

# **FINANCE AND POLICY COMMITTEE**

## **AGENDA**



**Monday 30 September 2019**

**at 10.00 am**

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

**MEMBERS:** FINANCE AND POLICY COMMITTEE

Councillors C Akers-Belcher, Brewer, Brown, Hunter, Lindridge, Little, Marshall, Moore, Smith, Tennant 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 27 August 2019.

**4. BUDGET AND POLICY FRAMEWORK ITEMS**

- 4.1 Medium Term Financial Strategy (MTFS) 2020/21 to 2021/22 – *Director of Finance and Policy*

**5. KEY DECISIONS**

No items.

**6. OTHER ITEMS REQUIRING DECISION**

- 6.1 Apprenticeship Charter and Coping with Terminal Illness Pledge - *Assistant Director Corporate Services*



## **7. ITEMS FOR INFORMATION**

- 7.1 Strategic Financial Management Report - as at 31st July 2019 - *Corporate Management Team*
- 7.2 Corporate Procurement Quarterly Report on Contracts - *Director of Finance and Policy*

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

### FOR INFORMATION

Future meeting dates –

Monday 14 October, 2019 at 10.00 am  
Monday 11 November, 2019 at 10.00 am  
Monday 9 December, 2019 at 10.00 am  
Monday 13 January, 2020 at 10.00 am  
Monday 10 February, 2020 at 10.00 am  
Monday 16 March, 2020 at 10.00 am



# **FINANCE AND POLICY COMMITTEE**

## **MINUTES AND DECISION RECORD**

27 AUGUST 2019

The meeting commenced at 11.00 am in the Civic Centre, Hartlepool.

**Present:**

Councillor Shane Moore (In the Chair)

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

Also Present: Councillor Bob Buchan as substitute for Councillor John Tennant in accordance with Council Procedure Rule 5.2.

Officers: Neil Wilson, Assistant Chief Solicitor  
Chris Little, Director of Finance and Policy  
Claire McLaren, Assistant Director, Corporate Services  
Dr Pat Riordan, Director of Public Health  
Tony O’Ceallaigh, Consultant to Public Health in Drugs and Alcohol  
Penny Thompson, Head Of Service, Children's Hub and Partnership  
Denise McGuckin, Director of Regeneration and Neighbourhoods  
Steve Hilton, Communications and Marketing Team  
David Cosgrove, Democratic Services Team

## **25. Apologies for Absence**

Councillors Leisa Smith and John Tennant.

## **26. Declarations of Interest**

None at this point in the meeting.

During consideration of Minute No. 33 ‘Reshaping Drug and Alcohol Treatment Services’ Councillor Christopher Akers-Belcher declared a personal interest.

During consideration of Minute No. 36 ‘Revisions to Local Welfare Support Administration Framework’ Councillor Shane Moore declared a personal interest.

**27. Minutes of the meeting held on 22 July 2019**

Confirmed.

**28. Minutes of the meeting of the Safer Hartlepool Partnership held on 21 June 2019**

Received.

**29. Final Outturn 2018/19** *(Corporate Management Team)***Type of decision**

Budget and Policy Framework.

**Purpose of report**

The report provided details of the final budget outturns for 2018/19.

**Issue(s) for consideration**

The Director of Finance and Policy outlined the main issues of note within the outturn report for Members information. The Director highlighted that Departmental budgets had overspent, mainly as a result of continuing Looked after Children pressures and this had been offset by implementing one off measure, resulting in a net overall underspend of £0.051m. Details of the individual departmental budgets were set out in the report and the attached appendices. The Director also referred to the revenue outturn deficit of £0.19m for the Housing Revenue Account. The HRA deficit was higher than previously forecast as a result of void properties that had a detrimental impact on rent income, repairs expenditure and council tax and a range of measures had been introduced to tackle this.

In relation to Corporate Income Collection Performance, the Director stated that the both business rate and local council tax collection rates were very good and comparable, or improved, on the previous year.

Members welcomed the report. There were questions around the pressures in waste management, which was due to falling income on recyclables. With regard to the management of S106 monies there was discussion on which Committee would manage the element of capital strategy that could utilise such funds and it was agreed that a joint meeting between Finance and Policy Committee and Regeneration Services Committee would be appropriate to determine the process going forward.

**Decision**

1. That the report, including the transfer of the net General Fund underspend of £0.051m to the Budget Support Fund, be noted.



2. Committee noted that as at 31st March 2019 capital receipts of £2.412m still remained to be achieved from future planned land sales.
3. That a joint meeting between Finance and Policy Committee and Regeneration Services Committee be convened to discuss the future management of S106 monies.

### **30. Navigation Point Car Park** (*Director of Regeneration and Neighbourhoods*)

#### **Type of decision**

Key test (i) applies. General Exception Notice applies.

#### **Purpose of report**

To seek approval to enter into negotiations to purchase Navigation Point Car Park, Hartlepool Marina.

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

The Director of Regeneration and Neighbourhoods reported that the Council had been approached by business owners located at Navigation Point asking the Council to consider the purchase of the Navigation Point Car Park. Business owners were concerned that current parking charges were detrimental to businesses.

Navigation Point Car Park is currently owned by Mandale Group. The car park is advertised for sale freehold. The car park consists of 340 pay and display spaces plus a Barclays Cash Machine. The sale of the car park includes the car parking machines. The car park provides car parking for a number of apartments and businesses on Navigation Points, Boat owners using the marina and visitors to the marina and local businesses which are primarily bars, cafes and restaurants. A number of companies, apartments and boat owners have free permits in perpetuity. There are, therefore, 163 unencumbered spaces.

The proposal was to enter into negotiations to purchase and operate the Navigation Point car park, to introduce commuter parking bays and to implement restricted parking areas on Middleton Road. The car park would also require works to bring it up to the required standards and over time significant maintenance will be required these works are detailed in confidential appendix to the report. Further details of the proposal and the works were set out in a confidential appendix to the report, which provided details of the proposed self-funded business case for the proposed purchase. This item contained exempt information under Schedule 12A Local Government Act 1972 (as amended by the Local Government (Access to Information) (Variation) Order 2006) namely, (para 3),

information relating to the financial or business affairs of any particular person (including the authority holding that information).

The car parking charges currently in place on this site were well above those charged by the Council in its car parks and take effect 24/7. It was proposed that the car parking charges were set at a similar level to those at Seaton Carew but take effect all year round. It was felt that this would encourage more people to use the car park and support local businesses in the area.

The Commuter Parking Bays would be introduced to support this proposal as the car park would provide the turnaround for visitors to Navigation Point, while the commuter bays would provide parking for employees working in the local businesses. This would formalise some of the parking arrangements that currently exist, while the introduction of the restricted parking zones would help to address some of the road safety concerns on Middleton Road.

Members discussed the proposal in detail. There was support for the proposal based on the self-financing business case reported. The discussion identified that there was no fall-back to the proposal should the negotiations fail. Some Members did not feel the business case provided sufficient evidence to support the proposal. As the discussions progressed, Members indicated that they wished to discuss the matters set out in the confidential appendix to the report and it was, therefore, agreed that the meeting move into exempt session.

### **Decision**

The Committee's decision is set out in Minute 32 below.

## **31. Local Government (Access to Information) (Variation Order) 2006**

Under Section 100(A)(4) of the Local Government Act 1972, the press and public were excluded from the meeting for the following items of business on the grounds that they involved the likely disclosure of exempt information as defined in the paragraphs referred to below of Part 1 of Schedule 12A of the Local Government Act 1972 as amended by the Local Government (Access to Information) (Variation) Order 2006.

Minute 32 – Navigation Point Car Park – This item contains exempt information under Schedule 12A Local Government Act 1972 as amended by the Local Government (Access to Information) (Variation) Order 2006 namely (para 3) information relating to the financial or business affairs of any particular person (including the authority holding that information).

- 32. Navigation Point Car Park** (*Director of Regeneration and Neighbourhoods*) This item contains exempt information under Schedule 12A Local Government Act 1972 as amended by the Local Government (Access to Information) (Variation) Order 2006 namely (para 3) information relating to the financial or business affairs of any particular person (including the authority holding that information).

**Type of decision**

Key test (i) applies. General Exception Notice applies.

**Purpose of report**

To seek approval to enter into negotiations to purchase Navigation Point Car Park, Hartlepool Marina.

**Issue(s) for consideration**

The meeting continued its discussion on the proposal to purchase Navigation Point Care Park.

The following decision was unanimous.

**Decision**

1. That the Director of Regeneration and Neighbourhoods be authorised to enter into negotiations with Mandale Group to purchase the Navigation Point Car Park in the terms set out in the confidential appendix to the report. The appendix contained exempt information under Schedule 12A Local Government Act 1972 (as amended by the Local Government (Access to Information) (Variation) Order 2006) namely, (para 3), information relating to the financial or business affairs of any particular person (including the authority holding that information).
2. That if the purchase of the car park was completed, Finance and Policy Committee approved the implementation the proposed commuter bays and restricted parking zones on Middleton Road.
3. The Committee noted that on completion of successful negotiations, Full Council would be advised in an open report of the value paid to purchase the asset.
4. The Committee:
  - Noted that on the basis that the purchase was a self-funded business case and upon successful completion of negotiations, a delegated decision would be made by the Chief Executive in consultation with the Director of Regeneration and Neighbourhoods, the Director of Finance and Policy, the Chief Solicitor and the Chair of Finance and Policy Committee;

- Approved that, in support of the business case, charges will be set in line with Seaton Carew Car Park of -
  - Up to 2 hours - £1.00
  - 2 to 4 hours - £1.50
  - All day - £2.00;
- Approved the implementation of charges for commuter parking bays and restricted parking areas on Middleton Road upon successful completion of negotiations;
- Approved the prioritisation of capital works against LTP funding; and
- Approved the creation of a sinking fund from any surplus generated by the scheme to mitigate the use of LTP funding for the capital works.

**The meeting returned to open session.**

### **33. Reshaping Drug and Alcohol Treatment Services**

*(Director, Children and Joint Commissioning Services and Director of Public Health)*

#### **Type of decision**

Key Decision (tests (i) and (ii) apply) Forward Plan Ref. No. CJCS082/18.

#### **Purpose of report**

To seek agreement from Finance and Policy Committee to approve the model for the future delivery of Drug and Alcohol Treatment Services and agree the procurement process for a new integrated model commencing from 01 June 2020.

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

The Director of Public Health reported that the Committee had at its meeting on 11 March 2019 considered a report outlining an option appraisal for the future delivery arrangements for the drug and alcohol treatment service. The meeting considered the options and, upon officer recommendation, decided to support an enhanced current service to receive all new referrals and provide immediate social and psychological support, and to engage with external providers to provide the clinical element.

A further report was presented to Finance and Policy Committee on 22 July 2019 outlining an alternative recommendation for the future delivery arrangements for the drug and alcohol treatment service with a recommendation to move to a completely commissioned model. Members debated this option and requested that Officers review and assess the viability of parallel options to put to members at a future Finance and Policy

Committee meeting. Members also requested a briefing on the issues relating to the recent clinical audit and this took place on 7 August. 2019.

Two options for the future of the services were now set out in detail within the report and were presented to Committee by the Consultant to Public Health in Drugs and Alcohol. Option A would retain the in-house model with a full service restructure and re-modelling and approach the market to identify a commissioned partner to design and build a new clinically integrated model that recognises our treatment needs in Hartlepool. Option B would procure and commission a single provider to provide the whole service via a tendering process. Details of the benefits and risks of each of the options was explored within the report.

Members considered the two options set out in the report and sought assurance that some of the issues raised within the Member Briefing were already been tackled within the service. The Consultant to Public Health in Drugs and Alcohol assured Members this was the case. Members and Trade Union representatives also expressed a wish to protect the jobs of the existing workforce and, therefore, supported Option A. The Chair also questioned when in the procurement process it would be clear if Option A was achievable and the Consultant to Public Health in Drugs and Alcohol stated this would be quite early in the process.

### **Decision**

1. Members supported the preferred Option A as it provided the best opportunity for service transformation and integration with wider primary and secondary care.
2. The Committee noted the proposal to strengthen the leadership arrangements in the service during the interim period.

## **34. Revisions to Discretionary Housing Payments Administration Framework** (*Director of Children's and Joint Commissioning Services*)

### **Type of decision**

Non-key decision.

### **Purpose of report**

To seek approval for a fully revised Discretionary Housing Payment (DHP) Administration Framework for 2019/20 and, subject to Members approval, for the new Administration Framework to be used with immediate effect.

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

The Head Of Service, Children's Hub and Partnership reported that the local authority has received a DHP grant each year. DHPs are made to eligible tenants who are in receipt of Housing Benefit or housing element of Universal Credit. Currently there is an approved DHP Administration

Framework in place that officers use to inform their decision making. The local DHP framework is informed by the 'Discretionary Housing Payment Guidelines' issued by the Department for Work and Pensions each year. Members last approved an update to the framework in October 2018.

The revisions to the framework had been made following a review of the previous information we shared with the public. The new framework had been developed to ensure that the public were clear about the purpose of the fund. Advice has been gathered from Legal Services to ensure that we are complying with the national framework. The fundamental principles of DHP including eligibility criteria were unchanged.

Members welcomed the proposed changes and asked that in future monitoring shows comparisons with previous year's numbers and that this be included in quarterly financial management MTFS reports.

### **Decision**

That the Discretionary Housing Payment Administration Framework 2019/20 be approved and that future monitoring form part of the Medium Term Financial Strategy reporting process.

## **35. Revisions to Local Welfare Support Administration Framework** *(Director of Children's and Joint Commissioning Services)*

### **Type of decision**

Non-key decision.

### **Purpose of report**

To seek approval for revisions to the Local Welfare Support (LWS) Administration Framework and to seek approval to support costs towards Hartlepool's Trussell Trust Foodbank.

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

The Head Of Service, Children's Hub and Partnership reported that the Local Welfare Support included 'in crisis' and 'non crisis' requests for support from vulnerable residents in Hartlepool. Awards were made subject to applicants meeting agreed eligibility criteria. 'In crisis' support involved a resident coming into the Civic Centre to access food, energy top ups, vouchers and/ or other help. 'Non crisis' support involved a resident completing an application form for essential goods that would help them settle into the community for example carpets, beds, white goods and/ or kitchen equipment.

A framework had been established when the scheme first started and set the criteria and parameters in which officers can make an award. Members approved the last framework in 2015/16 and there have been no significant

changes since this date. The submitted revised framework had been developed following a review of our processes and feedback from our Legal team and showed how the council makes decisions on awards. The fundamental principles of LWS including eligibility criteria were unchanged.

The LWS scheme currently makes an annual payment of £10,000 to the Trussell Trust Foodbank to support service users referred by the local authority suffering food poverty. Hartlepool Borough Council was the single biggest referring agency to the Foodbank and awards of vouchers by the local authority were now in excess of 50 per week.

The £10,000 provided by the local authority equated to less than £4 per head per individual we refer yet the foodbank provides food at cost of between £15 and £25 per voucher redeemed. Of late, the Foodbank has struggled to achieve the public donations that it has had in the past. It was proposed that for 2019/20 the award from the Local Welfare Support scheme be increased to £12,000 per annum, subject to budget availability.

At this point in the meeting Councillor Shane Moore declared a personal interest as a volunteer at the Foodbank and also stated that he would not vote on the recommendations.

Members welcomed the proposals. Members also requested that similar to the previous report, future monitoring information be included in the Medium Term Financial Strategy reporting process.

Members questioned what work was undertaken in tackling fuel poverty in the town and whether residents could get fuel 'top-ups' as well as vouchers for the foodbank. The head of Service stated that there was a facility to provide people with a fuel top-up from the Civic Centre if they could demonstrate they had no gas or electricity credit. There was a voluntary sector proposal to develop a fuel bank in the town, on the same principle as the food bank, and officers had provided advice to the groups developing the fuel bank proposal.

### **Decision**

1. That the revised Local Welfare Support Administration Framework 2019 -2020 be approved and that future monitoring be included in the quarterly financial management reports.
2. That approval be given to an increase from £10,000 to £12,000 from the Local Welfare Support Fund to the Foodbank.

## **36. Council Plan 2017/18 – 2019/20 - 6 Months Progress Update** (*Chief Executive*)

### **Type of decision**

For information only.

**Purpose of report**

The report updated Elected Members on the progress made on the Council Plan 2017/18 – 2019/20 between October 2018 and the end of March 2019 and sought Members approval to a number of changes / updates to the Plan. The report also included the Council's new Strategic Risk Register.

**Issue(s) for consideration**

The Assistant Director, Corporate Services reported on the progress made on the Council Plan between October 2018 and the end of March 2019.

As work had progressed on delivering the Council Plan a number of changes / updates had been identified. This included the slippage of a number of due dates which had been prompted by unforeseen delays to schemes due to staffing changes, further investigation works being required or capacity issues for our contractors and these were set out in the report.

The Assistant Director highlighted that as the report covered progress on the Council Plan between October 2018 and the end of March 2019 it did not include the accelerated priorities agreed by Finance and Policy Committee in July 2019. Progress against these new key deliverables would be included within the next 6 month progress report.

The new Strategic Risk Register was included with the report and set out the 18 risks which would be reviewed regularly by officers with updates being provided to Finance and Policy Committee every 6 months within the Council Plan progress report. Detailed risk capture forms were included for those risks that have a risk score of 8 or above and were, therefore, RAG rated as red according to the Council's Risk Matrix. The risk capture forms included details of the actions that would be taken to introduce new control measures or improve existing ones in order to reduce the impact or likelihood of the risk.

The Chair referred to the Key Deliverables relating to Growing Our Jobs, Economy and Skills and the £2m identified from the Indigenous Growth Fund which needed to be removed from the key deliverables as there was a review taking place on all of the Indigenous Growth Fund allocations in Hartlepool.

A Member raised concern at the indicators CSD P157 'Rate of looked after children per 10,000 population' and VSB10 M04 'Immunisation rate for children aged 2 who have been immunised for Measles, Mumps and Rubella' and sought further details which the Assistant Director indicated would be sent to Members.



**Decision**

1. The Committee noted the following: -
  - the progress made on the key deliverables in the Council Plan between October 2018 and the end of March 2019;
  - the changes to the key deliverables in the Council Plan;
  - the changes to the Council Plan Performance Indicators (PIs);
  - the position in relation to the Council Plan PIs; and
  - the new Strategic Risk Register as submitted.
2. That the Key Deliverable relating to £2m identified from the Indigenous Growth Fund (Growing Our Jobs, Economy and Skills) be removed until the review of the Indigenous Growth Fund had been completed.

**37. Corporate Procurement Quarterly Report on Contracts** *(Director of Finance and Policy)***Type of decision**

For information only.

**Purpose of report**

To satisfy the requirements of the Council's Contract Procedure Rules with regard to the Finance and Policy Committee receiving and examining quarterly reports on the outcome of contract letting procedures including those where the lowest/highest price is not payable/receivable; and receiving and examining reports on any exemptions granted in respect of the Council's Contract Procedure Rules.

**Issue(s) for consideration**

The Director of Finance and Policy reported that alongside the detailed tender information set out in the appendices to the report, additional related information showing details of exemptions granted to the Contract Procedure Rules were also included in the quarterly report.

A Member referred to Appendix B to the report 'Procurements Exempted from Council Contract Procedure Rules' and the use of Capita Building Services Limited when there was a previous Council decision not to use the company. The Member suggested that the Council's Pay Policy should set this out explicitly. Officers indicated that they would review the previous Council decision.

**Decision**

That the report be noted.

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

None.

Members noted that the next meeting of the Committee would be held on Monday 16 September, 2019 commencing at 10.00 am in the Civic Centre, Hartlepool.

The meeting concluded at 12.30 pm.

**H MARTIN**

**CHIEF SOLICITOR**

**PUBLICATION DATE: 3 SEPTEMBER 2019**

# FINANCE AND POLICY COMMITTEE

30<sup>th</sup> September 2019



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

**Subject:** MEDIUM TERM FINANCIAL STRATEGY (MTFS)  
2020/21 TO 2021/22

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## 1. TYPE OF DECISION/APPLICABLE CATEGORY

Budget and Policy Framework.

