

REGENERATION SERVICES COMMITTEE AGENDA



Wednesday 18 September 2019

at 10.00am

**in Committee Room B
at the Civic Centre, Hartlepool.**

MEMBERS: REGENERATION SERVICES COMMITTEE

Councillors C Akers-Belcher, Brown, Cartwright, Cassidy, Lindridge, Marshall and Smith

- 1. APOLOGIES FOR ABSENCE**
- 2. TO RECEIVE ANY DECLARATIONS OF INTEREST BY MEMBERS**
- 3. MINUTES**
 - 3.1 Minutes of the meeting held on 18th March 2019 (*previously circulated and published*).
- 4. BUDGET AND POLICY FRAMEWORK**

No items.
- 5. KEY DECISIONS**
 - 5.1 Tees Valley Common Allocations Policy Review – *Assistant Director (Economic Growth and Regeneration)*
- 6. OTHER ITEMS REQUIRING DECISION**

No items.



7. ITEMS FOR INFORMATION

- 7.1 Strategic Financial Management Report – as at 31 July 2019 – *Director of Regeneration and Neighbourhoods and Director of Finance and Policy*
- 7.2 Student Accommodation Needs - *Assistant Director (Economic Growth and Regeneration)*

FOR INFORMATION

Date of next meeting – Wednesday 16 October 2019 at 10.00 am in the Civic Centre, Hartlepool.



REGENERATION SERVICES COMMITTEE

18th September 2019



Report of: Assistant Director (Economic Growth and Regeneration)

Subject: TEES VALLEY COMMON ALLOCATIONS POLICY
REVIEW

1. TYPE OF DECISION/APPLICABLE CATEGORY

1.1 Key Decision (test (ii)) Forward Plan Reference No. RN 12/19.

2. PURPOSE OF REPORT

2.1 Members of Regeneration Services Committee are asked to approve the revised Common Allocations Policy for the Tees Valley Lettings Partnership.

3. BACKGROUND

3.1 Hartlepool Borough Council has been part of the sub-regional scheme for allocations since 2009 and a Tees Valley Common Allocations Policy was adopted by the five local authorities and their partner housing organisations. The current Allocations Policy was revised and consulted on in 2012 and agreed by Cabinet on 3rd December 2012.

3.2 The policy is overseen by the sub-regional Compass Steering Group and due to a number of regulatory and other changes it has become apparent that the existing policy is no longer fit for purpose. The requirements of the Homelessness Reduction Act 2017, the announcement from Thirteen Housing Group to adopt its own separate lettings policy and the work of the Service Development Officer (employed by the Compass Steering Group on a fixed term of 12 months from June 2018) has identified a number of proposals to update and improve the Common Policy.

3.3 The review of the Tees Valley Common Allocations Policy was centred on:

- Removal of additional preference for low paid workers (however, this was never adopted in Hartlepool);
- Amending some of the criteria for a priority band award in line with the Homelessness Reduction Act 2017 and in line with local needs;

- Removal of cumulative need so that Hartlepool is consistent with the other partners;
- Reducing the amount of offers from three to one so that Hartlepool is consistent with all other partners, effectively meaning that successful applicants will receive one offer of accommodation of a property that they have bid on. A refusal of this offer will only be accepted if the offer is deemed unsuitable for the applicant; and
- Amending how reduced preference is applied for applicants with less serious rent arrears and anti-social behaviour.

3.4 The five Tees Valley local authorities and the registered provider partners who form the remaining Tees Valley Partnership have consulted on key elements of the Common Allocation Policy with elected members, existing tenants, applicants', staff, stakeholders and their partners across the sub region.

4. POLICY CONSULTATION

4.1 Consultation took place between 3rd June and 12th July 2019 via the Compass website; partner organisations websites; via email to all third sector, voluntary and public sector organisations across Tees Valley; with housing, other relevant staff members and Elected and Board Members; and with residents via local resident forums and on-line panels. The on-line questionnaire was shared across Tees Valley by press teams and through the use of social media.

4.2 465 responses were received to the consultation across Tees Valley. 51% of responders were residents. From those who gave their postcodes 31% were Hartlepool residents, 22% Redcar & Cleveland, 18% Stockton, 17% Darlington and 12% from Middlesbrough.

4.3 Of the other responders 52% were staff members of the Tees Valley Letting Partnership's current partners. 13 members of staff from Darlington Borough Council responded to the consultation, 7 from Beyond Housing, 6 from Hartlepool Borough Council, 6 from North Star, 4 from Stockton Borough Council, 3 from Redcar and Cleveland Borough Council and 2 from Middlesbrough Council. These numbers include single responses on behalf of a whole team. The results from the consultation are summarised and attached at **Appendix 2**.

