”) and is based on the Home Office Codes of Practice on Covert Surveillance and Covert Human Intelligence Sources; guidance issued by the Home Office to local authorities on the judicial approval process and crime thresholds for directed surveillance; and guidance issued by the Investigatory Powers Commissioner’s Office (Previously Office of the Surveillance Commissioner (OSC)).

1.2 For the purpose of this update, references to the Home Office Codes of Practice relate to:

- [Home Office Covert Human Intelligence Sources Code of Practice \(2018\)](#)
- [Home Office Covert Surveillance and Property Interference Revised Code of Practice \(2018\)](#)
- [Home Office Acquisition and Disclosure of Communications Data \(2015\)](#)

1.3 The following terms are used throughout this Policy:

RIPA	Regulation of Investigatory Powers Act 2000
CHIS	Covert Human Intelligence Source
SPoC	Single Point of Contact
SRO	Senior Responsible Officer
IPCO	Investigatory Powers Commissioners Office
NAFN	National Anti-Fraud Network CSP Communications Service Provider

1.4 It should be noted that any use of activities under RIPA will be as a last resort and council policy is not to undertake such activities unless absolutely necessary.

1.5 Directed surveillance, use of a Covert Human Intelligence Source (CHIS) or acquisition of communications data by or on behalf of the Council must be carried out in accordance with this Policy. Any such activity must be authorised by one of the Authorising Officers identified in Appendices 1 and 2. All authorisations must then be approved by a Magistrate before any covert activity takes place. Staff directly employed by the Council and any external agencies working for the Council are subject to RIPA whilst they are working in a relevant investigatory capacity.

- 1.6 The purpose of the Policy is to ensure the Council is acting lawfully while undertaking its various enforcement functions, ensuring directed surveillance, the use of a CHIS or acquisition of communication data is both necessary and proportionate, and takes into account the rights of individuals under Article 8 of the Human Rights Act, Page 4 of 20.
- 1.7 Surveillance, for the purpose of the Act, includes monitoring, observing or listening to persons, their movements, conversations or other activities and communications. It may be conducted with or without the assistance of a surveillance device and includes the recording of any information obtained.

## **2. BACKGROUND**

- 2.1 RIPA came into force on 25 September 2000 and was enacted in order to regulate the use of a range of investigative powers by a variety of public authorities. It gives a statutory framework for the authorisation and conduct of certain types of covert surveillance operations. The aim of the legislation is to provide a balance between preserving people's right to privacy and enabling enforcement agencies to gather evidence for effective enforcement action.
- 2.2 It is consistent with the Human Rights Act 1998 and creates a system of safeguards, reflecting the requirements of Article 8 of the European Convention on Human Rights (right to respect for a person's private and family life, home and correspondence). Compliance with RIPA means that any conduct authorised under it is "lawful for all purposes". This important protection derives from Section 27(1) of RIPA, which gives the authorised person an entitlement to engage in the conduct which has been authorised. Compliance with RIPA will assist the Council in any challenges to the way in which evidence has been gathered and will enable the Council to demonstrate that it has acted lawfully.
- 2.3 Compliance with RIPA makes authorised surveillance "lawful for all purposes" pursuant to Section 27(1) of the Act. Compliance with RIPA will protect the Council from challenges to both the gathering of, and the subsequent use of, covertly obtained information. Non-compliance with RIPA legislation may result in:
- (a) evidence being disallowed by the Courts;
  - (b) a complaint of maladministration to the Ombudsman; or
  - (c) the Council being ordered to pay compensation.

This policy addresses solely issues having relevance to the activities of Hartlepool Borough Council.

- 2.4 The single ground for a Council's application for a surveillance authorisation is 'Preventing or detecting crime or disorder'. Since the making of the Regulation of Investigatory Powers (Directed Surveillance and Covert Human Intelligence Sources) Order 2012, the Council can only grant an authorisation for the use of directed surveillance where the offence being investigated attracts a custodial sentence of six months or more or when investigating a criminal offence relating to the underage sale of alcohol or tobacco.
- 2.5 It is therefore essential that the Council's policies and procedures, as set out in this document, are followed.

### **3. ROLES AND RESPONSIBILITIES**

#### **3.1 Senior Responsible Officer (SRO):**

3.1.1 The role of SRO will be undertaken by the Council's Chief Solicitor

3.1.2 In accordance with good practice the SRO will be responsible for:

- The integrity of the process in place within the Council for the management of CHIS and Directed Surveillance;
- Compliance with Part 2 of the Act and with the Home Office Codes of Practice;
- Oversight of the reporting of errors to the relevant Commissioner and the identification of both the cause(s) of errors and the implementation of processes to minimise repetition of errors;
- Engagement with the Investigatory Powers Commissioner's Office (IPCO) when they conduct their inspections, where applicable; and
- Where necessary, oversight of the implementation of post-inspection action plans approved by the relevant oversight Commissioner.
- Produce a report to the Council's Audit and Governance Committee on the Council's use of RIPA

#### **3.2 Authorising Officers**

3.2.1 The Officers named in Appendix 1 shall be the only Officers within the Council who can authorise applications under RIPA in accordance with the procedures set out in this policy.

3.3 Each of the Authorising Officers can authorise applications, for onward consideration by a Magistrate. Each Authorising Officer may authorise renewals and cancellations, and undertake reviews, in relation to any investigation carried out, or proposed to be carried out, by Officers. Authorising Officers may not sub-delegate their powers in relation to RIPA to other Officers.

3.4 The Officer who authorises a RIPA application should also carry out the review,

renewal and cancellation. If the original Authorising Officer is not available to undertake the review, renewal or cancellation, this can be undertaken by any other Authorising Officer.

### 3.5 RIPA Co-ordinator:

3.5.1 The Legal and Democratic Services Team Manager is appointed RIPA Co-ordinator.

3.6 The RIPA Co-ordinator shall:-

- have overall responsibility for the management and oversight of requests and authorisations under RIPA;
- issue a unique reference number to each authorisation requested under RIPA (this must be before the application has been authorised);
- retain a copy of the application and authorisation together with any supplementary documentation and notification of the approval given by the Authorising Officer, maintain a central RIPA records file matrix entering the required information as soon as the forms/documents are received in accordance with the relevant Home Office Code of Practice;
- review and monitor all forms and documents received to ensure compliance with the relevant law and guidance and this policy and procedures document and informing the Authorising Officer of any concerns;
- chase failures to submit documents and/or carry out reviews/ cancellations;
- be responsible for organising a corporate RIPA training programme;
- ensure corporate awareness of RIPA and its value as a protection to the Council is maintained;

### 3.6 Elected Members:

3.6.1 Members of the Council's Audit and Governance Committee will approve the RIPA policy on an annual basis.

3.6.2 Members of the Council's Audit and Governance Committee will receive the following information on a quarterly basis:

Information to be provided	Frequency
The number of RIPA authorisations requested and granted	Quarterly report Annual Report

The number of joint operations where RIPA authorisation has been sought and granted by another authority	Quarterly Report Annual report
Review of the effectiveness of this policy and any recommendation for changes to be made	Annual Report – with any significant amendments referred to Council for approval.

3.6.3 Elected Members will have no involvement in making decisions as to whether authorisations are approved.

#### **4. LOCAL AUTHORITY USE OF RIPA**

4.1 RIPA sets out a regulatory framework for the use of covert investigatory techniques by public authorities. RIPA does not provide any powers to carry out covert activities. If such activities are conducted by Council Officers, then RIPA regulates them in a manner that is compatible with the European Convention on Human Rights (ECHR), particularly Article 8, the right to respect for private and family life.

4.2 RIPA limits local authorities to using three covert techniques, as set out below:

- a) Directed surveillance is essentially covert surveillance in places other than residential premises or private vehicles
- b) A Covert Human Intelligence Source (CHIS) includes undercover Officers, public informants and people who make test purchases (for enforcement purposes)
- c) Acquisition of Communications data is the 'who', 'when' and 'where' of a communication, but not the 'what' (ie the content of what was said or written). RIPA groups communications data into three types:
  - 'Traffic data' (which includes information about where the communications are made or received);
  - 'service use information' (such as the type of communication, time sent and its duration); and
  - 'subscriber information' (which includes billing information such as the name, address and bank details of the subscriber of telephone or internet services).

4.3 Under RIPA a local authority can only authorise the acquisition of the less intrusive types of communications data: service use and subscriber information. Under no circumstances can local authorities be authorised to obtain traffic data under RIPA.

- 4.4 Local authorities are not permitted to intercept the content of any person's communications and it is an offence to do so without lawful authority.
- 4.5 Directed surveillance may only be authorised under RIPA for the purpose of preventing or detecting criminal offences that are either punishable, whether on summary conviction or indictment, by a maximum term of at least 6 months' imprisonment or are related to the underage sale of alcohol and tobacco.
- 4.6 Local authorities cannot authorise directed surveillance for the purpose of preventing disorder unless this involves a criminal offence(s) punishable (whether on summary conviction or indictment) by a maximum term of at least 6 months' imprisonment. Requests for authorisation must still demonstrate how the activity is both proportionate and necessary.
- 4.7 A local authority may not authorise the use of directed surveillance under RIPA to investigate disorder that does not involve criminal offences or to investigate low-level offences which may include, for example, littering, dog control and flyposting.
- 4.8 Examples of cases where the offence being investigated attracts a maximum custodial sentence of six months or more include more serious criminal damage and dangerous waste dumping
- 4.9 Directed surveillance will always be a last resort in an investigation, and use of a CHIS by the Council is unlikely. These activities will only be undertaken where there is no other reasonable and less intrusive means of obtaining the information.
- 4.10 In cases of joint working with other agencies, for example the Department for Work and Pensions or the Police, only one authorisation from one organisation is required. This should be made by the lead authority for the particular investigation. Council Officers should satisfy themselves that authorisation has been obtained and be clear exactly what activity has been authorised. All cases of overt or covert surveillance undertaken in joint working with other authorities or organisations will be reported to the Audit and Governance Committee in accordance with paragraph 3.6.2 above
- 4.11 For access to communication data, a Single Point of Contact (SPoC) is required to undertake the practical facilitation with the communications service provider (CSP) in order to obtain the data requested. The SPoC must have received training specifically to facilitate lawful acquisition of communications data and effective co-operation between the local authority and CSP.
- 4.12 The National Anti-Fraud Network (NAFN) provides a SPoC service to local authorities. Local authorities using the NAFN SPoC service will still be

responsible for submitting any applications to a Magistrate and a designated person in the authority is still required to scrutinise and approve any applications.

- 4.13 Compliance with the provisions of RIPA, the Home Office Codes of Practice and this policy and procedures should protect the Council, its Officers and agencies working on its behalf against legal challenge. Section 27 of RIPA states that “conduct...shall be lawful for all purposes if an authorisation...confers an entitlement to engage in that conduct on the person whose conduct it is and his conduct is in accordance with the authorisation”. If correct procedures are not followed, the Council could be rendered liable to claims and the use of the information obtained may be disallowed in any subsequent legal proceedings.

## **5. TYPES OF SURVEILLANCE**

- 5.1 Officers should be aware of the scope and extent of activities covered by the provisions of RIPA. In many cases investigations carried out by Council Officers will not be subject to RIPA, as they involve overt rather than covert surveillance (see below). An explanation of terms used is set out below:

- 5.2 'Surveillance' includes

- monitoring, observing, listening to persons, watching or following their movements, listening to their conversations and other such activities or communications;
- recording anything mentioned above in the course of authorised surveillance;
- surveillance by, or with the assistance of, appropriate surveillance device(s).

Surveillance can be overt or covert.

### **5.2.1 Covert Surveillance**

- Covert surveillance is surveillance carried out in a manner calculated to ensure that the person subject to the surveillance is unaware that it is, or may be taking place.
- RIPA requires the authorisation of two types of covert surveillance (directed surveillance and intrusive surveillance) plus the use of covert human intelligence sources (CHIS) or acquisition of communications data.

### **5.3 Directed Surveillance**

- 5.3.1 Surveillance is directed surveillance if the following are all true:

- it is covert, but not intrusive surveillance ;
- it is conducted for the purposes of a specific investigation or operation;
- it is likely to result in the obtaining of private information about a person

(whether or not one specifically identified for the purposes of the investigation or operation);

- it is conducted otherwise than by way of an immediate response to events or circumstances the nature of which is such that it would not be reasonably practicable for an authorisation under Part II of the 2000 Act to be sought.

5.3.2 Such forms of surveillance involve observing an individual or group of people whether through unaided observation or listening or through the use of technical devices and when information regarding their private or family lives is likely to be obtained.

*Example: Two people holding a conversation on the street or in a bus may have a reasonable expectation of privacy over the contents of that conversation, even though they are associating in public. The contents of such a conversation should therefore still be considered as private information. A directed surveillance authorisation would therefore be appropriate for a public authority to record or listen to the conversation as part of a specific investigation or operation.*

5.3.3 Special provisions apply where information enjoying legal privilege or certain types of confidentiality may be obtained. In such circumstances, which are not expected to be relevant to the Council's activities, the approval of the **Council's Head of Paid Service** is required, or in his/her absence by the Council's Chief Solicitor.

#### 5.4 Covert Human Intelligence Sources (CHIS)

5.4.1 Under the RIPA, a person is a CHIS if:

- they establish or maintain a personal or other relationship with a person for the covert purpose of facilitating the doing of anything falling within paragraph 26(8)(b) or (c);
- they covertly use such a relationship to obtain information or to provide access to any information to another person; or
- they covertly disclose information obtained by the use of such a relationship or as a consequence of the existence of such a relationship

5.4.2 A person may be a CHIS if they induce, ask or assist another person to engage in the conduct described above.

5.4.3 Carrying out test purchases will not require the purchaser to establish a relationship with the supplier for the purpose of obtaining information and, therefore, the purchaser will not normally be a CHIS, for example, authorisation would not normally be required for test purchases carried out in the ordinary course of business (e.g. walking into a shop and purchasing a product over the counter) although an Officer covertly watching a particular



transaction may require an authorisation for directed surveillance.

- 5.4.4 By contrast, developing a relationship with a person in the shop, for example to obtain information about the seller's supplier of an illegal or unsafe product, will require authorisation as a CHIS. Similarly, using mobile hidden recording devices or CCTV cameras to record what is happening in the shop will require authorisation as directed surveillance. A combined authorisation can be given for CHIS and also directed surveillance.

*Example 1: Intelligence suggests that a local shopkeeper is openly selling alcohol to underage customers, without any questions being asked. A juvenile is engaged and trained by a public authority and then deployed in order to make a purchase of alcohol. In these circumstances any relationship, if established at all, is likely to be so limited in regards to the requirements of the 2000 Act that a public authority may conclude that a CHIS authorisation is unnecessary. However, if the test purchaser is wearing recording equipment but is not authorised as a CHIS, consideration should be given to granting a directed surveillance authorisation*

*Example 2: In similar circumstances, intelligence suggests that a shopkeeper will sell alcohol to juveniles from a room at the back of the shop, providing they have first got to know and trust them. As a consequence the public authority decides to deploy its operative on a number of occasions, to befriend the shopkeeper and gain their trust, in order to purchase alcohol. In these circumstances a relationship has been established and maintained for a covert purpose and therefore a CHIS authorisation should be obtained.*

## 5.5 Acquisition and Disclosure of Communications data

- 5.5.1 The effect of Chapter 2 of RIPA is to render unlawful the acquisition and disclosure of 'communications data' unless proper authorisation or notice has been given.

- 5.5.2 So far as relevant to the Council, 'communications data' is -

- (a) *any traffic data comprised in or attached to a communication (whether by the sender or otherwise) for the purposes of any postal service or telecommunication system by means of which it is being or may be transmitted;*
- (b) *any information which includes none of the contents of a communication (apart from any information falling within paragraph (a)) and is about the use made by any Officer—*
  - (i) *of any postal service or telecommunications service; or*

*(ii) in connection with the provision to or use by any Officer of any telecommunications service, of any part of a telecommunication system;*

*(c) any information not falling within paragraph (a) or (b) that is held or obtained, in relation to Officers to whom he provides the service, by an Officer providing a postal service or telecommunications service.*

5.5.3 This would include, for example, personal records of a customer or subscriber – their name and address, payment method, contact number etc.

5.5.4 The Council may wish to use such communications data for tracing through a telephone number or for other investigatory purposes. To enable such use to be made of communications data, the Council may lawfully seek information from service providers.

5.5.5 The Council will request such information only in accordance with the Home Office Code of Practice on the Acquisition and Disclosure of Communications Data which provides that applications for communications data may only be made by Officers in the same public authority as a designated Officer. It further calls for the identification of a SPOC within relevant public authorities

5.5.6 The Council will provide a SPOC who will be in a position to:

- where appropriate, assess whether access to communications data is reasonably practical for the postal or telecommunications operator;
- advise applicants and designated Officers on the practicalities of accessing different types of communications data from different postal or telecommunications operators;
- advise applicants and designated Officers on whether communications data falls under section 21(4)(a), (b) or (c) of the Act;
- provide safeguards for authentication;
- assess any cost and resource implications to both the public authority and the postal or telecommunications operator.

## 5.6 Overt Surveillance

5.4.1 Overt Surveillance will include most of the surveillance carried out by the Council - there will be nothing secretive, clandestine or hidden about it. For example, signposted CCTV cameras normally amount to overt surveillance. In many cases, Officers will be going about Council business openly (e.g. a parking attendant patrolling a Council car park).

- 5.6.2 However, care must be taken to ensure that Officers are not intentionally acting as members of the public in order to disguise their true intent as this may then be considered as covert and require RIPA authorisation.
- 5.6.3 Similarly, surveillance will be overt if the subject has been told it will happen. This will be the case where a noisemaker is warned that recordings will be made if the noise continues; or where an entertainment licence is issued subject to conditions, and the licensee is told that Officers may visit without notice or without identifying themselves to the owner/proprietor to check that the conditions are being met. Such warnings should be given to the person concerned in writing.
- 5.6.4 Overt surveillance does not require any authorisation under RIPA. Neither does low-level surveillance consisting of general observations in the course of law enforcement (for example, an officer visiting a site to check whether a criminal offence had been committed). Repeated visits may amount to systematic surveillance however, and require authorisation: if in doubt, advice should be sought from the RIPA Monitoring Officer or the Senior Responsible Officer
- 5.6.5 Home Office guidance also suggests that the use of equipment such as binoculars or cameras, to reinforce normal sensory perception by Enforcement Officers as part of general observation does not need to be regulated by RIPA, as long as the systematic surveillance of an individual is not involved. However, if binoculars or cameras are used in relation to anything taking place on any residential premises or in any private vehicle the surveillance can be intrusive even if the use is only fleeting. Any such surveillance will be intrusive “if it consistently provides information of the same quality as might be expected to be obtained from a device actually present on the premises or in the vehicle”. The quality of the image obtained rather than the duration of the observation is what is determinative. It should be remembered that the Council is not permitted to undertake intrusive surveillance.
- 5.6.6 Similarly, although signposted, CCTV cameras do not normally require authorisation, this will be required if the camera(s) are to be directed for a specific purpose which involves prolonged surveillance on a particular person.
- 5.6.7 Use of body worn cameras should be overt. Badges should be worn by Officers stating body cameras are in use and it should be announced that recording is taking place. In addition, cameras should only be switched on when recording is necessary – for example, when issuing parking tickets.
- 5.6.8 Surveillance that is unforeseen and undertaken as an immediate response to events or circumstances such that it is not reasonably practicable to seek authorisation normally falls outside the definition of directed surveillance and therefore authorisation is not required. However, if a specific investigation or operation is subsequently to follow, authorisation must be obtained in the usual

way before it can commence. In no circumstances will any covert surveillance operation be given backdated authorisation after it has commenced.

## 5.7 Social Networking Sites (SNS)

### 5.7.1 The revised Code of Practice Covert Surveillance and Property Interference Revised Code of Practice states that:

*3.10 The growth of the internet, and the extent of the information that is now available online, presents new opportunities for public authorities to view or gather information which may assist them in preventing or detecting crime or carrying out other statutory functions, as well as in understanding and no further steps are taken to conceal the activity. Conversely, where a public authority has taken reasonable steps to inform the public or particular individuals that the surveillance is or may be taking place, the activity may be regarded as overt and a directed surveillance authorisation will not normally be available.*

*3.11 The internet may be used for intelligence gathering and/or as a surveillance tool. Where online monitoring or investigation is conducted covertly for the purpose of a specific investigation or operation and is likely to result in the obtaining of private information about a person or group, an authorisation for directed surveillance should be considered, as set out elsewhere in this code. Where a person acting on behalf of a public authority is intending to engage with others online without disclosing his or her identity, a CHIS authorisation may be needed (paragraphs 4.10 to 4.16 of the Covert Human Intelligence Sources code of practice provide detail on where a CHIS authorisation may be available for online activity).*

*3.12 In deciding whether online surveillance should be regarded as covert, consideration should be given to the likelihood of the subject(s) knowing that the surveillance is or may be taking place. Use of the internet itself may be considered as adopting a surveillance technique calculated to ensure that the subject is unaware of it, even if no further steps are taken to conceal the activity. Conversely, where a public authority has taken reasonable steps to inform the public or particular individuals that the surveillance is or may be taking place, the activity may be regarded as overt and a directed surveillance authorisation will not normally be available.*

*3.13 As set out in paragraph 3.14 below, depending on the nature of the online platform, there may be a reduced expectation of privacy where information relating to a person or group of people is made openly available within the public domain, however in some circumstances privacy implications still apply. This is because the intention when making such information available was not for it to be used for a covert purpose such as investigative activity. This is regardless of whether a user of a website or social media platform has sought to protect such information by restricting its access by activating privacy settings.*

*3.14 Where information about an individual is placed on a publicly accessible database, for example the telephone directory or Companies House, which is commonly used and known to be accessible to all, they are unlikely to have any reasonable expectation of privacy over the monitoring by public authorities of that information. Individuals who post information on social media networks and other websites whose purpose is to communicate messages to a wide audience are also less likely to hold a reasonable expectation of privacy in relation to that information.*

*3.15 Whether a public authority interferes with a person's private life includes a consideration of the nature of the public authority's activity in relation to that information. Simple reconnaissance of such sites (i.e. preliminary examination with a view to establishing whether the site or its contents are of interest) is unlikely to interfere with a person's reasonably held expectation of privacy and therefore is not likely to require a directed surveillance authorisation. But where a public authority is systematically collecting and recording information about a particular person or group, a directed surveillance authorisation should be considered. These considerations apply regardless of when the information was shared online. See also paragraph 3.6.*

*Example 1: A police officer undertakes a simple internet search on a name, address or telephone number to find out whether a subject of interest has an online presence. This is unlikely to need an authorisation. However, if having found an individual's social media profile or identity, it is decided to monitor it or extract information from it for retention in a record because it is relevant to an investigation or operation, authorisation should then be considered.*

*Example 2: A customs officer makes an initial examination of an individual's online profile to establish whether they are of relevance to an investigation. This is unlikely to need an authorisation. However, if during that visit it is intended to extract and record information to establish a profile including information such as identity, pattern of life, habits, intentions or associations, it may be advisable to have in place an authorisation even for that single visit. (As set out in the following paragraph, the purpose of the visit may be relevant as to whether an authorisation should be sought.)*

*Example 3: A public authority undertakes general monitoring of the internet in circumstances where it is not part of a specific, ongoing investigation or 20 operation to identify themes, trends, possible indicators of criminality or other factors that may influence operational strategies or deployments. This activity does not require RIPA authorisation. However, when this activity leads to the discovery of previously unknown subjects of interest, once it is decided to monitor those individuals as part of an ongoing operation or investigation, authorisation should be considered.*

*3.16 In order to determine whether a directed surveillance authorisation should be sought for accessing information on a website as part of a covert investigation or operation, it is necessary to look at the intended purpose and scope of the online activity it is proposed to undertake. Factors that should be considered in establishing whether a directed surveillance authorisation is required include:*

- Whether the investigation or research is directed towards an individual or organisation;*
- Whether it is likely to result in obtaining private information about a person or group of people (taking account of the guidance at paragraph 3.6 above);*
- Whether it is likely to involve visiting internet sites to build up an intelligence picture or profile;*
- Whether the information obtained will be recorded and retained;*
- Whether the information is likely to provide an observer with a pattern of lifestyle;*
- Whether the information is being combined with other sources of information or intelligence, which amounts to information relating to a person's private life;*
- Whether the investigation or research is part of an ongoing piece of work involving repeated viewing of the subject(s);*
- Whether it is likely to involve identifying and recording information about third parties, such as friends and family members of the subject of interest, or information posted by third parties, that may include private information and therefore constitute collateral intrusion into the privacy of these third parties.*

*3.17 Internet searches carried out by a third party on behalf of a public authority, or with the use of a search tool, may still require a directed surveillance authorisation (see paragraph 4.32).*

*Example: Researchers within a public authority using automated monitoring tools to search for common terminology used online for illegal purposes will not normally require a directed surveillance authorisation. Similarly, general analysis of data by public authorities either directly or through a third party for predictive purposes (e.g. identifying crime hotspots or analysing trends) is not usually directed surveillance. In such cases, the focus on individuals or groups is likely to be sufficiently cursory that it would not meet the definition of surveillance. But officers should be aware of the possibility that the broad thematic research may evolve, and that authorisation may be appropriate at the point where it begins to focus on specific individuals or groups. If specific names 21 or other identifiers of an individual or group are applied to the search or analysis, an authorisation should be considered.*

5.7.2 The Council's Policy in relation to the use of social media for the gathering of evidence to assist in its enforcement activities is set out below as well as in the attached procedure note at Appendix 5:

- Officers must not 'friend' individuals on social networks;

- Officers must not use their own private accounts to view the social networking accounts of other individuals;
- Officers viewing an individual's profile on a social networking site should do so only once in order to obtain evidence to support or refute their investigation. Such viewing can take a backward look at the individual's profile;
- further viewing of open profiles on social networking sites to monitor an individual's status, must only take place once RIPA authorisation has been granted and approved by a Magistrate. However, if the activity being investigated does not fall within the protection of RIPA, for example, if the crime threshold is not met, then a non-RIPA form must be completed and authorised;
- Officers should be aware that it may not be possible to verify the accuracy of information on social networking sites and, if such information is to be used as evidence, steps must be taken to ensure its validity.