## 2. PURPOSE OF REPORT

- 2.1 The purpose of this report is to update the MTFS to reflect the one year Spending Review for 2020/21 and to enable Members to determine the budget proposals they wish to refer for consultation.

## 3. BACKGROUND AND SPENDING REVIEW 2019

- 3.1 Previous MTFS reports advised Members that there have been significant and permanent changes in the funding arrangements for local authorities over the last nine years. The two most significant changes have been:-

- **a permanent reduction in Government funding allocated to councils**, with more deprived areas, including Hartlepool facing disproportionate cuts in funding;

For Hartlepool Government Funding (Revenue Support Grant and Top up grant) in 2019/20 will be approximately **£25.5m**, compared to **£46.4m** in 2013/14, which is a reduction of **£20.9m** i.e. a reduction of **45%**.

- **a shift in funding for councils from Government grant on to Council Tax.**

Since 2015/16 this has been driven by the Government's national Council Tax Referendum Limits, including the introduction of the Adult Social Care Council Tax precept. The Government's policy in relation to Council Tax referendum limits, including the Adult Social Care Precept, also makes it difficult for councils to explain why budgets and services are being cut when the amount paid locally is increasing.

These changes provide a greater benefit for areas with higher property values as each 1% increase in Council Tax generates more income.

The Government's Council Tax policy has resulted in:

- A £6.9 billion (23.8%) national increase in Council Tax income between 2015/16 and 2019/20 – this is the third highest percentage increase in all Government taxes over this period.

For illustrative purposes the increase of £6.9bn in national Council Tax income could have been achieved by increasing the 2015/16 national baseline for all tax revenues by 1%.

- The above figure includes the Adult Social Care precept which will generate £1.8 billion of additional Council Tax income in 2019/20. **For Hartlepool the Adult Social Care precept provides recurring funding in 2019/20 of £2.9m, which is 9.3% of Adult Social Care spending.**
- An increase in the percentage of national funding for local services funded from Council Tax from **49.3%** in 2015/16 to **61.5%** in 2019/20.

3.2 Previous MTFS reports highlight the significant uncertainties in relation to a range of national issues which made financial planning extremely challenging. The recent Spending Review announcement provided clarification of a number of key issues for 2020/21. However, as the Spending Review is only for one year this simply defers the financial uncertainty until 2021/22. Therefore, financial planning beyond 2020/21 remains challenging and this position will not be addressed until clarity is provided by the Government in relation to a number of key national issues, including:

- Government Spending Review 2021/22 to 2023/24 – the Government has indicated that a three year Spending Review will be completed next year. This will determine the Government's medium term priorities. For planning purposes it is assumed that Government funding allocated to councils for 2020/21 will continue at this level. However, there is a risk that the next Spending Review may reduce the total funding allocated to councils. There is a potentially greater risk that Government reforms of the national funding system for councils may result in the redistribution of resources between authorities;
- the overall level of funding for councils and whether this will address the national and local financial pressures in relation to Adult Social Care and Looked after Children;
- the detailed arrangements for the delayed longer-term reforms of the local Government system in 2021/22, including business rates retention,

and the Fair Funding Review. This delay is not unexpected. However, it is not expected that detailed proposals will be issued until 2020 and this still means that councils will only have a short time period to plan for the impact of these changes;

- the Government's proposals to provide a long term strategy to address Adult Social Care funding;
- the Government's policy in relation to Council Tax, including the Adult Social Care precept, in 2021/22 and future years
- sustainability of the improved Better Care Funding in 2021/22 and future years;
- sustainability of Public Health Funding in 2021/22 and future years.

3.3 Further updates on these issues will be submitted to future meetings when more information becomes available.

### 3.4 **Spending Review 2020/21**

3.5 The Chancellor presented a one year Spending Review for 2020/21 to Parliament on 4 September 2019. The key issues for councils are:

- an additional £1.5 billion for social care, this will consist of:
  - £1 billion of grant funding for social care – both children and adults;
  - continuation of the Adult Social Care precept of 2020/21, which the Government propose to set at 2%. The Government forecast this will raise £500 million. This forecast assumes all authorities will implement this increase and this policy continues to shift part of the burden for these services on to Council Tax.
- an inflation increase in core settlement funding (baseline funding and Revenue Support Grant – i.e. Government grant) of £300 million nationally;
- Public Health Grant increases in line with inflation;
- confirmation that all existing grant to support social care will continue, worth £2.5 billion nationally. This was the local planning assumption reflected in the previous budget forecasts and for Hartlepool confirms funding of £6.057m.
- an additional £700 million to support children with Special Educational Needs (SEN) will be provided via the Dedicated Schools Grant. This additional funding will not impact on the Council's General Fund budget.

However, it is hoped that once the detail allocations to individual authorities are known that this funding will help address local SEN pressures. Details will be reported to Children's Services Committee.

- 3.6 Further analysis of the supporting information to the Spending Review indicates that the following issues are anticipated to be addressed as part of the detailed Provisional Local Government Finance settlement announcement:

- **Council Tax Referendum limit 2020/21**

In addition to the Government proposed 2% Adult Social Care precept the Government's national figures for the 2020/21 increase in Core Spending Power infer a Council Tax increase of 2.5% to 3%. This would mean that authorities with responsibility for Adult Social Care could potentially increase Council Tax by between 4.5% and 5%.

The Government's proposed Council Tax policy, including the Adult Social Care precept, continues to shift the burden of funding local services on to Council Tax. If these increases are not implemented individual councils will need to cut services to address the resulting loss of Council Tax income.

- **New Homes Bonus (NHB) 2020/21 allocations**

Reforms in previous years reduced the number of years NHB is paid for from 6 to 4 years and also the amount paid per property. As previously reported the Council has achieved significant benefits from the NHB regime. Over the period 2011/12 to 2019/20 the Council has received over £11 million; with the highest amount being received in 2016/17 of nearly £2.3m. The annual payments have helped offset cuts in core Government funding and therefore reduced the budget cuts the Council has had to make.

The September 2019 Spending Review indicates that legacy payments (i.e. covering the three financial years 2017/18 to 2019/20) will be made, but there remains uncertainty regarding new payments being made in 2020/21 for housing growth between October 2018 and October 2019.

The forecast reduction in the NHB partly offsets the increases in funding for Social Care and other Government grants announced in the Spending Review.

- **Troubled Families Programme 2020-21**

The budget forecast had assumed this regime would continue for 2020/21 and the Government has confirmed this will be the case. In the current year the Council receives £475,000 from this funding regime and details of the 2020/21 allocation will be confirmed later in the year.

- 3.7 As detailed later in the report it is anticipated that the one year Spending Review will have a positive impact on the Council's budget position for 2020/21.

#### 4. 2019/20 BUDGET

- 4.1 The Council is continuing to face additional demands in relation to the numbers of Looked after Children. These pressures are affecting the majority of councils and in 2018/19 there was a national overspend of £800 million.
- 4.2 To help address this issue Members approved the proposal to pilot a new service model with the aim of reducing the demand placed upon children's services through adopting a model that addresses the vulnerabilities within families using a multi-disciplinary whole family and system approach.
- 4.3 As detailed in the Quarter 1 Financial Management report it is anticipated that in the current year (2019/20) these costs will exceed the budget by a net £0.850m and this pressure will continue in 2020/21. The gross over spend is £1.241m and is partly being offset by one off savings in other Children's Services budgets in 2019/20 which will not be sustained.
- 4.4 The continuing pressures in relation to Looked after Children are not unexpected, although these costs exceed the base Departmental Budget allocated for 2019/20. However, a contingency provision was included within the overall 2019/20 budget of £0.561m to manage this risk. It had been hoped this amount would not have been needed and therefore could have been released to support the 2020/21 budget. This amount was funded from one off grants and benefits arising from the final Local Government Settlement, including late clarification of section 31 grants allocated to councils to compensate them for national policy changes implemented by the Government. Unfortunately, these issues will not continue at this level in 2020/21, although a recurring benefit of £0.140m is anticipated.
- 4.5 Other factors have also been reviewed to provide one off funding to address increased Looked after Children costs in 2019/20 and 2020/21, as detailed in **Appendix A**. In summary this review has identified one off funding which enables:
- the 2019/20 additional Looked after Children costs to be funded, without requiring in year budget cuts to be identified;
  - provides one off funding of £0.801m towards additional Looked after Children costs continuing into 2020/21. As detailed later in the report additional funding will still need to be provided for Looked after Children costs in 2020/21 within the base budget.

**5. 2020/21 to 2021/22 BUDGET**

- 5.1 The current MTFS covers the three years 2019/20 to 2021/22. The 2019/20 budget was balanced through a combinations of savings, Council Tax increases and use of reserves to provide a longer lead time to deliver permanent savings.
- 5.2 The previous budget forecasts for 2020/21 and 2021/22 had been based on two planning scenarios, firstly a Government Grant freeze and secondly further annual Government Grant cuts of 2% and resulted in the following forecast deficits:

**Forecast 2020/21 and 2021/22 Budget Deficits**

|                                | 2020/21 | 2021/22 | Total | Total Deficit<br>as<br>percentage<br>of 2019/20<br>budget |
|--------------------------------|---------|---------|-------|---|
|                                | £'m     | £'m     | £'m   |   |
| Government Grant freeze        | 4.830   | 0.832   | 5.662 | 5.8%  |
|                                |         |         |       |   |
| Annual 2% Government Grant cut | 5.726   | 1.710   | 7.436 | 7.7%  |

**Note** - 2020/21 figures include deficit deferred from 2019/20 of £3.745m by using reserves.

- 5.3 The above forecasts can now be updated to reflect the recent Spending Review announcement for 2020/21. As indicated early in the report the Spending Review will provide an increase in national funding for councils, which recognises the financial pressures in relation to children and adult social care. This is a significant change as most councils had been expecting either a cash freeze in Government funding, or further cuts. It is estimated that the increase in Government grant funding allocated to Hartlepool will be £1.997m and the 2% Social Care precept will generate £0.836m. These additional resources will make a significant contribution to reducing the budget deficit. However, these additional resources will not fully address the 2020/21 budget deficit as the Council is facing higher Looked after Children pressures than many councils. Additionally, the Council deferred making some budget cuts in 2019/20 by using reserves to provide a longer lead time to then make saving in 2020/21. A further review of Government funding allocated to Hartlepool will be completed later in the year when the Provisional Local Government Finance Settlement is issued. It is not expected that there will be any further significant changes.



5.4 The budget forecasts have also been updated to include:

- the addition of a recurring increase in the Looked after Children budget of £0.605m. This will partly address the continuation of the 2019/20 overspend in this area and therefore provide a more robust starting position for the 2020/21 financial year.

This recurring funding will be supplemented with one off funding of £0.801m as detailed in **Appendix A**. It is hoped that not all of this one off funding will need to be allocated for this pressure in 2020/21, which would leave some one off funding for future years risks and volatility.

- inclusion of funding for Choice Based Lettings for £37,000, approved by Finance and Policy Committee on 22<sup>nd</sup> July 2019.

5.5 The net impact of the increased funding provided by the Spending Review and local changes is a reduction in the forecast 2020/21 budget deficit from **£4.830m** to **£2.636m**.

5.6 As the Council has already managed nine years of austerity up to 2019/20 the remaining budget deficit for 2020/21 of **£2.636m** will still be challenging. To address the previously forecast deficits Member previously agreed to progress five work streams to identify budget reductions:

1. Overheads
2. Income Generation
3. Transforming Child & Adult, Care & Wellbeing Services
4. Waste Management & Environmental Services
5. Service Priorisation

5.7 To minimise the impact on the savings required from the Service Priorisation work stream, which will mean cuts in services, work over the last few months has focused on the first four work streams with the objective of seeking to maximise the savings which can be achieved. This work has identified savings of **£2.345m** for 2020/21 and approximately **65% (£1.521m)** of this amount will be achieved by reducing overhead costs and from income generation, which will have no impact on services or staff. The proposed 2020/21 savings are detailed in **Appendix B** and are summarised below:

2020/21 Proposed Savings – Work Streams 1 to 4

|  | £'000        |
|--|--------------|
| Overheads  | 1,289        |
| Income Generation  | 232          |
| Transforming Child and Adult Care and Wellbeing Services | 225          |
| Waste Management and Environmental Services              | 599          |
| <b>Total</b>   | <b>2,345</b> |

5.8 After reflecting the benefits of the Spending Review announcement and proposed savings the budget deficit can be reduced from **£4.830m** to

**£0.291m** as summarised below. Further proposals for addressing the remaining gap will be submitted to a future meeting. These proposals will be based on achieving £0.1m from reviewing fees / charges and £0.191m from a further review of expenditure budgets.

Summary of Revised 2020/21 Budget Deficit

|   | Increase /<br>(decrease)<br>£'000 | Increase /<br>(decrease)<br>£'000 |
|---|-----------------------------------|-----------------------------------|
| <b>Forecast Deficit</b>   |                                   | <b>4,830</b>                      |
| <u>Spending Review 2020/21 Changes:</u>   |                                   |                                   |
| • 2% Adult Social Care precept 2020/21  | (836)                             |                                   |
| • Social Care Grant (Children and Adults)   | (1,840)                           |                                   |
| • Core Settlement Funding ((baseline funding and Revenue Support Grant – i.e. Government grant) | (360)                             |                                   |
| • Business Rate increase  | (304)                             |                                   |
| • New Homes Bonus   | 507                               |                                   |
| <b>Sub Total – Additional Spending Review Funding</b>   |                                   | <b>(2,833)</b>                    |
| <u>Local Changes in Planning Assumptions:</u>   |                                   |                                   |
| • Choice Based Lettings – Approved by Finance and Policy Committee 22.07.19                     |                                   | 37                                |
| • Looked After Children Pressure  |                                   | 602                               |
| <b>Revised Deficit to reflect Spending Review and Local Changes</b>                             |                                   | <b>2,636</b>                      |
| Proposed Work Stream Savings  |                                   | 2,345                             |
| <b>Deficit still to be addressed</b>  |                                   | <b>291</b>                        |

- 5.9 There remains a small risk that the actual figures detailed in the Local Government Finance may be less than forecast. This risk can be underwritten from the Budget Support Fund.

5.10 The next 2020/21 budget report will outline proposals in relation to:

- use of the Ward Members Budget saving of £66,000 – options will include allocating this amount to reduce the residual 2020/21 forecast budget deficit, or using to support Prudential Borrowing to either eliminate the existing capital receipts targets to free up future income for capital investment, or to fund Prudential Borrowing – for example as part of a funding package for the replacement of Mill House;
- retention of services previously identified as savings where implementation has been delayed by funding from the Public Health Reserves. This opportunity arises as the Spending Review will provide an inflation increase for the Public Health grant. This had not been expected, therefore the 2020/21 budget forecast had provided an inflation increase to protect these services. As additional Public Health funding will be received the provision included in the Council budget of £0.170m can be released to potentially support the continuation of support for the allotment service, GP referral scheme and other initiatives scheduled to cease at the end of 2019/20. Depending on the level inflation applied to the Public Health grant the actual increase may be higher and if this is the case details will be reported to a future meeting.

#### 5.11 2021/22 Budget

5.12 The one year Spending Review and delay of significant reforms to the Local Government funding system, including the Fair Funding Review and Business Rates Retentions reforms, simply defers significant financial uncertainty until 2021/22. This lack of certainty continues to make medium term service and financial planning challenging. This will only be addressed when the Government provide a multi-year grant settlement and forward indication of future Council Tax Referendum limits.

5.13 For planning purposes it is not unreasonable to assume that the 2020/21 national funding for Local Government will be locked into the base for 2021/22. However, this cannot be guaranteed as the planned three year Spending Review for 2021/22 to 2023/24 may result in changes to the Government's spending priorities. National spending may also be affected by future national tax receipts which will be driven by economic and political factors.

5.14 There is a greater risk to Government grants received by the Council from the delayed Fair Funding Review and Business Rates Retention changes. As previously reported a new funding regime may result in a redistribution of resources between authorities.

5.15 In addition, if Business Rates Retention increases from 50% to 75%, the income the Council retains will increase from approximately £15m to £23m per year. This will mean that nearly a **quarter** of the Council's budget will be

funded from Business Rates income. This will be a significant risk to the Council as **£9.160m (28%)** of total Business Rates income is paid by the Power Station. As Members are aware under the existing Business Rates regime power stations do not have to pay business rates if they have unplanned shut downs, as they are not generating electricity and therefore revenue. This will not be changed as part of the Business Rates Retention reforms. Unplanned shut downs are an inherent risk in the operation of nuclear power stations owing to the extremely stringent safety standards they operate to.

- 5.16 Under the existing system the Government only provides financial support to individual Council's once the aggregate in-year reduction in Business Rates income exceeds a defined amount. Support is then only provided for income reductions above the threshold, known as the Safety Net Limit. Councils have to manage any annual shortfalls up to this limit from their own resources. The current annual safety net limit for the Council is £2.103m. The limit for 2021/22 will be set by the Government as part of the Fair Funding and Business Rates Retention reforms. The Council currently has no specific funding allocated to manage this risk as the previous one off funding was all used to manage previous reductions in Business Rates income. Therefore, this is one of the financial risks underpinned from the Unearmarked General Fund Reserve. This position will need to be reviewed when details of the 2021/22 Safety Net limit and regime are known, as the size of this risk may increase. In addition, when the Government consult on these proposals the Council will again need to request that Nuclear Power Stations are either transferred to the National Business Rates list, or specific Safety Net arrangements are put in place to fully compensate councils for any reductions in Business Rates paid by Nuclear Power Stations.
- 5.17 There are also expenditure risks in relation to 2021/22 and future years in relation to:
- **National pay awards** - the current forecast for 2021/22 is based on pay awards being limited to 2%. There may be pressure for higher increases if pay awards in other sectors are higher. Each additional 1% pay award adds £0.400m to the Council's costs;
  - **Looked after Children cost** – as outlined earlier in the report an additional £0.602m has been included in the base budget for 2020/21 and future years. This is less than the 2019/20 overspend and if demand/costs cannot be reduced before the start of 2021/22 revised recurring additional budget may be required. This would increase the forecast budget deficit for 2021/22;
  - **Inflation** - the current forecast for 2021/22 is based on inflation of 2%. There may be higher inflation pressures, including the impact of increases in the National Minimum Wage on external contracts, than this amount. Each additional 1% inflation adds £0.470m to the Council's costs;

5.18 For planning purposes the 2021/22 forecast has been revised to reflect the following planning assumptions:

- the new funding regime applying for 2021/22 locks in existing 2020/21 funding and provides a cash freeze for existing funding, including all separate Social Care funding. There remains a risk that the new funding system results in the re-distribution of resources between authorities and previous changes have had a detrimental impact on the Council;
- a further phasing out of New Homes Bonus and a 2% Revenue Support Grant increase, which in total will be broadly neutral;
- a 2% Council Tax referendum limit, with no additional Adult Social Care precept on the basis that the Government's proposed new funding arrangements for Adult Social Care will not continue to rely on transferring these costs on to Council Tax.

5.19 On the basis of the above planning assumptions the revised 2021/22 deficit is **£0.844m**. The forecast deficit may increase in Looked after Children pressures cannot be contained within the increased base budget provision. Additionally other risks may arise which would increase the forecast deficit.

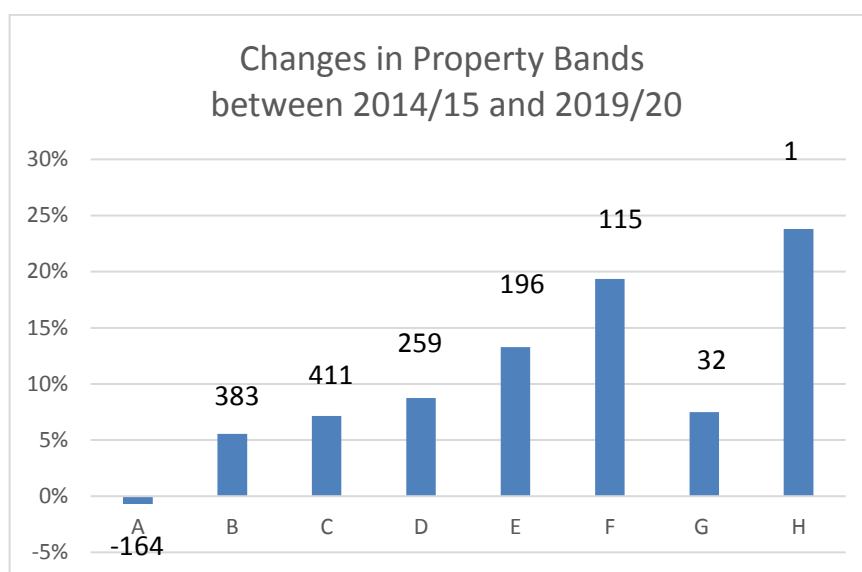
5.20 A number of the savings proposed for 2020/21 provide an additional saving in 2021/22. In addition, further savings proposed for implementation in 2021/22 have also been identified. These additional savings are detailed in **Appendix A** and total £0.600m, which would significantly reduce the revised forecast deficit for 2021/22. It is recommended that the position for 2021/22 is reviewed during 2020 and this will enable the 'new' Council to consider these proposals and any alternatives which may be identified. This approach will also enable the 2021/22 forecast to be updated to reflect changes the Government make to the national funding system for councils and forecasts for 2022/23 and 2023/24 to be prepared.