5. POLICY REVIEW AND PROPOSED AMENDMENTS

5.1 **Applicants in Low Paid Employment:** The Code of Guidance issued by Communities and Local Government in June 2012 urged local authorities to consider how they could use their allocation policies to support households in low paid employment and contributing to their community. Preference is currently given to applicants in low paid employment, *in addition* to any housing need priority band that they have been awarded. This policy is not

currently implemented in Hartlepool so in order to ensure fairness and consistency in applying the allocations policy across all the Partner organisations, the consultation asked if applicants in a priority band should compete on their housing need only regardless of employment status.

5.1.2 The majority of responses to the consultation were in agreement with this proposal.

5.1.3 **The Tees Valley Lettings Partnership has therefore proposed to remove additional preference for people in low paid employment from the policy.**

5.2 **Applicants with More Than one Need:** In Hartlepool, applicants in Bands 1 and 2 with more than one housing need are prioritised on the short-list and given preference for an offer of accommodation over applicants with a single housing need in the same band. However, In order to ensure fairness and consistency in applying the allocations policy across all partners, the consultation asked if applicants in a priority band should compete on their housing need only.

5.2.1 The majority of responses to the consultation were in agreement with this proposal.

5.2.3 **The Tees Valley Lettings Partnership has therefore proposed to remove cumulative need from the policy.**

5.3 **Under-Occupancy:** Additional preference is currently awarded to transferring tenants (of partner landlords) who are under-occupying their homes and who are subject to a cut in housing benefit within Band 1 and Band 2. Band 1 is awarded if the tenant is under-occupying by two or more rooms and Band 2 if this is one room. All partners wish to continue to support their tenants who are under-occupying their property and are financially affected, however they wish to achieve this in a fair and consistent manner. The consultation asked if the *additional* preference for under-occupation should be removed.

5.3.1 The majority of responses to the consultation were in agreement with this proposal.

5.3.2 **The Tees Valley Lettings Partnership has therefore proposed to remove *additional* preference for people who are under-occupying the policy. However, priority will still continue to be awarded to partner landlord tenants who are under-occupying.**

5.4 **Overcrowding:** The current policy gives two different levels of priority to applicants who are overcrowded; Band 2 for those who are 3 or more bed spaces short of requirements; Band 3 for those who are 1-2 bed spaces short of requirements. In order to ensure fairness and consistency in applying the allocations policy, the consultation asked if all applicants who are overcrowded should be awarded an equal priority.

5.4.1 The majority of responses to the consultation were in agreement with this proposal.

5.4.2 **The Tees Valley Lettings Partnership has therefore proposed to introduce one level of priority for applicants who are overcrowded in the Medium Housing Needs Band.**

5.5 **Reasonable Offers of Accommodation:** A 'one reasonable offer of accommodation' policy has been adopted by all Tees Valley Lettings Partners, except Hartlepool Borough Council where applicants still receive up to three reasonable offers of accommodation before their priority is reviewed. A refusal of this offer can be accepted if the offer is deemed unsuitable for the applicant. Reducing the amount of offers from three to one in Hartlepool will effectively mean that all successful applicants across Tees Valley are treated fairly and consistently.

5.5.1 The majority of responses to the consultation were in agreement with this proposal.

5.5.2 **The Tees Valley Lettings Partnership has therefore proposed to introduce a one reasonable offer of accommodation policy for *all* partners.**

5.6 **Applicants' Behaviour:** An applicant (or members of their household) with a history of less-serious unacceptable behaviour (i.e. housing debt of under £1,500 or mid-low-level behaviour issues), can register on the scheme and bid on advertised properties. However until a positive change in behaviour can be demonstrated (i.e. they have complied with a repayment plan for debts or have modified their behaviour) they will be considered *after* applicants with a record of good behaviour (in the same band). This is called reduced preference and is often referred to as 'overlooking'. The process of reduced preference ('overlooking') is confusing for applicants. To ensure clarity, it is proposed that applicants who would otherwise be 'overlooked' will now have their application suspended from bidding until they have complied with a repayment plan for debts or have modified their behaviour. Applicants who have been suspended will be notified of the decision and the reasons for this decision will be given in writing. An applicant will be able to request a review of the decision to 'suspend' their application. *Each case will be considered on an individual basis and exceptional circumstances will be considered.*

5.6.1 The majority of responses to the consultation were in agreement with this proposal.

5.6.2 The Tees Valley Lettings Partnership has therefore proposed to remove reduced preference from the policy and adopt suspension for these applicants.

5.7 **Housing Need Banding:** In line with legislation, specific housing needs must be included within the lettings scheme. Once assessed, applicants are

awarded a “band” relevant to their housing needs and each band represents differing housing need criteria. The current five-tiered banding structure has been reviewed to recognise changes in legislation with the introduction of the Homelessness Reduction Act 2017. It has also been simplified to reflect changes in housing need across Tees Valley. The consultation proposed that:

- Band 1+ will be removed and incorporated into Urgent Housing Needs (Band1)
- Band 1 will become High Housing Needs (Band 2) (with the exception of statutory homeless and people owed the prevention or relief duty who will remain in Band 1)
- Band 2 will become Medium Housing Needs (Band 3)
- Band 3 will be incorporated into the new Medium Housing Needs (Band 3)
- Band 4 will have no changes

5.7.1 The majority of responses to the consultation were in agreement with this proposal.

5.7.2 The Tees Valley Lettings Partnership has therefore proposed to adopt the new banding structure. However, as a result of the consultation it is recommended that Domestic Abuse cases and HM Forces Leavers should be removed from the High Housing Needs band and dealt with in Urgent Housing Needs under homelessness legislation. The policy will provide clarity that applicants have not been “demoted” as a result of the changes in banding criteria.