## 5.8 Intrusive Surveillance

### 5.8.1 Intrusive Surveillance occurs when surveillance:

- is covert;
- relates to residential premises and/or private vehicles; and
- involves the presence of a person in the premises or in the vehicle or is carried out by a surveillance device in the premises/vehicle. Surveillance equipment mounted outside the premises will not be intrusive, unless the device consistently provides information of the same quality and detail as might be expected if they were in the premises/vehicle.

### 5.8.3 Intrusive surveillance cannot be carried out or approved by the Council. Only the police or other law enforcement agencies are permitted to use such powers.

### 5.8.4 The Council recognises that forms of notice requiring the provision of communications data are subject to inspection by IPCO and both applicant and Designated Officer may be required to justify their decisions.

## 6. APPLICATIONS FOR AUTHORISATIONS OF DIRECTED SURVEILLANCE AND CHIS

### 6.1 Before commencing any investigatory action which is to involve:

- covert directed surveillance; or
- the use or conduct of a Covert Human Intelligence Source.

The Officer responsible for the investigation shall submit the relevant form (Form 1 Directed Surveillance or Form 5 CHIS) of application for authorisation to the appropriate Authorising Officer. The investigatory action shall not be commenced unless and until the Authorising Officer has granted the application as signified by the Authorising Officer endorsing the application with his/her approval and returning one copy to the applicant.

- 6.3 The application form shall be submitted not less than 7 days before the intended date of commencement of the investigatory action.
- 6.4 All information required in the application form shall be provided. In particular the description of the activity proposed shall be sufficient to enable the Authorising Officer to judge whether the authorisation applied for is **necessary and proportionate** (see below).

6.5 Review

- 6.5.1 Each Authorising Officer shall determine the standard review period for authorisations granted by him/her and should be at least monthly. More frequent review periods may apply to authorisations for different categories of investigatory action where circumstances demand. Not later than 3 working days before the expiration of the review period for an authorisation relating to an ongoing investigation, the Officer responsible for the investigatory action shall submit a Review of Authorisation form (Form 2 Directed Surveillance or Form 6 CHIS) to the Authorising Officer who granted the authorisation. Unless the circumstances warrant the continuation of an authorisation, it should be cancelled.

6.6 Renewal

- 6.6.1 An Investigating Officer who has received an authorisation is responsible for renewing that authorisation if the activity for which authorisation was given is expected to continue beyond the duration of the authorisation. Renewal applications should be made before the initial authorisation expires on Form 4 Directed Surveillance or Form 8 CHIS.
- 6.6.2 An application for renewal must be made to the Authorising Officer who granted the initial authorisation.

6.7 Cancellation

- 6.7.1 The Investigating Officer responsible for undertaking the authorised surveillance must apply to have that authorisation cancelled when the



investigation or operation for which authorisation was given has ended, the authorised surveillance activity has been completed, or the information sought is no longer necessary.

6.7.2 Application for cancellation of the authorisation must be made on Form 3 Directed Surveillance or Form 7 CHIS.

## 6.8 Expiration and Review of Authorisations

6.8.1 Unless renewed or cancelled the maximum duration of a:

- Directed Surveillance - 3 months from the date of Magistrate's approval of an authorisation or renewal of authorisation in each case;
- Covert Human Intelligence Source authorisation - 12 months (or 1 month if the CHIS is under 18) from the date of Magistrate's approval

6.8.2 No authorisation can be left to expire, and should always be cancelled using the relevant form which can be obtained on the Council's Intranet .

## 7. **CONSIDERING APPLICATIONS FOR DIRECTED SURVEILLANCE**

### 7.1 Step 1: Is authorisation needed for this activity?

An Authorising Officer must first consider whether the proposed surveillance is to cover activity which:

1. Amounts to a criminal offence which attracts a term of 6 months imprisonment; or
2. Is related to the underage sale of alcohol and tobacco.

To require authorisation, the activity to which the application relates must be covert and must involve the obtaining of private information on an individual through directed surveillance.

An Authorising Officer should interpret the definitions broadly when determining whether an activity is covert or if private information will be obtained. When in doubt, the authorisation procedure must always be followed.

**At no time can an Authorising Officer authorise any intrusive surveillance.**

### Step 2: Is the activity necessary?

An Authorising Officer can only authorise an activity where s/he believes that

the authorisation is necessary in the circumstances of the particular case for the purpose of preventing or detecting crime or of preventing disorder.

The Authorising Officer must be satisfied that there are no other reasonable means of carrying out the investigation, or obtaining the desired information, without undertaking the activity for which authorisation is sought.

Authorisation should not be granted if the information sought can be obtained by other means without undertaking an activity which falls under the requirements of RIPA. Authorisation cannot be granted if it is for any purpose other than the prevention or detection of crime or for the prevention of disorder.

### Step 3: Is it proportionate?

If the activity is necessary, the Authorising Officer must also believe that the activity is proportionate to what is sought to be achieved by carrying it out. This involves balancing the intrusiveness of the activity against the need for the activity in operational terms. The activity will not be proportionate if it is excessive in the particular circumstances or if the information sought could reasonably be obtained by less intrusive means. Any activity must be carefully managed to meet the objective in question and must not be arbitrary or unfair.

An Authorising Officer should first consider the following primary factors in determining whether the activity for which authorisation is sought is proportionate:

### Confidential Information

The Authorising Officer must take into account the likelihood of confidential information being acquired. Confidential information consists of matters subject to legal privilege, confidential personal information or confidential journalistic material.

Where confidential information is likely to be acquired, authorisation should only be given in exceptional and compelling circumstances with full regard to the proportionality issues this raises.

In these circumstances, the Authorising Officer must be a Director as listed in Appendix 1.

### Risk of Collateral Intrusion

The Authorising Officer must consider whether there is a risk of collateral intrusion into the private life of any person not the primary subject of the investigation. The applicant should describe the activity sufficiently widely to include not only named individuals but also any others who may be at risk of collateral intrusion to enable this consideration to occur.

Where the risk of such intrusion is sufficiently significant, the Authorising Officer must determine whether a separate authorisation is required in respect of these other persons.

The person carrying out the activity must inform the Authorising Officer if the investigation or operation unexpectedly interferes with the privacy of individuals not covered by the authorisation. The Authorising Officer must then consider whether the authorisation needs to be amended and re-authorised or a new authorisation is required.

The following further considerations must then be considered in determining whether the activity for which authorisation is sought is proportionate:

- The reasons given by the applicant as to why that activity is sufficient and adequate for obtaining the information sought;
- Whether there are any other reasonable means of obtaining the information sought;
- Whether the surveillance is an essential part of the investigation;
- The type and quality of the information the activity will produce and its likely value to the investigation;
- The amount of intrusion, other than collateral intrusion, the activity will cause and whether there are ways to minimise that intrusion; and
- The length of time for which the authorisation is sought and whether the activity can be undertaken within a shorter time frame.

The Authorising Officer should only authorise the activity that is the least intrusive in the circumstances. Any unnecessary intrusion, including collateral intrusion, must be minimised as much as practically possible. **The least intrusive method will be considered proportionate by the Courts.**

The Authorising Officer must balance the intrusiveness of the activity on the target and others who might be affected by it against the need for the activity in operational terms. The Authorising Officer should discuss the proposed activity, and any proposed changes, with the applicant and/or the Senior Responsible Officer prior to issuing the authorisation.

## **8. CONSIDERING APPLICATIONS FOR THE USE OF A CHIS**

This part of the Policy lists the factors which Authorising Officers should consider upon receiving an application for an authorisation for the use of a CHIS.

### Step 1: Is Authorisation needed for this activity?

An Authorising Officer must first consider whether an authorisation is actually required. To require authorisation, the activity to which the application relates must be covert and must involve the obtaining of private information on an individual through the use of a CHIS.

An Authorising Officer should interpret the definitions broadly when determining whether an activity is covert or if private information will be obtained. When in doubt, the authorisation procedure must always be followed.

**At no time can an Authorising Officer authorise any intrusive surveillance.**

### Step 2: Is the activity necessary?

An Authorising Officer can only authorise an activity where s/he believes that the authorisation is necessary in the circumstances of the particular case for the purpose of preventing or detecting crime or of preventing disorder.

The Authorising Officer must be satisfied that there are no other reasonable means of carrying out the investigation, or obtaining the desired information, without undertaking the activity for which authorisation is sought.

Authorisation should not be granted if the information sought can be obtained by other means without undertaking an activity which falls under the requirements of RIPA.

### Step 3: Is it proportionate?

If the activity is necessary, the Authorising Officer must also believe that the activity is proportionate to what is sought to be achieved by carrying it out. This involves balancing the intrusiveness of the activity against the need for the activity in operational terms. The activity will not be proportionate if it is excessive in the particular circumstances or if the information sought could reasonably be obtained by less intrusive means. Any activity must be carefully managed to meet the objective in question and must not be arbitrary or unfair.

An Authorising Officer should first consider the following primary factors in determining whether the activity for which authorisation is sought is proportionate:

### Confidential Information

The Authorising Officer must take into account the likelihood of confidential

information being acquired. Confidential information consists of matters subject to legal privilege, confidential personal information or confidential journalistic material.

Where confidential information is likely to be acquired, authorisation should only be given in exceptional and compelling circumstances with full regard to the proportionality issues this raises.

In these circumstances, the Authorising Officer must be the Chief Executive or in their absence their Deputy as listed in Appendix 2.

### Use of vulnerable persons as CHIS

When considering applications for the use of a CHIS, an Authorising Officer must determine whether the CHIS is a vulnerable individual or a juvenile in accordance with the following:

- The Authorising Officer must take into account the provisions of section 29 of RIPA and the Regulation of Investigatory Powers (Source Records) Regulations (2000 SI No. 2725) made under it before authorising the conduct or use of a CHIS.
- Section 29(5) requires the Authorising Officer to be satisfied that arrangements are in place for the careful management of the source and that records are maintained relating to the source which contain the particulars specified in the Source Records Regulations.

The Authorising Officer must therefore:

- (a) be satisfied that the conduct and/or use of the CHIS is both necessary and proportionate to what is sought to be achieved. This will be addressed by following the procedure provided in this section;
- (b) be satisfied that appropriate arrangements are in place for the management and oversight of the CHIS. This must address health and safety issues through a risk assessment;
- (c) consider the likely degree of intrusion of all those potentially affected;
- (d) consider any adverse impact on community confidence that may result from the use or conduct or the information obtained; and
- (e) ensure records contain specified particulars relating to the source and that the records are kept confidential.

In these circumstances, the Authorising Officer must be the Chief Executive or in their absence their Deputy as listed in Appendix 1.

### Vulnerable Individuals and Juveniles

Special safeguards apply to the use or conduct of vulnerable individuals or juveniles. A vulnerable individual is a person who is or may be in need of community care services by reason of mental or other disability, age or illness and who may need protecting from exploitation. A vulnerable individual will only be authorised to act as a source in the most exceptional circumstances.

A juvenile is a young person under 18. Juveniles can only be authorised as sources for four months. On no occasion can a child under 16 years of age be authorised to give information against his or her parents or anyone with parental responsibility for that child.

Before deciding on this course of action, legal advice must be sought from the Chief Solicitor as the SRO.

When the proposed activity involves the use of a vulnerable person or juvenile as a CHIS, only a Director is listed in Appendix 1 can give authorisation.

### Risk of Collateral Intrusion

The Authorising Officer must consider whether there is a risk of collateral intrusion into the private life of any person not the primary subject of the investigation. The applicant should describe the activity sufficiently widely to include not only named individuals but also any others who may be at risk of collateral intrusion to enable this consideration to occur.

Where the risk of such intrusion is sufficiently significant, the Authorising Officer must determine whether a separate authorisation is required in respect of these other persons.

The person carrying out the activity must inform the Authorising Officer if the investigation or operation unexpectedly interferes with the privacy of individuals not covered by the authorisation. The Authorising Officer must then consider whether the authorisation needs to be amended and re-authorised or a new authorisation is required.

The following further considerations must then be considered in determining whether the activity for which authorisation is sought is proportionate:

- The reasons given by the applicant as to why that activity is sufficient and adequate for obtaining the information sought;

- Whether there are any other reasonable means of obtaining the information sought;
- Whether the surveillance is an essential part of the investigation;
- The type and quality of the information the activity will produce and its likely value to the investigation;
- The amount of intrusion, other than collateral intrusion, the activity will cause and whether there are ways to authorise that intrusion; and
- The length of time for which the authorisation is sought and whether the activity can be undertaken within a shorter time frame.

The Authorising Officer should only authorise the activity that is the least intrusive in the circumstances. Any unnecessary intrusion, including collateral intrusion, must be authorised as much as practically possible. **The least intrusive method will be considered proportionate by the Courts.**

The Authorising Officer must balance the intrusiveness of the activity on the target and others who might be affected by it against the need for the activity in operational terms. The Authorising Officer should discuss the proposed activity, and any proposed changes, with the applicant and/or the Senior Responsible Officer prior to issuing the authorisation.

The Authorising Officer should discuss the proposed activity, and any proposed changes, with the applicant and/or the Senior Responsible Officer prior to issuing the authorisation.

## 9. **ACQUISITION AND DISCLOSURE OF COMMUNICATIONS DATA**

With effect from 5<sup>th</sup> January 2004, Part 1 Chapter 2 of RIPA came into operation. The effect of Chapter 2 is to render unlawful the acquisition and disclosure of 'communications data' unless proper authorisation or notice has been given.

Under the Regulation of Investigatory Powers (Communications Data) Order 2010, the following Officers are specified as "Designated Officers" for the acquisition of the specified categories of information for the purposes described

Designated Officer	Categories of Information s. 21(4)	Purposes s.22(2)

Director, Head of Service, Service Manager or equivalent	-	(b) preventing or detecting crime or of preventing disorder;
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The Act restricts the ability to have access to communications data to specified bodies; district councils are within the authorised bodies, but the nature of the data which can be accessed is further limited. The Regulations stipulate the persons designated within relevant authorities who are entitled to authorise relevant conduct within the authority (s.22(3)), or require the provision of data by an outside provider (s.22(4)). An application must be made through the Single Point of Contact (“SPOC”) who has undergone the necessary training for the purposes of compliance with the Code of Conduct. Information regarding the Designated Persons and SPOC is set out at Appendix 2.

In the event that it is contemplated that an investigation calls for access to communications data, one of the accredited Officers must be contacted to co-ordinate the relevant action.

## 10. **CONSIDERING APPLICATIONS TO ACCESS COMMUNICATIONS DATA**

This part of the Policy lists the factors which a Designated Officer should consider upon receiving an application for an authorisation to access communications data.

### Step 1: Is the activity necessary?

A Designated Officer can only authorise an activity where s/he believes that the authorisation is necessary in the circumstances of the particular case for the purpose of preventing or detecting crime or of preventing disorder.

The Designated Officer must be satisfied that there are no other reasonable means of carrying out the investigation, or obtaining the desired information, without undertaking the activity for which authorisation is sought.

Authorisation should not be granted if the information sought can be obtained by other means without undertaking an activity which falls under the requirements of RIPA. Authorisation cannot be granted if it is for any purpose other than the prevention or detection of crime or for the prevention of disorder.

### Step 2: Is it proportionate?

If the activity is necessary, the Designated Officer must also believe that the activity is proportionate to what is sought to be achieved by carrying it out. This involves balancing the intrusiveness of the activity against the need for the activity



in operational terms. The activity will not be proportionate if it is excessive in the particular circumstances or if the information sought could reasonably be obtained by less intrusive means. Any activity must be carefully managed to meet the objective in question and must not be arbitrary or unfair.

Any conduct that is excessive in the circumstances of both the interference and the aim of the investigation or operation, or is in any way arbitrary will not be proportionate.

A Designated Officer should first consider the following primary factors in determining whether the activity for which authorisation is sought is proportionate:

#### Confidential Information

The Designated Officer must take into account the likelihood of confidential information being acquired. Confidential information consists of matters subject to legal privilege, confidential Official information or confidential journalistic material.

Where confidential information is likely to be acquired, authorisation should only be given in exceptional and compelling circumstances with full regard to the proportionality issues this raises.

#### Risk of Collateral Intrusion

The Designated Officer must consider whether there is a risk of collateral intrusion into the private life of any Officer not the primary subject of the investigation. The applicant should describe the activity sufficiently widely to include not only named individuals but also any others who may be at risk of collateral intrusion to enable this consideration to occur.

Where the risk of such intrusion is sufficiently significant, the Designated Officer must determine whether a separate authorisation is required in respect of these other Officers.

The Officer carrying out the activity must inform the Designated Officer if the investigation or operation unexpectedly interferes with the privacy of individuals not covered by the authorisation. The Designated Officer must then consider whether the authorisation needs to be amended and re-authorised or a new authorisation is required.

The following further considerations must then be considered in determining whether the activity for which authorisation is sought is proportionate:

- The reasons given by the applicant as to why that activity is sufficient and adequate for obtaining the information sought;

- Whether there are any other reasonable means of obtaining the information sought;
- Whether the surveillance is an essential part of the investigation;
- The type and quality of the information the activity will produce and its likely value to the investigation;
- The amount of intrusion, other than collateral intrusion, the activity will cause and whether there are ways to minimise that intrusion; and
- The length of time for which the authorisation is sought and whether the activity can be undertaken within a shorter time frame.

The Designated Officer should only authorise the activity that is the least intrusive in the circumstances. Any unnecessary intrusion, including collateral intrusion, must be minimised as much as practically possible. **The least intrusive method will be considered proportionate by the Courts.**

The Designated Officer must balance the intrusiveness of the activity on the target and others who might be affected by it against the need for the activity in operational terms. The Designated Officer should discuss the proposed activity, and any proposed changes, with the applicant prior to issuing the authorisation.

The Authorising Officer should discuss the proposed activity, and any proposed changes, with the applicant and/or the Senior Responsible Officer prior to issuing the authorisation.

## **11. WORKING WITH/THROUGH OTHER AGENCIES**

Where Council Officers undertake an investigation/operation under RIPA jointly with another public authority, it is the responsibility of the tasking authority to obtain the authorisation. For example, if the Council was asked by the Police to assist in a covert surveillance operation, the Police should obtain the authorisation, which would then cover the Council. In such a case, Council Officers must request written confirmation from the other public authority that an authorisation is in place before taking part in any joint operation.

## **12. APPLYING FOR JUDICIAL APPROVAL**

Once an authorisation has been granted, the Senior Responsible Officer will review the authorisation paperwork to ensure that the authorisation fulfils the RIPA requirements and is necessary and proportionate. If satisfied that the surveillance is an appropriate use of the RIPA powers the Senior Responsible Officer (or RIPA Co-ordinator) will make an application to the Magistrates' Court

to apply to have the authorisation approved/renewed by a Justice of the Peace.

The procedure for obtaining judicial approval is set out in the Home Office Guidance 'Protection of Freedoms Act 2012 – Changes to provisions under the Regulation of Investigatory Powers Act 2000' published in October 2012. A flowchart setting out the procedure for obtaining Judicial Approval is set out at Appendix 4.

### 13. **RECORDS MANAGEMENT**

The Council must keep a detailed record of all authorisations, reviews, renewals, cancellations and rejections in the relevant services. A central record of all authorisation forms, whether authorised or rejected, will be maintained and monitored by the RIPA Co-ordinator.

All Authorising Officers must send all **original** applications for authorisation to the RIPA Co-ordinator within 2 working days of issue of signature. Each document will be given a unique reference number, a copy will be placed on the Central Record and the original will be returned to the applicant.

Copies of all other forms used must be sent to the RIPA Co-ordinator bearing the reference number previously given to the application to which it refers.

#### Service Records

Each service must keep a written record of all authorisations issued to it, to include the following:

- A copy of the application and authorisation together with any supplementary documentation and notification of the approval given by the Authorising Officer;
- A record of the period over which the surveillance has taken place;
- The frequency of reviews prescribed by the Authorising Officer;
- A record of the result of each review;
- A copy of any renewal of an authorisation and any supporting documentation submitted when the renewal was requested;
- The date and time when any instruction was given by the Authorising Officer, including cancellation of such authorisation.

#### Central Record Maintained by the RIPA Co-ordinator

A central record of all authorisation forms, whether authorised or rejected, is kept by the RIPA Co-ordinator. The central record must be readily available for inspection on request by the Investigatory Powers Commissioner's Office.

The central record must be updated whenever an authorisation is granted, renewed or cancelled. Records will be retained for a period of 3 years from the date on which the relevant criminal or civil proceedings file is closed for archive, or for such other period as determined by the internal procedures relating to the retention of the criminal or civil proceedings file.

The central record must contain the following information:

- The type of authorisation;
- The date on which the authorisation was given;
- name/rank of the Authorising Officer;
- The unique reference number (URN) of the investigation/operation. This will be issued by the Legal Division when a new application is entered in the Central Record. The applicant will be informed accordingly and should use the same URN when requesting a renewal or cancellation;
- The title of the investigation/operation, including a brief description and names of the subjects, if known;
- If the authorisation was renewed, when it was renewed and who authorised the renewal, including the name and rank/grade of the Authorising Officer;
- Whether the investigation/operation is likely to result in the obtaining of confidential information; and
- The date and time that the authorisation was cancelled.