## 6. Council Tax Funding

6.1 As outlined earlier in the report the Government has shifted the funding of local services from Government Grant onto Council Tax through the national Council Tax referendum limits and an emphasis on housing growth to increase Council Tax income. This policy will continue for 2020/21 with the additional 2% Adult Social Care precept, forecast by the Government to raise £500 million nationally.

6.2 In response to these national policies the Council has over the period 2014/15 to 2019/20 achieved housing growth (as measured by the Council Tax base) of **11.46%** compared to a Tees Valley average increase of **9.62%**. In 2019/20 this growth is providing recurring income of **£3.310m**; which equates to **8%** off all Council Tax income. If this additional recurring income had not been achieved the Council would have had to make additional cuts of this amount.

- 6.3 The 2019/20 forecasts anticipate a total Council Tax base of 24,411. At the end of August the figure was 24,047 and it is anticipated housing completions in the remaining of the year will achieve the overall target.
- 6.4 Over the last five years the highest percentage growth has been achieved in higher value property bands E to F. The actual number of additional properties is relatively small as Hartlepool has a low proportion of properties in these bands. Nevertheless, it remains financially important to achieve growth in the higher value properties as over time this will address the imbalance in the Hartlepool's property base, as 70% of properties are in bands A to B, compared to a national average of 44%.



- 6.5 The budget forecasts projects further housing growth over the next two years, which it is anticipated will generate recurring income of £0.680m in 2020/21 and a further £0.770m in 2021/22. Over the two years this equates to the addition of 860 band D equated properties, an increase of 3.5%.

## 7. RESERVES

- 7.1 A comprehensive review of reserves was undertaken as part of 2019/20 budget process and this released resources to establish the Budget Support Fund. This approach allocated £3.745m to support the 2019/20 budget and therefore avoided this level of additional cuts being required in 2019/20. The balance of the Budget Support Fund was allocated to manage budget risks in 2020/21 and to support invest to save proposals, or the implementation of savings with a longer lead time. Part of the uncommitted Budget Support Fund (£0.350m) has been allocated to pilot a new service model with the aim of reducing the demand placed upon children's services through adopting a model that addresses the vulnerabilities within families using a multi-disciplinary whole family and system approach.
- 7.2 After reflecting the above commitments the uncommitted Budget Support Fund is £3.814m. It is recommended that when the final budget proposals are referred to Council that delegation be sought for this Committee to

approve the use of up to £0.5m of the uncommitted Budget Support Fund to fund investment to save initiatives, subject to these proposals achieving a pay-back period of 3 years or less. This proposal will enable further savings to be achieved from initiatives such as property rationalisation, including further development of Community Hubs to relocate staff from leased accommodation to deliver the planned 2020/21 property savings.

7.3 On the basis that the above proposals are approved it is recommended that the remaining uncommitted Budget Support Fund is earmarked to manage the financial uncertainties facing the Council in 2021/22. These issues have effectively just been delayed a year pending the Government making decision in relation to the medium funding arrangements for councils and include:

- potential financial risk in relation to the delayed implementation of the Fair Funding Review and Business Rate reform until 2021/22, as the new funding system may result in redistribution of resources;
- potential higher risk of in-year reductions in Business Rates income when the percentage retained increase from 50% to 75%. As detailed early in this report this is a significantly greater risk for Hartlepool than for other councils owing to the reliance on the Power Station Business Rates.
- potential continuing risks that Looked after Children demand and costs will exceed the recurring base budget;

7.4 A further report on these risks will be submitted to a future meeting when the position is clearer. The recommended approach will continue the Council's robust and prudent financial planning arrangements, which in previous years ensured the Council did not have to make in-year budget cuts to manage unexpected events. The approach will also provide a longer lead time to manage these risks materialising.

## 8. CONCLUSIONS

8.1 The initial budget forecasts for 2020/21 and 2021/22 were prepared in December 2018 and reflected information available at that time in relation to the significant changes the Government indicated they would make to the Local Government funding system. The forecasts also anticipated a best case Government grant freeze and a worst case 2% cut for the next two years. The forecasts also reflected the budget deficit deferred from 2019/20 by using reserves to provide a longer lead time.

8.2 The Government issued a one year Spending Review for 2020/21 on 4<sup>th</sup> September 2019 and at a national level this provides additional resources for Councils, including for children and adult social care. This is the first increase in net funding for nine years. Detailed allocations for individual councils will not be known until the provisional 2020/21 Local Government Finance Settlement announcement has been made.

- 8.3 As part of the proposals to address children and adult social care pressures the Government is providing £1 billion. Additionally, the Government have confirmed the Adult Social Care precept will continue for 2020/21 at 2%, which will generate £500 million. This policy continues to shift part of the funding of these services onto Council Tax, pending the Government determining a longer terms funding strategy for Adult Social care. There is a risk that if authorities do not use the Adult Social Care precept that the Government may conclude that additional funding is not needed.
- 8.4 An analysis of national figures indicates a core Council Tax increase of between 2.5% and 3%, in addition to the 2% Adult Social Care precept.
- 8.5 An assessment of available national information has been completed and it is estimated that there will be an increase in Government grant funding allocated to Hartlepool of £1.997m and implementation of the 2% Social Care precept will provide £0.836m. In total the Government's Spending Review effectively provides additional resources of £2.833m for 2020/21. These additional resources will make a significant contribution to reducing the budget deficit. After reflecting local pressures of £0.639m the 2020/21 forecast deficit has reduced from **£4.830m** to **£2.636m**. This is a significantly lower deficit than anticipated in July 2019.
- 8.6 Work on the Innovation and Efficiency strategy work streams has identified proposed saving of **£2.345m**, of which approximately **65% (£1.521m)** will be achieved by reducing overhead costs and from income generation. Further proposals for addressing the remaining gap of **£0.291m** will be submitted to a future meeting and will be based on achieving £0.100m from reviewing fees / charges and £0.191m from a further review of expenditure budgets.
- 8.7 The downside to the one year Spending Review is a delayed period of uncertainty in relation to the significant reforms to the funding system that the Government now propose to implement in 2021/22. These risks have simply been deferred one year, albeit that the 2020/21 settlement provides a better base line than previously forecast.
- 8.8 An initial assessment indicates a revised 2021/22 deficit of **£0.844m**. This may increase in Looked after Children pressures cannot be contained within the increased base budget provision. Additionally other risks may arise and increase this forecast, such as pay awards exceeding 2% and higher inflation. A number of the savings proposals for 2020/21 provide an additional saving in 2021/22 of £0.600m, which would significantly reduce the revised forecast deficit for 2021/22. The position for 2021/22 will need to be reviewed during 2020 and this will enable the 'new' Council to consider these proposals and any alternatives which may be identified. This approach will also enable the 2021/22 forecast to be updated to reflect changes the Government make to the national funding system for councils and forecasts for 2022/23 and 2023/24 to be prepared.
- 8.9 In summary the 2020/21 budget is being prepared on the back of nine years of austerity, a period which saw a reduction in Government funding from



£46.4m in 2013/14 to £25.5m in 2019/20, a reduction of **£20.9m – 45%**. In addition, since 2015 the Council has faced increased pressure in relation to Looked after Children. This is a national issue and in 2018/19 councils overspent by £800 million. Since 2015 the Council has had to manage an increase in the number of Looked after Children of 127 – this is a 77% increase. Officers have worked to mitigate the financial impact and the cost increase has been limited to 45%, although this still means the base budget has had to increase by £4.5m.

- 8.10 In response to the financial challenges over the last nine years the Council has made significant changes to modernise services and achieve efficiency saving. This has included a reduction in the workforce of 500 posts, which means that nearly 1 in 5 jobs have now been lost, providing a recurring saving of £12.4m (inclusion of employers National Insurance and Pension costs). The Council has managed this reduction effectively and external inspections show that we have maintained good services, including being the only Council in the Tees Valley that Ofsted has given a 'good' rating for Children's Services. This service performance reflects the hard work and dedication of the Council's staff.
- 8.11 The efficiencies and savings implemented over the last nine years cannot be repeated and against this background the Council's faces an increasingly challenging financial position in 2020/21 and future years. This position is not unique to Hartlepool and it is widely recognised that councils with responsibility for children and adult social care face significant financial challenges.
- 8.12 The Government's one year Spending Review for 2020/21 provides some recognition of the pressures on children and adult social care services. These services make up **58%** of the Council's budget. These services provide support to some of the most vulnerable people in Hartlepool. However, the additional funding does not address the impact of the permanent cuts in Government funding over the previous nine years, although it does reduce the scale of the cuts required next year.
- 8.13 The savings proposals and recommended Council Tax increase detailed in this report are designed to balance the 2020/21 budget and therefore provide the best possible financial foundations for 2021/22 and future years.

## 9. RECOMMENDATIONS

### 9.1 It is recommended that Members:

- i) Note the report;
- ii) Note that the Government is providing an additional £1 billion for children and Adult Social Care pressures;
- iii) Note the Government have confirmed the Adult Social Care precept will continue for 2020/21 at 2%, which will generate £500 million to partly match

the £1 billion referred to in recommendation (ii). The continuation of the Adult Social Care precept for a fifth year continues to shift part of the funding of these services onto Council Tax, pending the Government determining a longer terms funding strategy for Adult Social care;

- iv) Note the Government Spending Review figures suggest an additional core Council Tax referendum limit of 2.5% to 3%, i.e. a total referendum limit including the Adult Social Care precept of 4.5% to 5%;
- v) Note the forecast reduction in the 2020/21 budget deficit from **£4.830m** to **£2.636m** resulting from the one year Spending Review for 2020/21, which includes a 2% Adult Social Care precept and core Council Tax increase of 1.9%, i.e. a total increase of 3.9% which is less than the forecast national Council Tax Referendum limit of 4.5% to 5%;
- vi) Note that without a 2% Adult Social Care precept and core Council Tax increase of 1.9% for 2020/21 the Council would reduce recurring income by **£1.605m** and therefore need to identify additional cuts to offset the loss of this recurring income;
- vii) Approve the proposal to refer the proposed Innovation and Efficiency strategy work streams savings detailed in Appendix A, totalling **£2.345m** to individual policy committees, which leaves a residual deficit of **£0.291m** still to be addressed. To note that further proposals for addressing the remaining gap will be submitted to a future meeting and will be based on achieving £0.100m from reviewing fees / charges and £0.191m from a further review of expenditure budgets;
- viii) Note that detailed proposals in relation to the issues detailed in paragraph 5.10 (use of Ward Members Budget saving and Public Health issues) will be report in the next budget report;
- ix) Approve the proposal that when the final budget report is referred to Council that delegation is sought to this Committee to approve the use of up to £0.5m of the uncommitted Budget Support Fund to fund invest to save initiatives, subject to these proposals achieving a pay-back period of 3 years or less. This proposal will enable further savings to be achieved from initiatives such as property rationalisation;
- x) Note that this report and a brief survey will be used for public consultation on the budget proposals via the Council website.

## 10. REASON FOR RECOMMENDATIONS

- 10.1 To update the Finance and Policy Committee on the financial challenges facing the Council and to approve the 2020/21 budget timetable.

## 11. BACKGROUND PAPERS

The following background papers were used in the preparation of this report:-

Council - Medium Term Financial Strategy (MTFS) 2019/20 to 2021/22 – 20<sup>th</sup> December 2018

Council - MTFS 2019/20 to 2021/22 – 21<sup>st</sup> February 2019

Cabinet – MTFS 2019/20 to 2021/21 – 22<sup>nd</sup> July 2019.

## 12. CONTACT OFFICER

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Sign Off:-

Chief Executive



Director of Finance and Policy



Chief Solicitor



**Appendix A****One off funding identified for Looked after Children costs – 2019/20 and 2020/21**

|   | 2019/20<br>£'000 | 2020/21<br>£'000 |
|---|------------------|------------------|
| <b>Release of Risk Contingency</b>  | 561              | 140              |
| As detailed in paragraph 5.14   |                  |                  |
| <b>Review of Grant Regimes</b>  | 300              | 0                |
| Some existing services will contribute to the delivery of specific grant regime objectives in the current year. This releases council funding allocated for these priorities on a one off basis.  |                  |                  |
| <b>Northgate Contract Savings</b>   | 160              | 0                |
| The existing contract includes an annual efficiency target limiting contract increases to a defined level below inflation. As inflation has remained low the actual contractual payments are less than provided for within the budget. Therefore, there is a budget saving in the current year. This amount will be sustained and the recurring savings has already been allocated to help reduce the 2020/21 budget deficit. |                  |                  |
| <b>Custodian Property Provision</b>   | 97               | 0                |
| The four successor councils continue to be liable for Custodian Property costs in relation to former Cleveland County Council premises, which may arise from time to time. As no costs have arisen in the last few years the provision set aside for these potential liabilities can be released. In the unlikely event that any costs arise in the future they will need to be funded at that time.                          |                  |                  |
| <b>Waterfront Loan Cash backing</b>   | 0                | 393              |
| The Council secured agreement from the Combined Authority to convert the loan used to the purchase this site into a non-repayable grant.  |                  |                  |
| The Council previously acted prudentially and cash backed the original loan, through a combination of an  |                  |                  |

|   |              |            |
|---|--------------|------------|
| <p>earmarked reserve and funded Prudential Borrowing. The earmarked reserve element was released as part of the 2019/20 budget process and transferred to the Budget Support Fund.</p> <p>A decision regarding the Prudential Borrowing was not made as part of the 2019/20 budget process. Therefore, this amount can now be released. To use these capital resources for Looked after Children cost they will need to be converted via a funding swap between capital and revenue when the 2019/20 and 2020/21 accounts are closed.</p> |              |            |
| <b>Total Resources</b>  | <b>1,118</b> | <b>533</b> |
| Contribution to / (release) of new Looked after Children reserve  | (268)        | 268        |
| Less Additional Looked after Children costs 2019/20 and 2020/21 ##  | (850)        | (1,403)    |
| <b>Net costs still to be funded as 2020/21 budget pressure</b>  | <b>0</b>     | <b>602</b> |

## The 2020/21 figure reflects the actual gross over spend in 2019/20 of £1.241m and provides an additional £162,000 for further potential additional pressures.

Summary of potential savings and increased income

|   | 2020/21<br>£'000 | Additional<br>saving<br>2021/22<br>£'000 | Description of proposed saving  |
|---|------------------|--|---|
| <b><u>Potential Changes in Planning assumptions</u></b> |                  |  |   |
| <b><u>Workstreams</u></b>                               |                  |  |   |
| <b><u>Overheads</u></b>                                 |                  |  |   |
| - Pensions and Northgate contract                       | 1005             | 0  | It is anticipated that there will be a reduction in employers pension contributions from April 2020 owing to the financial strength of the Pension Fund. This will not impact on pension benefits accrued by current employees. There will also be a saving in the Northgate contract.  |
| - Increase in Salary Turnover                           | 120              | 0  | The base budget does not provide for 100% of salary costs and currently included a turnover allowance of £900,000. A review of trends over the last few years indicated this can be increased by a further £100,000, which equates to an overall turnover allowance of £1.020m i.e. 2% of the overall pay bill.   |
| - Property  | 100              | 0  | Savings to be achieved from property rationalisation, including further development of Community Hubs to relocate staff from leased accommodation.  |
| - Other Overhead savings                                | 64               | 0  | Savings will be achieved from DMS Renewals, Mobile Phones and Printing.   |
| - Terms and Conditions                                  | 0                | 254                                      | Detailed proposals will be developed during 2020 and referred to a future Finance and Policy Committee before the approved proposals are subject to consultation with the Trade Unions.   |
|   | 1289             | 254                                      |   |
| <b><u>Waste &amp; Environmental Services</u></b>        |                  |  |   |
| - Environmental Services                                | 165              | 0  | This savings can be achieved by ; reducing the number of street cleansing vehicles purchased moving towards more manual sweeping (£139k); a move towards perennial wildflower seeds from annual wildflower seeds will see a reduction in the amount of annual wildflower seed purchased and removal of the need for ground preparation (£18k) ; together with a reduction reducing the frequency of grass cutting along the A689 and A179, saving in traffic management costs (£8k).  |
| - Garden Waste  | 256              | 173                                      | <p>Currently 7 of the other 11 North East councils charge for Garden Waste services and the annual charges range from £32 to £40. Nationally 65% (212 out of 326) of councils charge for this service and the annual charges range up to £96. The introduction of a subscribed garden waste collection service will realise £256K income based upon a 16% uptake and a further £173K income with 28% uptake. Households will be required to pay £35 per annum commencing April 2020 through to November for 8 months.</p> <p>In 2018 the Government issued a consultation document "Our Waste, Our Resources: A Strategy for England" which included the statement that "we will consult on the provision of free garden waste collections for households with gardens and seek views on the impacts and costs for local authorities so these can be taken into account in assessment of new burdens". Under the new burdens principle the Government provide additional national funding when they make policy changes which result in additional costs to councils, although the formula used for distributing the national funding does not always fully address the additional costs borne by individual councils. It is still unclear whether the Government will implement a free garden waste service and if they do whether new burdens funding will be provided to all councils, or just those councils currently charging for this service. This is a complex issue as individual councils have determined different charges for Garden Waste.</p> <p>There is a risk that new burdens funding may only be provided to compensate councils which currently charge for Garden Waste, particularly if the Government adopt an approach to fully compensate individual councils based on actual charges, rather than a notional average charge which would not fully compensate all councils. By implementing Garden Waste charges from April 2020 the Council's financial position will be protected if the Government implement a free national Garden and at that stage the charge could then be removed.</p> |

|   | 2020/21<br>£'000 | Additional<br>saving<br>2021/22<br>£'000 | Description of proposed saving  |
|---|------------------|--|---|
| - Improving Recycling   | 178              | 5  | <p>Mattresses can already be collected as one of the items on the bulk waste collection service where residents can have up to three items collected for £20, there is however evidence from customers that there is a demand to collect single items. Additional income can be achieved by introducing a separate mattress collection service, charged at £7.50 per mattress generating approximately £14,000 to cover service collection and disposal costs.</p> <p>The introduction of a FREE permit scheme for Hartlepool residents will enable staff to monitor users of the site and prevent the disposal of waste from commercial operators and residents from out of the borough. Other authorities which have introduced similar schemes have reported reduction in tonnages and based on this experience a £9,500 savings is forecast.</p> <p>The HWRC current operates 7 days per week and only closes on Christmas day, Boxing Day and New Year's day. It is proposed to reduce the opening of the HWRC site from 7 days per week to 5 days, closing the site Monday and Tuesday, the least busy days, would achieve an annual saving of £51,500</p> <p>HBC currently spends around £80k per annum on purchasing new bins. It is proposed that these the costs should be recovered (excluding those damaged by the refuse vehicle). This would be achieved by the following mechanisms</p> <ul style="list-style-type: none"> <li>• Implement revised charges to fully recover costs of replacement bins, estimated income £30,000</li> <li>• Amend the current bin charging policy to include charges for new builds and bin exchanges which are currently provided free of charge. Estimated that this will recover circa £50,000 per annum.</li> </ul> <p>Expand the Trade waste service and review charges – HBC Commercial waste services currently serves 468 external customers and 113 internal customers (including schools) in the Borough. The service has grown in recent years and has managed to sustain its place in a competitive marketplace. It is proposed to implement operational changes to increase efficiency and save £23,000.</p> |
| <u>Income Generation</u>  | 599              | 178                                      |   |
| - Transport and Infrastructure  | 58               | 0  | Increase in income generation from securing new contracts   |
| - Increase Empty Homes Premium to 100%                                      | 124              | 3  | Since 2013 the Council has levied a 50% premium on properties empty and unfurnished for more than 2 years to encourage landlords and property owners to bring properties back into use. In November 2018 the Government introduced amended legislation enabling councils to increase the premium from 50% to 100% for properties empty and unfurnished for more than 2 years. Three North East councils moved to a 100% premium from April 2019 and it is understood that four other North East councils, including two within the Tees Valley, are planning to move to 100% from April 2020.   |
| - Additional Housing Growth - increase from 400 to 500 per year             | 0                | 90                                       | A review of forecast housing developments indicated that higher housing completion will be completed in 2021/22.  |
| - New Business Growth   | 50               | 0  | Business Rates income continues to be affected by risks in relation to outstanding Business Rates appeals. This includes national appeals for supermarkets which locally include the 2nd and 3rd highest rateable values and in total make up 8% of Business Rates income. Some growth is forecast for 2019/20. The position for 2021/22 will be reviewed when more information is available on how the proposed changes from 50% to 75% Business Rates retention will work and interface with the Fair Funding Review.   |
| <u>Transforming Child &amp; Adult Health, Care &amp; Wellbeing Services</u> | 232              | 93                                       |   |
| Adult Social Care - review Social Care grants and increased income          | 225              | 75                                       | <p>The saving will be achieved through continued work to manage demand in adult social care, building on work that's been undertaken over the last three years. This includes:</p> <ul style="list-style-type: none"> <li>- Better Care Fund initiatives to prevent avoidable admissions to hospital and residential care;</li> <li>- building on the integrated Single Point of Access model and implementing Community Led Support;</li> <li>- further reviewing Direct Payment processes and models of service delivery; and</li> <li>- reviewing preventative services to ensure services are provided in the most cost effective and efficient way possible.</li> </ul>  |
|   | 225              | 75                                       |   |
| Total   | 2345             | 600                                      |   |
|   |                  |  |   |

# FINANCE AND POLICY COMMITTEE

30th September 2019



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

**Subject:** APPRENTICESHIP CHARTER AND COPING WITH  
TERMINAL ILLNESS PLEDGE

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## 1.0 TYPE OF DECISION/APPLICABLE CATEGORY

1.1 Non-key Decision.

## 2.0 PURPOSE OF REPORT

2.1 The purpose of this report is to seek Finance and Policy Committee approval for the Council to commit to a joint HBC and Hartlepool Joint Trade Union Committee (HJTUC) Apprenticeship Charter and a separate pledge to our terminally ill employees and their families.