7. FINANCIAL CONSIDERATIONS

There are no financial considerations relating to this report.

8. LEGAL CONSIDERATIONS

8.1 There is a legislative requirement (Part 6 of the Housing Act 1996) for the Council to publish an allocation policy. The most significant risk on any allocation policy is by legal challenge or judicial review. Policy amendments as a result of the Homelessness Reduction Act 2017 and adapting to changes to housing need across Tees Valley will reduce this risk.

9. CONSULTATION

9.1 The proposals identified in this report have been developed in consultation with the Tees Valley Compass Partnership. The five Tees Valley local authorities and the registered provider partners who form the Tees Valley Partnership have consulted on key elements of the Common Allocation Policy with elected members, existing tenants, applicants', staff, stakeholders and their partners across the sub region.

10. CHILD AND FAMILY POVERTY

- 10.1 There are no direct child and family poverty implications relating to this report. However there will be child and family poverty implications if the revised policy for accessing suitable accommodation is not managed properly for families in housing need (see **Appendix 1**).

11. EQUALITY AND DIVERSITY CONSIDERATIONS

- 11.1 Equality and diversity issues have been considered relating to this report and there is negligible impact.

12. SECTION 17 OF THE CRIME AND DISORDER ACT 1998 CONSIDERATIONS

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

13. STAFF CONSIDERATIONS

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

14. ASSET MANAGEMENT CONSIDERATIONS

- 14.1 There are no asset management considerations relating to this report.

15. RECOMMENDATIONS

- 15.1 Regeneration Services Committee is recommended to:
- Approve the proposed amendments to the Tees Valley Common Allocations Policy

16. REASONS FOR RECOMMENDATIONS

- 16.1 Adoption of the revised policy is recommended in order:
- to enable the Council to meet its commitments in respect of the Tees Valley Lettings Partnership;
 - to ensure consistency of policy across the sub region, ensuring clarity and transparency for applicants.
 - to ensure that the policy is aligned with statute that has emerged since the previous policy was adopted; and

- to ensure that the policy is reflective of stakeholder feedback provided during the consultation process.

17. CONTACT OFFICER

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POVERTY IMPACT ASSESSMENT

1. Is this decision a Budget & Policy Framework or Key Decision? YES / NO If YES please answer question 2 below				
2. Will there be an impact of the decision requested in respect of Child and Family Poverty? YES / NO If YES please complete the matrix below				
GROUP	POSITIVE IMPACT	NEGATIVE IMPACT	NO IMPACT	REASON & EVIDENCE
Young working people aged 18 - 21				
Those who are disabled or suffer from illness / mental illness				
Those with low educational attainment				
Those who are unemployed				
Those who are underemployed				
Children born into families in poverty				
Those who find difficulty in managing their finances				
Lone parents				
Those from minority ethnic backgrounds				
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

POVERTY IMPACT ASSESSMENT

Overall impact of Policy / Decision			
NO IMPACT / NO CHANGE		ADJUST / CHANGE POLICY / SERVICE	
ADVERSE IMPACT BUT CONTINUE		STOP / REMOVE POLICY / SERVICE	
Examples of Indicators that impact of Child and Family Poverty.			
Economic			
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			
Education			
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)			
Housing			
Average time taken to process Housing Benefit / Council tax benefit claims			
Number of affordable homes built			
Health			
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			

Tees Valley Common Allocations Policy Consultation Summary Report

Background

The Tees Valley Common Allocations Policy was last reviewed a number of years ago. The Tees Valley Lettings Partnership has identified areas within the Common Allocation Policy that need amending to ensure that it is fit for purpose, responsive to housing need across Tees Valley, with consideration to legislation and statutory guidance.

The Tees Valley Lettings Partnership is made up of five local authorities and a number of registered provider partners that either own or manage housing stock across the Tees Valley:

- Darlington Borough Council
- Hartlepool Borough Council
- Middlesbrough Council
- Redcar and Cleveland Borough Council
- Stockton-on-Tees Borough Council
- Beyond Housing
- Home Group
- North Star

Consultation took place between 3rd June and 12th July 2019 via the Compass website; partner organisations websites; via email to all third sector, voluntary and public sector organisations across Tees Valley; with housing, other relevant staff members and Elected and Board Members; and with residents via local resident forums and on-line panels. The on-line questionnaire was shared across Tees Valley by press teams and through the use of social media.