#### Retention and Destruction of Material

Departments must ensure that arrangements are in place for the handling, storage and destruction of material obtained through the use of covert surveillance. Confidential material must be destroyed as soon as it is no longer necessary. It must not be retained or copied unless it is necessary for a specified purpose. Where there is doubt, advice must be sought from the Senior Responsible Officer or in their absence the RIPA Co-ordinator.

### **Appendix 1**

## List of Authorising Officers

### 1. For standard authorisations:

Where it is not likely that confidential information will be acquired

- Chief Executive
- Director of Regeneration and Neighborhood Services
- Senior Responsible Officer (in the absence of the above)

### 2. For authorisations where it is likely that confidential information will be acquired or where using a CHIS who is a juvenile (under 16) or a vulnerable individual

- Head of Paid Service

In the absence:

- Senior Responsible Officer (exceptional circumstances)

## **Appendix 2**

### **List of Designated Persons**

Designated Persons consider applications for access to communications data.

The Council's Designated Persons are as follows:

- Chief Executive
- Senior Responsible Officer
- Director of Regeneration and Neighborhood Services

### **List of SPOCs**

SPOCs receive and manage applications for access to communications data as well as liaising with communications service providers for the provision of information.

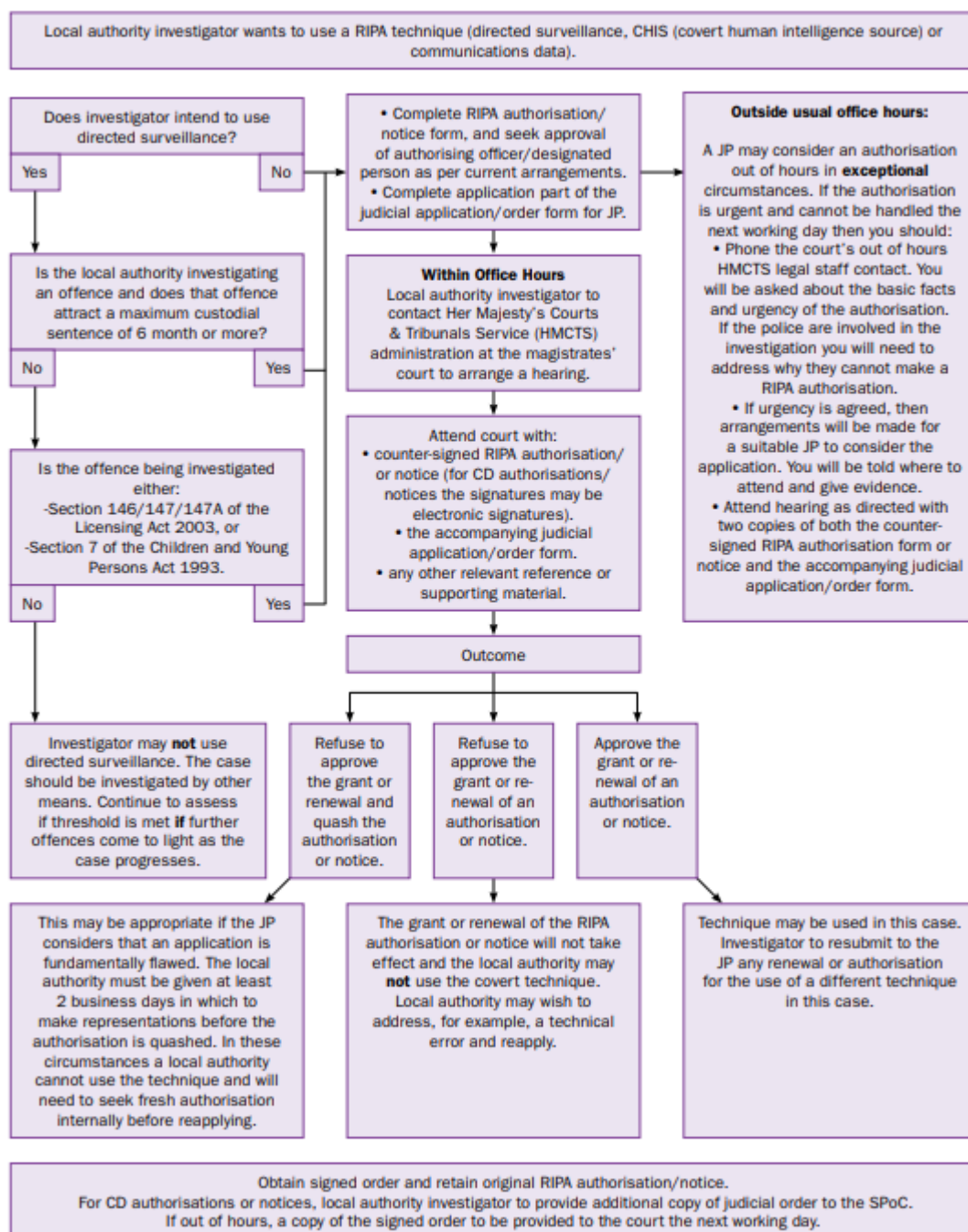
The Council's SPOCs are as follows:

- National Anti-Fraud Network

### **Appendix 3 - FORMS**

See HBC INTRANET at:

[http://hbcintranet/site/scripts/download\\_info.php?downloadID=1241](http://hbcintranet/site/scripts/download_info.php?downloadID=1241)

**Appendix 4****LOCAL AUTHORITY PROCEDURE: APPLICATION TO A JUSTICE OF THE PEACE SEEKING AN ORDER TO APPROVE THE GRANT OF A RIPA AUTHORISATION OR NOTICE**



## **Appendix 5**



### **RIPA PROCEDURE FOR E-CRIME, INCLUDING INVESTIGATION OF SOCIAL NETWORKING SITES**

#### **1. Introduction**

Many enquiries relating to goods or services bought online will be simple investigations where a website is acting as a shop providing products. It is unlikely that such investigations will invoke a need for authorisations under RIPA because: -

1. The owners of the website can have no reasonable prospect of privacy;
2. The site is unlikely to contain private information; and
3. It is unlikely that a relationship will be established between the seller and the user of the site if a single purchase is made or if the number of visits to the site is limited to those necessary to secure evidence in relation to the product or practice complained about.

Social Networking sites create different issues as the whole purpose of the sites, is on the face of it, to create the opportunities to set up social networks and thus create relationships. These sites, such as Facebook, Twitter, LinkedIn, Pinterest, Beebo and Snapchat have different levels of privacy, but it is likely that, even at the most open and accessible level, personal information about those maintaining the site or pages or posting information will be available. Whilst it could be argued that those who make such information freely available can have no expectation that it will remain private, it is also likely that they do not expect that it will be read and retained by an investigator. This activity is analogous to private activity occurring in a public place, and, as in the real world, if such activity were observed as a planned activity by an investigator, an authorisation for directed surveillance would be required.

Surveillance is defined in Section 48 of the Regulation of Investigatory Powers Act 2000 (RIPA) as including: -

- (a) monitoring, observing or listening to persons, their movements, their conversations or their other activities or communications;
- (b) recording anything monitored, observed or listened to in the course of surveillance; and
- (c) surveillance by or with the assistance of a surveillance device.

It could be argued that this definition could be interpreted so as to exclude monitoring of social networking sites as the people under surveillance are not present or visible to the investigators. However, if we go back to the Human Rights Act and the Convention Rights, namely Article 8 (Everyone has the right to respect for his private and family life, his home and his correspondence), and Article 10 (Everyone has the right to freedom of expression. This right shall include freedom to hold opinions and to receive and impart information and ideas without interference by public authority and regardless of frontiers),

there is likelihood that uncontrolled and unconsidered access to personal social networking sites will breach these rights. As these rights are qualified rights, in that they can be infringed for certain purposes, it is appropriate that authorisation under RIPA is sought for surveillance of such sites.

The principles in this Policy should also be considered when monitoring business websites, such as eBay, which are used by non-trade people to advertise products. It is likely that a general viewing of eBay would include some collateral intrusion, but this is minimal and is likely to be proportionate in the context of the crime being investigated.

This Policy should be read in conjunction with the wider Hartlepool Borough Council RIPA Policy. The provisions in that Policy will apply along with the specific Policy outlined in this document.

## **2. Initial activity**

The relevant dictionary definition of 'monitor' (namely, 'to maintain regular surveillance over') suggests an act undertaken either on more than one occasion or for more than a short period of time. This explicitly suggests that an initial visit to a website is not surveillance, nor would a repeat visit be if the second visit were not close in time to the first one.

Before an investigator visits a site they should consider what information they are seeking and what information is likely to be found. The focus should be on collecting evidence to prove, or disprove, any wrongdoing. If an investigation involves more than one Officer or is being conducted by the Authority and other partners, one Officer should be identified to undertake one initial visit and they alone should carry it out. Any other Officers, including partners, who will undertake surveillance as part of the investigation should be identified on the application for authorisation.

Once this initial visit to the site is completed, the Officer should consider whether further visits are necessary or if sufficient evidence has been secured for the next steps in the investigation (e.g. an application for a warrant) to take place. If it is decided that further monitoring of the social networking site is to take place, it should be assumed that an authorisation for directed surveillance will be needed. If the investigator does not believe that further visits require an authorisation they should record their reasons and discuss the matter with their manager who will, in turn discuss it with their Unit Manager.

## **3. When authorisation is required**

It is clear that frequent and/or extended visits would be classed as surveillance and an authorisation for directed surveillance under RIPA should be sought if the investigator intends to carry out such monitoring activity. The OSC Guidance, at paragraph 124 states that 'present monitoring could be of past events.' This could occur if investigators look at the timeline on a target's site to, for example, establish a lifestyle pattern or to identify relationships.

Any application for directed surveillance should be submitted promptly, while the evidence obtained is still current. The application should have regard to necessity, proportionality and the likelihood of collateral intrusion as for any other directed surveillance application, recognising that the factors to be taken into account will be different to those that exist off-line.

## **4. Necessity**

Any application for an authorisation under the Act will be for the prevention or detection of crime. The investigator will need to show that there is a need to collect evidence, to identify what type of evidence is likely to be collected; its value to the investigation and that surveillance of the social networking site is the only way to collect it. Any information on other means of obtaining the evidence should be included, if such means have been identified, along with an explanation of why it is necessary to use directed surveillance and not those other means.

## 5. Proportionality

The investigator will need to show that the scale of the crime being investigated justifies the potential intrusion into the target's private life. For example, it may not be proportionate to conduct surveillance into someone who has infrequently sold items at a level that would be regarded as below a trading threshold. Investigators should have reasonable grounds to suspect that the target is actively committing serious breaches of legislation that are more than technical or minor.

**Note:** since the coming into force of the The Regulation of Investigatory Powers (Directed Surveillance and Covert Human Intelligence Sources) (Amendment) Order 2012 the authority can only authorise directed surveillance where the offence being investigated is punishable, whether on summary conviction or on indictment, by a maximum term of at least 6 months of imprisonment or is an offence involving sales of alcohol or tobacco to children.

## 6. Collateral Intrusion

It is likely that collateral intrusion into the activities or comments of those persons who are interacting with the target individuals will take place. This intrusion will need to be tightly managed as far as is possible. It is also possible that family members' information will be posted on the site, especially on the target's individual Facebook pages. This will be treated in the same way as other information acquired that is identified as not being relevant to the investigation.

For public protection, the primary target of surveillance is likely to be business and group pages used primarily for selling goods or those who we believe are repeatedly committing serious environmental crimes. These sites are less likely to contain personal information but it cannot be ruled out. As part of the application for authorisation for directed surveillance, investigators should identify the likelihood of collateral intrusion. This will be supported by any evidence acquired during the initial visit to the site.

Any information about individuals, groups or business believed not to be engaged in criminal activity will be extracted from the evidence. This process will involve the investigating officer consulting their manager and a decision being made on each piece of information gathered. Where the information gathered does not relate to any suspected criminal activity, the information will be given a unique reference number and a record kept of the reason for the decision that the information is not relevant to enquiries. This information and the decision records will then be stored securely for inspection and audit purposes only by authorised personnel from the Office of the Surveillance Commissioner.

If the evidence collected shows that the business profiles and group forums are established closed groups, enabling the commission of relevant crimes, it follows that other members of the pages may also be investigated, to eliminate or identify them as a

subject of interest. Consideration will be given to the need to obtain further authorisations under the Act, before any surveillance is conducted against other associated users.

Collateral intrusion could also include personal information collected about people other than the target. This information may be included in written, pictorial, video and audio form. Some of this information may be needed to identify others committing offences or assisting the principal in any relevant way, where it had not already been obtained. The evidence may also provide a connection between the website, the activity and any physical premises. If it is likely that this information will be encountered, or if it is needed to identify the target, explicit reference to it must be made in any application for authorisation and reasons for collecting it should be given.

## **7. Practical Matters**

The Trading Standards stand-alone computer should be used, using the fake identity already established, wherever possible, or failing that, the Officer's own password protected NCC issued computer. Evidence of any offences should be secured by using hypercam or webreaper software, if possible, or by screen dump printing if not. Monitoring should not be carried out on an Officer's own computer, nor should monitoring take place outside of working hours, unless the particular circumstances of the investigation require it. Those circumstances will be included in any application for surveillance.

A log shall be kept of all surveillance activity, showing the date of the surveillance, the operation name, the start and finishing times and the sites visited. The application for authorisation should include this information where possible or the application should include the parameters within which the surveillance activity will take place. This will allow us to show that any activity undertaken is authorised.

Investigators should also be aware that the site could contain violent or pornographic images or information, or information of a politically extremist nature. If such images or information are found, the investigator should record details of web address of the site that was visited and how the site was accessed (some sites may be displayed even if the investigator did not intend it). The investigator should discuss the matter with their manager who should consider if there is a need to contact any other enforcement or safeguarding agency.

## **8. Cancellation of Authorisations**

Any authorisation to conduct directed surveillance on an individual's page or site should be cancelled as soon as it is no longer needed. This is likely to occur when sufficient evidence to proceed to the next stage of the investigation has been secured or if monitoring of the page or site has revealed no criminal activity. Authorisations to monitor activity on social media sites are subject to the same review procedures as applications for real life surveillance. The review will determine if the authorisation is still necessary, proportionate and if the likelihood and level of collateral intrusion have changed since the authorisation was initially applied for.

## **9. Other matters**

This Policy does not include 'befriending' or similar activity. This is a reflection of the fact that most sellers and their activities can be identified as part of open source research and items are sold from accessible websites. Befriending may require authorisation for an officer to act as a Covert Human Intelligence Source within the meaning of Part III of the Act. Further policies will be developed if market practices change such that investigators identify the need for such authorisations in relation to social networking sites.

## 10. Further Guidance

Further guidance is available from the Office of the Surveillance Commissioners Procedures and Guidance published in July 2016 which states at paragraphs 239 and 289: -

### Covert Internet Investigations - e-trading

239 CHIS authorisation is only required for the use of an internet trading organisation such as eBay when a covert relationship is likely to be formed. The use of disguised purchaser details in a simple, overt, electronic purchase does not require a CHIS authorisation, because no relationship is usually established at that stage.

### Covert surveillance of Social Networking Sites (SNS)

289 The fact that digital investigation is routine or easy to conduct does not reduce the need for authorisation. Care must be taken to understand how the SNS being used works. Authorising officers must not be tempted to assume that one service provider is the same as another or that the services provided by a single provider are the same.

289.1 Whilst it is the responsibility of an individual to set privacy settings to protect unsolicited access to private information, and even though data may be deemed published and no longer under the control of the author, it is unwise to regard it as 'open source' or publicly available; the author has a reasonable expectation of privacy if access controls are applied. In some cases data may be deemed private communication still in transmission (instant messages for example). Where privacy settings are available but not applied the data may be considered open source and an authorisation is not usually required.

289.2 Providing there is no warrant authorising interception in accordance with section 48(4) of the 2000 Act, if it is necessary and proportionate for a public authority to breach covertly access controls, the minimum requirement is an authorisation for directed surveillance. An authorisation for the use and conduct of a CHIS is necessary if a relationship is established or maintained by a member of a public authority or by a person acting on its behalf (i.e. the activity is more than mere reading of the site's content).

289.3 It is not unlawful for a member of a public authority to set up a false identity but it is inadvisable for a member of a public authority to do so for a covert purpose without authorisation for directed surveillance when private information is likely to be obtained. The SRO should be satisfied that there is a process in place to ensure compliance with the legislation. Using photographs of other persons without their permission to support the false identity infringes other laws.

289.4 A member of a public authority should not adopt the identity of a person known, or likely to be known, to the subject of interest or users of the site without authorisation, and without the consent of the person whose identity is used, and without considering the protection of that person. The consent must be explicit (i.e. the person from whom consent is sought must agree (preferably in writing) what is and is not to be done).



## **Selected comments from The Surveillance Commissioner's Report for 2015/2016** (Numbers refer to paragraphs in the report)

### **The “virtual world”**

2.8. There is a discernible shift towards criminal activity in or by the use of what I may describe as the —virtual world This increases the demands on those responsible for covert surveillance. They need an understanding of the technological advances and myriad types of communication and storage devices which are constantly being updated. They also need assistance about how the statutory powers available to them can or should be applied to technological developments of which criminals take advantage, factoring in potential regional, national or international boundaries. The developments, complex as they can be, do not diminish the requirement that any surveillance activity can only be undertaken in accordance with the provisions of the relevant authorisation.

### **Social Networks and the “virtual world”**

5.17. Patterns of criminal planning are changing to embrace technological advances. Criminals and terrorists are less likely to meet in public, in parked up cars, with police officers using binoculars and long sighted cameras to follow their movements. Social media and private electronic communications provide greater anonymity for the criminals, and enable their activities to proceed on a global scale. This issue was addressed by my predecessor in his last two reports, and the Surveillance Commissioners have issued guidance on the need for appropriate authorisations to cover these developments.

5.18. My Inspectors and the Assistant Surveillance Commissioners pay particular attention to the way this developing method of criminal activity is kept under covert surveillance. The topic forms the basis for numerous requests for guidance. Perhaps the most significant feature is that investigating authorities cannot proceed on the basis that because social networking developed after much of the legislation came into force it is immunised from compliance with it. Requirements for appropriate authorisation may arise from the work done by those whose roles do not traditionally fall within RIPA or RIP(S)A. The necessary training and information must be addressed by the Senior Responsible Officer in each authority.

5.19. Two examples illustrate the issues.

Example 1: In one particular public authority, once a task is allocated to an internet desk Officer, that Officer undertakes research using a non attributable computer which stands alone from the authority's main network. Although it is said that the staff do not use false personas, the activity they undertake is calculated to be covert so as to minimise the risk of compromise to ongoing investigations. Staff typically undertake research on one occasion, although this singular research activity may extend over several hours and involve research of different social media sites linked to the subject. There is a perception by staff within the unit that investigators are reluctant to, or dissuaded from, making more than one request for research to be undertaken on the same subject. The head of the unit believes that investigators are missing opportunities for securing valuable intelligence by restricting their request to singular research; this is a view shared by the inspection team. Very rarely are any requests for research of open source material or social media supported by an authorisation for directed surveillance. In a twelve month period the unit has processed 3,561 requests for internet research, on just two occasions directed surveillance authorisations supported the activity being undertaken.

Example 2: In another public authority, one matter absent from the various policy and guidance documents is the use of the internet for investigative purposes. This technique of investigation and research is expanding exponentially with all manner of new technology and although some knowledge and awareness was evident during discussion with staff, further guidance and advice would benefit investigators and Authorising Officers alike. The key consideration when viewing publicly available information where no privacy settings have been applied, often referred to as 'open source' material, is the **repeated** or **systematic** collection of private information. Initial research of social media to establish a fact or corroborate an intelligence picture is unlikely to require an authorisation for directed surveillance; whereas repeated visits building up a profile of a person's lifestyle would do so. Each case must be considered on its individual circumstances and early discussion between the investigator and the Authorising Officer is advised to determine whether activity should be conducted with or without the protection of an authorisation.

5.20. As part of their inspections of councils, the Inspectors and Assistant Surveillance Commissioners discuss with appropriate officials, and frequently undertake visits to examine the CCTV facilities which they manage. It is very rare for a council to authorise directed surveillance which includes the use of its CCTV system, but occasionally others, for example the local police force, may wish to do so, as part of covert rather than routine overt surveillance. When this arises, there should be a written protocol in place between the council, as owners or managers of the system, and the body which seeks to use it in a covert manner, so as to ensure that the lines of responsibility are clearly understood, and appropriate arrangements for authorisation are then made.

# FINANCE AND POLICY COMMITTEE

26<sup>th</sup> November 2018



**Report of:** Assistant Director, Corporate Services

**Subject:** NJC Pay Award 2019

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## 1. TYPE OF DECISION

Non-key decision.

## 2.0 PURPOSE OF REPORT

- 2.1 The purpose of this report is to advise Finance and Policy Committee of the outcome of negotiations with the Trade Unions in relation to the local implementation of the NJC Pay Award 2019 and to seek agreement to these proposals.

## 3.0 BACKGROUND

- 3.1 The Council's Single Status Agreement contractually binds its pay spine to the NJC 'Green Book' national pay spine and any nationally agreed changes.
- 3.2 The NJC Pay Award 2019 introduces a new national pay spine with assimilation arrangements.
- 3.3 A working party consisting of Trade Union officials from the Single Table and HBC senior management have jointly negotiated the proposals in respect of the local implementation of the new national pay spine with effect 1 April 2019.

## 4.0 ASSIMILATION TO THE NEW NJC PAY SPINE

- 4.1 Appendix 1 outlines the nationally agreed new NJC pay spine which was introduced from 1 April 2018. There were no assimilation issues for 2017/18.
- 4.2 Appendix 2 outlines the proposals to assimilate the new NJC pay spine scale points to Hartlepool Borough Council's pay bands from 1 April 2019.
- 4.3 There were 4 key considerations as shown below:



**i) *The number of scale points in each pay band is different.***

The Council are contractually tied to the national pay spine which specifies the assimilation from each current scale point to the new scale point leaving little scope for negotiation. It is recommended that assimilation is managed as per the national arrangements.

**ii) *The number of scale points at Band 9 is higher than the other bands.***

Five new scale points in the new pay spine have been introduced (scale points 10, 13, 16, 18 and 21) to ensure a pay award of 2% between each SCPs 1-22.

Two of these sit in the assimilated Band 9 (18 and 21). The new SCP 16 could either fall as a new maximum Band 8 or a minimum Band 9. On assessing the financial impact of where this SCP falls in the spinal column, it is evident that due to the number of posts within HBC that are at or within a range including Band 8, the approximate additional cost of aligning the SCP 16 to the maximum point in Band 8 is £160, 000.

It is recommended that the Council does not use SCP 16 and 17 of the new pay spine and scale point 18 becomes the new minimum Band 9. This leaves Band 8 with a four point scale and Band 9 with a five point scale.

The impact for existing employees is minimal and any new employees starting employment with HBC would do so on a more attractive salary i.e. £24, 313 instead of £23,836.

**iii) *Impact on the Hartlepool Living Wage***

The Hartlepool Living Wage was a key policy decision to address low pay for Council employees and in 2016 this policy put the Council at the forefront of addressing low pay for its own employees. The Hartlepool Living Wage was set in January 2016 at £7.88 per hour, which was approximately 18% higher than the prevailing National Living Wage of £6.70 per hour. The Council's policy provided a commitment to increase the Hartlepool Living Wage in line with the annual National Cost of Living pay award for Council Staff until such time as the National Living Wage caught up and then exceeded the Hartlepool Living Wage.

From the 1 April 2019 the National pay award has recognised the issue of low pay and now provides a minimum rate of pay of £9.36 per hour. This is higher than the National Living Wage from 1 April 2019 of £8.21 per hour and the Real Living Wage of £9.00 per hour set in November 2018. No additional Government funding is being provided for this increase, or the overall impact of the 2018 and 2019 National pay awards. Therefore, these additional costs are reflected as unfunded budget pressures in the MTFS forecasts for 2019/20.