## 3.0 BACKGROUND

3.1 UNISON local trade union representatives approached the Council to ask for a commitment to their Apprenticeship Charter and the TUC Dying to Work Charter.

3.2 Following extensive consultation, the Apprenticeship Charter and separate Coping with Terminal Illness Pledge have been approved locally with the Hartlepool Joint Trade Union Committee (HJTUC).

3.3 The charter and pledge are attached for consideration and agreement by Finance and Policy Committee on behalf of the Council.

## 4.0 APPRENTICESHIP CHARTER AND PLEDGE

4.1 The signing of the Apprenticeship Charter demonstrates the Council's commitment to improving the provision of well-funded, high quality apprenticeship opportunities which make an important contribution in addressing skills gaps and tackling unemployment in the town.

**Appendix A** identifies the Apprenticeship Charter with a front signature sheet at **Appendix B**, to be used for a formal ceremony to sign the Charter with the relevant personnel as identified.



- 4.2 In addition, the Council also recognises the importance of supporting its workforce and encouraging improved conditions of employment of its workforce to raise the standards of care and improve the lives of people.

**Appendix C** identifies a pledge for our employees if they or someone they love are diagnosed with a terminal illness. This pledge can be used for a formal ceremony to sign the Charters with the relevant personnel as identified.

## **5.0 EQUALITY AND DIVERSITY CONSIDERATIONS**

- 5.1 There are no equality and diversity considerations arising from this report; the proposals will have no differential impact on those who share protected characteristics.

## **6.0 LEGAL CONSIDERATIONS**

- 6.1 None.

## **7.0 CHILD AND FAMILY POVERTY**

- 7.1 None.

## **8.0 STAFF CONSIDERATIONS**

- 8.1 None.

## **9.0 ASSET MANAGEMENT CONSIDERATIONS**

- 9.1 There are no asset management considerations.

## **10.0 FINANCIAL CONSIDERATIONS**

- 10.1 There are no additional financial considerations identified from signing up to the charter and pledge.

## **11.0 CONCLUSION**

- 11.1 The Council is committed to improving opportunities for local people and to improve the standards of employment for employees. The signing of both the Charter and Pledge is a clear commitment from the Council.

## **12.0 RECOMMENDATIONS**

- 12.1 It is recommended that Members of the Committee agree to approving, and signing as part of a formal ceremony, the Council's commitment to the Apprenticeship Charter and the Pledge for Coping with Terminal Illness Pledge.

### **13.0 REASON FOR RECOMMENDATIONS**

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

### **14.0 BACKGROUND PAPERS**

- 14.1 None.

### **15.0 CONTACT OFFICER**

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

Sign Off:-

|                                |                                     |
|--------------------------------|-------------------------------------|
| Chief Executive                | <input checked="" type="checkbox"/> |
| Director of Finance and Policy | <input checked="" type="checkbox"/> |
| Chief Solicitor                | <input checked="" type="checkbox"/> |

## UNION COMMITTEE

# APPRENTICESHIP CHARTER

**Well funded, high quality apprenticeships make an important contribution in addressing skills gaps and tackling unemployment.**

### **Apprentices have the right to:**

- An apprentice contract.
- Opportunities to apply for job vacancies with priority status along with other Council employees on the redeployment register.
- Payment at the apprentice rate for the job.
- The same terms and conditions as existing workplace policies and procedures.
- High quality training - both on and off the job.
- Appropriate job supervision, pastoral support and clarity about rights and responsibilities.
- Not be used for job substitution, including covering staff shortages of any duration.
- A safe and healthy working environment - free from discrimination and bullying.
- Join and participate in a trade union of their choice.
- Remain on the same contract, terms and conditions, if they are already existing employees who start an apprenticeship.

### **Hartlepool Borough Council has a responsibility to:**

- Conduct a skills audit, to properly determine its needs.
- Consult with relevant trade unions to develop a high quality apprenticeship scheme, which ensures apprentices' rights are respected.
- Select and monitor a high-quality training provider.
- Ensure the apprenticeship has opportunities to apply for job vacancies with a priority status OR ensure the apprenticeship provides the relevant skills to enable the apprentice to compete for real jobs.
- Recognise apprenticeships as investing in future labour, rather than 'cheap labour.'
- Keep existing employees informed about the introduction of the apprenticeship scheme.
- Provide appropriate support and training for the supervisors of apprentices.
- Meet regularly with apprentices and their representatives.
- Actively challenge job stereotyping.
- Encourage and celebrate apprentices.

# **HARTLEPOOL JOINT TRADE UNION COMMITTEE APPRENTICESHIP CHARTER**

**Well-funded, high quality apprenticeships make an important contribution in addressing skills gaps and tackling unemployment and so we are proud to sign the Hartlepool Joint Trade Union Committee Apprenticeship Charter**

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**Councillor Shane Moore**

**Leader**

**Hartlepool  
Borough Council**

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**Gill Alexander**

**Chief Executive**

**Hartlepool  
Borough Council**

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**Edwin Jeffries**

**Secretary**

**Hartlepool Joint  
Trade Union  
Committee**



## COPING WITH TERMINAL ILLNESS PLEDGE

This pledge sets out the way we will support, protect and guide our employees if they or someone they love are diagnosed with a terminal illness.

- *We recognise that terminal illness requires support and understanding.*
- *We understand that when an employee is coping or supporting someone with terminal illness, attending work can help maintain their dignity, provide valuable distraction and be therapeutic. This may require consideration of flexible arrangements and work adjustments to support employees at work during this time.*
- *We will provide our employees with the opportunity to discuss the best course of action for them and their family to help them through this difficult period with dignity.*
- *We will ensure that all our employees coping with terminal illness, who are members of the relevant public sector pension schemes, receive advice and support to enable the best decision to be made regarding pension-related benefits such as death in service or ill health retirement.*

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**Shane  
Moore**

Leader  
Hartlepool Borough  
Council

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**Gill  
Alexander**

Chief Executive  
Hartlepool Borough  
Council

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**Edwin  
Jeffries**

Secretary  
Hartlepool Joint Trade  
Union Committee



# FINANCE AND POLICY COMMITTEE

30<sup>th</sup> September 2019



**Report of:** Corporate Management Team

**Subject:** STRATEGIC FINANCIAL MANAGEMENT REPORT  
- AS AT 31<sup>st</sup> JULY 2019

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## 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) 2019/20 Forecast General Fund Outturn;
- ii) Corporate Income Collection Performance; and
- iii) 2019/20 Capital Programme Monitoring.

## 3. BACKGROUND AND FINANCIAL OUTLOOK

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 in 2019/20 and it is anticipated they will continue in 2020/21. Further details for the proposed funding of these pressures is identified in Section 5.12.

## 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 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 2019/20 FORECAST OUTTURN

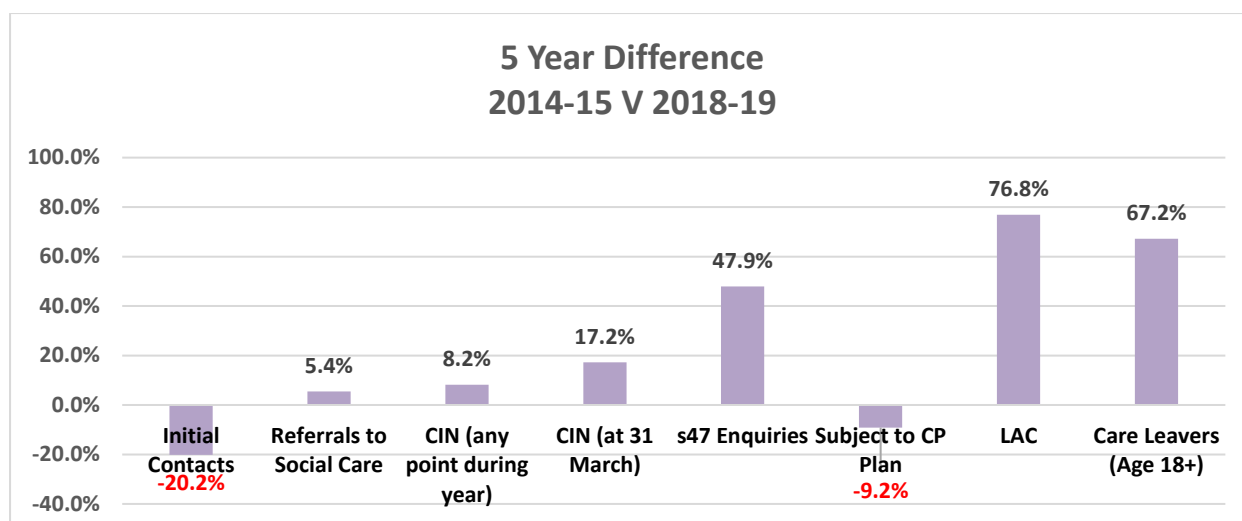
- 5.1 An assessment of the forecast 2019/20 outturn has been completed and a departmental over spend of £850,000 is anticipated. A strategy for funding this has been developed and is identified in Section 5.12.
- 5.2 **Appendix A** provides a summary of the overall position. The 2019/20 outturn has been 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 this Committee.

### Chief Executives

- 5.3 As identified in **Appendix B** a net underspend of £0.200m is forecast at the end of the year within the Chief Executive's Department. This mainly consists of one-off funding from various grant regimes and staff turnover.

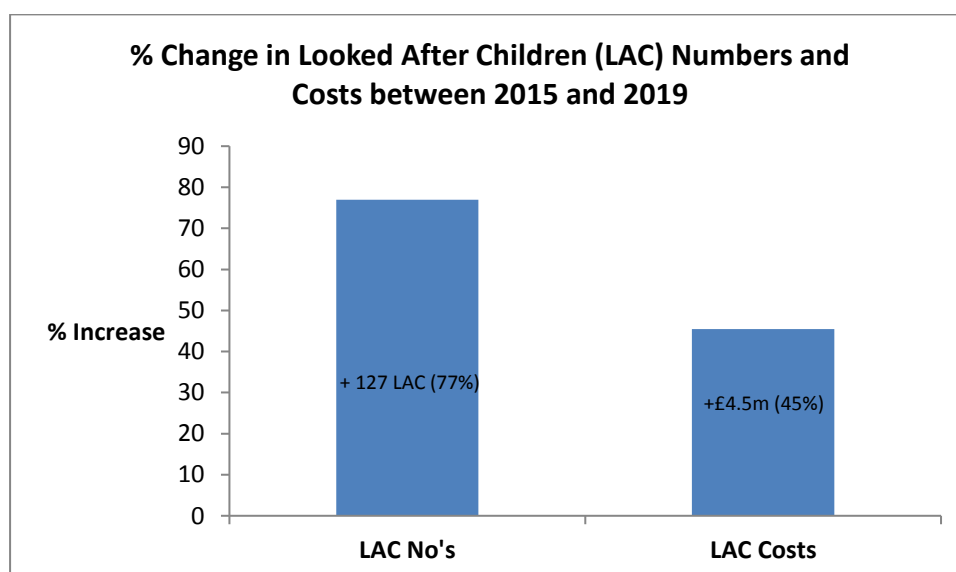
### Children's and Joint Commissioning Services

- 5.4 As identified in **Appendix C** a net overspend of £0.850m is forecast at the end of the year within Children's and Joint Commissioning. This consists of an underlying budget pressure within Looked After Children related costs of £1.241m, partly offset by one-off underspends of £0.391m, including slippage in the commencement of a housing related support contract, one-off income from the CCG and incremental drift and staff vacancies over and above the annual salary abatement target.
- 5.5 Looked after Children continue to be a significant pressure on the Council's budget. Over the past three years, demand for children's services in Hartlepool has increased substantially year on year. As the table overleaf shows, there is a significant increase in demand for children's social care services. The only areas where demand has not increased is in relation to initial contacts (reflecting the creation of our multi agency Children's Hub which has reduced inappropriate contacts with the local authority) and children becoming subject to child protection plans (the result of far greater number of children becoming looked after and the cessation of 'double protection').



5.6 Further evidence of demand is reflected in figures produced by Ofsted which reports that although 3.3% of the national child population is open to social care (Children's Social Care in England 2019 published July 2019) the comparator figure for Hartlepool is 7%.

5.7 In the past four years the council has seen a 77% increase in the number of children in our care, however, as the table below shows, during the same period, the corresponding costs have only increased by 45% - further demonstrating the efficiency of the Council.



5.8 Many of the factors influencing demand for children's services in Hartlepool are driven by issues often outside of the scope of children's services and indeed of the Council to influence. Such factors include child poverty and parental domestic violence, substance misuse and mental health issues.

## Public Health Grant

5.9 Following significant cuts to the Public Health grant since 2014/15 (funding has reduced by £1.6m, equating to nearly 16% in cash terms) this is the first financial year where no underspend against the Public Health grant is forecast. The ring-



fenced Public Health reserve is being used to support the overall Public Health budget.

### **Regeneration and Neighbourhoods Department**

5.10 The main reason for the overspend is a forecast adverse variance of £200,000 for Passenger Transport. This reflects the increased pupil numbers accessing 'Special Educational Needs' transport, including transport outside of the borough and will be reviewed further following the new cohort starting in September 2019.

5.11 Detailed financial information on the projected outturn for individual Departments by Committee is provided in **Appendices B to E**.

### **5.12 Strategy for Managing the 2019/20 Forecast Overspend**

5.13 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 budget deficits for 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.

5.14 The continuing pressures in relation to Looked after Children are not unexpected, although these costs exceed the base Departmental Budget allocated for 2019/20. A strategy for addressing the LAC pressure is set out in the MTFS elsewhere on your agenda.

## **6. Housing Revenue Account**

6.1 The HRA is currently showing a forecast deficit of £50,000 which is in line with the budgeted deficit of £53,000. **Appendix F** provides further details.

6.2 The HRA Business Plan presented to members in October 2017 highlighted that the HRA would be in deficit for a number of years as a result of government rent cuts and benefit changes, but would eventually return to surplus in the years following the lifting of the rent cap. Although the 2018/19 outturn deficit was higher than expected in the Business Plan, the potential for the HRA to return to surplus was significantly improved as a result of £2.5m Section 106 Contributions and higher levels of Homes England grant funding. This has provided opportunities to acquire additional houses that can contribute to reducing the deficit and build financial resilience into the HRA.

6.3 The latest forecast deficit of £50,000 is a therefore a big improvement compared to the 2018/19 outturn deficit of £190,000 and reflects the addition of fully funded properties that contribute to reducing the deficit. In addition the level of void properties has been significantly reduced.

## **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 58%

(i.e. £56m) 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

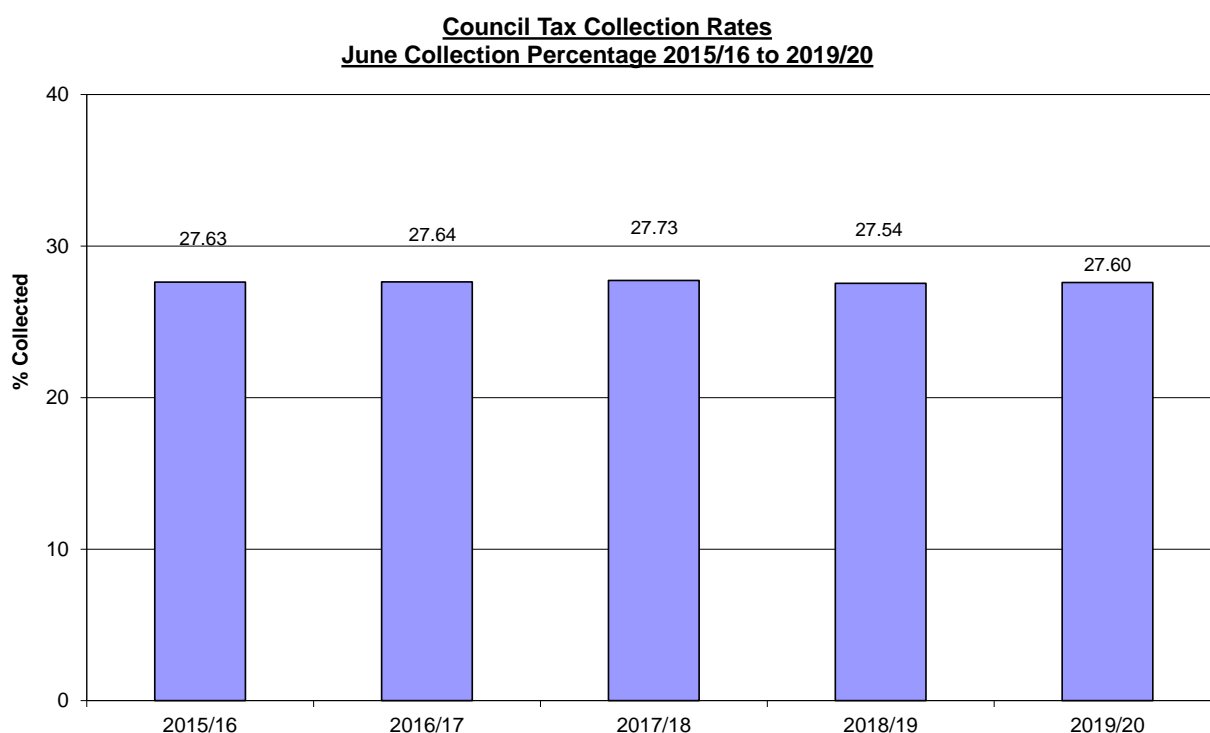
7.3 The re-localisation of Business Rates is a significant additional financial risk for Local Authorities to manage - 50% of any shortfall arising from either nonpayment by businesses, or reductions arising from the Valuation Office re-assessing rateable values, falls on individual authorities. A 'safety 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 99.5% in 2018/19 (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.