465 responses were received to the consultation across Tees Valley. 51% of responders were residents. From those who gave their postcodes 31% were Hartlepool residents, 22% Redcar & Cleveland, 18% Stockton, 17% Darlington and 12% from Middlesbrough.

Of the other responders 52% were staff members of the Tees Valley Letting Partnership's current partners. 13 members of staff from Darlington Borough Council responded to the consultation, 7 from Beyond Housing, 6 from Hartlepool Borough Council, 6 from North Star, 4 from Stockton Borough Council, 3 from Redcar and Cleveland Borough Council and 2 from Middlesbrough Council.

Consultation Summary

The results from the consultation for each proposal are summarised below:

Proposal 1 - Applicants in Low Paid Employment**Current Policy:**

The Code of Guidance issued by Communities and Local Government in June 2012 urged local authorities to consider how they could use their allocation policies to support households in low paid employment and contributing to their community. Preference is currently given to applicants in low paid employment, *in addition* to any housing need priority band that they have been awarded.

Reason for Change:

This policy is not currently implemented in Hartlepool so in order to ensure fairness and consistency in applying the allocations policy across all the Partner organisations, applicants in a priority band should compete on their housing need only.

Proposal:

Remove additional preference for people in low paid employment from the policy. In effect, applicants will remain in the same band but not have an additional preference applied.

This change would only affect 0.4% of all applicants.

Results		Summary of comments	Response/ Recommendation
% agree	% disagree		
75.22%	24.78%	<p>The majority of responses in disagreement did not appear to understand the reason for changing this policy and think that people in low paid employment would be overlooked in favour of people in higher paid employment rather than be considered on an equal basis regardless of their employment situation.</p> <p>Other responses in disagreement thought retention of this policy would encourage people to seek employment.</p>	<p>Additional preference for people in low paid employment will be removed from the policy in line with the majority of responses.</p> <p>It is currently applied inconsistently and it is believed that it is fairer to allocate properties regardless of employment status given the socio economic status of Tees Valley.</p>

Proposal 2 - Applicants with More Than one Need

Current Policy:

In Hartlepool, applicants in Bands 1 and 2 with more than one housing need are prioritised on the short-list and given preference for an offer of accommodation over applicants with a single housing need in the same band.

Reason for Change:

In order to ensure fairness and consistency in applying the allocations policy across all partners, applicants in a priority band would in future compete on their housing need only.

Proposal:

It is proposed that applicants in Hartlepool are prioritised consistently with applicants in the other Tees Valley local authority areas (i.e. cumulative need is removed). In future the applicant will remain in the same band but will not have an additional preference applied.

This change would affect less than 0.1% of the waiting list.

Results		Summary of comments	Response/ Recommendation
% agree	% disagree		
86.02%	13.98%	The majority of responses in disagreement thought cumulative need is fairer especially if the applicant has medical needs.	Cumulative need will be removed from the policy in line with the majority of responses.

Proposal 3 - Under-Occupancy

Current Policy:

Additional preference is currently awarded to transferring tenants (of partner landlords) who are under-occupying their homes and who are subject to a cut in housing benefit within Band 1 and Band 2. Band 1 is awarded if the tenant is under-occupying by two or more rooms and Band 2 if this is one room.

Reason for Change:

All partners wish to continue to support their tenants who are under-occupying their property and are financially affected, however we wish to achieve this in a fair and consistent manner.

Proposal:

Whilst different bandings will continue to be awarded to tenants (of partner landlords), depending on the number of bedrooms they are under-occupying, the additional preference will no longer be applied.

This change would affect just 0.9% of current applicants.

Results		Summary of comments	Response/ Recommendation
% agree	% disagree		
85.22%	14.78%	The majority of responses in disagreement did not appear to understand that people who are under occupying will still receive priority on the scheme.	Additional preference for people who are under occupying will be removed from the policy in line with the majority of responses. Priority will continue to be awarded to partner landlord tenants who are under occupying.

Proposal 4 - Overcrowding

Current Policy:

Our current policy gives two different levels of priority to applicants who are overcrowded; Band 2 for those who are 3 or more bed spaces short of requirements; Band 3 for those who are 1-2 bed spaces short of requirements.

Reason for Change:

In order to ensure fairness and consistency in applying the allocations policy, all applicants who are overcrowded should be awarded an equal priority.

Proposal:

Priority for tenants who are overcrowded in their current accommodation should be awarded to all applicants, regardless of the number of bedrooms.

Results		Summary of comments	Response/ Recommendation
% agree	% disagree		
85.83%	14.17%	The majority of responses in disagreement to creating just one category for overcrowding commented that households who are severely overcrowded should have more priority.	All applicants who are overcrowded will be awarded an equal priority in line with the majority of responses.

Proposal 5 - Reasonable Offers of Accommodation

Current Policy:

A 'one reasonable offer of accommodation' policy has been adopted by all Tees Valley Lettings Partners, except Hartlepool Borough Council where applicants can receive up to three reasonable offers of accommodation before their priority is reviewed. A refusal of this offer can be accepted if the offer is deemed unsuitable for the applicant.