**iv) *Impact on incremental progression of pay rises received on 1 April 2019 through the assimilation process.***

Employees will receive any incremental progression on their pay band following assimilation to the new pay spine on 1 April 2019. They are two separate processes and therefore the assimilation does not affect contractual entitlement to increment on the relevant date.

## **5.0 RISK IMPLICATIONS**

- 5.1 The key risk is that assimilation arrangements are not put in place in time for April 2019.

## **6.0 FINANCIAL CONSIDERATIONS**

- 6.1 The costs associated with the assimilation and the 1 April 2019 pay award have been accounted for in the Council's Medium Term Financial Strategy (MTFS).

## **7.0 LEGAL CONSIDERATIONS**

- 7.1 The Council's Single Status Agreement contractually binds its pay spine to the NJC 'Green Book' national pay spine and any nationally agreed changes.

## **8.0 CONSULTATION**

- 8.1 Full consultation has been undertaken with the Trade Unions and the proposal represents a joint response.

## **9.0 CHILD AND FAMILY POVERTY IMPLICATIONS**

- 9.1 The pay award has a positive impact on child and family poverty.

## **10.0 EQUALITY AND DIVERSITY CONSIDERATIONS**

- 10.1 An equality audit will be carried out jointly with the Trade Unions to ensure that there are no adverse effects of the assimilation process in respect of groups of staff with protected characteristics as detailed under the Equality Act 2010. It is envisaged that there will be no adverse impact.

## **11.0 STAFF CONSIDERATIONS**

- 11.1 Staff will benefit positively from the pay award.

## **12.0 ASSET MANAGEMENT CONSIDERATIONS**

None.

### **13.0 RECOMMENDATIONS**

13.1 It is recommended that Members:-

- (i) Agree to the joint proposal with the Trade Unions to assimilate the HBC pay spine to the new NJC Pay Spine from 1 April 2019.

### **14.0 REASONS FOR RECOMMENDATIONS**

14.1 To ensure a fair pay spine for HBC employees which is in line with nationally agreed changes to the NJC pay spine.

### **15.0 BACKGROUND PAPERS**

None.

### **16.0 CONTACT OFFICER**

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# National Joint Council for Local Government Services

**Employers' Secretary:**  
Simon Pannell

**Trade Union Secretaries**  
Rehana Azam, GMB  
Jim Kennedy, Unite  
Heather Wakefield, UNISON

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**To: Chief Executives in England, Wales and N Ireland  
(copies for the Finance Director and HR Director)  
Members of the National Joint Council**

10 April 2018

Dear Chief Executive,

## 2018 and 2019 PAYSCALES & ALLOWANCES

Agreement has been reached between the National Employers and the NJC Trade Union Side on rates of pay applicable from **1 April 2018** and **1 April 2019**.

UNISON and GMB both voted to accept whilst Unite voted to reject. However, in line with the Constitution of the NJC, Unite accepts the collective majority decision of the other unions that the pay award should now be implemented.

The new pay rates are attached at **Annex 1**.

The new rates for allowances up-rated by two per cent in each year are set out at **Annex 2**.

Yours sincerely

*Simon  
Pannell*

Simon Pannell

*Rehana  
Azam*

Rehana Azam

*Jim  
Kennedy*

Jim Kennedy

*Heather Wakefield*

Heather Wakefield

**Joint Secretaries**

## ANNEX 1

SCP	1 April 2017		1 April 2018		1 April 2019			Old SCP[s]
	£ per annum	£ per hour*	£ per annum	£ per hour*	New SCP	£ per annum	£ per hour*	
6	£15,014	£7.78	£16,394	£8.50	1	£17,364	£9.00	6/7
7	£15,115	£7.83	£16,495	£8.55				
8	£15,246	£7.90	£16,626	£8.62	2	£17,711	£9.18	8/9
9	£15,375	£7.97	£16,755	£8.68				
10	£15,613	£8.09	£16,863	£8.74	3	£18,065	£9.36	10/11
11	£15,807	£8.19	£17,007	£8.82				
12	£16,123	£8.36	£17,173	£8.90	4	£18,426	£9.55	12/13
13	£16,491	£8.55	£17,391	£9.01				
14	£16,781	£8.70	£17,681	£9.16	5	£18,795	£9.74	14/15
15	£17,072	£8.85	£17,972	£9.32				
16	£17,419	£9.03	£18,319	£9.50	6	£19,171	£9.94	16/17
17	£17,772	£9.21	£18,672	£9.68				
18	£18,070	£9.37	£18,870	£9.78	7	£19,554	£10.14	18
19	£18,746	£9.72	£19,446	£10.08	8	£19,945	£10.34	19
20	£19,430	£10.07	£19,819	£10.27	9	£20,344	£10.54	20
					10	£20,751	£10.76	
21	£20,138	£10.44	£20,541	£10.65	11	£21,166	£10.97	21
22	£20,661	£10.71	£21,074	£10.92	12	£21,589	£11.19	22
					13	£22,021	£11.41	
23	£21,268	£11.02	£21,693	£11.24	14	£22,462	£11.64	23
24	£21,962	£11.38	£22,401	£11.61	15	£22,911	£11.88	24
					16	£23,369	£12.11	
25	£22,658	£11.74	£23,111	£11.98	17	£23,836	£12.35	25
					18	£24,313	£12.60	
26	£23,398	£12.13	£23,866	£12.37	19	£24,799	£12.85	26
27	£24,174	£12.53	£24,657	£12.78	20	£25,295	£13.11	27
					21	£25,801	£13.37	
28	£24,964	£12.94	£25,463	£13.20	22	£26,317	£13.64	28
29	£25,951	£13.45	£26,470	£13.72	23	£26,999	£13.99	29
30	£26,822	£13.90	£27,358	£14.18	24	£27,905	£14.46	30
31	£27,668	£14.34	£28,221	£14.63	25	£28,785	£14.92	31
32	£28,485	£14.76	£29,055	£15.06	26	£29,636	£15.36	32
33	£29,323	£15.20	£29,909	£15.50	27	£30,507	£15.81	33
34	£30,153	£15.63	£30,756	£15.94	28	£31,371	£16.26	34
35	£30,785	£15.96	£31,401	£16.28	29	£32,029	£16.60	35
36	£31,601	£16.38	£32,233	£16.71	30	£32,878	£17.04	36

SCP	1 April 2017		1 April 2018		1 April 2019			Old SCP[s]
	<i>£ per annum</i>	<i>£ per hour</i>	<b>£ per annum</b>	<b>£ per hour</b>	<b>New SCP</b>	<b>£ per annum</b>	<b>£ per hour</b>	
<b>37</b>	£32,486	£16.84	£33,136	£17.18	<b>31</b>	£33,799	£17.52	37
<b>38</b>	£33,437	£17.33	£34,106	£17.68	<b>32</b>	£34,788	£18.03	38
<b>39</b>	£34,538	£17.90	£35,229	£18.26	<b>33</b>	£35,934	£18.63	39
<b>40</b>	£35,444	£18.37	£36,153	£18.74	<b>34</b>	£36,876	£19.11	40
<b>41</b>	£36,379	£18.86	£37,107	£19.23	<b>35</b>	£37,849	£19.62	41
<b>42</b>	£37,306	£19.34	£38,052	£19.72	<b>36</b>	£38,813	£20.12	42
<b>43</b>	£38,237	£19.82	£39,002	£20.22	<b>37</b>	£39,782	£20.62	43
<b>44</b>	£39,177	£20.31	£39,961	£20.71	<b>38</b>	£40,760	£21.13	44
<b>45</b>	£40,057	£20.76	£40,858	£21.18	<b>39</b>	£41,675	£21.60	45
<b>46</b>	£41,025	£21.26	£41,846	£21.69	<b>40</b>	£42,683	£22.12	46
<b>47</b>	£41,967	£21.75	£42,806	£22.19	<b>41</b>	£43,662	£22.63	47
<b>48</b>	£42,899	£22.24	£43,757	£22.68	<b>42</b>	£44,632	£23.13	48
<b>49</b>	£43,821	£22.71	£44,697	£23.17	<b>43</b>	£45,591	£23.63	49

\*hourly rate calculated by dividing annual salary by 52.143 weeks (which is 365 days divided by 7) and then divided by 37 hours (the standard working week in the National Agreement 'Green Book')

Part 3 Paragraph 2.6(e) Sleeping-in Duty Payment:

**1 April 2018**  
£35.37

**1 April 2019**  
£36.08

**RATES OF PROTECTED ALLOWANCES AT 1 APRIL 2018 and 1 APRIL 2019  
(FORMER APT&C AGREEMENT (PURPLE BOOK))**

**Paragraph 28(3) Nursery Staffs in Educational Establishments - Special Educational Needs Allowance**

**1 April 2018**  
£1,264

**1 April 2019**  
£1,289

**Paragraph 28(14) Laboratory / Workshop Technicians**

City and Guilds Science Laboratory Technician's Certificate Allowance:

**1 April 2018**  
£205

**1 April 2019**  
£209

City and Guilds Laboratory Technician's Advanced Certificate Allowance:

**1 April 2018**  
£149

**1 April 2019**  
£152

**Paragraph 32 London Weighting and Fringe Area Allowances £ Per Annum**

Inner Fringe Area:

**1 April 2018**  
£857

**1 April 2019**  
£874

Outer Fringe Area:

**1 April 2018**  
£597

**1 April 2019**  
£609

**Paragraph 35 Standby Duty Allowance - Social Workers (1)(a)(i) Allowance - Per Session**

**1 April 2018**  
£28.46

**1 April 2019**  
£29.03

**FORMER MANUAL WORKER AGREEMENT (WHITE BOOK)**

**Section 1 Paragraph 3 London and Fringe Area Allowances £ Per Annum**

Inner Fringe Area:

**1 April 2018**  
£857

**1 April 2019**  
£874

Outer Fringe Area:

**1 April 2018**  
£597

**1 April 2019**  
£609



1st April 2018

Current Pay Band	JE Points	SCP	Annual Salary 01/04/2018	Hourly Rate of Pay
Band 1-3	0-289	11	£17,007.00	£8.82
Band 4	290-299	12	£17,173.00	£8.90
Band 5	300-327	13	£17,391.00	£9.01
		14	£17,681.00	£9.16
		15	£17,972.00	£9.32
Band 6	328-355	16	£18,319.00	£9.50
		17	£18,672.00	£9.68
		18	£18,870.00	£9.78
Band 7	356-383	19	£19,446.00	£10.08
		20	£19,819.00	£10.27
		21	£20,541.00	£10.65
Band 8	384-411	22	£21,074.00	£10.92
		23	£21,693.00	£11.24
		24	£22,401.00	£11.61
		25	£23,111.00	£11.98
Band 9	412-446	26	£23,866.00	£12.37
		27	£24,657.00	£12.78
		28	£25,463.00	£13.20
		29	£26,470.00	£13.72
Band 10	447-481	30	£27,358.00	£14.18
		31	£28,221.00	£14.63
		32	£29,055.00	£15.06
		33	£29,909.00	£15.50
Band 11	482-516	34	£30,756.00	£15.94
		35	£31,401.00	£16.28
		36	£32,233.00	£16.71
		37	£33,136.00	£17.18
Band 12	517-551	38	£34,106.00	£17.68
		39	£35,229.00	£18.26
		40	£36,153.00	£18.74
		41	£37,107.00	£19.23
Band 13	552-606	42	£38,052.00	£19.72
		43	£39,002.00	£20.22
		44	£39,961.00	£20.71
		45	£40,858.00	£21.18
Band 14	607-661	46	£41,846.00	£21.69
		47	£42,806.00	£22.19
		48	£43,757.00	£22.68
		49	£44,697.00	£23.17
		50	£45,771.48	£23.72
Band 15	662-1000	51	£46,915.92	£24.32
		52	£47,940.00	£24.85
		53	£49,297.62	£25.55
		54	£50,343.12	£26.09
		55	£51,278.46	£26.58

Scale points Assimilation

Current national scale points 01/04/2018	National scale points 01/04/2019 (new scale points highlighted in orange)
11	3
12	
13	4
14	
15	5
16	
17	6
18	7
19	8
20	9
	10
21	11
22	12
	13
23	14
24	15
	16
25	17
	18
26	19
27	20
	21
28	22
29	23
30	24
31	25
32	26
33	27
34	28
35	29
36	30
37	31
38	32
39	33
40	34
41	35
42	36
43	37
44	38
45	39
46	40
47	41
48	42
49	43
50	44
51	45
52	46
53	47
54	48
55	49

1st April 2019

Annual Salary 01/04/2019	Hourly Rate of Pay	Proposed Band	JE Points (no change)
£18,065.00	£9.36	Band 1-3	0-289
£18,426.00	£9.55	Band 4	290-299
£18,765.00	£9.73	Band 5	300-327
£19,171.00	£9.94	Band 6	328-355
£19,554.00	£10.14		
£19,945.00	£10.34	Band 7	356-383
£20,344.00	£10.54		
£20,751.00	£10.76		
£21,166.00	£10.97		
£21,589.00	£11.19	Band 8	384-411
£22,021.00	£11.41		
£22,462.00	£11.64		
£22,911.00	£11.88		
£23,369.00	£12.11	Suspended SCPs	
£23,836.00	£12.35		
£24,313.00	£12.60	Band 9	412-446
£24,799.00	£12.85		
£25,295.00	£13.11		
£25,801.00	£13.37		
£26,317.00	£13.64		
£26,999.00	£13.99	Band 10	447-481
£27,905.00	£14.46		
£28,785.00	£14.92		
£29,636.00	£15.36		
£30,507.00	£15.81	Band 11	482-516
£31,371.00	£16.26		
£32,029.00	£16.60		
£32,878.00	£17.04		
£33,799.00	£17.52	Band 12	517-551
£34,788.00	£18.03		
£35,934.00	£18.63		
£36,876.00	£19.11		
£37,849.00	£19.62	Band 13	552-606
£38,813.00	£20.12		
£39,782.00	£20.62		
£40,760.00	£21.13		
£41,675.00	£21.60		
£42,683.00	£22.12	Band 14	607-661
£43,662.00	£22.63		
£44,632.00	£23.13		
£45,591.00	£23.63		
£46,686.91	£24.20		
£47,854.24	£24.80	Band 15	662-1000
£48,898.80	£25.35		
£50,283.57	£26.06		
£51,349.98	£26.62		
£52,304.03	£27.11		

Differences % and £

% increase	£ Difference	% increase from 2018	% increase from 2017
6.22	£1,058.00		14.28
5.95	£1,035.00	2.00	14.28
4.41	£793.00	1.84	11.82
2.67	£499.00	2.16	7.87
3.62	£684.00	2.00	8.21
2.57	£499.00	2.00	6.40
2.65	£525.00	2.00	4.70
		2.00	N/A
3.04	£625.00	2.00	5.10
2.44	£515.00	2.00	4.49
		2.00	N/A
3.54	£769.00	2.00	5.61
2.28	£510.00	2.00	4.32
			N/A
3.14	£725.00		5.20
5.20	£1,202.00	6.12	N/A
3.91	£933.00	2.00	5.99
2.59	£638.00	2.00	4.64
		2.00	N/A
3.35	£854.00	2.00	5.42
2.00	£529.00	2.59	4.04
2.00	£547.00	3.36	4.04
2.00	£564.00	3.15	4.04
2.00	£581.00	2.96	4.04
2.00	£598.00	2.94	4.04
2.00	£615.00	2.83	4.04
2.00	£628.00	2.10	4.04
2.00	£645.00	2.65	4.04
2.00	£663.00	2.80	4.04
2.00	£682.00	2.93	4.04
2.00	£705.00	3.29	4.04
2.00	£723.00	2.62	4.04
2.00	£742.00	2.64	4.05
2.00	£761.00	2.55	4.04
2.00	£780.00	2.50	4.04
2.00	£799.00	2.46	4.04
2.00	£817.00	2.24	4.04
2.00	£837.00	2.42	4.04
2.00	£856.00	2.29	4.04
2.00	£875.00	2.22	4.04
2.00	£894.00	2.15	4.04
2.00	£915.43	2.40	4.04
2.00	£938.32	2.50	4.04
2.00	£958.80	2.18	4.04
2.00	£985.95	2.83	4.04
2.00	£1,006.86	2.12	4.04
2.00	£1,025.57	1.86	4.04

# FINANCE AND POLICY COMMITTEE

26<sup>th</sup> November 2018



**Report of:** Assistant Director, Corporate Services

**Subject:** APPRENTICESHIP PROGRAMME

## 1.0 TYPE OF DECISION

Non-key decision.

## 2.0 PURPOSE OF REPORT

2.1 The purpose of this report is to update Finance and Policy Committee on:

- The apprenticeship programme.
- Use of the Apprenticeship Levy.
- The Council's position in relation to the Public Sector Apprenticeship Target.

## 3.0 APPRENTICESHIP PROGRAMME 2017/18

3.1 The table below shows the outcome for the 27 apprentices scheduled to finish their apprenticeship in 2018.

Apprenticeship	Secured Employment		Casual Register	Progressing to next level apprenticeship	Leaver
	HBC	External			
Business Administration	8		3	8	1
Customer Service	1			1	
Electrical		2			
Painting and Decorating					1
Heating Engineer		1			
Joinery					1
<b>Total</b>	<b>9</b>	<b>3</b>	<b>3</b>	<b>9</b>	<b>3</b>

3.2 To maximise the opportunity of gaining employment within the Council, apprentices are provided with job search and interview skills training and added to the redeployment register to enable them to apply for suitable internal vacancies.

#### **4.0 APPRENTICESHIP PROGRAMME 2018/19**

4.1 There will be 54 apprenticeships in 2018/19 which are made up of:

- 8 apprentices that are progressing to the next level of their apprenticeship.
- 2 that are continuing on their existing apprenticeship.
- 44 new recruits.

4.2 Of the 54 apprenticeships, 7 have successfully been matched to care leavers who are undertaking apprenticeships in subject areas such as plumbing, electrical, joinery and business administration.

4.3 This has been achieved by working closely with the Through Care Team. To increase the chances of a successful outcome for care leavers, line managers have received training to raise awareness of the types of challenges care leavers may face. Support plans for the individuals, together with plans for the allocated Social Workers to maintain regular contact with line managers have also been put in place.

4.4 The majority of apprenticeships are being delivered through the Adult Learning Service (ALS). Only in very exceptional circumstances, for example, where there is a single learner on a course, has the delivery transferred to another provider with full support from the ALS.

#### **5.0 RECRUITMENT**

5.1 Some difficulty has been experienced recruiting to business administration and environmental apprenticeships and this has resulted in a second recruitment exercise being necessary. Other local authorities within the region have also experienced the same issue and there is a general view that the introduction of the Apprenticeship Levy has resulted in a greater number of apprenticeship opportunities being available. In order to try to address this for the 2019/20 intake of apprentices it is proposed that an early advertising and recruitment drive is undertaken.

#### **6.0 USE OF APPRENTICESHIP LEVY**

6.1 Once the Apprentice Levy requirements of the annual apprenticeship programme have been met, the balance remaining is split across departments to fund the training element for existing employee apprenticeships. This has

included a proportion for corporate training such as management development and project management.

- 6.2 The Apprenticeship Levy is being used to support 88 existing employees to access a wide range of qualifications from level 3 to level 7 which will aid retention and build knowledge, experience and skills within the workforce. The areas of study include management development, business administration, project management, health and social care, plumbing and finance.
- 6.3 In addition to the Council's levy, a collaborative approach is also being taken with schools, to assist them to maximise their levy allocation. Collaborative work is being managed through the Schools Levy Board supported by Mark Patton and Claire McLaren.

## **7.0. PUBLIC SECTOR APPRENTICESHIP TARGET**

- 7.1 As part of the apprenticeship reform the Government have introduced a Public Sector Apprenticeship Target. No new Government funding has been provided for the salary costs of achieving this target, so councils have to fund from existing budgets. The 2.3% public sector apprenticeship target is for new apprenticeship starts which includes both newly employed apprentices and any existing employees that have begun an apprenticeship. All public sector bodies in scope must submit a report to the government on their progress in meeting the target by 30 September each year.
- 7.2 The Council's apprenticeship target based on the headcount as of 31 March 2018 is 69 (2.3%). During the reporting period the Council had 41 (1.5%) new apprenticeship starts. Clearly this number falls below the 2.3% target however; there are a number of factors outlined below to account for this.
- Previously, the Council's apprentices were employed through an Apprenticeship Training Agency therefore, to enable the apprenticeship levy to be used, efforts had to be focussed on establishing new internal processes to facilitate the recruitment and employment of apprentices direct.
  - There has been difficulty in recruiting to some apprenticeships, this is potentially due to an increased number of apprenticeship opportunities being available as a result of the introduction of the apprenticeship levy.
  - There are areas of interest where currently there is no apprenticeship available such as social work, although investigations show that this standard is close to completion.
  - The Council run apprenticeships that are two years or more therefore, 5 apprentices do not count towards the target in this reporting period.
- 7.3 There are no sanctions imposed on a Public Sector Organisation that does not meet the 2.3% target. The Government considers the duty to "have

regard” to the target to mean that in making workforce planning decisions, public bodies should actively consider apprenticeships, either for new recruits or as part of career development for existing staff.

- 7.4 It is anticipated, based on the number of new apprentices recruited in 2018 and the number of employees embarking on, or already undertaking an apprenticeship, the Council will exceed the target significantly in 2018/19 with a total number of 159 (5.7%) apprentices as shown below.

'New' Apprentices	54
Employee Apprenticeships	88
Schools	17
<b>Total</b>	<b>159</b>

## 8.0 CONCLUSION

- 8.1 Nationally, the number of apprenticeships fell by 25% between the introduction of the Apprentice Levy in 2017 and the same period in 2018. It is reported that this has been attributed to rising costs and delays in apprenticeship frameworks being available that can be used against the levy (Financial Times, 2018).
- 8.2 Hartlepool Borough Council is bucking this trend and maintained the same number of new apprenticeship starts in 2018/19 as it had in 2017/18.
- 8.3 The Council has also made innovative use of the levy for supporting existing employees and in total 159 apprenticeship opportunities will be provided in 2018/19, which is an increase of 194% on 2017/18.

## 9.0 RISK IMPLICATIONS

The Apprenticeship Levy is not spent within the 2 year window before funds expire in the Digital Account. Based on current plans this is a low risk.

## 10.0 FINANCIAL CONSIDERATIONS

The costs associated with the apprenticeship programme have been accounted for in the Council's Medium Term Financial Strategy (MTFS).

## **11.0 LEGAL CONSIDERATIONS**

There are no specific legal considerations from this report.

## **12.0 CONSULTATION**

Full consultation has been undertaken with schools and departments in the allocation of the Apprenticeship budget and Apprenticeship Levy.

## **13.0 CHILD AND FAMILY POVERTY IMPLICATIONS**

There are no specific legal considerations from this report.

## **14.0 EQUALITY AND DIVERSITY CONSIDERATIONS**

There are no specific equality and diversity considerations from this report.

## **15.0 STAFF CONSIDERATIONS**

Staff are being supported to further develop their skills, experience and knowledge through the use of the Apprenticeship Levy.

## **16.0 ASSET MANAGEMENT CONSIDERATIONS**

There are no specific asset management considerations from this report.

## **17.0 RECOMMENDATIONS**

16.1 It is recommended that Members:-

- (i) Consider the contents of this update report.

## **18.0 REASONS FOR RECOMMENDATIONS**

18.1 To ensure Finance and Policy Committee are fully cited on progress being made with apprenticeships, Apprenticeship Levy and associated target.

## **19.0 BACKGROUND PAPERS**

None.