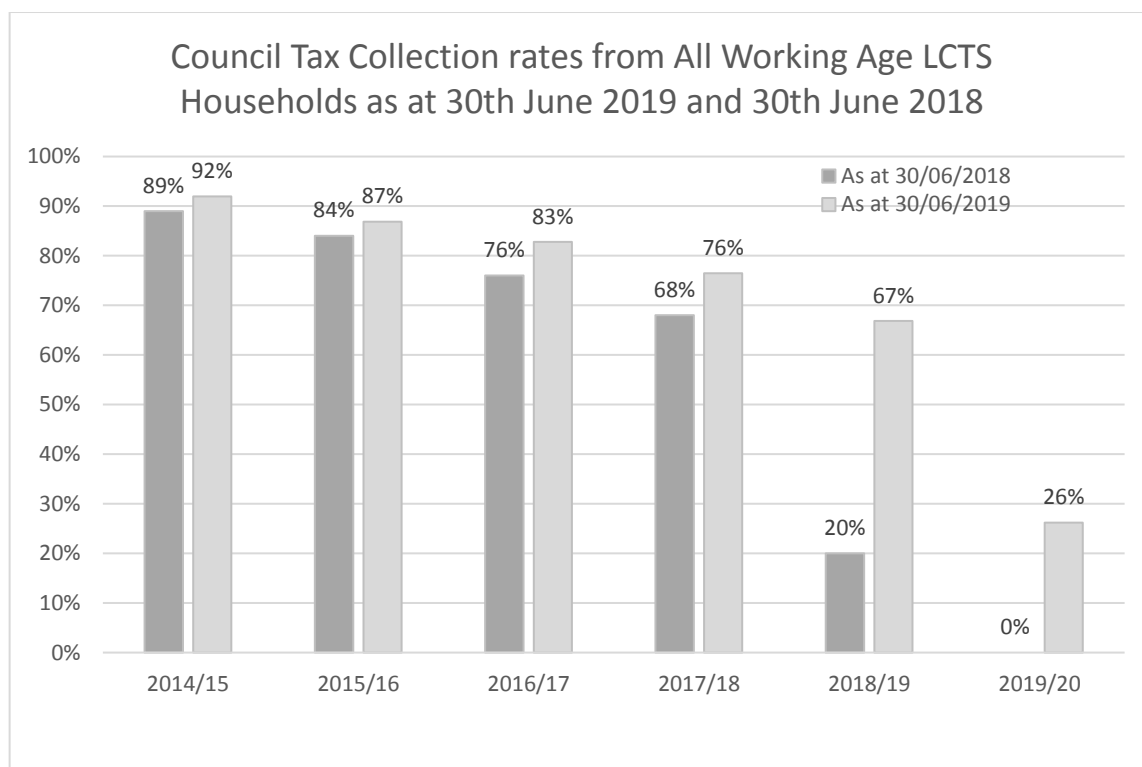
7.5 At the 30<sup>th</sup> June 2019 the Council had collected 28.8% of the 2019/20 liability, up by 0.12% compared to the same period last year.

## 7.6 Council Tax

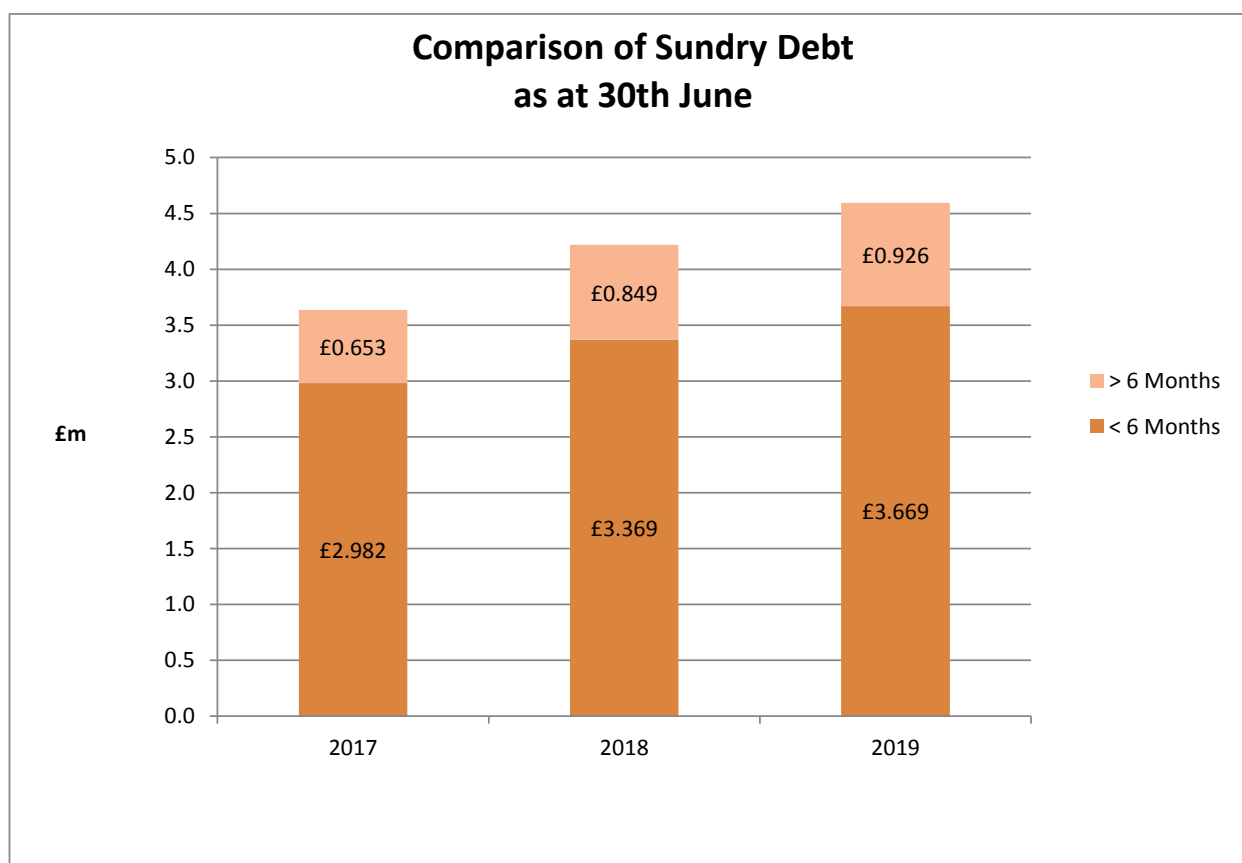
7.7 The overall Council Tax collection rate at 30<sup>th</sup> June 2019 was 27.60% compared to 27.54% for the same period last year, up slightly by 0.06%, as summarised in the graph below reflecting a broadly stable position.



- 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 £8.222m of sundry debts were raised in the first three months of 2019/20. As at 30<sup>th</sup> June 2019, £4.760m (57.89%) 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> June 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 £4.595m as at 30<sup>th</sup> June 2019, of which £3.669m (79.8%) 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 2019/20 but payment is to be received in installments throughout the year.

7.16 Debts greater than 6 months old total £0.926m. 98.1% (£0.908m) of this amount is under recovery action and 1.9% (£18,000) is now considered unrecoverable and will be reported to Members for write off in Autumn 2019.

## 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. Owing to the challenging economic conditions over the last few years these capital receipts have taken longer to achieve than initially anticipated. As reported previously the remaining target is £2.412.

8.2 The sale of land at Brierton was approved at Finance and Policy Committee on 22<sup>nd</sup> July 2019. Upon completion this will make a significant contribution to the remaining capital receipts target. In addition officers are progressing the sale of land at Hart for completion in the current financial year. It is anticipated that these receipts should cover the majority of the remaining capital receipts target.

## 9. 2019/20 Capital Programme Monitoring

9.1 Capital Expenditure for all departments to the 31<sup>st</sup> July 2019 is summarised in the table below.

| Department                                | BUDGET        | EXPENDITURE IN CURRENT YEAR |               |               |               |             |
|---|---------------|-----------------------------|---------------|---------------|---------------|-------------|
|   | A             | B                           | C             | D             | E             | F           |
|   |               |                             |               |               | (B+C+D)       | (E-A)       |
|   | 2019/20       | 2019/20                     | 2019/20       | Expenditure   | 2019/20       | 2019/20     |
|   | Budget        | Actual                      | Expenditure   | Rephased      | Total         | Variance    |
|   |               | as at 31/07/19              | Remaining     | into 2020/21  | Expenditure   | from Budget |
|   | £'000         | £'000                       | £'000         | £'000         | £'000         | £'000       |
| Adult & Community Based Services          | 2,258         | 565                         | 1,693         | 0             | 2,258         | 0           |
| Children's & Joint Commissioning Services | 6,614         | 495                         | 6,099         | 20            | 6,614         | 0           |
| Regeneration & Neighbourhood Services     | 39,824        | 3,961                       | 14,506        | 21,312        | 39,779        | (45)        |
| Chief Executives                          | 130           | 0                           | 130           | 0             | 130           | 0           |
| Corporate                                 | 2,671         | 352                         | 2,319         | 0             | 2,671         | 0           |
| <b>Total Capital Expenditure</b>          | <b>51,497</b> | <b>5,373</b>                | <b>24,747</b> | <b>21,332</b> | <b>51,452</b> | <b>(45)</b> |

9.2 Actual expenditure to 31<sup>st</sup> July 2019 was £5.373m, compared to a 2019/20 budget of £51.497m; £21.332m has been rephased to 2020/21 leaving £24.747m to be spent during the remainder of 2019/20. 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:

- A19, Grade Separated Junction, Elwick Bypass and Hartlepool Western Link - £16.5m
- Section 106 contributions to be allocated to future schemes - £1.5m
- Council Housing - £0.9m

9.3 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.

9.4 Detailed financial information on the capital programme for individual Departments by Committee is provided in **Appendices G to K**.

9.5 The main items to bring to members attention are detailed below:

9.6 The £0.045m variance from budget relates to TVCA Cycleways and Footpath Upgrades. The scheme was completed under budget therefore in accordance with the grant conditions the balance of funding will be repaid to the Tees Valley Combined Authority (TVCA) - £0.045m

## 9.7 Section 106 Developers Contributions

9.8 The level of contributions for housing and non - housing service areas as at 31<sup>st</sup> July 2019 is summarised in the following table. A detailed breakdown is included in **Appendix L**.

| <b>Section 106 Funding</b>                     | <b>Affordable Housing Contributions<br/>£000</b> | <b>Other Service Areas<br/>£000</b> | <b>Total<br/>£000</b> |
|--|--|-------------------------------------|-----------------------|
| Amount brought forward as at 1st April, 2019   | 1,666  | 996                                 | 2,662                 |
| Amounts Received as at 31st July, 2019         | 75   | 103                                 | 178                   |
| Expenditure Incurred in 2019/20                | (873)  | 0                                   | (873)                 |
| <b>Balance Remaining as at 31st July, 2019</b> | <b>868</b>                                       | <b>1,099</b>                        | <b>1,967</b>          |

## 10 CONCLUSION

- 10.1 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.
- 10.2 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.
- 10.3 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.
- 10.4 A strategy for funding these pressures in 2019/20 and 2020/21 has been developed and is set out in the MTFs elsewhere on the Agenda. This strategy will avoid a call on the Unearmarked General Fund Reserve, which needs to be maintained to manage future financial risks and avoid in-year 2019/20 budget cuts.

## 11. RECOMMENDATIONS

- 11.1 It is recommended that Members:
- i) Note the report;
  - ii) Note the forecast 2019/20 departmental revenue budget over spend of £850,000 which mainly relates to the costs of Looked After Children;

## 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 2019/20.

## 13. 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.

Final Outturn 2018/19 report to Finance and Policy Committee 27.08.19.

## 14. CONTACT OFFICER

Chris Little  
Director of Finance and Policy  
[Chris.little@hartlepool.gov.uk](mailto:Chris.little@hartlepool.gov.uk)  
01429 523002

Sign Off:-

|                                |                                     |
|--------------------------------|-------------------------------------|
| Chief Executive                | <input checked="" type="checkbox"/> |
| Director of Policy and Finance | <input checked="" type="checkbox"/> |
| Chief Solicitor                | <input checked="" type="checkbox"/> |

Summary of 2019/20 Forecast General Fund Outturn

|   | Forecast -<br>Overspend/<br>(Underspend) |
|---|--|
|   | £'000                                    |
| <b>Departmental Budgets</b>                         |  |
| Adult & Community Based Services                    | 0  |
| Children's & Joint Commissioning                    | 850                                      |
| Chief Executive                                     | (200)                                    |
| Regeneration & Neighbourhoods                       | 200                                      |
| <b>Total Departmental Forecast Budget Overspend</b> | 850                                      |



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

| Approved<br>2019/2020 Budget        | Description of Service Area                      | Actual Adverse/<br>(Favourable) | Director's Explanation of Variance   |
|-------------------------------------|--|---------------------------------|--|
| £'000                               |  | £'000                           |  |
| <b>Finance and Policy Committee</b> |  |                                 |  |
| (145)                               | Benefits   | (116)                           | Favourable variance owing to vacant posts, and a further £90k in additional one-off grant from DWP for Housing Benefit and Universal Credit New Burdens and Verify Earnings and Pension Alerts.  |
| (948)                               | Central Administration Recharges                 | 0                               |  |
| 36                                  | Civic Attendants                                 | 0                               |  |
| 132                                 | Communications and Marketing                     | 65                              | The adverse variance is owing to a reduction in income generation.   |
| 1,027                               | Corporate Finance                                | (50)                            | The favourable variance is owing to vacant posts and posts not being at the top of the grade.  |
| 618                                 | Corporate Strategy & Public Consultation         | (73)                            | The favourable variance is owing to vacant posts, posts not being at the top of the grade and some supplies and services savings.  |
| (143)                               | Housing Benefits Subsidy                         | (100)                           | The grant generates £28m in subsidy, but the grant is reducing along with the current transfer rate of claimants across to Universal Credit. The anticipated variance will be reviewed during the Mid Year Review, which will be submitted to DWP. |
| 163                                 | Democratic                                       | 0                               |  |
| 921                                 | Customer and Support Services                    | (15)                            | The favourable variance is owing to posts not being at the top of the grade and additional one-off grant to fund staff support.  |
| 435                                 | Human Resources & Health and Safety              | (31)                            | A favourable variance owing to vacant posts and posts not being at the top of the grade, which is partly offset by a reduction in income.  |
| 237                                 | Internal Audit                                   | 0                               |  |
| 491                                 | Legal Services                                   | 41                              | The adverse variance is owing to a reduction in income generation.   |
| 163                                 | Municipal Elections and Registration of Electors | 10                              | The adverse variance is owing to an additional bi-election.  |
| (6)                                 | Other Office Services                            | 25                              | The adverse variance is owing to a reduction in income generation received from Local Land Searches.   |
| 47                                  | Procurement                                      | 50                              | The adverse variance is owing to a reduction in income generation.   |
| (118)                               | Registration Services                            | 30                              | The adverse variance is owing to a reduction in income generation on both birth and death registration resulting from services being transferred to North Tees Hospital.   |
| (48)                                | Reprographics                                    | (20)                            | The favourable variance is owing to a saving on leasing expenditure.   |
| 933                                 | Revenues   | 7                               | The adverse variance is owing to a reduction in the Bailiff section income generation and additional credit card commission charges.   |
| (541)                               | Revenue & Benefits Central                       | 56                              | The adverse variance is owing to a reduction in the Cost of Collection grant for Non Domestic Rates and Court Costs awarded; this will be reviewed during the year.  |
| 98                                  | Scrutiny   | 0                               |  |
| 523                                 | Shared Services                                  | (27)                            | The favourable variance is owing to savings on software maintenance and additional income.   |
| 131                                 | Support to Members                               | 0                               |  |
| 10                                  | Training & Equality                              | 0                               |  |
| 426                                 | Corporate Management Running Expenses            | (52)                            | The favourable variance is owing to a post not being at the top of the grade and savings on the Corporate subscriptions budget.  |
| 4,442                               | <b>Finance and Policy Committee Total</b>        | <b>(200)</b>                    |  |

**CHIEF EXECUTIVES  
PLANNED USE OF RESERVES**

**7.1 Appendix B**

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<br>2019/2020 Budget<br>£'000 | Description of Service Area  | Actual Usage<br>2019/2020<br>£'000 | Variance Over/<br>(Under)<br>£'000 | Director's Explanation of Variance |
|---------------------------------------|--|------------------------------------|------------------------------------|------------------------------------|
| <b>Finance and Policy Committee</b>   |  |                                    |                                    |                                    |
| 5                                     | Corporate Strategy - Performance Management                          | 5                                  | 0                                  |                                    |
| 2                                     | Public Relations   | 2                                  | 0                                  |                                    |
| 2                                     | Civic Responsibilities   | 2                                  | 0                                  |                                    |
| 25                                    | Municipal Elections and Registration of Electors                     | 25                                 | 0                                  |                                    |
| 25                                    | Corporate Training Programme   | 25                                 | 0                                  |                                    |
| 70                                    | Human Resources & Health and Safety Loss of Income                   | 70                                 | 0                                  |                                    |
| 24                                    | Human Resources & Health and Safety Extension of Fixed Term Contract | 24                                 | 0                                  |                                    |
| 34                                    | Human Resources & Health and Safety - Resourcelink post.             | 34                                 | 0                                  |                                    |
| 24                                    | Finance - IT Investment Shared Services                              | 24                                 | 0                                  |                                    |
| 18                                    | Digital Development of Firmstep                                      | 18                                 | 0                                  |                                    |
| 9                                     | PSN Compliance & Contingency   | 9                                  | 0                                  |                                    |
| 11                                    | Corporate Apprenticeship Reserve                                     | 11                                 | 0                                  |                                    |
| 178                                   | Chief Executive's Department Ring Fenced Grants                      | 178                                | 0                                  |                                    |
| <b>427</b>                            | <b>Total</b>   | <b>427</b>                         | <b>0</b>                           |                                    |

CHILDREN'S & JOINT COMMISSIONING SERVICES

7.1 Appendix C

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

| Approved<br>2019/2020 Budget         | Description of Service Area  | Actual Adverse/<br>(Favourable) | Director's Explanation of Variance  |
|--------------------------------------|--|---------------------------------|---|
| £'000                                |  | £'000                           |   |
| <b>Children's Services Committee</b> |  |                                 |   |
| 16,525                               | Children & Families  | 1,241                           | LAC numbers have continued to increase since the budget was set across all placement types - in-house, IFA and residential. In addition, the number of children subject to Child Arrangement and Special Guardianship Orders have also increased. These increased placements also impact on staffing requirements and legal costs relating to care proceedings. |
| 1,606                                | Early Intervention Services  | (246)                           | This mainly relates to slippage in commencement of a housing contract and staff vacancies and incremental drift within the Early Help service area.   |
| 5                                    | Play & Care  | 25                              | This relates to an historic shortfall of income against the target budget.  |
| 275                                  | Standards, Engagement & Development  | 0                               |   |
| 1,217                                | Strategic Commissioning  | (80)                            | The favourable variance mainly relates to income received from the CCG and staff vacancies.   |
| 274                                  | Youth Justice Service  | (40)                            | The favourable variance mainly relates to staff vacancies (which have now been filled) and incremental drift.   |
| 134                                  | Access to Education  | (20)                            |   |
| 167                                  | Central Support Services   | 0                               |   |
| 512                                  | Other School Related Expenditure   | (10)                            | Reduced liability for historic pension costs.   |
| 489                                  | Raising Educational Achievement  | 100                             | Income shortfall for School Improvement Service. This service is under review.  |
| 251                                  | Special Educational Needs  | (30)                            | Savings from vacancies.   |
| 269                                  | Strategic Management   | (90)                            | Salary savings resulting from late appointment and staff not being at the top of the grade.   |
| 346                                  | Youth Service  | 0                               |   |
| 22,070                               | <b>Children's and Joint Commissioning Services</b>                                 | <b>850</b>                      |   |
| <b>Public Health</b>                 |  |                                 |   |
| 2,875                                | Public Health - Commissioning  | 0                               | Public Health reserves being used to balance the budget by funding budget pressures within this area.   |
| 2,281                                | Public Health - Substance Misuse   | 0                               | Reserve funding being used to support this budget area  |
| 1,901                                | Public Health - Children's   | 0                               |   |
| 913                                  | Public Health - Statutory & Support Services                                       | 0                               | Public Health reserves being used to balance the budget by funding budget pressures within this area.   |
| 335                                  | Public Health - Adults   | 0                               |   |
| 278                                  | Public Health - Physical Activity  | 0                               |   |
| (8,533)                              | Public Health Main Grant   | 0                               |   |
| 50                                   | <b>Public Health Grant</b>   | <b>0</b>                        |   |
| 22,120                               | <b>Children's and Joint Commissioning Services Total (inc Public Health Grant)</b> | <b>850</b>                      |   |