Reason for Change:

Just 4.3% of applicants on the waiting list are eligible for three offers under the current policy. Reducing the amount of offers from three to one in Hartlepool will effectively mean that all successful applicants are treated fairly and consistently.

Proposal:

Hartlepool Borough Council to remove the three reasonable offers of accommodation. All partners should work towards a one reasonable offer of accommodation policy.

Results		Summary of comments	Response/ Recommendation
% agree	% disagree		
77.18%	22.82%	The majority of responses in disagreement believe that giving one offer of accommodation takes away choice for applicants.	A one offer policy will be applied in Hartlepool as well as the other local authority areas in line with the majority of responses. The procedures and updated policy will make the criteria clear for determining a reasonable offer of accommodation and an unreasonable refusal of that offer.

Proposal 6 - Applicants' Behaviour

Current Policy:

An applicant (or members of their household) with a history of less-serious unacceptable behaviour (i.e. housing debt of under £1,500 or mid-low-level behaviour issues), can register on the scheme and bid on advertised properties. However until a positive change in behaviour can be demonstrated (i.e. they have complied with a repayment plan for debts or have modified their behaviour) they will be considered *after* applicants with a record of good behaviour (in the same band). This is called reduced preference and is often referred to as 'overlooking'.

Reason for Change:

The process of reduced preference ('overlooking') is confusing for applicants.

Proposal:

To ensure clarity, it is proposed that applicants who would otherwise be 'overlooked' will now have their application suspended from bidding until they have complied with a repayment plan for debts or have modified their behaviour. Applicants who have been suspended will be notified of the decision and the reasons for this decision will be given in writing. An applicant will be able to request a review of the decision to 'suspend' their application.

Each case will be considered on an individual basis and exceptional circumstances will be considered.

Results		Summary of comments	Response/ Recommendation
% agree	% disagree		
92.35%	7.65%	The majority of responses in disagreement to this change in policy have asked for more clarity on how decisions will be made and what constitutes modified behaviour.	<p>There is overwhelming support for moving away from reduced preference to suspension so this will be adopted.</p> <p>The procedures will be clear about the decision making process and criteria that will be adopted.</p> <p>Each case will be considered on an individual basis and exceptional circumstances will be considered.</p>

Proposal 7 - Housing Need Banding

Current Policy:

In line with legislation, specific housing needs must be included within our lettings scheme. Once assessed, applicants are awarded a "band" relevant to their housing needs. Each band represents differing housing need criteria.

Reason for Change:

The current five-tiered banding structure has been reviewed to recognise changes in legislation with the introduction of the Homelessness Reduction Act 2017. It has also been simplified to reflect changes in housing need across Tees Valley.

Proposal:

To simplify the current banding structure as follows:

Band 1+ will be removed and incorporated into Band 1

Band 1 will become Band 2 (with the exception of statutory homeless and people owed the prevention or relief duty who will remain in Band 1)

Band 2 will become Band 3

Band 3 will be incorporated into the new Band 3

Band 4 will have no changes

Results		Summary of comments	Response/ Recommendation
Do you agree with the proposed change from Band 1+ to the Urgent Housing Needs Band?			
% agree	% disagree		
92.04%	7.96%		
Do you agree with the proposed change from Band 1 to the High Housing Needs Band?			
% agree	% disagree		
87.16%	12.84%		
Do you agree with the proposed change from Band 2 to the Medium Housing Needs Band?			
% agree	% disagree		
88.45%	11.55%		
Do you agree with the proposed change to absorb Band 3 into the Medium Housing Needs Band?			
% agree	% disagree		
92.79%	7.21%		
		The banding changes are supported. However, there were comments that people suffering domestic abuse and leaving armed forces should be prioritised in the highest band and that prison leavers should not receive this priority. High medical needs should also be in the highest band. There were a few comments that the proposed changes are unfair and there was no need to change as this is	As a result of the consultation it is recommended that Domestic Abuse cases and HM Forces will be removed from the High Housing Needs band and dealt with in Urgent Housing Needs under homelessness legislation. The policy will provide clarity that applicants have not been “demoted” as a result of the changes in banding criteria.

		now confusing. There was a suggestion that the bands should be re-titled so that people don't think they have been "demoted".	In relation to urgent medical needs this will remain in the high housing needs band as proposed. Applicants who are bed blocking in hospital or accepted as homeless will be prioritised as in Urgent Housing Need under homelessness legislation.
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Recommendations

Each proposal was supported by the majority of responders through the public consultation and it is recommended that the Tees Valley Allocations Policy is amended with these changes.

In addition, as a result of the feedback received, concerns relating to the need for guidance on reasonable offers, modified behaviour and length of time in a band will be considered in the development of the new procedures and will be addressed accordingly.

The criteria within the High Housing Needs band for applicants suffering domestic abuse or leaving HM Forces has been reconsidered and will be removed from this priority and dealt with under homelessness legislation as part of the Urgent Housing Needs band.