## 20.0 CONTACT OFFICER

Claire McLaren  
Assistant Director, Corporate Services  
[claire.mclaren@hartlepool.gov.uk](mailto:claire.mclaren@hartlepool.gov.uk)  
[01429 523003](tel:01429523003)

# FINANCE AND POLICY COMMITTEE

26 November 2018



**Report of:** Assistant Director, Corporate Services

**Subject:** WORKERS' MEMORIAL DAY

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## 1. TYPE OF DECISION/APPLICABLE CATEGORY

Non Key decision.

## 2. PURPOSE OF REPORT

- 2.1 The purpose of the report is to present a request from the Hartlepool Joint Trades Union Committee (HJTUC) for the Council to continue to recognise and support Workers Memorial Day on Sunday 28<sup>th</sup> April 2019.

## 3. BACKGROUND

- 3.1 A letter from the HJTUC is attached (**Appendix A**) which includes information about arrangements for Workers Memorial Day.

## 4. RECOMMENDATIONS

- 4.1 To consider the request from the HJTUC that:
- a) The Authority considers promoting a minutes silence in all public buildings and to Council staff at 12.30pm on Sunday 28 April 2019, in remembrance of 'those workers who have lost their lives through industrial accident or disease'.
  - b) The Authority gives consideration to authorising the lowering of flags on public buildings on Sunday 28 April 2019.
  - c) The Authority gives consideration to assisting in promoting / publicising the event to the wider public



- d) The Authority authorises the use of Council Premises on Sunday 28 April 2019 for the service and for guests before / after the Workers Memorial Day Service & Wreath Laying Ceremony.
- e) The Authority provide technical equipment and support, as required, on Sunday 28<sup>th</sup> April 2019 for the service and wreath laying ceremony.

**5. CONTACT OFFICER**

Claire McLaren  
Assistant Director, Corporate Services  
Tel: 01429 523003  
Email: [claire.mclaren@hartlepool.gov.uk](mailto:claire.mclaren@hartlepool.gov.uk)

# HARTLEPOOL JOINT TRADES UNION COMMITTEE

Chair:- SJ Williams

Secretary:- E Jeffries  
Union Suite  
Carnegie Buildings  
Northgate, Headland  
Hartlepool  
TS24 0LT

Tel:- 01429 523868

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Gill Alexander  
Chief Executive  
Hartlepool Borough Council

## **Report to Chief Executive and Chair of Finance & Policy Committee**

### **April 28<sup>th</sup> - Workers Memorial Day**

Please see attached an updated report from Hartlepool Trades Union Council on arrangements for the Workers Memorial Day Service, Sunday 28<sup>th</sup> April 2019, 12.30pm, Christ Church, Church square, Hartlepool, TS24 7EQ with guest speakers including Frances O'Grady, General Secretary, TUC; Dave Anderson, Former President UNISON; Amy Murphy, National President; USDAW; Invited:- Rolf Gehring, Secretary at EFBWW or Stephen Schindler coordinator of the Pan-Euro asbestos group.

- HJTUC recognize the importance of these events and request that Hartlepool Borough Council give consideration to the following:-
  - a) The Authority considers promoting a minutes silence in all public buildings and to Council staff at 12.30pm on Sunday 28<sup>th</sup> April 2019, in remembrance of 'those workers who have lost their lives through industrial accident or disease'.
  - b) The Authority gives consideration to authorising the lowering of flags on public buildings on Sunday 28<sup>th</sup> April 2019
  - c) The Authority gives consideration to promoting / publicising and assisting with the event.
  - d) The Authority authorizes the use of Council Premises on Sunday 28<sup>th</sup> April 2019 for the service and for guests before / after the Workers Memorial Day Service & Wreath Laying Ceremony.
  - e) The provision of technical equipment and support, as required, on Sunday 28<sup>th</sup> April 2019 for the service and wreath laying ceremony.

The Theme for this year's Workers Memorial Day is still to be determined by the ETUC.

### **Everybody Welcome**

**The service is especially open to all family, friends, colleagues who wish to remember loved ones who have died or been injured, or made ill through their work.**

Employees who have died through Industrial Accident or Disease whilst trying to earn an honest living for themselves and their families are not publicly remembered on any other day.

Edwin Jeffries  
Secretary.

# Hartlepool Trades Union Council

President:- Edwin Jeffries  
c/o Union Suite  
Carnegie Buildings  
Northgate  
Headland  
Hartlepool  
TS24 0LT

Treasurer:- P Shields

Secretary:- Alan Walker  
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Tel:- 01429 523868 (w)  
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## WORKERS MEMORIAL DAY (28<sup>TH</sup> APRIL 2019)

Report by Hartlepool Trades Union Council (HTUC)

### 1.0 PURPOSE OF REPORT

- 1.1 The purpose of this report is to update Hartlepool Borough Council Chief Executive and Chair of the Finance & Policy Committee on the arrangements for the Workers Memorial Day Remembrance Service & Wreath Laying Ceremony and other events to be held around Workers Memorial Day, April 28<sup>th</sup> 2019. To highlight the ongoing requirement for partnership working to aid the improvement of Health & Safety to reduce the number of workplace accidents, injuries, diseases and deaths, that in the majority of cases are avoidable, across the employment sector as a whole and to request that the Finance & Policy Committee agrees to a) to e) as outlined in item 4 as recommended.

### 2.0 BACKGROUND

- 2.1 International Workers Memorial Day takes place around the world on the 28<sup>th</sup> April each year. The slogan for the Day is “Remember the Dead, Fight for the Living.”

The purpose of Workers Memorial Day is two-fold. First, we remember the dead, because those who have died, been injured, or made ill through their work; deserve not to be forgotten. Secondly, we fight by campaigning for the living, so that people can go to work and provide for themselves and their family, without risk to their health and safety.

Each year more people are killed by work than in wars. Most do not die of mystery ailments, or in tragic incidents. They die because of a health and safety failure. Every year worldwide, over 2 million people are killed by their own, or someone else's work - that's about 5,000 per day.

A Workers Memorial Day Service and Wreath Laying Ceremony organised by Hartlepool Trades Union Council has been held in Hartlepool since 1999 and has been held on the official day of 28<sup>th</sup> April since 2000.

Yvette Cooper, Work and Pensions Secretary of State, announced on 28<sup>th</sup> January 2010 that the UK will give official recognition to Workers Memorial Day to commemorate thousands of people who have died, been seriously injured or made ill through their work.

It is only with enforceable and enforced legislation and the Employers working together with the Trade Unions to improve Health & Safety in all workplaces that we can ever hope to reduce the number of workplace accidents, injuries, diseases and deaths that, in the majority of cases, are avoidable.

## 2.2 Key Figures for Great Britain (HSE) (2017/18)

Published online on 1<sup>st</sup> November 2018 the latest statistics on work-related health and safety in Great Britain and includes the following key annual figures (2017/18):

- **1.4** million working people suffering from work-related ill health
- **2,595** mesothelioma deaths due to past asbestos exposures (2016)
- **144** workers killed at work
- **555,000** injuries occurred at work according to the Labour Force Survey
- **71,062** injuries to employees reported under RIDDOR
- **30.7** million working days lost due to work-related ill health and workplace injury
- **£15.0** billion estimated cost of injuries and ill health from current working conditions (2016/17)

*\*\* Fatal accidents involving workers travelling on a public highway (a 'road traffic accident') are not included as 'fatalities at work' by the HSE as such incidents are enforced by the police and reported to the Department for Transport. Likewise fatal accidents involving workers travelling by air or sea are also not reported as 'fatalities at work' by the HSE as these incidents are the responsibility of the Air and Marine Accident Investigation Branches of the Department for Transport, and reported accordingly.*

### Fatalities

“Every fatality is a tragic event and our commitment to preventing loss of life in the workplace remains unaltered. All workplace fatalities drive HSE to develop even more effective interventions to reduce death, injury and ill health.”

Mesothelioma: - The latest information shows: - There were 2,542 Mesothelioma deaths in Great Britain in 2015, (2515 in 2014) a similar number to the 2,556 deaths in 2013, and 2,549 deaths in 2012 - The latest projections suggest that there will continue to be around 2,500 deaths per year for the rest of this current decade before annual numbers begin to decline - The continuing increase in annual Mesothelioma deaths in recent years has been driven mainly by deaths among those aged 75 and above - In 2014 there were 2,101 male deaths and 414 female deaths - There were 2,130 new cases of Mesothelioma assessed for Industrial Injuries Disablement Benefit (IIDB) in 2015 compared with 2,215 in 2014 - Men who worked in the building industry when asbestos was used extensively are now among those most at risk of Mesothelioma.

Society no-longer finds drink-driving or domestic violence acceptable. It is time for work-related ill-health, injury, and death to also become unacceptable rather than a tragic but accepted part of the world of work.

The HSE has in the past stated that about 70% of workplace "accidents" are due to the poor management of health and safety.

Worldwide, hundreds of thousands die in workplace “accidents” and millions die of occupational diseases every year. Employers working together with the Trade Unions is the remedy. Prevention is the only cure.

To remember those who died at work we organise the Workers Memorial Day Remembrance Service on 28<sup>th</sup> April (International Workers Memorial Day) of each year.

### **3.0 Workers Memorial Day 2019 – Event arrangements.**

#### **3.1 Remembrance Service & Wreath Laying Ceremony**

The service will take place on Saturday 28<sup>th</sup> April 2019, 12.30pm, Christ Church TIC & Art Gallery, Church Square, Hartlepool and the laying of the wreaths will follow at the new Workers Memorial in Church Square, Hartlepool.

##### Officiates:-

- a) Revd Roz Hall
- b) Pastor Volney Ham-Ying.

##### Guest speakers:-

- Frances O'Grady, General Secretary, TUC
- Dave Anderson, Former President, UNISON
- Amy Murphy, President, USDAW
- Rolf Gehring, Secretary at EFBWW (invited) or Stephen Schindler co-ordinator of the Pan-Euro Asbestos Group. (invited)

Special guests:- Mike Hill MP will be attending, laying a wreath and giving a reading at this service. Beth Farhat, Regional Secretary, Northern TUC will also be in attendance.

Over 40 wreaths will be laid at the new Workers Memorial in Church Square, Hartlepool, by Individuals and Organisations to remember all those who have died, been injured, or made ill through their work.

Individual flowers will also be made available for anyone present to lay a flower at the new Workers Memorial in Christ Church, Church Square, Hartlepool in memory of a loved one.

The Café Area of Christ Church will be available from 12 noon and after for people to congregate. Tea / Coffee etc will be available before the service and also be available after the service where tea / coffee and a light buffet will be available.

A lone Scottish piper will be playing at Christ Church, Church Square from 11.45am and will 'pipe in' guests and attendees at 12.20pm to take their seats in time for the minutes silence at 12.30pm at the start of the service.

In 2009, 2012, 2014 and 2016 HTUC commissioned a DVD from Hartlepool College of Further Education (HCFE) to promote Workers Memorial Day and highlight the need for health & safety in the workplace. The link for the 2016 DVD is - <https://www.youtube.com/watch?v=hFYuY-gJFTA>

The Theme for this year's Workers Memorial Day is still to be determined by the ETUC.

Employees who have died through Industrial Accident or Disease whilst trying to earn an honest living for themselves and their families are not publicly remembered on any other day.

#### **Everybody Welcome**

**The service is especially open to all family, friends, colleagues who wish to remember loved ones who have died or been injured, or made ill through their work.**

### 3.2 Dedication of the new Workers Memorial

2018 was the last year that the original Workers Memorial, dedicated in 1999 was in situ in Church Square due to the redevelopment of Church Square by the Local Authority. The design of the new Workers Memorial has been agreed (6ft diameter stone memorial) and will be inlaid into the new Church Square development and will provide a focal point within Church Square for the Workers Memorial Day wreath laying from 2019 onwards. We will be looking as part of the 2019 service to dedicate the new Workers Memorial.

#### Officiates:-

- c) Revd Rosalin Hall
- d) Pastor Volney Ham-Ying.

#### Dedication

- Trevor Burden & Family – bereaved family – (to be invited to lay first wreath)
- Frances O’Grady, General Secretary, TUC
- Dave Anderson, Former President, UNISON
- Amy Murphy, President, USDA

### 3.3 Eve of WMD ‘Gig’ (Saturday 27<sup>th</sup> April 2019)

An “Evening with Frances O’Grady”, General Secretary, TUC, event is being held on Saturday 27<sup>th</sup> April 2018 supported by The Little Auld Suitcase Band and Joe Solo. (Further details to follow)

### 3.4 Memorial Service for Students – Hartlepool College of Further Education.(26/04/19)

The memorial service for students in 2019 will be held on Friday 26<sup>th</sup> April 2019, 11.00am, in Hartlepool College of Further Education.

#### Speakers include:-

- Tracy Ayton-Harding, National Health & Safety Officer, UNISON;
- Jude Kirton-Darling MEP
- Stephen Guy, Regional Officer, NASUWT.

Following the conclusion of the service a wreath will be laid at the ‘Tree of Remembrance’ in Hartlepool College of Further Education.

### 3.5 NTUC / HTUC Health & Safety Seminar (26/04/19)

This year’s event will take place at the Hartlepool College of Further Education on Friday 26<sup>th</sup> April 2019 at 9.00am to 12noon and will be followed at 12.30pm by the main Workers Memorial Day Service & Wreath Laying Ceremony at Christ Church, Church Square, Hartlepool

#### Speakers / presentations from:-

- Tracey Ayton-Harding, National Officer for Health & Safety, UNISON (topic to be determined)
- Jude Kirton-Darling, MEP (Brexit: impact on Health & Safety)
- Karl Wager, FBU Regional Health & Safety Rep. (Toxins/Contaminants in the Fire Service Workplace)
- Speaker – Renewable Energy (Renewable Energy and the challenges for Health & Safety)

Invitations will be circulated to Trade Unions / Employers Organisations / Local Authorities / North East Safety Group etc..

Recognised TUC Health & Safety representatives / Councillors / Managers & Employer Representatives are invited to attend.

#### **4 Recommendations:-**

Hartlepool Borough Council agrees that:-

- a) The Authority considers promoting a minutes silence in all public buildings and to Council staff at 12.30pm on Sunday 28<sup>th</sup> April 2019, in remembrance of ‘those workers who have lost their lives through industrial accident or disease’.
- b) The Authority gives consideration to authorising the lowering of flags on public buildings on Sunday 28<sup>th</sup> April 2019
- c) The Authority gives consideration to promoting / publicising and assisting with the event.
- d) The Authority authorizes the use of Council Premises on Sunday 28<sup>th</sup> April 2019 for the service and for guests before / after the Workers Memorial Day Service & Wreath Laying Ceremony.
- e) The provision of technical equipment and support, as required, on Sunday 28<sup>th</sup> April 2019 for the service and wreath laying ceremony

The Theme for this year’s Workers Memorial Day is still to be determined by the ETUC.

Employees who have died through Industrial Accident or Disease whilst trying to earn an honest living for themselves and their families are not publicly remembered on any other day.

### **Remember the Dead & Fight for the Living**

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# FINANCE AND POLICY COMMITTEE

26th November 2018



**Report of:** Corporate Management Team

**Subject:** STRATEGIC FINANCIAL MANAGEMENT REPORT  
- AS AT 30<sup>th</sup> SEPTEMBER 2018

## 1. TYPE OF DECISION/APPLICABLE CATEGORY

For information.

## 2. PURPOSE OF REPORT

2.1 The purpose of this report is to inform Members of:

- i) 2018/19 Forecast General Fund Outturn;
- ii) Corporate Income Collection Performance; and
- iii) 2018/19 Capital Programme Monitoring.

## 3. BACKGROUND AND FINANCIAL OUTLOOK

- 3.1 As Members will be aware from previous reports there were significant over spends on the General Fund budgets in 2016/17 (£320,000) and 2017/18 (£1.509m) and this reflected continuing service pressures, particularly in relation to Looked after Children. These pressures commenced in 2016/17 and had been recognised within the 2017/18 MTFS and one off resource allocated to support the recurring budget. However, despite these one off resources and some under spends on corporate budgets, there were net over spends in the last two years which had to be funded from the Unearmarked General Fund Reserve, as summarised below:

	2016/17 £'000	2017/18 £'000
Gross Departmental over spend	1,035	1,902
Corporate under spend	(715)	(393)
<b>Net over spend before one off items and use of reserves</b>	<b>320</b>	<b>1,509</b>
Uncommitted 2015/16 Actual Outturn and release of funding allocated for potential protection costs	(194)	0
Planned Use of Reserves	0	(1,400)
<b>Net over spend funded from Unearmarked General Fund Reserve</b>	<b>126</b>	<b>109</b>



- 3.2 Using the Unearmarked General Fund Reserve to meet future budget over spends is not sustainable as this amount is held to manage unforeseen commitments and risks.
- 3.3 The pressures in relation to Looked after Children are continuing in 2018/19 and further information is provided in Section 5. It is anticipated that this pressure will continue in 2019/20. This is one of the issues reflected in the 3<sup>rd</sup> September 2018 Medium Term Financial Strategy (MTFS) report which outlined the budget deficit for 2019/20 and the financial challenges facing the Council in 2020/21 and 2021/22.

#### 4. REPORTING ARRANGEMENTS 2018/19

- 4.1 The availability and reporting of accurate and up to date financial information is increasingly important as future budget cuts are implemented and one-off resources are used up.
- 4.2 This Committee will continue to receive regular reports which will provide a comprehensive analysis of departmental and corporate forecast outturns, including an explanation of the significant budget variances. This will enable the Committee to approve a strategy for addressing the financial issues and challenges facing the Council.
- 4.3 To enable a wider number of Members to understand the financial position of the Council and their service specific areas each Policy Committee will receive a separate report.

#### 5. GENERAL FUND BUDGET 2018/19 FORECAST OUTTURN

- 5.1 An updated assessment of the forecast 2018/19 outturn has been completed and an over spend of £0.920m is anticipated (compared to £0.8m as reported at end of July 18), consisting of the following elements:

##### Forecast Outturn against approved budget

	Previous Forecast Outturn over/(under) spend £'000	Current Forecast Outturn over / (under) spend £'000
Departmental service based expenditure	1,000	1,120
Corporate expenditure	(200)	(200)
<b>Forecast Net Over Spend</b>	<b>800</b>	<b>920</b>

- 5.2 The increase in departmental overspend reflects a higher projected adverse variance in Regeneration and Neighbourhoods by a further £120,000. The main reason for this is a forecast adverse variance of £115,000 for Passenger Transport which can be partly mitigated by releasing £35,000 from the Passenger Transport reserve. This reflects increased costs as a result of changes in demand arising from the new academic year starting in September

and are mainly owing to an increase in pupil numbers accessing 'Special Educational Needs' transport including transport outside of the borough.

- 5.3 **Appendix A** provides a summary of the overall position. The 2018/19 outturn has been prepared to reflect expenditure incurred to date and forecast to be incurred in the rest of the financial year. As Members will be aware from previous years significant elements of the Council's budget are demand led and affected by expenditure over the winter months, including care costs in relation to older people and winter maintenance. The outturn forecasts will be closely monitored and regular updates will be reported to this Committee.
- 5.4 Detailed financial information on the projected outturn for individual Departments by Committee is provided in **Appendices B to E**.
- 5.5 **Strategy for Managing the 2018/19 Forecast Overspend**
- 5.6 As indicated in the previous section the Council is facing a third successive year end over spend, which largely reflects continuing and increasing pressures in relation to Looked after Children. The Council also faces a budget deficit for 2019/20 of nearly £6m and the prospect of further budget deficits in 2020/21 to 2021/22. These issues are a significant financial challenge for the Council and will require robust action and difficult decisions to address.
- 5.7 The MTFS update report of 3<sup>rd</sup> September 2018 identified recurring budget reductions from a combination of measures (reduction in income contingency risk, holiday pay costs, external audit fees and funding changes) which will reduce the 2019/20 budget deficit. These items total £371,000 and are also available to reduce the forecast 2018/19 over spend as follows:

Forecast Over spend still to be addressed

	Previous Forecast Outturn over/(under) spend £'000	Current Forecast Outturn over / (under) spend £'000
Forecast Net Over Spend	800	920
Corporate Expenditure	(371)	(371)
<b>Forecast Over Spend still to be addressed</b>	<b>429</b>	<b>549</b>

- 5.8 Officers are continuing to pursue further actions to reduce this figure by achieving in-year reductions (i.e. over achieving the salary vacancy target and reducing discretionary revenue spending), and/or using funding flexibilities (i.e. using funding flexibilities relating to grants and capitalising revenue expenditure).
- 5.9 There remains a risk that further in year budget savings may not be achievable. In this situation the net forecast over spend will need to be funded

by reviewing the Council's earmarked reserves and details will be reported to a future meeting. This strategy will avoid a call on the Unearmarked General Fund Reserve, which needs to be maintained to manage future financial risks.

- 5.10 However, if reserves do need to be used to address the forecast 2018/19 over spend this will reduce future financial flexibility at a time when the Council is facing a 2019/20 budget deficit of nearly £6m and significant uncertainty in relation to funding levels for 2020/21 and 2021/22. Therefore, whilst the over spend for 2018/19 can be managed, the Council will need to develop a robust strategy to bring recurring costs into line with recurring income and to remove the reliance on using reserves – which can only be used once.

## **6. Housing Revenue Account**

- 6.1 The Housing Revenue Account (HRA) is a ring fenced account relating to the Council's rented housing. It was reopened on the 1st April 2016 as a result of the number of houses exceeding the Government's new limit of 200, which was announced in a Ministerial Statement on 20 March 2015. Details of the forecast outturn are shown at **Appendix F**. The forecast outturn is a deficit of £103,000 which is higher than the budgeted deficit of £29,000 due to a delay in the impact of measures approved by the Finance and Policy Committee on 18<sup>th</sup> June 2018 to reduce the number of void properties. The deficit is being met by HRA reserves. Quality stock levels are increasing through the Empty Homes programme Phase 3 which will generate income to improve the sustainability and improve the future position of the HRA.

## **7. Corporate Income Collection Performance**

- 7.1 Previous reports advised Members that significant changes were implemented with effect from 1<sup>st</sup> April 2013 to re-localise Business Rates and implement Local Council Tax Support schemes. As a result of these changes approximately 61% (i.e. £53.81m) of the net General Fund budget is funded from a combination of Business Rates and Council Tax collected locally. The following paragraphs provide more information on the impact of these changes and also progress in collecting Sundry Debts.