## CHILDREN'S & JOINT COMMISSIONING SERVICES PLANNED USE OF RESERVES

## 7.1 Appendix C

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<br>2019/2020 Budget<br>£'000 | Description of Service Area  | Actual Adverse/<br>(Favourable)<br>£'000 | Variance Over/<br>(Under)<br>£'000 | Director's Explanation of Variance  |
|---------------------------------------|--|--|------------------------------------|---|
| <b>Children's Services Committee</b>  |  |  |                                    |   |
| 52                                    | Early Help / 0-19 Service  | 52                                       | 0                                  | Use of Public Health Reserve to support initiatives within the Early Help and 0-19 Service in 19/20   |
| 0                                     | 5-19 Youth Contract  | 50                                       | 50                                 | Funded from Child & Family Poverty Reserve as agreed by F&P 21/03/19  |
| 66                                    | Development Team   | 6  | (60)                               | Funding no longer required for this post following a restructure so will now be used to fund a post in 20/21 when current funding ends in March 2020                  |
| 23                                    | UASC Specific Grant Reserve  | 125                                      | 102                                | Use of reserve to fund posts to support unaccompanied asylum seeking children and care leavers for whom the Council have responsibility                               |
| 0                                     | Children's Hub IT Reserve  | 14                                       | 14                                 | Contribution to IT upgrades within the Hub  |
| 45                                    | Selective Licensing Scheme   | 45                                       | 0                                  | Funding required to support the Housing Licensing budgets in 2019/20  |
| 53                                    | EYES   | 53                                       | 0                                  | Funding for implementation of EYES system.  |
| <b>239</b>                            |  | <b>345</b>                               | <b>106</b>                         |   |
| <b>Public Health</b>                  |  |  |                                    |   |
| 0                                     | Contribution to Holiday Gap Initiatives  | 35                                       | 35                                 | Funded from Child & Family Poverty Reserve as agreed by F&P 9/07/18   |
| 0                                     | Safe Families Project  | 30                                       | 30                                 | Funded from Child & Family Poverty Reserve as agreed by F&P 22/07/19  |
| 0                                     | Various Public Health Initiatives  | 78                                       | 78                                 | Public Health Reserve being used to support the 2019/20 Public Health budget across a range of schemes.   |
| 0                                     | Specialist Drug Services / Residential Rehabilitation                              | 300                                      | 300                                | Funding additional staffing capacity within the Substance Misuse Team and residential rehabilitation costs for adults requiring treatment for drug and alcohol abuse. |
| <b>0</b>                              |  | <b>443</b>                               | <b>443</b>                         |   |
| <b>239</b>                            | <b>Children's and Joint Commissioning Services Total (inc Public Health Grant)</b> | <b>788</b>                               | <b>549</b>                         |   |

| MEMO:-        | Dedicated Schools Grant              | Actual Outturn<br>Adverse/<br>(Favourable) | Director's Explanation of Variance  |
|---------------|--------------------------------------|--|---|
| <b>6,005</b>  | Early Years                          | <b>97</b>                                  | Underspending against 3-4 year old entitlement and Disabled Access Funding (DAF). Offset by funding shortfall against 2 year old entitlement. Overspend to be funded from existing Early Years reserve. |
| <b>9,745</b>  | High Needs                           | <b>467</b>                                 | Latest outturn projection reflecting increase in demand. Overspend to be funded from existing reserves.   |
| <b>56</b>     | Schools and Central Services         | <b>4</b>                                   |   |
| <b>15,806</b> | <b>TOTAL Dedicated Schools Grant</b> | <b>568</b>                                 |   |

## ADULT & COMMUNITY BASED SERVICES

## 7.1 Appendix D

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

| Approved<br>2019/2020 Budget<br>£'000                 | Description of Service Area                                 | Actual Adverse/<br>(Favourable)<br>£'000 | Director's Explanation of Variance  |
|---|---|--|---|
| <b>Adult &amp; Community Based Services Committee</b> |   |  |   |
| 0   | Carers  | 0  |   |
| 2,405   | Commissioning & Adults General                              | 30                                       |   |
| 1,252   | Community Hubs  | 45                                       | The adverse variance reflects a budget pressure linked to proposed closure of branch libraries in 2018/19 that has not been implemented.  |
| 189   | Departmental Running Costs                                  | 0  |   |
| 668   | Direct Care & Support Team                                  | (80)                                     | The favourable variance mainly relates to staff vacancies and incremental drift.  |
| 618   | LD & Transition Social Work                                 | (5)                                      |   |
| 1,852   | Locality & Safeguarding Teams                               | 45                                       | The adverse variance mainly relates to the unfunded costs of Deprivation of Liberty Safeguards which introduced new statutory responsibilities on Council's following a Supreme Court Judgement in 2014. These costs were funded from temporary iBCF grant in 2017/18 and 2018/19 and have been partly offset in the current year by staff vacancies. |
| 991   | Mental Health Services                                      | 0  |   |
| 1,309   | Occupational Therapy Services                               | (50)                                     | The favourable variance mainly relates to staff vacancies (which have now been filled) and increased income.  |
| 1,708   | Packages of Care - Mental Health                            | 0  |   |
| 10,934  | Packages of Care - Older People                             | (40)                                     |   |
| 8,761   | Packages of Care - Working Age Adult                        | 35                                       |   |
| 21  | Substance Misuse - Operational                              | 0  |   |
| 524   | Sport, Leisure and Recreation                               | 70                                       | The adverse variance is the result of a shortfall in income for the leisure centres and Carlton Adventure. The projection is after accounting for the £50k contribution from Public Health reserves.  |
| 1,175   | Working Age Adult Day Services                              | (50)                                     | The favourable variance mainly relates to timing differences in implementing the changes to the current service delivery model.   |
| <b>32,407</b>   | <b>Adult &amp; Community Based Services Committee Total</b> | <b>0</b>                                 |   |

### 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<br>£'000                                     | Description of Service Area                                    | Actual Usage<br>£'000 | Variance Over/<br>£'000 | Director's Explanation of Variance  |
|---|--|-----------------------|-------------------------|---|
| <b>Adult &amp; Community Based Services Committee</b> |  |                       |                         |   |
| 0   | Public Health Reserve - Sport, Leisure & Recreation Facilities | 50                    | 50                      | This reserve will contribute towards income shortfalls across Sport, Leisure & Recreation     |
| 77  | Public Health Reserve - GP Referral & EDAN                     | 77                    | 0                       |   |
| 44  | Public Health Reserve - Wellbeing Strategy                     | 44                    | 0                       | This reserve is part-funding the Life Intervention Officers within the Community Hubs         |
| 13  | Wellbeing Strategy   | 13                    | 0                       | This reserve is contributing towards the Life Intervention Officers within the Community Hubs |
| 100   | Specialist Drug Treatment / Residential Rehabilitation         | 0                     | (100)                   | Expenditure for these services now to be incurred within Public Health                        |
| <b>234</b>  | <b>Adult &amp; Community Based Services Committee Total</b>    | <b>184</b>            | <b>(50)</b>             |   |

# REGENERATION AND NEIGHBOURHOODS

7.1 Appendix E

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

| Approved<br>2019/2020 Budget          | Description of Service Area                         | Actual Adverse/<br>(Favourable) | Director's Explanation of Variance  |
|---------------------------------------|---|---------------------------------|---|
| £'000                                 |   | £'000                           |   |
| <b>Finance &amp; Policy Committee</b> |   |                                 |   |
| 1,120                                 | Facilities Management                               | 0                               |   |
| 636                                   | Strategic Management, Admin & Service Development   | (50)                            | The favourable variance relates to forecast underspend on salary costs as a result of vacant posts across the department.   |
| <b>1,757</b>                          | <b>Finance &amp; Policy Committee Sub Total</b>     | <b>(50)</b>                     |   |
| <b>Regeneration Committee</b>         |   |                                 |   |
| 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.  |
| <b>1,439</b>                          | <b>Regeneration Committee Sub Total</b>             | <b>125</b>                      |   |

**REGENERATION AND NEIGHBOURHOODS**
**7.1 Appendix E**

| Approved<br>2019/2020 Budget   | Description of Service Area  | Actual Adverse/<br>(Favourable) | Director's Explanation of Variance   |
|--------------------------------|--|---------------------------------|--|
| £'000                          |  | £'000                           |  |
| <b>Neighbourhood Committee</b> |  |                                 |  |
| 148                            | Archaeology  | 15                              | Shortfall in fee income. The team is working to secure additional funding streams in year.   |
| (305)                          | Building Team Design   | 130                             | The adverse variance relates to a forecast shortfall in fee income from capital schemes.   |
| (785)                          | Car Parking & Enforcement  | 45                              | Adverse variance reflects delay in achieving additional income from construction of additional spaces at Sea View Car Park in Seaton Carew and reduction in income as a result of Christmas free parking promotion and 'Free after 3.' |
| (111)                          | Coast, Countryside & Heritage  | 0                               |  |
| 1,017                          | Community Safety & Engagement  | (5)                             | Relates mainly to temporary borrowing savings in relation to CCTV.   |
| (133)                          | Construction Support Services  | 0                               |  |
| 112                            | Construction Team  | 0                               |  |
| 315                            | Engineering Services (incl Coastal Protection and Contaminated Land) | 0                               |  |
| 2,938                          | Environmental Services   | 0                               |  |
| (324)                          | Highways Trading   | 0                               |  |
| 2,641                          | Highways Maintenance & Transportation                                | 0                               |  |
| 24                             | General Allotments   | 0                               |  |
| 1,403                          | Passenger Transport  | 200                             | The adverse variance reflects the level of SEND home to school transport provision for the current cohort of pupils. This will be reviewed following the new cohort starting in September.   |
| 838                            | Public Protection  | 0                               |  |
| 133                            | Road Safety  | 0                               |  |
| 890                            | Street Lighting  | 15                              | Adverse variance reflects efficiency savings not being fully realised in 2019/20.  |
| 2,368                          | Sustainable Transport  | (75)                            | 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.   |
| (119)                          | Vehicle Fleet  | (200)                           | Temporary prudential borrowing savings from extending the life of assets and maintenance savings in relation to new vehicles.  |
| 5,276                          | Waste & Environmental Services                                       | 0                               |  |
| 16,177                         | <b>Neighbourhood Committee Sub Total</b>                             | 125                             |  |
| 19,373                         | <b>Regeneration &amp; Neighbourhoods Total</b>                       | 200                             |  |

## REGENERATION AND NEIGHBOURHOODS PLANNED USE OF RESERVES

## 7.1 Appendix E

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<br>2019/2020 Budget<br>£'000 | Description of Service Area                                | Actual Usage<br>2019/2020<br>£'000 | Variance Over/<br>(Under)<br>£'000 | Director's Explanation of Variance   |
|---------------------------------------|--|------------------------------------|------------------------------------|--|
| <b>Regeneration Committee</b>         |  |                                    |                                    |  |
| 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.  |
| <b>Neighbourhood Committee</b>        |  |                                    |                                    |  |
| 50                                    | Allotments (Public Health Reserve)                         | 50                                 | 0                                  | Funded from Public Health Reserve  |
| 14                                    | Community Safety Specific Grants                           | 14                                 | 0                                  | Use of PCC funding contribution towards 'Outreach' scheme.   |
| 0                                     | Passenger Transport Reserve                                | 35                                 | 35                                 | The remaining balance on this reserve will be used to mitigate the impact of the cost pressures from home to school transport for SEND pupils.             |
| 34                                    | Ward Member Budgets (incl Civic Lottery)                   | 34                                 | 0                                  | Relates to timing of expenditure   |
| <b>388</b>                            | <b>Total</b>   | <b>423</b>                         | <b>35</b>                          |  |



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

**7.1 Appendix F**

| Approved<br>2019/2020<br>Budget<br>£'000 |  | Actual<br>Adverse/<br>(Favourable)<br>£'000 | Variance<br>Over/<br>(Under)<br>£'000 | Director's Explanation of Variance  |
|--|--|---|---------------------------------------|---|
| (1,202)                                  | <b>Income</b><br>Dwelling Rents                        | (1,196)                                     | 6                                     | Rent income is currently in line with budget based on the latest forecast of when additional new build and renovated empty properties become available to let. The level of void properties has been significantly reduced. |
| (21)                                     | Non-dwelling Rents - Other Income                      | (15)  | 6                                     |   |
| (6)                                      | Charges for services and facilities                    | (6)   | 0                                     |   |
| <b>(1,229)</b>                           | <b>Income sub total</b>                                | <b>(1,217)</b>                              | <b>12</b>                             |   |
|  | <b>Expenditure</b>                                     |   |                                       |   |
| 226                                      | Repairs and maintenance                                | 226   | 0                                     |   |
| 313                                      | Supervision and management                             | 308   | (5)                                   |   |
| 31                                       | Rents, rates, taxes and other charges                  | 31  | 0                                     |   |
| 45                                       | Increase in provision for bad or doubtful debts        | 32  | (13)                                  | The forecast is lower than budget based on assessment of the current aged debt profile.   |
| 308                                      | Depreciation of fixed assets (Major Repairs Allowance) | 301   | (7)                                   | Relates to the timing of capital expenditure.   |
| 10                                       | Discretionary Housing Payments                         | 10  | 0                                     |   |
| 16                                       | Debt Management costs                                  | 16  | 0                                     |   |
| <b>949</b>                               | <b>Expenditure sub total</b>                           | <b>924</b>                                  | <b>(25)</b>                           |   |
| <b>(280)</b>                             | <b>Net cost of services</b>                            | <b>(293)</b>                                | <b>(13)</b>                           |   |
| 355                                      | Interest payable                                       | 355   | 0                                     |   |
| (22)                                     | HRA investment income                                  | (12)  | 10                                    | Reduced HRA Balance result in a lower amount of interest receivable on the reserve.   |
| <b>53</b>                                | <b>HRA Operating (Surplus) / Deficit for the year</b>  | <b>50</b>                                   | <b>(3)</b>                            |   |
|  | <b>Movement on the HRA Reserve</b>                     |   |                                       |   |
| (374)                                    | HRA Reserve Opening Balance                            | (347)                                       | 27                                    | The 2018/19 outturn deficit was higher than forecast at the time of setting the budget.   |
| 53                                       | (Surplus)/Deficit for the year                         | 50  | (3)                                   |   |
| <b>(321)</b>                             | <b>HRA Reserve Closing Balance</b>                     | <b>(297)</b>                                | <b>24</b>                             |   |

## ADULT & COMMUNITY BASED SERVICES

## 7.1 APPENDIX G

### CAPITAL MONITORING REPORT PERIOD ENDING 31st JULY 2019

| Project Code                           | Scheme Title  | BUDGET                  | EXPENDITURE IN CURRENT YEAR               |   |  |   |  | Type of Financing | 2020/21 COMMENTS  |
|--|---|-------------------------|---|---|--|---|--|-------------------|---|
|  |   | A                       | B   | C   | D  | E   | F  |                   |   |
|  |   | 2019/20 Budget<br>£'000 | 2019/20 Actual<br>as at 31/07/19<br>£'000 | 2019/20 Expenditure<br>Remaining<br>£'000 | Expenditure<br>Rephased<br>into 2020/21<br>£'000 | (B+C)<br>2019/20<br>Total<br>Expenditure<br>£'000 | (D-A)<br>2019/20<br>Variance<br>from Budget<br>£'000 |                   |   |
| Adult & Community Based Services       |   |                         |   |   |  |   |  |                   |   |
| 7212                                   | Capital Grants to Residential/Nursing Care Homes (iBCF) | 257                     | 64  | 193                                       | 0  | 257   | 0  | RCCO              | Schemes on-going  |
| 7234                                   | Chronically Sick and Disabled Persons Adaptations       | 284                     | 1   | 283                                       | 0  | 284   | 0  | MIX               | Schemes on-going  |
| 8108                                   | Centre for Independent Living (CIL)                     | 228                     | 0   | 228                                       | 0  | 228   | 0  | MIX               |   |
| 7218                                   | Disabled Facilities Grant                               | 1,254                   | 475                                       | 779                                       | 0  | 1,254   | 0  | GRANT             | Schemes on-going  |
| 8710                                   | Drug & Alcohol Recovery Centre                          | 18                      | 0   | 18  | 0  | 18  | 0  | GRANT             | Scheme on-going   |
| 8946                                   | Stepping Stones Grant                                   | 26                      | 0   | 26  | 0  | 26  | 0  | GRANT             | Scheme on-going   |
| 8088                                   | Community Hub - Central                                 | 48                      | 7   | 41  | 0  | 48  | 0  | RCCO              | Scheme on-going   |
| 8103                                   | Swimming Scheme   | 35                      | 0   | 35  | 0  | 35  | 0  | RCCO              | Amounts set aside for equipment purchase.   |
| 8172                                   | Brierton Dance Studio Equipment                         | 2                       | 2   | 0   | 0  | 2   | 0  | RCCO              |   |
| 7992                                   | Junior Football Pitches                                 | 26                      | 0   | 26  | 0  | 26  | 0  | RCCO              |   |
| 8408                                   | Mill House - Equipment Purchase                         | 28                      | 15  | 13  | 0  | 28  | 0  | RCCO              | Used to fund equipment replacement when required.                                       |
| 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                      | 0   | 12  | 0  | 12  | 0  | MIX               | To be used as match funding in future grant bid for work required at Carlton Adventure. |
| 8964                                   | Brierton Sports Hall Techno Gym                         | 2                       | 1   | 1   | 0  | 2   | 0  | GRANT             | Section 106 Funding remaining to be used in future years in accordance with Agreement.  |
| 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               |   |
| Total Adult & Community Based Services |   | 2,258                   | 565                                       | 1,693                                     | 0  | 2,258   | 0  |                   |   |

#### Key

|      |  |         |   |
|------|--|---------|---|
| RCCO | Revenue Contribution towards Capital       | GRANT   | Grant Funded                                  |
| MIX  | Combination of Funding Types               | CAP REC | Capital Receipt                               |
| UCPB | Unsupported Corporate Prudential Borrowing | UDPB    | Unsupported Departmental Prudential Borrowing |
| SCE  | Supported Capital Expenditure (Revenue)    | CORP    | Corporate Resources                           |