The proposed new banding structure is as follows:

Urgent Housing Needs (Band 1)

- People losing their home due to a recognised regeneration scheme within any one of the local authorities within the sub region
- People assessed as statutory homeless and in priority need
- People who are owed the homeless prevention or relief duty

High Housing Needs (Band 2)

- Urgent Medical
- Ready for independent living
- Care Leaver/child in need
- Adoptive parents/foster carers
- Unsafe/insanitary housing conditions
- Under Occupation (2 rooms)

Medium Housing Needs (Band 3)

- High medical
- Overcrowding
- Under Occupation (1 room)
- Hardship
- Sharing Facilities

Low Housing Need (Band 4)

- People who are adequately housed; or
- Refused a reasonable offer of accommodation or worsened own circumstances

REGENERATION SERVICES COMMITTEE

18th September 2019



Report of: Director of Regeneration and Neighbourhoods and
Director of Finance and Policy

Subject: STRATEGIC FINANCIAL MANAGEMENT REPORT
- AS AT 31st July 2019

1. TYPE OF DECISION/APPLICABLE CATEGORY

For information.

2. PURPOSE OF REPORT

- 2.1 The purpose of this report is to inform Members of the 2019/20 forecast General Fund Outturn, the 2019/20 Capital Programme Monitoring and to provide details for the specific budget areas that the Committee is responsible for.

3. BACKGROUND AND FINANCIAL OVERVIEW

- 3.1 As Members will be aware from previous reports there were significant over spends within Departmental budgets in each of the last 3 financial years reflecting continuing service pressures, particularly in relation to Looked after Children. These pressures commenced in 2016/17 and have been recognised within the MTFS, with one-off resources allocated to support the recurring budget.
- 3.2 The pressures in relation to Looked after Children are continuing and will exceed the approved budget in 2019/20. It is anticipated these pressures will continue in 2020/21. A proposed funding strategy for these pressures will be reported to Finance and Policy Committee on 30th September 2019.

4. REPORTING ARRANGEMENTS 2019/20

- 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 The Finance and Policy 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 providing:

- a brief summary of the overall financial position of the Council as reported to Finance and Policy Committee
- the specific budget areas for their Committee
- the total departmental budget where there is a split across more than one Committee. This information will ensure Members see the whole position for the departmental budget.

5. GENERAL FUND BUDGET 2019/20 FORECAST OUTTURN

- 5.1 An assessment of the forecast 2019/20 outturn for the Council as a whole has been completed and an overall departmental over spend of £850,000 is currently anticipated. This position is owing to an increase in Looked after Children numbers and costs. A strategy for funding this has been developed and will be reported to Finance and Policy Committee on 30th September 2019. This strategy avoids the need for in-year budget cuts in 2019/20. The strategy will be referred to Council for approval. There remains a risk that further pressures may continue in the second half of the financial year which would then increase the over spend. If this occurs a strategy for addressing any further costs will be referred to Finance and Policy Committee.
- 5.2 The 2019/20 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 the Finance and Policy Committee.

6. 2019/20 FORECAST OUTTURN – REGENERATION SERVICES COMMITTEE

- 6.1 The Regeneration Services Committee has responsibility for services managed by the Director of Regeneration and Neighbourhoods. Budgets are managed at a Departmental level and therefore a summary of the Departmental position is provided below. The table sets out the overall budget position for the Department broken down by Committee, together with a brief comment on the reasons for the forecast outturn.

Budgets Managed by the Director of Regeneration and Neighbourhoods

2019/20 Budget	Description of Expenditure	2019/20 Projected Outturn Adverse/ (Favourable) Forecast	Comments
£000		£000	
1,757	Finance & Policy Committee	(50)	Mainly relates to vacant posts
16,177	Neighbourhood Services Committee	125	Predominantly a result of changes in demand in relation to SEND home to school transport provision
1,587	Regeneration Services Committee	125	This adverse variance relates to a shortfall in income across the service areas
19,521	Total Regeneration & Neighbourhoods	200	

6.2 Details of the specific budget areas this Committee is responsible for are provided in **Appendix A**.

6.3 Appendix A shows a forecast £125k overspend within the areas the Regeneration Services Committee is responsible for. This overspend relates to a shortfall in income within Town Hall Theatre, Borough Hall and Strategic Asset Management.

7. 2019/20 Capital Programme Monitoring

7.1 Capital Expenditure to the 31st July 2019 is summarised in the table below and further details are provided in **Appendix B**.

	BUDGET	EXPENDITURE IN CURRENT YEAR				
	A	B	C	D	E	F
	2019/20 Budget	2019/20 Actual to 31/07/19	2019/20 Remaining Expenditure	2019/20 Re-phased Expenditure	(B+C+D) 2019/20 Total Expenditure	(E-A) 2019/20 Variance from Budget Adverse/ (Favourable)
	£'000	£'000	£'000	£'000	£'000	£'000
Regeneration Services Committee	8,344	2,294	3,211	2,839	8,344	0

8. CONCLUSION

8.1 The Council over spent against the Departmental budgets in each of the last three financial years and used one-off resources to balance overall expenditure. This position reflected pressures in Children's Services which are continuing in 2019/20. These pressures are affecting the majority of councils with responsibility for these services.