### **7.2 Business Rates Income**

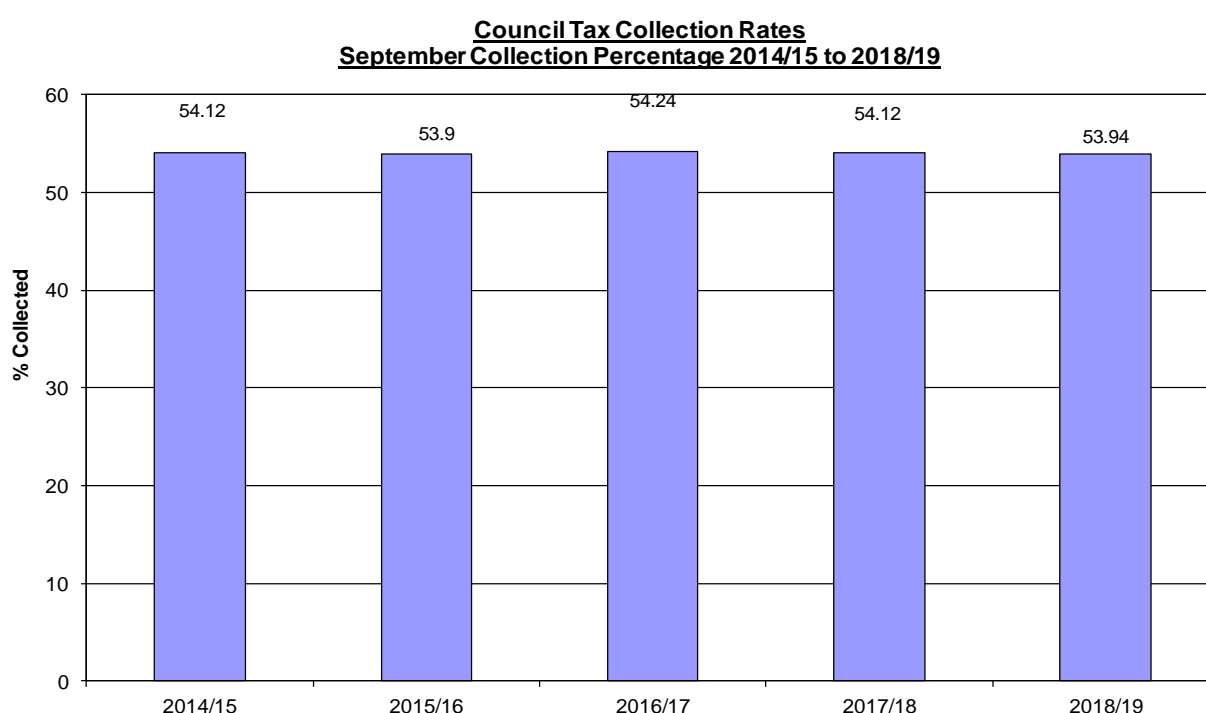
- 7.3 The re-localisation of Business Rates is a significant additional financial risk for Local Authorities to manage - 50% of any shortfall arising from either nonpayment by businesses, or reductions arising from the Valuation Office re-assessing rateable values, falls on individual authorities. A 'safety net' system is in operation, although this only compensates authorities for any shortfalls above 7.5% of the safety net figure. Prior to 2013/14 any shortfall in Business Rates collected was funded at a national level from the overall Business Rates pool.

- 7.4 Collecting Business Rates has always been an important responsibility, and the Council collected 98.9% in 2017/18 (national average 97.9% for unitary and metropolitan councils). The changes associated with localisation of business rates make this an even more important issue for the Council.

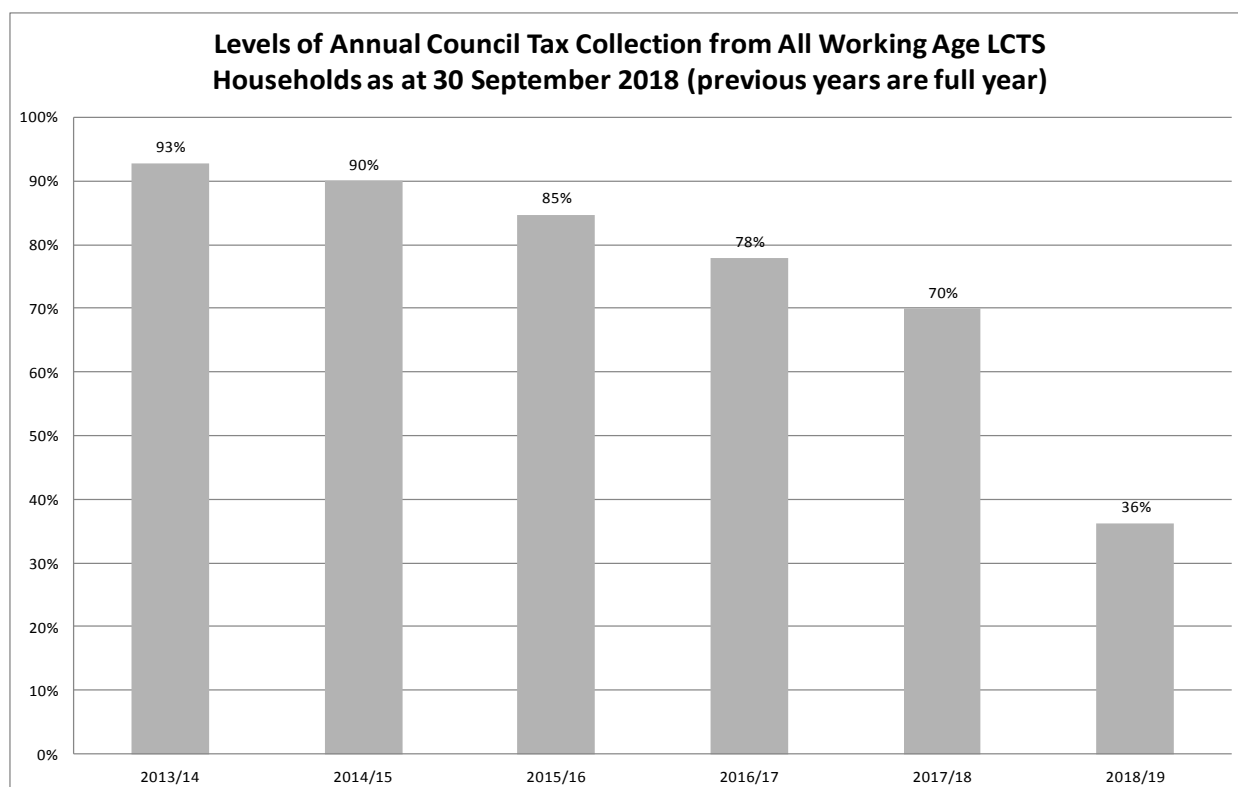
- 7.5 At the 30<sup>th</sup> September 2018 the Council had collected 55.69% of the 2018/19 liability, up by 2.57% compared to the same period last year (53.12%). The timing and value of appeal decisions by the Valuation Office Agency makes comparison of collection performance for Business Rates between financial years difficult. A comprehensive review of the recovery status of all 2,840 business rates accounts has been undertaken which indicates that by the end of the financial year collection levels in excess of 98% should be sustained.

## 7.6 Council Tax

- 7.7 The overall Council Tax collection rate at 30<sup>th</sup> September 2018 was 53.94% compared to 54.12% for the same period last year, down slightly by 0.18%, as summarised in the graph below reflecting a stable position.



- 7.8 Collection performance is impacted by the time lag in recovering Council Tax by Attachment of Benefit, where the rate of deduction is capped at £3.70 per week and only one deduction can be active at any one time. This particularly affects working age households in receipt of Local Council Tax Support (LCTS).
- 7.9 There are about 8,100 working age households who receive LCTS. The Council monitors closely levels of collection from these households which have been impacted by a range of national welfare reforms. The following graph shows that collection from these households is positive, albeit there are the forecast time lags in securing collection.

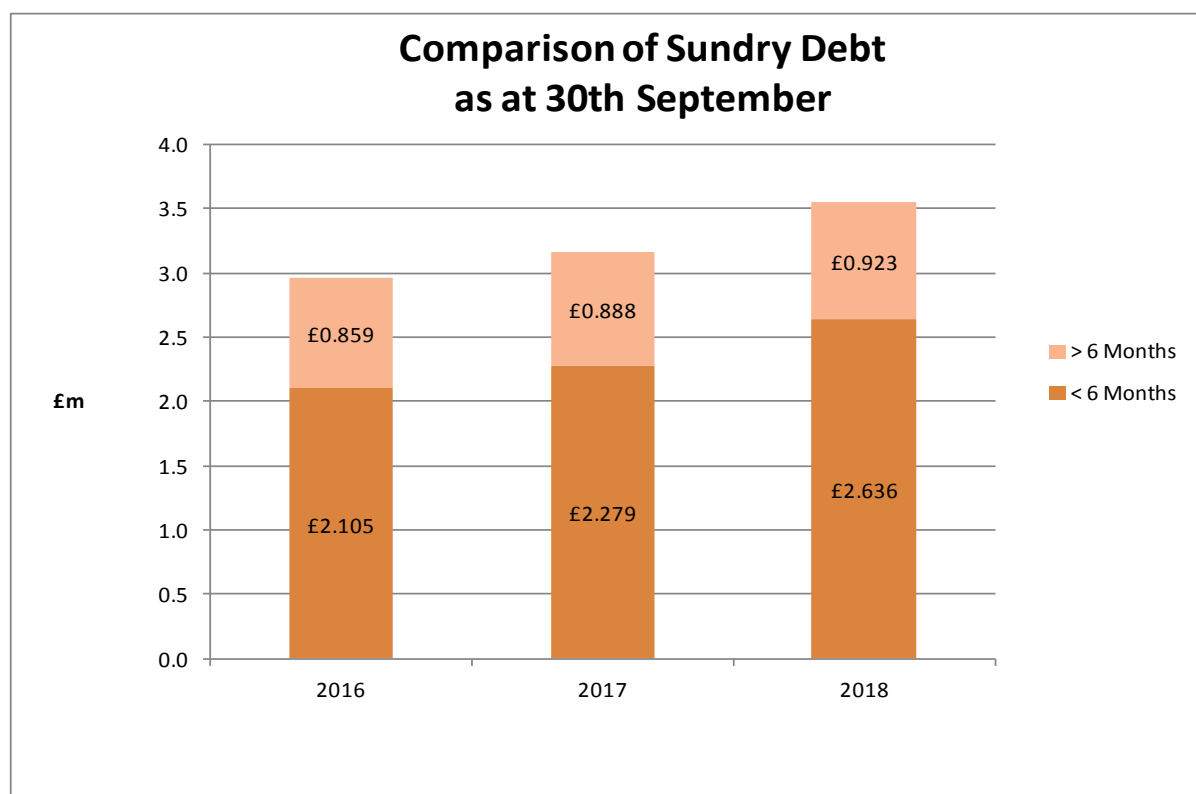


7.10 Collection of Council Tax from LCTS households continues to be within the financial planning parameters that underpin the Council's LCTS scheme.

#### 7.11 Sundry Debts

7.12 The Council also collects significant Sundry Debts income for the payment of services provided by the Council. In total £16.966m of sundry debts were raised in the first six months of 2018/19. As at 30<sup>th</sup> September 2018, £14.092m (83.06%) of this amount had been collected.

7.13 Robust procedures for collecting the remaining outstanding debt are in place. The following graph shows the comparable positions at 30<sup>th</sup> September for the last three years for long term debt and current debt which has been outstanding for less than six months.



7.14 Debtors totalled £3.559m as at 30<sup>th</sup> September 2018, of which £2.636m (74.07%) relates to current debts (less than 6 months old).

7.15 Included within current debts (less than 6 months old) is debt where the customer has been invoiced for the whole of 2018/19 but payment is to be received in instalments throughout the year.

7.16 Debts greater than 6 months old total £0.923m. 98.64% of this amount is under recovery action and 1.36% (£12,570) is now considered unrecoverable and will be reported to Members for write off.

## 8. Capital Receipts Target

8.1 The Council previously set a capital receipt target to provide funding to offset the removal of HMR (Housing Market Renewal) funding in 2011 by the Government.

8.2 Owing to the challenging economic and housing market conditions over the last few years these capital receipts have taken longer to achieve than initially anticipated. As reported previously the remaining target is £2.648m. This amount is net of the accrued capital receipts for King Oswy Drive/Former Henry Smiths site which is being received as instalments.

8.3 At present no significant receipts are anticipated in 2018/19. Work is currently underway to secure capital receipts at a number of sites including:

- Seaton Lane Site
- Former Brierton School Site

- Briarfields
- Tanfield Site
- Land at Hart
- Melrose House (Custodian Property)

8.4 However, these are unlikely to be received until 2019/20 at the earliest. As previously reported the capital receipt in relation to the Hart land sale is anticipated to be the largest capital receipt achieved over the next three years but owing to the phased basis on which monies are likely to be received it will not make a significant contribution to the target until 2020/21.

8.5 It is forecast that the full remaining target of £2.648m will be outstanding at year end. However as in previous years, the Council is expected to benefit from the expenditure commitments funded by capital receipts being incurred later than expected. In relation to the remaining expenditure commitments £0.500m is forecast to be rephased into 2019/20. This will result in a lower amount of temporary prudential borrowing of £2.148m at the end of the year (i.e. £2.648m remaining target less £0.500m rephased). As interest rates remain low the temporary interest cost can be funded from the existing revenue budget.

## 9. 2018/19 Capital Programme Monitoring

9.1 Capital Expenditure for all departments to the 30<sup>th</sup> September 2018 is summarised in the table below.

Department	BUDGET	EXPENDITURE IN CURRENT YEAR				
	A	B	C	D	E	F
	2018/19 Budget £'000	2018/19 Actual as at 30/9/18 £'000	2018/19 Expenditure Remaining £'000	Expenditure Rephased into 2019/20 £'000	(B+C+D) 2018/19 Total Expenditure £'000	(E-A) 2018/19 Variance from Budget £'000
Adult & Community Based Services	2,669	554	2,115	0	2,669	0
Children's & Joint Commissioning Services	10,099	4,239	5,860	0	10,099	0
Regeneration & Neighbourhood Services	29,167	8,314	16,825	5,543	30,682	1,515
Chief Executives	144	0	144	0	144	0
Corporate	3,853	425	2,953	475	3,853	0
<b>Total Capital Expenditure</b>	<b>45,932</b>	<b>13,532</b>	<b>27,897</b>	<b>6,018</b>	<b>47,447</b>	<b>1,515</b>

9.2 Actual expenditure to 30<sup>th</sup> September 2018 was £13.532m, compared to budgeted spend for the year of £45.932m. £6.018m expenditure has been rephased to 2019/20 leaving £27.897m to be spent during the remainder of 2018/19.

- 9.3 Regeneration & Neighbourhood Services are reporting a forecast budget overspend of £1.515m as detailed in Capital Appendix I and summarised below.
- 9.4 Coast Protection - Headland Town Wall and Block Sand scheme  
It was previously reported that this scheme has suffered delays as a result of an objection raised in August 2016 as part of the planning process and license to carry out works. This resulted in work to a particular section of the sea wall being rephased until March 2018. Other ongoing work had continued, albeit with restricted access and additional plant hire leading to increased costs. The delay also meant that the work was exposed to the exceptional weather conditions in March 2018, as well as some of the worst storm surges in recent years which caused numerous damages to the wall requiring repair.
- 9.5 Additional costs have now been quantified of £1m. To manage the complexities and risks of delivering this project revenue contributions of £0.244m had been set aside. In addition, headroom within the revenue budget for potential additional prudential borrowing had not been committed. Therefore, the remaining £0.756m can be funded using prudential borrowing. The repayment costs can be funded from the existing revenue budget which now fully commits the loan repayment element of the budget.
- 9.6 BIS Managed Workspace  
The costs of the BIS Managed Workspace construction programme have increased due to unforeseen issues with the challenging Grade II Listed building which have led to delays in the programme and extra costs. Construction work is now due to be complete in March 2019 compared to the original completion date of June 2018. The contingency for this scheme was depleted as a result of higher than expected tenders. As a result, additional funding of £338,000 is being sought from the Tees Valley Combined Authority (TVCA) to meet these costs as part of their 'Change Request' process and Officers are confident of these being approved in November 2018. Additional expenditure in relation to the security system, IT, furniture and fittings has been met from a realignment of the overall ISQ budget.
- 9.7 Church Square  
The costs of Church Square has increased mainly as a result of the tenders being higher than the pre-tender estimate, predominantly owing to higher costs in relation to ground works and external services. There have also been delays caused by the late arrival of materials from China which has extended the construction programme to December 2018. Further additional funding of £177,000 is being sought from the TVCA as part of the 'Change Request' process described above.
- 9.8 The rephased amount reflects the expected profile of expenditure to be incurred and resources will be rephased accordingly. The main items included within this are:



- Church Street Heritage, HLF grant applications to be determined – £0.624m
- Neighbourhood Investment Fund barrier works at Tesco roundabout and roundabouts at key gateways, detailed scheme designs are being considered - £0.600m
- Waterfront Public Realm works, expected to commence in January 2019 - £0.578m
- School Catering equipment replacement programme to be agreed - £0.447m
- Deferred vehicle purchases to maximise revenue savings - £1.929m

9.9 There is a longer lead in time for capital schemes and therefore it is not unusual for expenditure to be low at this stage of the year.

9.10 Detailed financial information on the capital programme for individual Departments by Committee is provided in **Appendices G to K**.

### 9.11 Section 106 Developers Contributions

9.12 The level of contributions for housing and non - housing service areas as at 30<sup>th</sup> September 2018 is summarised in the following table. A detailed breakdown is included in **Appendix L**.

Section 106 Funding	Affordable Housing Contributions £000	Other Service Areas £000	Total £000
Amount brought forward as at 1st April, 2018	538	654	1,192
Amounts Received as at 30 <sup>th</sup> September, 2018	1,504	272	1,776
Budgets allocated to schemes	(2,042)	(149)	(2,191)
<b>Uncommitted Balance as at 30<sup>th</sup> September, 2018</b>	<b>0</b>	<b>777</b>	<b>777</b>

## 10 CONCLUSION

10.1 As detailed in Section 5, a 2018/19 General Fund revenue budget over spend of £920,000 is forecast. This mainly reflects continuing Looked after Children pressures. Officers have identified measures that will reduce the forecast deficit to £549,000 and will continue to try to achieve further in-year reductions.

10.2 However, there is a risk that further in year budget savings may not be achievable. Therefore it may be necessary to identify one off funding from reviewing the Council's earmarked reserves and details will be reported to a future meeting. This strategy will avoid a call on the Unearmarked General Fund Reserve, which needs to be maintained to manage future financial risks.

- 10.3 The financial pressures facing the Council are not unique and national press reports over the last few weeks have highlighted significant financial issues in many councils, including Northamptonshire County Council, East Sussex County Council and Birmingham. This clearly indicates the financial pressures facing the sector and individual councils will need to develop local strategies to address their specific financial challenges.
- 10.4 To some extent the Council is in a better position in the short term than many other areas as it has implemented difficult decisions over the last few years to cut expenditure, increase recurring income by increasing Council Tax, achieving housing growth and by carefully managing reserves.
- 10.5 However, as detailed in the 2019/20 to 2020/21 3<sup>rd</sup> September 2018 MTFS report, the financial outlook for the next three years is extremely challenging. The Council faces a 2019/20 budget deficit of £6m and further deficits in 2020/21 and 2021/22. This means further extremely difficult decisions will be required over the next three years to set balanced budgets.
- 10.6 The full remaining capital receipts target of £2.648m will remain outstanding at the year end. It is anticipated that the remaining balance will be achieved in future years from planned receipts.

## 11. RECOMMENDATIONS

### 11.1 It is recommended that Members:

- i) Note the report;
- ii) Note the forecast 2018/19 General Fund Revenue budget over spend of £920,000 and proposed measures to reduce this to £549,000;
- iii) Note the options being explored to address the remaining forecast over spend of £549,000 and that further details will be reported to future meetings of this Committee.
- iv) Note that the 2019/20 MTFS report includes a recommendation to seek Council approval to fund the additional cost of delivering the Headland Town Wall and Block Sand scheme from a combination of applying revenue contributions of £0.244m and use of prudential borrowing of £0.756m. To note that the loan repayment costs can be funded from the existing revenue budget, which now fully commits the loan repayment element of the budget.
- v) Note the request for additional funding from Tees Valley Combined Authority for the BIS Managed Workspace and Church Square capital schemes as identified in paragraphs 9.6 and 9.7 of this report.

## **12. REASONS FOR RECOMMENDATIONS**

To update the Finance and Policy Committee on the Council's financial position and to enable Members to make decisions as part of the overall budget process for 2018/19.

## **13. BACKGROUND PAPERS**

Medium Term Financial Strategy 2018/19 to 2019/20 and Financial Outlook from 2020/21 report to Finance and Policy Committee 03.09.18.

Quarter 1 Strategic Financial Management Report to Finance and Policy Committee 03.09.18.

## **14. CONTACT OFFICER**

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01429 523002

**Summary of 2018/19 Forecast General Fund Outturn****Table 1**

	<b>Forecast - Overspend/ (Underspend)</b>
	<b>£'000</b>
<b>Departmental Budgets</b>	
Adult & Community Based Services	0
Children & Joint Commissioning	1,200
Chief Executive	(300)
Regeneration & Neighbourhoods	220
<b>Total Departmental Forecast Budget Overspend</b>	1,120
<b>Non Departmental issues</b>	
Corporate Budgets	(200)
<b>Forecast Net Overspend</b>	920

**Ring Fenced Departmental Grant Reserves****Table 2****Reserves Previously Approved Quarters 1**

	<b>Outturn</b>
	<b>£'000</b>
<b>Ring-fenced Grant Reserves</b>	
Public Health Grant - the underspend on this grant is transferred into a ringfenced reserve in line with the grant conditions.	65
<b>TOTAL</b>	<b>65</b>

## REVENUE FINANCIAL MONITORING REPORT FOR FINANCIAL YEAR 2018/19 as at 30th SEPTEMBER 2018

Approved 2018/2019 Budget	Description of Service Area	Forecast Outturn as at 30th September 2018 Adverse/ (Favourable)	Director's Explanation of Forecast Variance
£'000		£'000	
0	Carers & Assistive Technology	(5)	
2,421	Commissioning & Adults General	10	
1,694	Packages of Care - Mental Health	60	Budget Pressures have previously been identified in this area.
10,924	Packages of Care - Older People	(520)	This reflects the ending of a number of high cost packages and one-off income from the iBCF grant. This budget will be closely monitored throughout the year as spend often increases during the winter period.
8,468	Packages of Care - Working Age Adult	340	There is a significant degree of volatility associated with the learning disability budget including high cost packages of care, the Transforming Care Agenda and the number and complexity of transitions from childrens services to adult services.
3	Community Centres	0	
7	Community Hubs	0	
137	Departmental Running Costs	0	
707	Direct Care & Support Team	0	
447	LD & Transition Social Work	0	
859	Libraries	50	The adverse variance reflects non-achievement of 2018/19 savings proposals.
2,934	Locality & Safeguarding Teams	0	
741	Mental Health Services	(5)	
501	OT & Disability Equipment	0	
540	Sports, Leisure & Recreation Facilities	95	The adverse variance (which reflects a one-off contribution of £50k from Public Health reserves) mainly relates to a shortfall in income at the leisure centres and Carlton Outdoor Activity Centre.
1,236	Working Age Adult Day Services	(25)	The favourable variance mainly relates to increased income and some savings on non-pay budgets.
31,619	<b>Adult &amp; Community Based Services Total (Before Creation of Reserves)</b>	<b>0</b>	

**ADULT & COMMUNITY BASED SERVICES**  
**PLANNED USE OF RESERVES**

**7.1 Appendix B**

The above figures include the 2018/2019 approved budget along with the planned use of Departmental Reserves created in previous years.  
The details below provide a breakdown of these reserves

Approved 2018/2019 Budget £'000	Description of Service Area	Actual Usage 2018/2019 £'000	Variance Over/ (Under) £'000	Director's Explanation of Forecast Variance
0	Public Health Reserve - Sport, Leisure & Recreation Facilities	50	50	One-off contribution towards the budget pressures within the Sport, Leisure and Recreation service.
0	Public Health Reserve - GP Referral & EDAN	77	77	Funding of the GP Referral and Diabetes programmes.
0	Public Health Reserve - DAT Tier 4	100	100	This is a contingency reserve to be used where there is a need for Tier 4 support within the Substance Misuse service.
<b>0</b>	<b>Total</b>	<b>227</b>	<b>227</b>	