## CAPITAL MONITORING REPORT PERIOD ENDING 31st JULY 2019

| Project Code   | Scheme Title   | BUDGET               | EXPENDITURE                         |                                     |   |                                       |  | Type of Financing | 2019/20 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 2020/21 £'000 | (B+C) 2019/20 Total Expenditure £'000 | (D-A) 2019/20 Variance from Budget £'000 |                   |   |
| <b>Joint Commissioning Services</b>                      |  |                      |                                     |                                     |   |                                       |  |                   |   |
| 8906   | Brierton Campus Windows  | 67                   | 0                                   | 67                                  | 0                                       | 67                                    | 0  | RCCO              |   |
| 8139   | BSF - ICT Infrastructure (General)                             | 44                   | 0                                   | 44                                  | 0                                       | 44                                    | 0  | MIX               |   |
| 7337   | Catcote School - Increase Capacity for pupils with ASD         | 49                   | 1                                   | 48                                  | 0                                       | 49                                    | 0  | GRANT             | Scheme on hold until further review.  |
| 8221   | Chancellors 'Little Extras'                                    | 222                  | 13                                  | 209                                 | 0                                       | 222                                   | 0  | GRANT             | Funding is allocated to schools, expect to spend full budget amount by year end.  |
| 8072 & 8218  | Children's Centres General                                     | 42                   | 0                                   | 42                                  | 0                                       | 42                                    | 0  | MIX               |   |
| 7387   | Clavering KS2 Remodelling and Hall Expansion                   | 192                  | 7                                   | 154                                 | 0                                       | 161                                   | (31)                                     | GRANT             | Expected project underspend - funding to be returned to Schools General Basic Needs unallocated.  |
| 7384   | Devolved Schools Capital                                       | 265                  | 0                                   | 265                                 | 0                                       | 265                                   | 0  | GRANT             | Funding is allocated to schools, expect to spend full budget amount by year end.  |
| 9027   | English Martyrs - New Build                                    | 155                  | 0                                   | 155                                 | 0                                       | 155                                   | 0  | GRANT             | Scheme on site  |
| 8005   | Golden Flatts Primary School - Boundary Wall                   | 40                   | 0                                   | 40                                  | 0                                       | 40                                    | 0  | GRANT             | Work to commence on site in September or October.   |
| 8018   | Golden Flatts Primary School - Heating Pipework (Phase 1 of 3) | 40                   | 5                                   | 42                                  | 0                                       | 47                                    | 7  | GRANT             | Scheme has started on site, overspend to be funded from Schools General Conditions unallocated.   |
| 9031   | Grange Primary School - Roof Replacement                       | 45                   | 2                                   | 21                                  | 0                                       | 23                                    | (22)                                     | GRANT             | Scheme reduced following detailed investigation. Underspend to be re-allocated back to Schools General Conditions unallocated.  |
| 7335   | Hart - Emergency Wall  | 112                  | 4                                   | 108                                 | 0                                       | 112                                   | 0  | GRANT             |   |
| 7332   | Healthy Pupils Capital Fund                                    | 6                    | 2                                   | 4                                   | 0                                       | 6                                     | 0  | GRANT             | Funding is allocated to schools, expect to spend full budget amount by year end.  |
| 7412   | High Tunstall - FF&E   | 90                   | 19                                  | 71                                  | 0                                       | 90                                    | 0  | GRANT             |   |
| 7396   | High Tunstall - Roofing D Block                                | 6                    | 6                                   | 0                                   | 0                                       | 6                                     | 0  | GRANT             | Scheme Complete   |
| 7435   | High Tunstall 'D' Block - Boiler Plant Renewal                 | 85                   | 0                                   | 88                                  | 0                                       | 88                                    | 3  | GRANT             | Project is on site, forecast cost £88k, overspend to be funded from Schools General Conditions unallocated.   |
| 7411   | High Tunstall Eco Centre                                       | 20                   | 20                                  | 0                                   | 0                                       | 20                                    | 0  | GRANT             |   |
| 9028   | High Tunstall New Build  | 461                  | 0                                   | 461                                 | 0                                       | 461                                   | 0  | GRANT             | New Build Scheme  |
| 7356   | High Tunstall New Build (School Led)                           | 396                  | 22                                  | 374                                 | 0                                       | 396                                   | 0  | RCCO              | School Led Scheme   |
|  | Kingsley Primary School - Roof Replacement                     | 43                   | 0                                   | 0                                   | 0                                       | 0                                     | (43)                                     | GRANT             | Scheme cancelled following site investigation as roof in better condition than anticipated. Budget underspend to be returned to Schools General Conditions unallocated. |
|  | Lynnfield Primary School - Floor Renewal                       | 18                   | 0                                   | 0                                   | 0                                       | 0                                     | (18)                                     | GRANT             | School confirmed that work is no longer required. Budget underspend to be returned to Schools General Conditions unallocated.   |
| 7984   | Lynnfield Primary School - Roof Replacement                    | 70                   | 9                                   | 68                                  | 0                                       | 77                                    | 7  | GRANT             | Overspend to be funded from Schools General Conditions unallocated.   |
| 8006   | Lynnfield Primary School - Window Replacement                  | 30                   | 0                                   | 30                                  | 0                                       | 30                                    | 0  | GRANT             | Awaiting completion of roofing works to determine extent of workscope before submitting for pricing.  |
| 8017   | Pupil Referral Unit - Electrical Rewire (Phase 1 of 2)         | 60                   | 7                                   | 55                                  | 0                                       | 62                                    | 2  | GRANT             | Scheme to be completed during school summer holidays, overspend to be funding from Schools General Conditions unallocated.  |
| 9031   | Pupil Referral Unit - Roof Replacement (Phase 1 of 3)          | 50                   | 5                                   | 50                                  | 0                                       | 55                                    | 5  | MIX               | Scheme to be completed during school summer holidays, overspend to be funding from Schools General Conditions unallocated.  |
| 8906   | Pupil Referral Unit - Window Replacement (Phase 2 of 3)        | 20                   | 2                                   | 18                                  | 0                                       | 20                                    | 0  | GRANT             | Scheme to be completed during school summer holidays  |
| 8906   | Rift House - Childrens Centre Windows Replacement              | 31                   | 4                                   | 29                                  | 0                                       | 33                                    | 2  | GRANT             | Scheme to be completed end of August 2019. Overspend to be funded from Schools General Conditions unallocated.  |
| 8891   | Rift House - Classroom Extension                               | 118                  | 0                                   | 118                                 | 0                                       | 118                                   | 0  | RCCO              | Project not complete as awaiting costs for groundworks.   |
| 8360   | Rift House - Language Lab                                      | 28                   | 0                                   | 28                                  | 0                                       | 28                                    | 0  | RCCO              |   |
| 7177   | Rift House Fire Damage   | 419                  | 225                                 | 194                                 | 0                                       | 419                                   | 0  | INSURANCE         |   |
| 8985   | Rift House School - Heating Pipework (Phase 2 of 2)            | 20                   | 25                                  | 2                                   | 0                                       | 27                                    | 7  | GRANT             | Scheme overspend to be funded from Schools General Conditions Unallocated.  |
| 7402   | Rossmere - Purchase of Minibus                                 | 40                   | 30                                  | 10                                  | 0                                       | 40                                    | 0  | GRANT             | This is a school led capital scheme.  |
| 8984   | Rossmere School - Electrical Rewire (Phase 1 of 5)             | 4                    | 4                                   | 0                                   | 0                                       | 4                                     | 0  | GRANT             |   |
| 7980   | Rossmere Primary School - Electrical Rewire (Phase 2 of 5)     | 70                   | 9                                   | 76                                  | 0                                       | 85                                    | 15                                       | GRANT             | Scheme to start on site in October half term, increased costs will be funded from Schools General Conditions unallocated.   |
| 8906   | Rossmere- Window Replacement                                   | 7                    | 7                                   | 0                                   | 0                                       | 7                                     | 0  | GRANT             |   |
| 7142   | Schools General - Fire Safety Modifications (Conditions)       | 91                   | 0                                   | 91                                  | 0                                       | 91                                    | 0  | GRANT             |   |
| 7397   | Springwell - Mechanical Air Handling Units                     | 4                    | 4                                   | 0                                   | 0                                       | 4                                     | 0  | GRANT             |   |
| 7432   | Springwell - SEMH and ASD Provision                            | 7                    | 7                                   | 0                                   | 0                                       | 7                                     | 0  | GRANT             |   |
| 7974   | Springwell School - Roof Replacement (Phase 1 of 2)            | 37                   | 4                                   | 37                                  | 0                                       | 41                                    | 4  | GRANT             | Overspend to be funded from Schools General Conditions unallocated.   |
| 9032   | St Helen's Primary School - Boiler Plant Renewal               | 85                   | 26                                  | 46                                  | 0                                       | 72                                    | (13)                                     | GRANT             | Project complete, underspend to be returned to Schools General Conditions unallocated.  |
| 7975   | Throston Primary School - Roof Replacement (Phase 3 of 3)      | 45                   | 6                                   | 46                                  | 0                                       | 52                                    | 7  | GRANT             | Overspend to be funded from Schools General Conditions unallocated.   |
| 8971   | Throston School - Fan Convactor Renewal (Phase 2 of 3)         | 16                   | 14                                  | 2                                   | 0                                       | 16                                    | 0  | MIX               | Scheme complete   |
| 8653   | West View - Early Years Foundation Stage Improvements          | 3                    | 3                                   | 0                                   | 0                                       | 3                                     | 0  | RCCO              |   |
| 7358   | CECA Additional Toilet   | 12                   | 2                                   | 10                                  | 0                                       | 12                                    | 0  | GRANT             |   |
| 7355   | CECA IT Infrastructure and Technology                          | 72                   | 1                                   | 51                                  | 20                                      | 72                                    | 0  | GRANT             |   |
| 7521   | Two Year Old FNE Capacity Funding                              | 23                   | 0                                   | 23                                  | 0                                       | 23                                    | 0  | GRANT             |   |
| 8788   | Universal Free School Meals                                    | 20                   | 0                                   | 20                                  | 0                                       | 20                                    | 0  | GRANT             |   |
| 9004   | Schools General - Basic Need                                   | 1,554                | 0                                   | 1,595                               | 0                                       | 1,595                                 | 41                                       | GRANT             |   |
| 9004   | Schools General - Conditions unallocated                       | 120                  | 0                                   | 147                                 | 0                                       | 147                                   | 27                                       | MIX               |   |
| 9004   | Schools General - Contingency                                  | 70                   | 0                                   | 70                                  | 0                                       | 70                                    | 0  | GRANT             |   |
| 9004   | Schools General - Special Provision unallocated                | 292                  | 0                                   | 292                                 | 0                                       | 292                                   | 0  | GRANT             |   |
| 9004   | Schools General - Suitability Unallocated (SEMH)               | 798                  | 0                                   | 798                                 | 0                                       | 798                                   | 0  | RCCO              |   |
| <b>Total Children's and Joint Commissioning Services</b> |  | <b>6,614</b>         | <b>495</b>                          | <b>6,099</b>                        | <b>20</b>                               | <b>6,614</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                           |

**REGENERATION & NEIGHBOURHOOD SERVICES**
**7.1 APPENDIX I**
**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<br>£'000 | 2019/20 Actual<br>as at 31/07/19<br>£'000 | 2019/20 Expenditure<br>Remaining<br>£'000 | Expenditure<br>Rephased<br>into 2020/21<br>£'000 | (B+C)<br>2019/20<br>Total<br>Expenditure<br>£'000 | (D-A)<br>2019/20<br>Variance<br>from Budget<br>£'000 |                   |  |
| Finance & Policy Committee |  |                         |   |   |  |   |  |                   |  |
| 8306                       | School Catering Equipment  | 469                     | 15  | 85  | 369  | 469   | 0  | RCCO              | Amounts set aside for replacement of major items.  |
|                            | Finance & Policy Committee Sub Total                                     | 469                     | 15  | 85  | 369  | 469   | 0  |                   |  |
| Regeneration 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. Details are set out in Appendix L  |
| 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 Committee Sub Total   | 8,344                   | 2,294                                     | 3,211                                     | 2,839  | 8,344   | 0  |                   |  |
| 7272                       | Wheelie Bin Purchases  | 100                     | 35  | 65  | 0  | 100   | 0  | UDPB              | Annual budget for purchase of new and replacement bins.  |
| 7333                       | Seaton - Additional Car Parking  | 571                     | 2   | 569                                       | 0  | 571   | 0  | UDPB              | Scheme to create 350 new parking spaces approved by Council 25th October, 2018   |
| 7466                       | DSO Vehicle Purchases  | 3,949                   | 329                                       | 3,441                                     | 179  | 3,949   | 0  | UDPB              | At this stage it expected that all of the outstanding 2018/19 vehicle purchases and most of the current years replacement programme will be delivered and can be met from the existing budget.                 |
| 8993                       | Garage Wash-off Facility   | 101                     | 0   | 101                                       | 0  | 101   | 0  | MIX               | Expected to be completed in year.  |
| 7878                       | Community Safety CCTV Upgrade/Relocation                                 | 46                      | 0   | 46  | 0  | 46  | 0  | MIX               | Expected to be completed in year.  |
| CR                         | Crematorium Chapel refurbishment   | 404                     | 0   | 0   | 404  | 404   | 0  | RCCO              | A report setting out proposals will be presented to members later in the year.   |
| Allot                      | Allotments Improvements  | 209                     | 0   | 8   | 201  | 209   | 0  | UDPB              | A new programme of works was approved by the Neighbourhoods Committee in June 2018.  |
| LTP                        | Local Transport Plan (LTP) Schemes                                       | 2,869                   | 417                                       | 2,310                                     | 142  | 2,869   | 0  | GRANT             | Consists of various Highways & Traffic schemes. The rephased may vary owing to the timing of expenditure which can be subject to unforeseen delays/design /consultation and weather conditions.                |
| 9026                       | TVCA - Eastern Crossing Feasibility                                      | 116                     | 98  | 18  | 0  | 116   | 0  | GRANT             | Scheme study nearing completion.   |
| 7900                       | EA - Hartlepool Marina - North Pier Study                                | 30                      | 0   | 30  | 0  | 30  | 0  | GRANT             | Anticipated study completion in 19/20.   |
| 7902                       | EA - Hartlepool Drainage Schemes   | 36                      | 0   | 36  | 0  | 36  | 0  | GRANT             | On site Flood defence works.   |
| 8958                       | A19, Grade Separated Junction, Elwick Bypass and Hartlepool Western Link | 18,506                  | 35  | 1,965                                     | 16,506   | 18,506  | 0  | UDPB              | Design work is progressing and tender for gap closures has been awarded. The rephased budget reflects the profile of the scheme which will span multiple years.  |
| 8444                       | Coast Protection - Town Wall Strengthening                               | 42                      | 1   | 0   | 41   | 42  | 0  | GRANT             | Scheme complete, however there is an ongoing legal dispute. When resolved a request will be made to the Environment Agency to transfer the balance to another Environmental Agency scheme of a similar nature. |
| 8578                       | Coast Protection - South Management Unit Study                           | 28                      | 0   | 28  | 0  | 28  | 0  | GRANT             | Ongoing study that will lead to an options appraisal to be taken to committee. Anticipated completion in 2019/20   |

**REGENERATION & NEIGHBOURHOOD SERVICES**
**7.1 APPENDIX I**
**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<br>£'000 | 2019/20 Actual<br>as at 31/07/19<br>£'000 | 2019/20 Expenditure<br>Remaining<br>£'000 | Expenditure<br>Rephased<br>into 2020/21<br>£'000 | (B+C)<br>2019/20<br>Total<br>Expenditure<br>£'000 | (D-A)<br>2019/20<br>Variance<br>from Budget<br>£'000 |                   |  |
| 8997                                | Neighbourhood Investment Fund Unallocated       | 294                     | 0   | 0   | 294  | 294   | 0  | UDPB              | This is the remaining balance on the Neighbourhood Investment Fund to be allocated to schemes following future approval by Members.<br>A report providing an update on the details of this budget was presented to Finance and Policy Committee on 22nd July 2019. |
| 7339                                | Seaton Park Tennis Courts                       | 174                     | 2   | 172                                       | 0  | 174   | 0  | MIX               |  |
| HIFP                                | Additional Highway Schemes HIFP                 | 1,949                   | 401                                       | 1,249                                     | 299  | 1,949   | 0  | MIX               |  |
| 7246                                | NIP - Rossemere Park                            | 281                     | 113                                       | 168                                       | 0  | 281   | 0  | GRANT             |  |
| 7340                                | NIP - Owton Manor Belly Bins                    | 0                       | 0   | 0   | 0  | 0   | 0  | MIX               |  |
| 7343                                | NIP - Memorial Wood                             | 7                       | 0   | 7   | 0  | 7   | 0  | UDPB              |  |
| 7344                                | NIP - Hindpool Close Play Area                  | 40                      | 0   | 40  | 0  | 40  | 0  | UDPB              |  |
| 7347                                | NIP - CCTV in Parks                             | 399                     | 6   | 393                                       | 0  | 399   | 0  | GRANT             |  |
| 8977                                | NIP - King Oswy Drive                           | 33                      | 33  | 0   | 0  | 33  | 0  | UDPB              |  |
| 8288                                | NIP - Stranton Cemetery Barrier                 | 0                       | 0   | 0   | 0  | 0   | 0  | UDPB              |  |
| 8994                                | NIP - BIS Paving                                | 15                      | 5   | 10  | 0  | 15  | 0  | UDPB              |  |
| 8292                                | NIP - Headland                                  | 112                     | 44  | 68  | 0  | 112   | 0  | UDPB              |  |
| 8996                                | NIP - Roundabouts at Key Gateways               | 3                       | 2   | 1   | 0  | 3   | 0  | UDPB              |  |
| NIP - SG                            | NIP - Spencer Grove                             | 6                       | 0   | 6   | 0  | 6   | 0  | UDPB              |  |
| NIP - SCCP                          | NIP - Stranton Cemetery Car Park                | 50                      | 0   | 50  | 0  | 50  | 0  | UDPB              |  |
| NIP - OSCP                          | NIP - Off street Car Parking Balmoral Rd        | 25                      | 0   | 25  | 0  | 25  | 0  | UDPB              |  |
| NIP - IP                            | NIP - Improvements to Parks                     | 200                     | 0   | 200                                       | 0  | 200   | 0  | UDPB              |  |
| NIP - CE                            | NIP - Cleaning Equipment                        | 34                      | 0   | 34  | 0  | 34  | 0  | UDPB              |  |
| NIP - SF                            | NIP - Play Equipment Replacement (Sinking Fund) | 50                      | 0   | 50  | 0  | 50  | 0  | UDPB              |  |
| PLAY                                | Parks & Playgrounds                             | 77                      | 1   | 38  | 38   | 77  | 0  | GRANT             |  |
| TVCA                                | TVCA Cycleways and Footpath Upgrades            | 255                     | 128                                       | 82  | 0  | 210   | (45)   | GRANT             |  |
| Neighbourhoods Committee Sub Total  |   | 31,011                  | 1,652                                     | 11,210                                    | 18,104   | 30,966  | (45)   |                   |  |
| Regeneration & Neighbourhoods Total |   | 39,824                  | 3,961                                     | 14,506                                    | 21,312   | 39,779  | (45)   |                   |  |

|            |  |  |
|------------|--|--|
| <b>Key</b> |  |  |
| RCCO       | Revenue Contribution towards Capital       | GRANT Grant Funded                                 |
| MIX        | Combination of Funding Types               | CAP REC Capital Receipt                            |
| UCPB       | Unsupported Corporate Prudential Borrowing | UDPB Unsupported Departmental Prudential Borrowing |
| SCE        | Supported Capital Expenditure (Revenue)    | CORP Corporate Resources                           |

## CHIEF EXECUTIVES

## 7.1 APPENDIX J

### CAPITAL MONITORING REPORT PERIOD ENDING 31st JULY 2019

| Project Code | Scheme Title                  | BUDGET                  | EXPENDITURE                               |   |  |   |  | Type of Financing | 2019/20 COMMENTS |
|--------------|-------------------------------|-------------------------|---|---|--|---|--|-------------------|------------------|
|              |                               | A                       | B   | C   | C  | D   | E  |                   |                  |
|              |                               | 2019/20 Budget<br>£'000 | 2019/20 Actual<br>as at 31/07/19<br>£'000 | 2019/20 Expenditure<br>Remaining<br>£'000 | Expenditure<br>Rephased<br>into 2020/21<br>£'000 | (B+C)<br>2019/20<br>Total<br>Expenditure<br>£'000 | (D-A)<br>2019/20<br>Variance<br>from Budget<br>£'000 |                   |                  |
| 7260         | City Challenge Clawback       | 9                       | 0   | 9   | 0  | 9   | 0  | RCCO              |                  |
| 7623         | Corporate IT Projects         | 12                      | 0   | 12  | 0  | 12  | 0  | MIX               |                  |
|              | 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>130</b>              | <b>0</b>                                  | <b>130</b>                                | <b>0</b>   | <b>130</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