- 8.2 As reported previously the Government has not identified any additional funding to address Children's Services pressures. The LGA has indicated that there will be a £2 billion Children's Services funding gap by 2020.
- 8.3 As detailed in Section 5 a 2019/20 departmental revenue budget over spend of £850,000 is forecast. This mainly reflects continuing Looked after Children pressures.
- 8.4 A strategy for funding these pressures in 2019/20 has been developed and will be reported to Finance and Policy Committee on 30th September 2019. This strategy will avoid a call on the Unearmarked General Fund Reserve, which needs to be maintained to manage future financial risks and avoids in-year 2019/20 budget cuts. The strategy also avoid the need to make in-year budget cuts in 2019/20.
- 8.5 The financial outlook for the next two years is the most uncertain position the Council has ever faced with forecast deficits in 2020/21 and 2021/22 of between £5.7m and £7.4m. This means further extremely difficult decisions will be required over the next few years to set balanced budgets. Detailed proposals for addressing the forecast deficits are being developed and will be reported to a future Finance and Policy Committee.

9. RECOMMENDATIONS

- 9.1 It is recommended that Members note the report.

10. REASONS FOR RECOMMENDATIONS

- 10.1 To ensure that the Regeneration Services Committee has up to date information on the forecast 2019/20 General Fund revenue budget outturn and Capital Programme.

11. BACKGROUND PAPERS

Medium Term Financial Strategy 2020/21 to 2022/23 and Financial Outlook from 2021/22 report to Finance and Policy Committee 22.07.19.

12. CONTACT OFFICER

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REVENUE FINANCIAL MONITORING REPORT FOR FINANCIAL YEAR 2019/20 as at 31 July 2019

Approved 2019/2020 Budget £'000	Description of Service Area	Actual Adverse/ (Favourable) £'000	Director's Explanation of Variance
Regeneration Services Committee			
22	Adult Education	0	
754	Cultural Services	75	Adverse variance relates to forecast shortfall in income at the Town Hall Theatre and Borough Hall.
429	Economic Regeneration	0	
(8)	Employment & Skills	0	
317	Planning & Development	100	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	(100)	Income equalisation reserve used to fund the income shortfall in 2019/20.
(76)	Strategic Asset Management	50	Adverse variance relates to a shortfall in income.
1,439	Regeneration Services Committee Total	125	

PLANNED USE OF RESERVES

The above figures include the 2019/2020 approved budget along with the planned use of Departmental Reserves created in previous years.

The details below provide a breakdown of these reserves

Approved 2019/2020 Budget £'000	Description of Service Area	Actual Usage 2019/2020 £'000	Variance Over/ (Under) £'000	Director's Explanation of Variance
Regeneration Services Committee				
81	Church St Property Intervention and Grants (Corp. Reserve)	81	0	As per the 2019/20 MTFS this will fund urgent repairs to 16 Church Street and a grants scheme to complement the existing Townscape Heritage grants scheme.
41	External Funding for Environmental Projects	41	0	Grants received in 18/19 to be used for park improvements and street cleaning
65	BIS ISQ	65	0	Amount set aside to meet the expected rent shortfall in the first year of operation.
103	National Museum of the Royal Navy Hartlepool	103	0	Reflects agreed contribution to NMRN.
290	Total	290	0	

CAPITAL MONITORING REPORT PERIOD ENDING 31st JULY 2019

Project Code	Scheme Title	BUDGET	EXPENDITURE IN CURRENT YEAR					Type of Financing	2018/19 COMMENTS
		A	B	C	C	D	E		
		2019/20 Budget £'000	2019/20 Actual as at 31/07/19 £'000	2019/20 Expenditure Remaining £'000	Expenditure Rephased into 2019/20 £'000	(B+C) 2019/20 Total Expenditure £'000	(D-A) 2019/20 Variance from Budget £'000		
Regeneration Services Committee									
7220	Housing - Private Sector Grants	63	0	30	33	63	0	GRANT	New grants awarded and income recycled from charges on properties in relation to old loan schemes.
7066	Avondene Accommodation, Church Street	67	23	44	0	67	0	GRANT	Purchase and renovation of a block of 12 apartments known as 'Avondene' at 59-64 Church Street, approved using the delegated powers in relation to self funded business cases on 26th July, 2018.
CH	Council Housing	2,932	1,381	632	919	2,932	0	MIX	Acquisition of empty properties and new build units using a combination of Homes England grant, Section 106 developer contributions and borrowing.
7530	Developers Contributions (Section 106)	1,495	0	0	1,495	1,495	0	GRANT	Earmarked expenditure as specified in developer agreements.
7348	Art Gallery	11	0	11	0	11	0	GRANT	Funded by 'Tees Valley Museums'
7353	Museums NPO	8	0	8	0	8	0	GRANT	A 'National Portfolio Organisation' scheme funded by 'Tees Valley Museums'
8956	ISQ - Church Square	7	7	0	0	7	0	MIX	Scheme complete.
8901	ISQ - Workspace	274	228	46	0	274	0	MIX	Scheme complete, final account to be agreed.
7048	ISQ Stockton Street Connectivity	887	270	617	0	887	0	MIX	Scheme is ongoing.
8534	Church Street Heritage Scheme (HLF)	1,045	3	650	392	1,045	0	MIX	The amount of rephased budget will depend on progress in determining grant applications with property owners
ISQ2	ISQ2 - Church Street Property Intervention	195	0	195	0	195	0	MIX	Relates to the renovation of 15 Church Street as per report to Council on 21st March, 2019
7504	Seaton - Costal Communities Fund (CCF)	51	7	44	0	51	0	MIX	Scheme is now substantially complete and expected to be within budget.
7049	Waterfront Public Realm	1,309	375	934	0	1,309	0	RCCO	Scheme ongoing
Regeneration Services Committee Total		8,344	2,294	3,211	2,839	8,344	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