## REVENUE FINANCIAL MONITORING REPORT FOR FINANCIAL YEAR 2018/19 as at 30th SEPTEMBER 2018

Approved 2018/2019 Budget	Description of Service Area	Forecast Outturn as at 30th September 2018 Adverse/ (Favourable)	Director's Explanation of Forecast Variance
£'000		£'000	
15,089	Children & Families	1,895	LAC numbers have continued to increase since the budget was set across both in-house and high-cost Residential placements and this accounts for the main reason for the increased overspend.
2,634	Early Intervention Services	(390)	The favourable variance reflects staff vacancies, incremental drift and early achievement of 2019/20 savings.
3	Play & Care	30	Historic shortfall in income - charges have been increased and will be closely monitored throughout the remainder of the year.
408	Standards, Engagement & Development	(15)	
735	Strategic Commissioning	(280)	The favourable variance mainly relates to one-off and back-dated grant income received from the CCG.
301	Youth Offending Service	(40)	The favourable variance reflects staff vacancies and incremental drift.
136	Access to Education	12	
167	Central Support Services	0	
512	Other School Related Expenditure	(20)	
544	Raising Educational Achievement	119	The overspend relates to a potential shortfall in School Improvement income.
246	Special Educational Needs	(16)	
319	Strategic Management	(95)	This underspend relates to 2019/20 savings achieved in advance.
<b>21,094</b>	<b>Children's and Joint Commissioning Services</b>	<b>1,200</b>	
<b>Public Health Grant</b>			
3,117	Public Health - Commissioning	(65)	The favourable variance reflects a projected underspend against the smoking cessation prescribing budget.
2,178	Public Health - Substance Misuse	0	
1,900	Public Health - Children's	0	
905	Public Health - Statutory & Support Services	0	
436	Public Health - Adults	0	
278	Public Health - Physical Activity	0	
(8,764)	Public Health Main Grant	0	
<b>50</b>	<b>Public Health Grant</b>	<b>(65)</b>	
<b>21,144</b>	<b>Children's and Joint Commissioning Services Total (inc Public Health Grant) Before Creation of Reserves</b>	<b>1,135</b>	
<b>Creation of Reserves</b>			
<b>0</b>	<b>Contribution to Public Health Ring-Fenced Reserve</b>	<b>65</b>	The Public Health Grant is ring fenced and any underspend will be transferred into the ringfenced reserve in line with the grant conditions.
<b>21,144</b>	<b>Children's and Joint Commissioning Services Total (inc Public Health Grant) Net of Reserves</b>	<b>1,200</b>	



**CHILDREN'S & JOINT COMMISSIONING SERVICES**  
**PLANNED USE OF RESERVES**

**7.1 Appendix C**

The above figures include the 2018/2019 approved budget along with the planned use of Departmental Reserves created in previous years.  
The details below provide a breakdown of these reserves

Approved 2018/2019 Budget £'000	Description of Service Area	Actual Usage 2018/2019 £'000	Variance Over/ (Under) £'000	Director's Explanation of Forecast Variance
18	Selective Licensing Scheme	18	0	
18	Public Health Grant	74	56	To fund various specific Public Health-related projects in 2018/19
0	Public Health Grant - 0-19 Service	348	348	One-off funding to support the 0-19 service in 2018/19 while a review of this provision is finalised.
0	Wellbeing Fund	81	81	To be used to fund the Wellbeing Strategy Programme in 2018/19 and 2019/20.
9	Data Team	9	0	
88	EYES	88	0	
85	Individual Pupil Support	85	0	
25	Education Commission	25	0	
57	Transforming Tees	57	0	This reserve consists of pooled funding from, and is managed on behalf of, four Tees Valley local authorities. The reserve supports a collaborative approach to tackle the root cause of underperformance and ensure deliver of a first class education and skills system.
<b>300</b>	<b>Total</b>	<b>785</b>	<b>485</b>	

## REVENUE FINANCIAL MONITORING REPORT FOR FINANCIAL YEAR 2018/19 as at 30th SEPTEMBER 2018

Approved 2018/2019 Budget	Description of Service Area	Forecast Outturn as at 30th September 2018 Adverse/ (Favourable)	Director's Explanation of Forecast Variance
£'000		£'000	
(140)	Benefits	(170)	A favourable variance of £60k is anticipated owing to vacant posts, and a further £110k is expected in additional grant from DWP for Housing Benefit and Universal Credit New Burdens and Verify Earning and Pension Alerts.
(925)	Central Administration Recharges	0	
36	Civic Attendants	0	
975	Corporate Finance	(50)	The favourable variance is owing to vacant posts and posts not being at the top of the grade.
657	Corporate Strategy & Public Consultation	(80)	The favourable variance is owing to vacant posts, and posts not being at the top of the grade and some supplies and services savings.
(143)	Housing Benefits Subsidy	(100)	This projected underspend on Housing Benefit Subsidy grant is as at the Mid Year Review in August. This grant generates £37m in subsidy.
199	Democratic	(5)	
895	Customer and Support Services	0	
488	Human Resources & Health and Safety	(47)	The favourable variance is owing to vacant posts and posts not being at the top of the grade, which is partly offset by a reduction in income.
234	Internal Audit	(8)	
433	Legal Services	35	The adverse variance is owing to a reduction in income generation. This is being addressed as part of the 2019/20 budget.
167	Municipal Elections and Registration of Electors	0	
(7)	Other Office Services	15	The adverse variance is owing to a reduction in income received from Local Land Searches.
94	Procurement	(50)	The favourable variance is owing to a vacant post.
53	Public Relations	50	The adverse variance is owing to a reduction in income generation. This is being addressed as part of the 2019/20 budget.
(113)	Registration Services	30	The adverse variance is owing to reduced income generation on both birth and death registration owing to services being transferred to North Tees Hospital.
(45)	Reprographics	0	
911	Revenues	60	The adverse variance is owing to a reduction in the Bailiff section income generation, additional hours in the Cashiers section, and additional Credit Card Commission charges. This will be addressed as part of the 2019/20 budget.
(527)	Revenue & Benefits Central	55	The adverse variance is owing to a reduction in the Cost of Collection grant for Non Domestic Rates and Court Costs awarded.
66	Scrutiny	0	
612	Shared Services	(5)	
128	Support to Members	0	
10	Training & Equality	0	
344	Corporate Management Running Expenses	(30)	The favourable variance is owing to a post not being at the top of the grade and savings on the Corporate Subscriptions budget.
4,402	Chief Executives Total (Before Creation of Reserves)	(300)	

**CHIEF EXECUTIVES  
PLANNED USE OF RESERVES**

**7.1 Appendix D**

The above figures include the 2018/2019 approved budget along with the planned use of Departmental Reserves created in previous years.  
The details below provide a breakdown of these reserves

Approved 2018/2019 Budget  £'000	Description of Service Area	Actual Usage 2018/2019  £'000	Variance Over/ (Under)  £'000	Director's Explanation of Forecast Variance
5	Corporate Strategy - Performance Management	5	0	
8	Public Relations	8	0	
2	Civic Responsibilities	2	0	
30	Municipal Elections and Registration of Electors	30	0	
13	Corporate Training Programme	13	0	
50	Human Resources & Health and Safety Loss of Income	50	0	
24	Human Resources & Health Extension of Fixed Term Contract	24	0	
40	Human Resources & Health and Safety - Resourcelink post.	40	0	
41	ICT System development (Firmstep)	41	0	
32	Finance - IT Investment Shared Services	32	0	
143	Chief Executive's Department Ring Fenced Grants	143	0	
<b>388</b>	<b>Total</b>	<b>388</b>	<b>0</b>	

## REVENUE FINANCIAL MONITORING REPORT FOR FINANCIAL YEAR 2018/19 as at 30th SEPTEMBER 2018

Approved 2018/2019 Budget	Description of Service Area	Forecast Outturn as at 30th September 2018 Adverse/ (Favourable)	Director's Explanation of Forecast Variance
£'000		£'000	
20	Archaeology	0	There is a forecast short fall in income of £5k owing to a proposed lottery bid being unsuccessful. The team will continue to work to secure additional funding but the forecast shortfall can be met by the Archaeology Reserve.
(50)	Adult Education	0	
(325)	Building Design Service	150	The adverse variance relates to a shortfall in fee income from Capital and external work. A review of this area is underway to evaluate the fee earning capacity in future years.
(874)	Car Parking	80	The adverse variance relates to a shortfall in income.
(32)	Coast Countryside & Heritage	0	
1,165	Community Safety & Engagement	0	
(46)	Construction & Construction Support	0	
863	Consumer Services	30	Adverse variance is a forecast shortfall in licensing income.
615	Cultural & Visitor Services	90	Adverse variance relates to shortfall in income at the Town Hall Theatre and Borough Hall.
468	Economic Regeneration	0	
97	Employment & Skills	0	
(35)	Environmental Standards	10	Adverse variance relates to income shortfall on Markets.
(3)	Environmental Protection	0	
367	Engineering & Design	(100)	Underspend relates to the timing of prudential borrowing charges in relation to the Headland Capital Scheme as some charges will not be incurred until 2019/20.
947	Facilities Management	0	
24	General Allotments	0	
2,719	Environmental Services	0	
(338)	Highways Trading	0	
2,647	Highways & Transportation	(30)	The favourable variance relates to a forecast over achievement of income.
1,360	Passenger Transport	80	A favourable variance had previously been reported in relation to Home to School Transport which is a demand led service. However the position has worsened since the start of the new Academic Year. This is owing to an increase in pupils requiring SEN support particularly in relation to out of town transport. The increased costs have been partly offset by fully utilising the Passenger Transport Reserve of £35k.
265	Planning & Development	115	The adverse variance relates to a potential shortfall in income from planning fees. It is difficult to predict the outturn in this area as approximately 80% of the fee income comes from large scale projects and the timing of these applications are difficult to predict.
0	Planning & Development - Contribution from Reserves	(115)	Income equalisation reserve used to fund the income shortfall in 2018/19. Planning fees have increased in 2018/19 by 20% and the position will need to be closely monitored to establish if this increase addresses the income shortfall.
130	Road Safety	0	
(31)	Strategic Asset Management	0	
554	Strategic Management & Admin	0	
994	Street Lighting	(40)	The favourable variance represents energy and maintenance efficiencies in relation to the LED scheme.
2,410	Sustainable Transport	(90)	The favourable variance is based on the negotiated position with Bus Operators which has resulted in the current contract being below the base budget provision.
(34)	Vehicle Fleet	(100)	The favourable variance relates to temporary savings on vehicle borrowing costs as vehicles are kept for longer and the purchase of new vehicles has been delayed where appropriate.
4,933	Waste Management	140	Waste Management continues to be a volatile area. The latest trends for recycling income have been used which are lower than 2017/18. The projections for the waste disposal are based on predicted tonnages from the beginning of the year (which includes growth of the town). The position has worsened by £20k since Quarter 1 but Departmental reserves have been identified to mitigate the increase and have been reflected in the figure reported. Actual tonnages and income levels will continue to be monitored closely.
18,810	Regeneration & Neighbourhoods Total before reserves	220	

**REGENERATION AND NEIGHBOURHOODS  
PLANNED USE OF RESERVES**

**7.1 Appendix E**

The above figures include the 2018/2019 approved budget along with the planned use of Departmental Reserves created in previous years.

The details below provide a breakdown of these reserves

Approved 2018/2019 Budget  £'000	Description of Service Area	Actual Usage 2018/2019  £'000	Variance Over/ (Under)  £'000	Director's Explanation of Forecast Variance
0	Archaeology Reserve	5	5	Reserve to be released to offset projected income shortfall.
0	Trading Account Reserve	20	20	Reserve released to offset increase in waste management variance.
29	Community Safety Specific Grants	29	0	
30	Museum Acquisition Fund	48	18	Difference in timing of forecast use of reserves.
0	Economic Regeneration Schemes/YEI Match	88	88	Updated position in relation to timing of matched funding.
0	Adult Education (YEI Match )	5	5	Updated position in relation to timing of matched funding.
0	BIS (ISQ Workspace)	52	52	Difference in timing of forecast use of reserves.
17	Civic Lottery - Ward Member Budgets	17	0	
0	Ward Member Budgets	41	41	Reflects forecast use of underspends carried forward from previous year.
	Local Plan	5	5	Reflects residual use of reserve in relation to final costs of the scheme.
0	Church St/Sq Business Support Grants (Corporate Reserve)	65	65	
0	Royal Navy Museum Reserve	173	173	Reflects agreed contribution to NMRN.
0	Passenger Transport Reserve	35	35	
0	Trading Stds Initiatives (Public Health Reserve)	32	32	
0	Env Protection Initiatives (Public Health Reserve)	17	17	
50	Allotments (Public Health Reserve)	50	0	
<b>126</b>	<b>Total</b>	<b>682</b>	<b>556</b>	

## REVENUE FINANCIAL MONITORING REPORT FOR FINANCIAL YEAR 2018/19 as at 30 SEPTEMBER 2018

Budget £'000	Description	Forecast Outturn £'000	Forecast Variance £'000	Director's Explanation of Variance
	<b>Income</b>			
(1,068)	Dwelling Rents	(1,072)	(4)	Increased income due to additional stock, yet impact dampened by time lag of voids reduction through implementation of the Discretionary Housing Payments scheme
(26)	Non-dwelling Rents - Other Income	(30)	(4)	Solar panels and reimbursements.
(2)	Charges for services and facilities	(6)	(4)	Unpooled service charges
<b>(1,096)</b>	<b>Income sub total</b>	<b>(1,108)</b>	<b>(12)</b>	
	<b>Expenditure</b>			
189	Repairs and maintenance	213	24	Increase in the number of properties let and high void levels
282	Supervision and management	299	17	Increase in accountancy services recharge
0	HRA Services share of Corporate and Democratic Core	2	2	New recharge from General Fund to HRA, to be agreed in 2018/19 - estimate
13	Rents, rates, taxes and other charges	20	7	Council tax payments for void properties. Low budget was based on charge at budget setting.
35	Increase in provision for bad or doubtful debts	35	0	
281	Depreciation of fixed assets (Major Repairs Allowance)	283	2	
0	Discretionary Housing Payments	10	10	As per approved scheme implemented 2018/19
9	Debt Management costs	16	7	
<b>809</b>	<b>Expenditure sub total</b>	<b>878</b>	<b>69</b>	
<b>(287)</b>	<b>Net cost of services</b>	<b>(230)</b>	<b>57</b>	
340	Interest payable	355	15	Charge based on 2017/18 expenditure
(24)	HRA investment income	(22)	2	Charge based on Opening Balances
<b>29</b>	<b>HRA Operating (Surplus) / Deficit for the year</b>	<b>103</b>	<b>74</b>	Higher deficit than budgeted due to time lag in reducing voids
	<b>Movement on the HRA Reserve</b>			
(530)	HRA Reserve Opening Balance	(537)	(7)	
29	(Surplus)/Deficit for the year	103	74	
<b>(501)</b>	<b>HRA Reserve Closing Balance</b>	<b>(434)</b>	<b>67</b>	

**ADULT & COMMUNITY BASED SERVICES**
**7.1 APPENDIX G**
**CAPITAL MONITORING REPORT PERIOD ENDING 30th SEPTEMBER 2018**

Project Code	Scheme Title	BUDGET	EXPENDITURE IN CURRENT YEAR					Type of Financing	2018/19 COMMENTS
		A	B	C	D	E	F		
		2018/19 Budget £'000	2018/19 Actual as at 30/9/18 £'000	2018/19 Expenditure Remaining £'000	Expenditure Rephased into 2019/20 £'000	(B+C+D) 2018/19 Total Expenditure £'000	(E-A) 2018/19 Variance from Budget £'000		
Adult & Community Based Services									
7212	Capital Grants to Residential/Nursing Care Homes (iBCF)	501	86	415	0	501	0	RCCO	
7234	Chronically Sick and Disabled Persons Adaptations	313	3	310	0	313	0	MIX	
8108	Centre for Independent Living	231	0	231	0	231	0	MIX	
7218	Disabled Facilities Grant	1,314	413	901	0	1,314	0	GRANT	
8103	Swimming Scheme	35	0	35	0	35	0	RCCO	
8172	Brierton Dance Studio Equipment	4	2	2	0	4	0	RCCO	
7992	Junior Football Pitches	26	0	26	0	26	0	RCCO	
8408	Mill House - Equipment Purchase	3	0	3	0	3	0	RCCO	
8689	Brierton Sports Fields	1	0	1	0	1	0	MIX	
8016	Summerhill Multi User Route	1	0	1	0	1	0	GRANT	
8409	Sport & Youth Improvements	12	1	11	0	12	0	MIX	
8964	Brierton Sports Hall Techno Gym	2	0	2	0	2	0	GRANT	
8896	Brierton Tennis Courts	30	0	30	0	30	0	CAP REC	
8634	Brierton 3G Pitch - Football Foundation	6	0	6	0	6	0	MIX	
8904	Summerhill Cafe Works	1	0	1	0	1	0	MIX	
8710	Drug & Alcohol Recovery Centre	18	0	18	0	18	0	GRANT	
8946	Stepping Stones Grant	91	38	53	0	91	0	GRANT	
8088	Community Hub - Central	68	11	57	0	68	0	RCCO	
8098	Community Hub - North	12	0	12	0	12	0	RCCO	
	Total Adult & Community Based Services	2,669	554	2,115	0	2,669	0		

**Key**

RCCO

MIX

UCPB

SCE

Revenue Contribution towards Capital

Combination of Funding Types

Unsupported Corporate Prudential Borrowing

Supported Capital Expenditure (Revenue)

GRANT

CAP REC

UDPB

CORP

Grant Funded

Capital Receipt

Unsupported Departmental Prudential Borrowing

Corporate Resources

## CAPITAL MONITORING REPORT PERIOD ENDING 30th SEPTEMBER 2018

Project Code	Scheme Title	EXPENDITURE IN CURRENT YEAR						Type of Financing	2018/19 COMMENTS
		BUDGET							
		A	B	C	D	E	F		
		2018/19 Budget £'000	2018/19 Actual as at 30/9/18 £'000	2018/19 Expenditure Remaining £'000	Expenditure Rephased into 2019/20 £'000	(B+C+D) 2018/19 Total Expenditure £'000	(E-A) 2018/19 Variance from Budget £'000		
Children's and Joint Commissioning Services									
8587	Brougham Primary School - Air Handling Unit Replacement	34	12	22	0	34	0	GRANT	Finished work on site - final account to be agreed.
8906	CETL - Windows	40	4	36	0	40	0	RCCO	Scheme starting October 2018.
7388	Clavering Primary - Electrical Rewire	40	26	14	0	40	0	GRANT	Scheme complete - final account to be agreed.
7387	Clavering Primary - KS2 Remodelling and Hall Expansion	204	11	193	0	204	0	GRANT	Scheme on hold - may slip to 2019/20.
8983	Clavering Primary - Heating and DHW Boiler Plant Renewal	85	36	49	0	85	0	GRANT	Scheme complete, final account to be agreed.
8984	Clavering Primary - Electrical Rewire	80	52	28	0	80	0	GRANT	
7384	Devolved Schools Capital	309	35	274	0	309	0	GRANT	
	English Martyrs - New Build	1,845	1,845	0	0	1,845	0	GRANT	
8984	Eldon Grove - Dining Room Extension	7	0	7	0	7	0	RCCO	
7378	Golden Flatts Primary School - Lintel Replacement	7	1	6	0	7	0	GRANT	Scheme to be completed half term Oct/Nov.
8906	Grange Primary School - Window Replacement	22	14	8	0	22	0	GRANT	Work finished on site.
7394	Hart Primary School - SEND Adaptations	1	0	0	0	0	(1)	MIX	Scheme Complete - to return £1k to Unallocated Conditions Allocation.
NEW	Hart Primary School - Emergency Wall Repairs	104	0	104	0	104	0	GRANT	
7396	High Tunstall School - Roofing - Block D	35	9	26	0	35	0	MIX	Finished on site, awaiting final account- underspend likely.
7392	High Tunstall School - Toilet Refurbishment - Block D	70	36	34	0	70	0	MIX	Scheme completed on site - final account to be agreed.
8716	High Tunstall School - Window Replacement - Block D	140	25	115	0	140	0	RCCO	Scheme completed on site - final account to be agreed.
7376	High Tunstall School - Electrical Rewire Block D	25	26	1	0	25	0	GRANT	
7405	High Tunstall School - Electrical Lighting Block D	35	0	35	0	35	0	GRANT	Scheme to start November 2018 - awaiting prices - term time working.
7379	High Tunstall School - Main Boiler and DHW Plant Renewal	35	13	22	0	35	0	GRANT	Scheme completed on site - final account to be agreed.
7383	High Tunstall School - Floor Renewal Block D	25	0	25	0	25	0	GRANT	
7403	High Tunstall School - Drainage Works Block D	7	0	7	0	7	0	GRANT	Scheme completed in April - final account to be agreed.
	High Tunstall School - New build	1,529	1,529	0	0	1,529	0	GRANT	
8907	Lynnfield School - Roof Replacement	160	131	2	0	133	(27)	MIX	Scheme complete - to return £27K to Unallocated Conditions Allocation.
7392	Lynnfield School - Toilet Refurbishment	54	23	31	0	54	0	GRANT	Scheme completed 31st August, no retention applies - awaiting final account.
7586	Purchase of Computer Equipment - City Learning Centre	4	0	4	0	4	0	RCCO	
8947	Rift House Primary School - Heating Distribution (1 of 2)	12	5	7	0	12	0	GRANT	
8891	Rift House Primary School - Classroom Extension	118	0	118	0	118	0	MIX	Demolition of Annex delayed following Nursery building fire.
8985	Rift House Primary School - Heating Pipework	27	10	17	0	27	0	GRANT	
8906	Rift House Childrens Centre - Window Replacement	31	0	31	0	31	0	GRANT	Scheme on hold.
7177	Rift House - Fire Damage	241	2	239	0	241	0	GRANT	Budget is Insurance payout received , prices to be agreed with Insurance.
	Rift House - Language Lab	28	0	28	0	28	0	RCCO	
8984	Rossmere Primary School - Electrical Rewire	120	71	49	0	120	0	GRANT	Started October 2018 - scheme should be completed February 2019.
8983	Rossmere Primary School - Heating and DHW Boiler Plant Renewal	85	45	40	0	85	0	GRANT	Scheme completed October 2018.
8592	Rossmere Primary School - Replace Lintels	10	0	10	0	10	0	GRANT	
8906	Rossmere Primary School - Window Replacement	36	20	16	0	36	0	GRANT	Scheme finished - final account to be agreed.
7421	School Travel Plans	2	0	0	0	0	(2)	GRANT	To return £2k to Unallocated Conditions Allocation.
8138	Schools General - BSF - ICT	50	0	50	0	50	0	GRANT	
9004	Schools General - Contingency	80	0	80	0	80	0	GRANT	
9004	Schools General - Funding Currently Unallocated	0	0	30	0	30	30	MIX	Transfers from schemes identified above.
9004	Schools General - Suitability RCCO Unallocated	863	0	863	0	863	0	RCCO	
9004	Schools General - Basic Need	2,169	0	2,169	0	2,169	0	GRANT	
7142	Schools General - Fire Safety Modifications	100	2	98	0	100	0	GRANT	
8324	Schools General - BMS Control System	25	20	5	0	25	0	GRANT	
8788	Schools General - Universal Free School Meals	20	0	20	0	20	0	GRANT	
7432	Springwell Primary School - Remodelling SEMH	850	0	850	0	850	0	GRANT	
7229	St Helen's Primary School - Toilet Refurbishment	46	27	19	0	46	0	GRANT	Scheme completed 3rd September, final accounts to be agreed.
7380	Throston School - Roofing Area (Phase 1 of 2)	45	45	0	0	45	0	GRANT	Scheme completed August 2018 - final account to be agreed.
7381	Throston School - Window Replacement	25	13	12	0	25	0	GRANT	
8971	Throston Primary School - Convector Fan Renewal	16	0	16	0	16	0	GRANT	
7521	Two year old Free Nursery Entitlement Capacity Building	23	0	23	0	23	0	GRANT	
7386	West Park - Early Years Extension	82	82	0	0	82	0	GRANT	Drainage issues - Engineers to be consulted with.
8653	West View Primary School - Early Years Foundation Stage Improvements	10	7	3	0	10	0	RCCO	
7407	West View Primary School - Remodelling KS2 Area	88	62	26	0	88	0	GRANT	Scheme completed on site - final account to be agreed.
Total Children's and Joint Commissioning Services		10,099	4,239	5,860	0	10,099	0		

Key  
RCCO  
MIX  
UCPB

Revenue Contribution towards Capital  
Combination of Funding Types  
Unsupported Corporate Prudential Borrowing

GRANT Grant Funded  
CAP REC Capital Receipt  
UDPB Unsupported Departmental Prudential Borrowing



CAPITAL MONITORING REPORT PERIOD ENDING 30th SEPTEMBER 2018

Project Code	Scheme Title	BUDGET	EXPENDITURE IN CURRENT YEAR				Type of Financing	2018/19 COMMENTS
		A	B	C	D	E		
		2018/19 Budget £'000	2018/19 Actual as at 30/9/18 £'000	2018/19 Expenditure Remaining £'000	Expenditure Rephased into 2019/20 £'000	(B+C+D) 2018/19 Total Expenditure £'000		
SCE	Supported Capital Expenditure (Revenue)							

CORP Corporate Resources

## CAPITAL MONITORING REPORT PERIOD ENDING 30th SEPTEMBER 2018

Project Code	Scheme Title	BUDGET	EXPENDITURE IN CURRENT YEAR					Type of Financing	2018/19 COMMENTS
		A	B	C	D	E	F		
		2018/19 Budget £'000	2018/19 Actual as at 30/9/18 £'000	2018/19 Expenditure Remaining £'000	Expenditure Rephased into 2019/20 £'000	(B+C+D) 2018/19 Total Expenditure £'000	(E-A) 2018/19 Variance from Budget £'000		
Finance & Policy Committee									
8306	School Catering Equipment	497	6	44	447	497	0	RCCO	Use of funding depends on whether schools will continue with in-house provision of school catering.
	Finance & Policy Committee Sub Total	497	6	44	447	497	0		
Regeneration Committee									
7220	Housing - Private Sector Grants	50	2	48	0	50	0	GRANT	Income recycled from charges on properties in relation to old loan schemes.
7217	Housing - Raby Road CPO	5	5	0	0	5	0	GRANT	Complete.
8799	Housing - Major Repairs	58	12	46	0	58	0	RCCO	Funded from amounts set aside in the Major Repairs Reserve from the Housing Revenue Account (HRA)
8795	Social Housing & Empty Properties Phase 2	1,090	714	376	0	1,090	0	MIX	This scheme is near completion and a final evaluation will be undertaken when the works are complete.
7066	Avondene Accom, Church St	445	332	113	0	445	0	GRANT	Purchase and renovation of a block of 12 apartments known as 'Avondene' at 59-64 Church Street.
7182	Social Housing & Empty Properties Phase 3	2,736	0	2,736	0	2,736	0	MIX	New programme from 2018/19 has been agreed with Homes England grant funding and S.106 contributions and a report updating the HRA Business Plan to reflect the latest funding opportunities will be brought to Members in the new year.
8605	Housing - North Central Hartlepool Housing Regeneration	558	415	143	0	558	0	CAP REC	Scheme near completion and final payment expected in year.
7530	Developers Contributions (Section 106)	926	149	777	0	926	0	GRANT	Earmarked expenditure as specified in developer agreements. Details are set out in Appendix L
8956	ISQ - Church Square	1,560	941	796	0	1,737	177	MIX	Costs have increased and additional funding is being sought from the TVCA as detailed in the main body of the report.
8901	ISQ - Workspace	3,453	1,389	2,402	0	3,791	338	MIX	Costs have increased as a result of unforeseen issues arising from being a Grade 2 listed building, which has resulted in additional on site costs and a delayed completion date to March 2019. Additional funding is being sought from the TVCA as detailed in main body of the report.
7043	ISQ Church Street Public Realm	917	917	0	0	917	0	MIX	Scheme complete subject to minor snagging issues being resolved.
7048	ISQ Stockton Street Connectivity	1,169	38	910	221	1,169	0	MIX	The scheme is expected to start on site January 2019 and continue into next financial year.
8534	Church Street Heritage Scheme (HLF)	1,024	20	380	624	1,024	0	MIX	Discussions underway with property owners to determine grant applications.
7064	ISQ2 - Church Street Property Intervention	445	445	0	0	445	0	MIX	Costs to date relate to the purchase of 15 & 16 Church Street. A report will be brought to F&P early in 2019 to recommend options and refer to Council for approval of the renovation of 15 Church Street. A separate report will be produced later in 2019 in relation to 16 Church Street and the bid for HLF Conservation Deficit funding.
7504	Seaton - Costal Communities Fund (CCF)	386	276	110	0	386	0	MIX	Scheme is now substantially complete and expected to be within budget.
7049	Waterfront Public Realm	1,445	9	858	578	1,445	0	RCCO	Works are expected to start in January 2019 and continue into the next financial year.
7238	Museums Exhibition Equipment	2	2	0	0	2	0	GRANT	Scheme complete and final grant claim submitted.
8429	Adult Education - Replace IT	58	58	0	0	58	0	MIX	System upgrade funded from Adult Education Reserves.
	Regeneration Committee Sub Total	16,327	5,724	9,695	1,423	16,842	515		
7272	Wheelie Bin Purchases	106	45	61	0	106	0	UDPB	
7466	DSO Vehicle Purchases	3,305	466	910	1,929	3,305	0	UDPB	Vehicle replacements have been deferred where possible to maximise savings, resulting in a reduction in the current year's procurement programme and rephasing of expenditure until the next financial year.
7878	Community Safety CCTV Upgrade/Relocation	79	26	53	0	79	0	MIX	Scheme expected to complete in 2018/19.
CR	Crematorium Chapel refurbishment	404	1	19	384	404	0	RCCO	Scheme to be revised and business plan will be prepared.
Allot	Allotments Improvements	216	0	216	0	216	0	UDPB	Detailed works to be agreed.
LTP	Local Transport Plan (LTP) Schemes	2,629	880	1,354	395	2,629	0	GRANT	Re-phased budgets are for A689 Wynyard that has slipped to 2019/20 and Greatham Creek Bridge works in collaboration with Stockton Borough Council that is not likely to commence until 2019/20.
PLAY	Parks & Playgrounds	150	58	92	0	150	0	GRANT	
7243	Seaton Carew Car Parking Pay & Display	4	4	0	0	4	0	UDPB	Scheme complete.
7900	EA - Hartlepool Marina - North Pier Study	30	0	0	30	30	0	GRANT	
7902	EA - Hartlepool Drainage Schemes	8	2	6	0	8	0	GRANT	
8958	Elwick By-Pass Growing Places	389	40	149	200	389	0	UDPB	A separate report on the Western Growth Corridor will be presented to Members detailing progress in relation to this scheme.
8965	TVCA Brenda Road Cycleways TV4	205	139	66	0	205	0	GRANT	Expected completion 2018/19
8986	TV55 Cycleways	5	3	1	1	5	0	GRANT	Expected completion 2019/20
8591	Coast Protection - Headland Town Wall & Block Sands	882	882	1,000	0	1,882	1,000	MIX	Refer to paragraph 9.5 of Strategic Financial Management report.
8444	Coast Protection - Town Wall Strengthening	46	3	0	43	46	0	GRANT	Scheme complete, however ongoing legal issue in process. When resolved request to Environment Agency to transfer balance to another Environmental Agency scheme of a similar nature

CAPITAL MONITORING REPORT PERIOD ENDING 30th SEPTEMBER 2018

Project Code	Scheme Title	BUDGET	EXPENDITURE IN CURRENT YEAR					Type of Financing	2018/19 COMMENTS
		A	B	C	D	E	F		
		2018/19 Budget £'000	2018/19 Actual as at 30/9/18 £'000	2018/19 Expenditure Remaining £'000	Expenditure Rephased into 2019/20 £'000	(B+C+D) 2018/19 Total Expenditure £'000	(E-A) 2018/19 Variance from Budget £'000		
8578	Coast Protection - South Management Unit Study	28	1	0	27	28	0	GRANT	Ongoing study leading to an options appraisal that will be taken to committee, with anticipated completion in 2019/20.
NIP3	NIP 8997 - Neighbourhood Investment Fund unallocated	278	0	278	0	278	0	UDPB	The remaining balance on the Neighbourhood Investment Fund to be allocated to schemes following future approval by the members.
7246	NIP - Rossmere Park	400	10	390	0	400	0	GRANT	Expected completion 2019/20.
8977	NIP - King Oswy Drive	289	2	287	0	289	0	UDPB	Expect work to commence at the end of 2018 .
7222	NIP - Seaton Park (Coronation Drive)	68	1	67	0	68	0	UDPB	
NIP1	NIP 8288 Stranton Cemetery Barrier	45	0	45	0	45	0	UDPB	
NIP2	NIP 8994 - BIS Paving	105	1	104	0	105	0	UDPB	
NIP4	NIP 8995 - Barrier Works TESCO Roundabout	400	0	0	400	400	0	UDPB	Potential start 2019/20 could be later, depending on investigations & results from safety audits
8292	NIP 8292 - Headland	112	19	93	0	112	0	UDPB	
NIP5	NIP 8996 - Roundabouts at Key Gateways	200	0	0	200	200	0	UDPB	Alternatives to the original scheme design are being considered to enhance & provide low maintenance roundabouts for 2019/20.
7181	Waste Disposal Contract Extension	1,872	0	1,872	0	1,872	0	UDPB	As set out in the MTFS this represent an upfront payment in relation to the waste disposal contract to secure more favourable gate fee rates . This cost is being met from borrowing.
8980	TVCA Bishop Cuthbert Cycleway Access	45	0	10	35	45	0	GRANT	Design to be carried out for TVCA Due Diligence and £35k will be re-phased to 2019/20.
8981	TVCA - Brenda Road A689 Footpath	13	1	8	4	13	0	GRANT	Design to be carried out for TVCA Due Diligence and £4k will be re-phased 2019/20.
8982	TVCA A689 Brenda Road Cycleway	30	0	5	25	30	0	GRANT	Design to be carried out for TVCA Due Diligence and £25k will be re-phased to 2019/20.
Neighbourhoods Committee Sub Total		12,343	2,584	7,086	3,673	13,343	1,000		
Regeneration & Neighbourhoods Total		29,167	8,314	16,825	5,543	30,682	1,515		

Key

RCCO  
MIX  
UCPB  
SCE

Revenue Contribution towards Capital  
Combination of Funding Types  
Unsupported Corporate Prudential Borrowing  
Supported Capital Expenditure (Revenue)

GRANT    Grant Funded  
CAP REC    Capital Receipt  
UDPB    Unsupported Departmental Prudential Borrowing  
CORP    Corporate Resources

# CHIEF EXECUTIVES

# 7.1 APPENDIX J

## CAPITAL MONITORING REPORT PERIOD ENDING 30th SEPTEMBER 2018

Project Code	Scheme Title	BUDGET	EXPENDITURE IN CURRENT YEAR					Type of Financing	2018/19 COMMENTS
		A	B	C	D	E	F		
		2018/19 Budget £'000	2018/19 Actual as at 30/9/18 £'000	2018/19 Expenditure Remaining £'000	Expenditure Rephased into 2019/20 £'000	(B+C+D) 2018/19 Total Expenditure £'000	(E-A) 2018/19 Variance from Budget £'000		
7260	City Challenge Clawback	9	0	9	0	9	0	RCCO	
7623	Corporate IT Projects	12	0	12	0	12	0	MIX	
8972	Print Room Printer	14	0	14	0	14	0	UCPB	
	Point to Point Encryption	20	0	20	0	20	0	MIX	
	Corporate Projects	89	0	89	0	89	0	MIX	
<b>Chief Executives Total</b>		<b>144</b>	<b>0</b>	<b>144</b>	<b>0</b>	<b>144</b>	<b>0</b>		

**Key**  
 RCCO Revenue Contribution towards Capital  
 MIX Combination of Funding Types  
 UCPB Unsupported Corporate Prudential Borrowing  
 SCE Supported Capital Expenditure (Revenue)

GRANT Grant Funded  
 CAP REC Capital Receipt  
 UDPB Unsupported Departmental Prudential Borrowing  
 CORP Corporate Resources

## CAPITAL MONITORING REPORT PERIOD ENDING 30th SEPTEMBER 2018

Project Code	Scheme Title	BUDGET	EXPENDITURE IN CURRENT YEAR					Type of Financing	2018/19 COMMENTS
		A	B	C	D	E	F		
		2018/19 Budget £'000	2018/19 Actual as at 30/9/18 £'000	2018/19 Expenditure Remaining £'000	Expenditure Rephased into 2019/20 £'000	(B+C+D) 2018/19 Total Expenditure £'000	(E-A) 2018/19 Variance from Budget £'000		
7029	Borough Hall - Major Refurb Scheme	738	69	669	0	738	0	RCCO	Scheme ongoing.
7033	Borough Hall - External Masonry/Window Mullions	62	0	62	0	62	0	RCCO	Scheme ongoing.
7036	Unallocated Council Capital Fund (CCF)	73	0	73	0	73	0	MIX	
7041	Corporate Planned Maintenance Unallocated	0	0	0	0	0	0	UCPB	
7053	BEMS Energy Management System	146	0	146	0	146	0	RCCO	Scheme commenced.
7072	Seaton DDA toilet	37	0	37	0	37	0	UCPB	Scheme on hold.
7178	Millhouse Pool Filter	33	33	0	0	33	0	CAP REC	Scheme complete. Final Account to be agreed.
7200	Civic Centre Refurbishment	75	0	75	0	75	0	CAP REC	Scheme ongoing.
7472	Victory Square Improvements	12	0	12	0	12	0	CORP	Scheme ongoing.
7473	Victory Square War Memorial - Conservation Works	55	0	55	0	55	0	CAP REC	Scheme ongoing.
7503	Carnegie Building Boiler Renewal	41	24	17	0	41	0	CAP REC	Scheme ongoing.
7503	CETL - Boiler Renewal	43	22	21	0	43	0	CAP REC	Scheme ongoing. One boiler complete, the second will start shortly and will be complete by the end of November.
7505	Carnegie Building - -Roof and Internal Works	16	0	16	0	16	0	RCCO	Scheme ongoing.
7589	CETL Replace Heating Controls	18	6	12	0	18	0	MIX	Scheme ongoing. One boiler complete, the second will start shortly and will be complete by the end of November.
7617	Borough Hall - Lighting and Wiring	40	0	40	0	40	0	CAP REC	Scheme ongoing.
7904	Sir William Gray House Internal Refurbishment	19	13	6	0	19	0	CORP	Scheme ongoing.
8055	Hartlepool Enterprise Centre - Window Replacement	54	54	0	0	54	0	CORP	Scheme complete. Final account to be agreed.
8061	CETL Roof Replacement	58	48	10	0	58	0	RCCO	Scheme ongoing.
8068	CETL Replace Fire Alarm	10	2	8	0	10	0	RCCO	Scheme ongoing.
8776	Town Hall Theatre - Replace Stage Lighting Controls	10	8	2	0	10	0	CORP	Scheme complete. Underspend to be returned to CCF unallocated.
8866	Rossmere Youth Centre - Roof/ Window Replacement	150	26	124	0	150	0	CAP REC	Scheme ongoing.
8867	Borough Hall - Structural Works	21	0	21	0	21	0	CORP	Scheme ongoing.
8893	Town Hall Lighting and Distribution Board Replacement	15	0	15	0	15	0	CORP	Distribution Board now complete. Remainder of the work to start February 2019, and will be complete by the end of March 2019.
8959	Civic Centre - Council Chamber Refurbishment	10	0	10	0	10	0	RCCO	Scheme ongoing.
8967	Carlton Outdoor Centre - Replace Hot Water System	5	0	5	0	5	0	CORP	Scheme complete. Underspend to be returned to CCF unallocated..
8970	Hartlepool Historic Quay Capital Works	436	112	274	50	436	0	CORP	Scheme ongoing.
8973	Headland Sports Centre -Boiler Renewal	13	0	13	0	13	0	RCCO	Scheme ongoing.
9007	Indoor Bowls Centre Refurbishment	190	0	190	0	190	0	CORP	Shame on hold.
9024	Asbestos Surveys	34	0	34	0	34	0	CAP REC	
NEW	Corporate Utilities Project	104	0	104	0	104	0	CORP	
-	Corporate Risk Strategy	393	0	393	0	393	0	RCCO	Earmarked to fund capital receipt - risk in relation to the Jackson Landing project.
7065	Corporate Fire Risk Assessments	100	0	100	0	100	0	MIX	Scheme ongoing. Schedule to be agreed.
7233	Civic Centre Lifts	120	0	120	0	120	0	MIX	Scheme ongoing.
7035	Town Hall Replace Boilers	33	0	33	0	33	0	MIX	Scheme ongoing.
7055	Town Hall Fire Alarm Upgrade	38	0	38	0	38	0	MIX	Scheme ongoing.
7058	Town Hall Power Cabling Upgrade	28	0	28	0	28	0	MIX	Scheme ongoing.
7076	Mill House Emergency Lighting Improvements	6	0	6	0	6	0	MIX	Scheme ongoing.
7080	Mill House Lighting Fittings	22	0	22	0	22	0	MIX	Scheme ongoing.
7075	Mill House Dosing System and Pool Pumps	104	1	103	0	104	0	MIX	Scheme ongoing.
8386	Tofts Farm Depot Lighting Upgrade	66	7	59	0	66	0	MIX	Scheme ongoing.
NEW	Aneurin Bevan House - Boiler plant	77	0	0	77	77	0	CAP REC	Scheme approved F & P 12.02.2018. Works to start 2019-2020
NEW	Aneurin Bevan House - Lighting Upgrade	22	0	0	22	22	0	CAP REC	Scheme approved F & P 12.02.2018. Works to start 2019-2020

## CAPITAL MONITORING REPORT PERIOD ENDING 30th SEPTEMBER 2018

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		A	B	C	D	E	F		
		2018/19 Budget £'000	2018/19 Actual as at 30/9/18 £'000	2018/19 Expenditure Remaining £'000	Expenditure Rephased into 2019/20 £'000	(B+C+D) 2018/19 Total Expenditure £'000	(E-A) 2018/19 Variance from Budget £'000		
NEW	Owton Manor Community Centre - Flat coverings and insulation	214	0	0	214	214	0	CAP REC	Scheme approved F & P 12.02.2018. Works to start 2019-2020
NEW	Mill House - Toilet Upgrade	40	0	0	40	40	0	CAP REC	Scheme approved F & P 12.02.2018. Works to start 2019-2020
NEW	Mill House - Upgrade Handrails	13	0	0	13	13	0	CAP REC	Scheme approved F & P 12.02.2018. Works to start 2019-2020
NEW	Mill House - Upgrade Main Access for Accessibility Compliance	39	0	0	39	39	0	CAP REC	Scheme approved F & P 12.02.2018. Works to start 2019-2020
NEW	Exmoor Grove - Distribution Board Upgrade	11	0	0	11	11	0	CAP REC	Scheme approved F & P 12.02.2018. Works to start 2019-2020
NEW	Seaton Carew Library - Fire Alarms	9	0	0	9	9	0	CAP REC	Scheme approved F & P 12.02.2018. Works to start 2019-2020
<b>Corporate Total</b>		<b>3,853</b>	<b>425</b>	<b>2,953</b>	<b>475</b>	<b>3,853</b>	<b>0</b>		

## Key

RCCO Revenue Contribution towards Capital  
MIX Combination of Funding Types  
UCPB Unsupported Corporate Prudential Borrowing  
SCE Supported Capital Expenditure (Revenue)

GRANT Grant Funded  
CAP REC Capital Receipt  
UDPB Unsupported Departmental Prudential Borrowing  
CORP Corporate Resources

**SECTION 106 DEVELOPERS CONTRIBUTIONS as at 30TH SEPTEMBER 2018**

**7.1 Appendix L**

	Affordable Housing Contributions **** £000	Cycleway £000	Bus Stop £000	Green Infrastructure £000	Maintenance £000	Play £000	Off Site Recreational ** £000	Public Art £000	Security Monitoring £000	Sports £000	Ecological Mitigation £000	Traffic Calming £000	Education £000	Restoration - Security Bond *** £000	Other Service Areas Total £000
<b>Balance as at 1st April 2018 (A)</b>	<b>538</b>	<b>10</b>	<b>15</b>	<b>96</b>	<b>35</b>	<b>98</b>	<b>61</b>	<b>5</b>	<b>10</b>	<b>78</b>	<b>66</b>	<b>15</b>	<b>65</b>	<b>100</b>	<b>654</b>
<b><u>Amounts Received in Year 18/19 (B)</u></b>															
Gardner House - Karbon Homes	0	0	0	6	0	5	0	0	0	12	0	0	0	0	23
Jesmond Gardens - Lidl	306	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Teesbay	0	80	0	0	0	0	0	0	0	0	0	0	0	0	80
Quarry Farm - Bellway	250	0	0	0	0	0	0	0	0	0	0	0	46	0	46
Manorside Phase 1 - Wynyard	65	0	0	4	0	5	0	0	0	0	0	0	20	0	29
Manorside Phase 2 - Wynyard	58	0	0	3	0	2	0	0	0	4	0	0	32	0	41
Tanfield - Gleeson	85	0	0	0	0	0	0	0	0	0	0	0	0	0	0
North Pentagon - Taylor Wimpey	740	0	0	43	0	0	0	0	0	0	0	0	0	0	43
Caroline Street - Endeavour Housing	0	0	0	0	0	0	0	0	0	0	5	0	0	0	5
Manorside House Phase 2 - Wynyard	0	0	0	3	0	0	0	0	0	2	0	0	0	0	5
<b>Total Income</b>	<b>1,504</b>	<b>80</b>	<b>0</b>	<b>59</b>	<b>0</b>	<b>12</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>18</b>	<b>5</b>	<b>0</b>	<b>98</b>	<b>0</b>	<b>272</b>
<b><u>Budgets Allocated to Schemes in 2018/19 (C)</u></b>															
Transferred to Social Housing Phase 3 Budget ****	(2,042)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Street Lighting CCTV scheme	0	0	0	0	0	0	0	0	(10)	0	0	0	0	0	(10)
Brierton PRU Works	0	0	0	0	0	0	0	0	0	0	0	0	(19)	0	(19)
Quarry Farm - Providing Education Facilities	0	0	0	0	0	0	0	0	0	0	0	0	(92)	0	(92)
Eaglesfield Owton manor	0	0	0	0	0	(16)	0	0	0	0	0	0	0	0	(16)
Former Henry Smith - fencing	0	0	0	0	0	(10)	0	0	0	0	0	0	0	0	(10)
Morrison Hall, Marine Crescent	0	0	0	0	0	(2)	0	0	0	0	0	0	0	0	(2)
<b>Total Expenditure</b>	<b>(2,042)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(28)</b>	<b>0</b>	<b>0</b>	<b>(10)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(111)</b>	<b>0</b>	<b>(149)</b>
<b>Balance Remaining (A+B+C) 30th September 2018 *</b>	<b>0</b>	<b>90</b>	<b>15</b>	<b>155</b>	<b>35</b>	<b>82</b>	<b>61</b>	<b>5</b>	<b>0</b>	<b>96</b>	<b>71</b>	<b>15</b>	<b>52</b>	<b>100</b>	<b>777</b>

\*Balances relate to amounts received and earmarked for purposes specified in developer agreements, but not yet transferred to a budget/scheme.

\*\* To be used in vicinity of the Britmag site including but not limited to Central Park.

\*\*\* Held as security in case of any remedial action required during the operational life of the Wind Turbine.

\*\*\*\* All affordable housing contributions are earmarked for additional HRA houses. A report with proposals for using this funding will be brought to a future F&P Committee.