REGENERATION SERVICES COMMITTEE

Date 18th September 2019



Report of: Assistant Director (Economic Growth and Regeneration)

Subject: STUDENT ACCOMMODATION NEEDS

1. TYPE OF DECISION/APPLICABLE CATEGORY

1.1 For Information.

2. PURPOSE OF REPORT

2.2 The purpose of the report is to inform the Regeneration Services Committee of the work being undertaken on establishing the current and future student accommodation need in the Borough.

3. BACKGROUND

3.1 In recent years Hartlepool has begun to experience a growth in the student population associated with significant investment in the higher educational facilities within the town. As a result of this some purpose built student accommodation has been developed within Hartlepool and is currently occupied by students mainly from The Northern School of Art (NSoA) whose Hartlepool campus is located in Church Street.

3.2 The higher educational establishment within the town is The Northern School of Art and further education establishments are Hartlepool College of Further Education and the Hartlepool 6th Form College who both now offer some higher education provision. Growth in the student population is anticipated but the extent to which student additional accommodation is required, the number of bed spaces, the type of accommodation and over what period is still yet to be established.

3.3 To remedy this situation the Council has appointed consultants to undertake a student accommodation needs assessment which will establish the current and emerging need and demand for student accommodation within Hartlepool. This study will inform the emerging Housing Strategy in which student accommodation is a new theme with an action to 'deliver a range of accommodation for the increasing student population'. The study will also be aligned with the Councils ambition for the ISQ quarter and the regeneration of Church Street.

4. PROPOSALS

- 4.1 The student accommodation needs study will seek to establish a more comprehensive evidence base regarding the existing need and emerging demand for student accommodation in Hartlepool; the cost and quality of existing accommodation and aspirations of existing and future residential students.
- 4.2 The Council is keen to progress this study quickly to provide an evidence base for planning policy and the emerging housing strategy and in addition to inform business decisions in relation to student accommodation development opportunities. It is anticipated that the study will be completed towards the end of 2019 and the objectives will be:
- To understand and categorise the local student housing market (Age, nationality, disability and current accommodation arrangements e.g. living alone, HMO, shared accommodation, couples).
 - To provide a robust and comprehensive evidence base on the need for student accommodation in Hartlepool.
 - To establish the existing and emerging demand for student accommodation.
 - To advise on the type and size of accommodation and specification for any future student provision including if disabled or adapted accommodation is required.
- 4.3 To establish the preferred location for future student accommodation

5. FINANCIAL CONSIDERATIONS

- 5.1 The contract value of the study is £17K and is 100% funded by Tees Valley Combined Authority Indigenous Growth Fund.

6. CONSULTATION

- 6.1 The Council has continuous consultation with the higher education providers in the Borough with regard to current and future student accommodation needs and physical provision.
- 6.2 The consultant undertaking the needs study will consult with the higher education providers in Hartlepool including the Northern School of Art, Hartlepool College of Further Education and Hartlepool 6th Form College to establish their growth ambition and student accommodation requirement projections.

7. OTHER CONSIDERATIONS

Risk Implications	No relevant issues
Legal Considerations	No relevant issues
Child/Family Poverty Considerations	No relevant issues
Equality and Diversity Considerations	No relevant issues
Section 17 of The Crime And Disorder Act 1998 Considerations	No relevant issues
Staff Considerations	No relevant issues
Asset Management Considerations	No relevant issues

8. RECOMMENDATIONS

- 8.1 That Elected Members of the Committee note the content of the report

9. REASONS FOR RECOMMENDATIONS

- 9.1 To make Elected Members are aware of the Student Accommodation Needs study that will be undertaken.

10. BACKGROUND PAPERS

- 10.1 There are no background papers for this report.

16. CONTACT OFFICER

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