## CORPORATE

## 7.1 APPENDIX K

## CAPITAL MONITORING REPORT PERIOD ENDING 31st JULY 2019

| Project Code                     | Scheme Title  | BUDGET                  | EXPENDITURE IN CURRENT YEAR               |   |  |   |  | Type of Financing | 2019/20 COMMENTS                             |
|----------------------------------|---|-------------------------|---|---|--|---|--|-------------------|--|
|                                  |   | A                       | B   | C   | D  | E   | F  |                   |  |
|                                  |   | 2019/20 Budget<br>£'000 | 2019/20 Actual<br>as at 31/07/19<br>£'000 | 2019/20 Expenditure<br>Remaining<br>£'000 | Expenditure<br>Rephased<br>into 2020/21<br>£'000 | (B+C+D)<br>2019/20<br>Total<br>Expenditure<br>£'000 | (E-A)<br>2018/19<br>Variance<br>from Budget<br>£'000 |                   |  |
| 7033                             | Borough Hall Ext masonry/window mullions              | 55                      | 0   | 55  | 0  | 55  | 0  | MIX               | Scheme ongoing.                              |
| New                              | Borough Hall Major Refurbishment Works                | 126                     | 0   | 126                                       | 0  | 126   | 0  | MIX               | Specification to be agreed.                  |
| 7035                             | Town Hall - Renew Boilers                             | 83                      | 0   | 83  | 0  | 83  | 0  | MIX               | Scheme ongoing.                              |
| 7036                             | CCF Unallocated                                       | 4                       | 0   | 4   | 0  | 4   | 0  | GRANT             |  |
| 7041                             | CPM Unallocated                                       | 145                     | 0   | 145                                       | 0  | 145   | 0  | MIX               |  |
| 7053                             | BEMS System   | 2                       | 2   | 0   | 0  | 2   | 0  | CAP REC           | Scheme complete.                             |
| 7055                             | Town Hall - Fire Alarm Upgrade                        | 38                      | 20  | 18  | 0  | 38  | 0  | GRANT             | Scheme ongoing.                              |
| 7058                             | Town Hall - Power Cabling Upgrade                     | 28                      | 11  | 17  | 0  | 28  | 0  | MIX               | Scheme ongoing.                              |
| 7065                             | Fire Risk Assessments                                 | 100                     | 0   | 100                                       | 0  | 100   | 0  | MIX               | Scheme ongoing.                              |
| 7072                             | Seaton DDA toilet                                     | 37                      | 0   | 37  | 0  | 37  | 0  | MIX               | Scheme on hold.                              |
| 7075                             | Mill House Replace Dosing System, Pool Pump           | 19                      | 0   | 19  | 0  | 19  | 0  | MIX               | Preliminary works ongoing.                   |
| 7200                             | Civic Centre Capital Maintenance Project              | 75                      | 0   | 75  | 0  | 75  | 0  | MIX               | Scheme ongoing.                              |
| 7233                             | Civic Centre Replace Main Lifts                       | 174                     | 0   | 174                                       | 0  | 174   | 0  | UDPB              | Tenders received. Scheme to commence soon.   |
| 7336                             | Borough Hall Upgrade furniture, fixtures              | 56                      | 0   | 56  | 0  | 56  | 0  | UDPB              | Scheme ongoing.                              |
| 7410                             | Bevan House-Lighting Upgrade                          | 22                      | 0   | 22  | 0  | 22  | 0  | UDPB              | Scheme ongoing.                              |
| 7415                             | Bevan House Replace Boiler Plant                      | 77                      | 0   | 77  | 0  | 77  | 0  | MIX               | Scheme ongoing.                              |
| 7416                             | Seaton Remediation Works                              | 112                     | 0   | 112                                       | 0  | 112   | 0  | MIX               | Scheme ongoing.                              |
| 7417                             | Seaton Carew Library - Fire Alarm Upgrade             | 9                       | 0   | 9   | 0  | 9   | 0  | RCCO              | Scheme ongoing.                              |
| 7472                             | Victory Square Improvement                            | 7                       | 0   | 7   | 0  | 7   | 0  | UDPB              | Scheme ongoing.                              |
| 7473                             | Victory Square Conservation Work                      | 55                      | 7   | 48  | 0  | 55  | 0  | GRANT             | Scheme ongoing.                              |
| 7503                             | Carnegie - Boiler Replacement                         | 14                      | 10  | 4   | 0  | 14  | 0  | GRANT             | Scheme ongoing.                              |
| 7503                             | CETL - Boiler Replacement                             | 7                       | 7   | 0   | 0  | 7   | 0  | GRANT             | Scheme complete. Final Account to be agreed. |
| 7505                             | Carnegie - Roof & Internal Works                      | 11                      | 0   | 11  | 0  | 11  | 0  | GRANT             | Scheme ongoing.                              |
| 7589                             | CETL - Replace Heating Control                        | 11                      | 8   | 3   | 0  | 11  | 0  | UDPB              | Scheme ongoing.                              |
| 7617                             | Borough Hall - Lighting & Wiring                      | 40                      | 0   | 40  | 0  | 40  | 0  | MIX               | Scheme ongoing.                              |
| 7845                             | Owton Manor Community Centre Replace Roof Block A     | 214                     | 0   | 214                                       | 0  | 214   | 0  | GRANT             | Scheme ongoing.                              |
| 7889                             | Borough Hall - Roof Repair                            | 319                     | 190                                       | 129                                       | 0  | 319   | 0  | MIX               | Scheme ongoing.                              |
| 8061                             | CETL Roof Replacement                                 | 10                      | 1   | 9   | 0  | 10  | 0  | UDPB              | Scheme ongoing.                              |
| 8064                             | Exmoor Grove Electrical Distribution Upgrade          | 11                      | 0   | 11  | 0  | 11  | 0  | UDPB              | Scheme ongoing.                              |
| 8386                             | Tofts Farm Depot - Lighting Upgrade                   | 3                       | 0   | 3   | 0  | 3   | 0  | UDPB              | Scheme ongoing.                              |
| 8776                             | Town Hall - Replace Stage Lighting                    | 2                       | 0   | 2   | 0  | 2   | 0  | UDPB              | Scheme ongoing.                              |
| 8866                             | Rossmere Youth Centre - Roof Replacement              | 30                      | 0   | 30  | 0  | 30  | 0  | GRANT             | Scheme ongoing.                              |
| 8867                             | Borough Hall Structural Works-External Wall           | 60                      | 0   | 60  | 0  | 60  | 0  | MIX               | Scheme ongoing.                              |
| 8893                             | Town Hall - Lighting & Distribution Board Replacement | 15                      | 14  | 1   | 0  | 15  | 0  | CORP              | Scheme ongoing.                              |
| 8959                             | Council Chamber Refurbishment                         | 10                      | 0   | 10  | 0  | 10  | 0  | RCCO              | Scheme ongoing.                              |
| 8970                             | Historic Quay Delapidation Work                       | 174                     | 15  | 159                                       | 0  | 174   | 0  | CORP              | Scheme ongoing.                              |
| 9029                             | Tofts Farm Depot Security Upgrade                     | 63                      | 7   | 56  | 0  | 63  | 0  | RCCO              | Scheme ongoing.                              |
| 9030                             | Tofts Farm Depot Replace Fire Alarm                   | 33                      | 26  | 7   | 0  | 33  | 0  | RCCO              | Scheme ongoing.                              |
| NEW                              | Mill House Feasibility Study                          | 175                     | 0   | 175                                       | 0  | 175   | 0  | MIX               | Scheme ongoing. Agreed 22.07.2019            |
| 7506                             | Christ Church - Stonemasonry Works                    | 245                     | 34  | 211                                       | 0  | 245   | 0  | MIX               | Scheme ongoing                               |
| Finance & Policy Committee Total |   | 2,671                   | 352                                       | 2,319                                     | 0  | 2,671   | 0  |                   |  |

## 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 31st July, 2019**

7.1 Appendix L

|  | Affordable Housing Contributions *****<br>£000 | Cycleway<br>£000 | Bus Stop<br>£000 | Green Infrastructure<br>£000 | Maintenance<br>£000 | Play<br>£000 | Off Site Recreational **<br>£000 | Public Art<br>£000 | Sports<br>£000 | Ecological Mitigation *****<br>£000 | Traffic Calming<br>£000 | Education<br>£000 | Restoration - Security Bond ***<br>£000 | Interest<br>£000 | Other Service Areas Total<br>£000 |
|--|--|------------------|------------------|------------------------------|---------------------|--------------|----------------------------------|--------------------|----------------|-------------------------------------|-------------------------|-------------------|---|------------------|-----------------------------------|
| Balance (A) 1st April, 2019 *                      | 1,666  | 90               | 15               | 143                          | 35                  | 99           | 61                               | 5                  | 106            | 71                                  | 15                      | 254               | 100                                     | 2                | 996                               |
| <b>Amounts Received in Year 19/20 (B)</b>          |  |                  |                  |                              |                     |              |                                  |                    |                |                                     |                         |                   |   |                  |                                   |
| Persimmon - Mayfair 0                              |  |                  |                  | 5                            |                     | 5            |                                  |                    | 5              |                                     |                         | 62                |   |                  | 77                                |
| Dere Street - Wynyard Woods 0                      |  |                  |                  |                              |                     |              |                                  |                    | 20             |                                     |                         |                   |   |                  | 20                                |
| Wynyard Park - Meadow Cottage 10                   |  |                  |                  |                              |                     |              |                                  |                    |                |                                     |                         |                   |   |                  | 0                                 |
| Wynyard Park - Manorside 65                        |  |                  |                  |                              |                     |              |                                  |                    |                |                                     |                         |                   |   |                  | 0                                 |
| Parry - Hutton Avenue 0                            |  |                  |                  | 3                            |                     | 3            |                                  |                    |                |                                     |                         |                   |   |                  | 6                                 |
| <b>75</b>  |  | <b>0</b>         | <b>0</b>         | <b>8</b>                     | <b>0</b>            | <b>8</b>     | <b>0</b>                         | <b>0</b>           | <b>25</b>      | <b>0</b>                            | <b>0</b>                | <b>62</b>         | <b>0</b>                                | <b>0</b>         | <b>103</b>                        |
| <b>Expenditure Incurred in 2019/20 (C)</b>         |  |                  |                  |                              |                     |              |                                  |                    |                |                                     |                         |                   |   |                  |                                   |
| Council Housing 873                                |  | 0                | 0                | 0                            | 0                   | 0            | 0                                | 0                  | 0              | 0                                   | 0                       | 0                 | 0                                       | 0                | 0                                 |
| <b>Total Expenditure 873</b>                       |  | <b>0</b>         | <b>0</b>         | <b>0</b>                     | <b>0</b>            | <b>0</b>     | <b>0</b>                         | <b>0</b>           | <b>0</b>       | <b>0</b>                            | <b>0</b>                | <b>0</b>          | <b>0</b>                                | <b>0</b>         | <b>0</b>                          |
|  |  |                  |                  |                              |                     |              |                                  |                    |                |                                     |                         |                   |   |                  |                                   |
| <b>Balance Remaining (A+B-C) 31st July, 2019 *</b> | <b>868</b>                                     | <b>90</b>        | <b>15</b>        | <b>151</b>                   | <b>35</b>           | <b>107</b>   | <b>61</b>                        | <b>5</b>           | <b>131</b>     | <b>71</b>                           | <b>15</b>               | <b>316</b>        | <b>100</b>                              | <b>2</b>         | <b>1,099</b>                      |

\*Balances relate to amounts received and earmarked for purposes specified in developer agreements, but not yet transferred to a budget/scheme. However further expenditure is in the process of being planned and committed.

\*\* 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.

\*\*\*\*\* This includes £27k for 'Dog Control orders' however if the measures are not needed then the funds are repayable.



# FINANCE AND POLICY COMMITTEE

30 September 2019



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

**Subject:** CORPORATE PROCUREMENT QUARTERLY  
REPORT ON CONTRACTS

## 1. TYPE OF DECISION/APPLICABLE CATEGORY

1.1 For information only.

## 2. PURPOSE OF REPORT

2.1 To satisfy the requirements of the Council's Contract Procedure Rules with regard to the Finance and Policy Committee:

- Receiving and examining quarterly reports on the outcome of contract letting procedures including those where the lowest/highest price is not payable/receivable.
- Receiving and examining reports on any exemptions granted in respect of the Council's Contract Procedure Rules.

## 3. BACKGROUND

3.1 The Council's Contract Procedure Rules require that the following information be presented to the Finance and Policy Committee on a quarterly basis:

| Section of Contract Procedure Rules |                        | Information to be reported             |
|-------------------------------------|------------------------|--|
| Introduction                        | Para 8 iii & Para 8 vi | Outcome of contract letting procedures |
| Part G                              | Para 12 v              |  |

|                        |                        |  |
|------------------------|------------------------|--|
| Introduction<br>Part B | Para 8 iii<br>Para 3 v | Basis of award decision if not<br>lowest/highest price payable/receivable      |
| Introduction           | Para 8 vi              | Contract Name and Reference Number   |
| Part G                 | Para 12 v              |  |
| Introduction           | Para 8 vi              | Description of Goods/Services being<br>procured                                |
| Part G                 | Para 12 v              |  |
| Introduction           | Para 8 vi              | Department/Service area procuring the<br>goods/services                        |
| Part G                 | Para 12 v              |  |
| Introduction           | Para 8 vi              | Prices (separate to Bidders details to<br>preserve commercial confidentiality) |
| Part G                 | Para 12 v              |  |
| Part G                 | Para 12 v              | Details of Bidders   |

- 3.2 In addition to tender related information, details of exemptions granted to the Contract Procedure Rules are also reportable quarterly.

#### 4. INFORMATION FOR REVIEW

##### 4.1 Tender information

**Appendix A** details the required information for each procurement tender awarded since the last quarterly report.

##### 4.2 Exemption information

**Appendix B** provides details of the required information in relation to Contract Procedure Rules exemptions granted since the last Corporate Procurement Quarterly Report on Contracts.

##### 4.3 Commercial / Confidential information

**Appendix C** includes the commercial information in respect of the tenders received and any confidential information relating to Contract Procedure Rule exemptions or contract extensions.

**This item contains exempt information under Schedule 12A Local Government Act 1972 (as amended by the Local Government (Access to Information) (Variation) Order 2006) namely, Appendix C.**

**5. RISK IMPLICATIONS**

- 5.1 This report is for information only. There are no risk implications attached to this report.

**6. FINANCIAL CONSIDERATIONS**

- 6.1 This report is for information only. There are no financial considerations attached to this report.

**7. LEGAL CONSIDERATIONS**

- 7.1 This report is for information only. There are no legal considerations attached to this report.

**8. CONSULTATION**

- 8.1 No consultation required. Report for information only.

**9. CHILD AND FAMILY POVERTY**

- 9.1 This report is for information only. There are no child and family poverty implications attached to this report.

**10. EQUALITY AND DIVERSITY CONSIDERATIONS**

- 10.1 This report is for information only. There are no equality and diversity considerations attached to this report.

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

- 11.1 This report is for information only. There are no Section 17 considerations attached to this report.

**12. STAFF CONSIDERATIONS**

- 12.1 This report is for information only. There are no staff considerations attached to this report.

**13. ASSET MANAGEMENT CONSIDERATIONS**

- 13.1 This report is for information only. There are no asset management considerations attached to this report.

**14. RECOMMENDATIONS**

- 14.1 That the Committee note and comment on the contents of the report,

**15. REASONS FOR RECOMMENDATIONS**

- 15.1 The Committee is required to review the information supplied to ensure that monitoring in the award of contracts is carried out and evidenced.

**16. BACKGROUND PAPERS**

- 16.1 There are no background papers.

**17. CONTACT OFFICER**

- 17.1 Chris Little  
Director of Finance and Policy  
Civic Centre  
Victoria Road  
Hartlepool  
TS24 8AY  
Email [chris.little@hartlepool.gov.uk](mailto:chris.little@hartlepool.gov.uk)  
Tel: 01429 523003

Sign Off:-

|                                |                                     |
|--------------------------------|-------------------------------------|
| Chief Executive                | <input checked="" type="checkbox"/> |
| Director of Policy and Finance | <input checked="" type="checkbox"/> |
| Chief Solicitor                | <input checked="" type="checkbox"/> |

## Tender Information

| Date of Contract Award | Contract Name and Reference Number               | Description of Goods / Services being procured  | Duration of Contract (optional extensions in brackets) | Department / Service area procuring the goods / services | Details of Companies invited including location   | Details of Bids received  | Basis of award decision if not lowest/highest price payable / receivable | Outcome of contract letting procedures                       | Previous Provider / Location |
|------------------------|--|---|--|--|---|---|--|--|------------------------------|
| 17 07 19               | Throston Primary School - Roof Works<br>DN417705 | The contract is for an overlay system to the high level roof and tank house roof to Throston Primary School, Hartlepool                   | 4 weeks  | R&N  | 5 companies were invited to quote for the work:<br><br>Barclay Roofing Ltd Stockton.<br><br>Bryan Crisp & sons Cramlington<br><br>Dufell Roofing co Ltd Darlington<br><br>Hodgson Sayer Ltd Stanley County Durham<br><br>ORS Contracting Ltd t/a O'Connor Roofing Services Hartlepool | Barclay Roofing Ltd Stockton.<br><br>Bryan Crisp & sons Cramlington<br><br>Dufell Roofing co Ltd Darlington<br><br>ORS Contracting Ltd t/a O'Connor Roofing Services Hartlepool | 100% Price and passing a Selection Questionnaire                         | ORS Contracting Ltd t/a O'Connor Roofing Services Hartlepool | N/A                          |
| 01 08 19               | A19 Gap Closures<br>DN415503                     | The appointment of a contractor for the installation of road restraint systems signage and road surfacing associated with closing central | 6 weeks  | R&N  | Companies from the Engineers SLC for Highways and the Highways Resurfacing invited to tender:<br><br>Esh Construction   | Esh Construction Bowburn Durham<br><br>Hall Construction Services Ltd   | 75% Price<br>25% Quality   | Seymour Civil Engineering Hartlepool                         | N/A                          |

|          |                                      |  |                                |     |  |  |  |  |     |
|----------|--------------------------------------|--|--------------------------------|-----|--|--|--|--|-----|
|          |                                      | reserve right turns on a Trunk Road  |                                |     | Bowburn Durham<br>Hall Construction Services Ltd<br>Rushyford Durham<br><br>Highways Construction Services Ltd<br>Stockton<br><br>Seymour Civil Engineering<br>Hartlepool<br><br>Tangent Construction Ltd<br>Hartlepool<br><br>Tarmac Trading Ltd<br>Birtley County Durham | Rushyford Durham<br><br>Seymour Civil Engineering<br>Hartlepool<br><br>Tangent Construction Ltd<br>Hartlepool<br><br>Tarmac Trading Ltd<br>Birtley County Durham   |  |  |     |
| 05 08 19 | Independent Critical Friend DN414563 | Hartlepool and Stockton-on-Tess Safeguarding Partnership were looking to establish a select list of suitably qualified and experienced individuals who can offer advice on multi services delivery across the whole safeguarding system in the role of independent critical friend | 4 years (review after 2 years) | C&A | Open Invitation and the following were also invited:<br><br>Adaptus Consulting LLP<br>Cambridge<br><br>Bridget Black<br>Durham<br><br>Cherryl Pharoah Consultancy<br>Durham<br><br>Choices & Voices Care Ltd<br>Stokesley  | Cherryl Pharoah Consultancy<br>Durham<br><br>Choices & Voices Care Ltd<br>Stokesley<br><br>Ian Mitchell<br>Whitley Bay<br><br>Mike Batty Consultancy<br>Moffatt<br><br>MJC Safeguarding Consultancy Ltd<br>Guisborough | 30% Price<br>70% Quality & Passing<br>Selection<br>Questionnaire | Cherryl Pharoah Consultancy<br>Durham<br><br>Choices & Voices Care Ltd<br>Stokesley<br><br>Ian Mitchell<br>Whitley Bay<br><br>Mike Batty Consultancy<br>Moffatt<br><br>MJC Safeguarding Consultancy Ltd<br>Guisborough | N/A |

|  |  |  |  |  |   |                                    |  |                                    |  |
|--|--|--|--|--|---|------------------------------------|--|------------------------------------|--|
|  |  |  |  |  | GD Consulting<br>Northumberland                               | RPC Outcomes<br>Ltd<br>Tyne & Wear |  | RPC Outcomes<br>Ltd<br>Tyne & Wear |  |
|  |  |  |  |  | Ian Mitchell<br>Whitley Bay                                   | Simfinuk<br>Newcastle              |  | Simfinuk<br>Newcastle              |  |
|  |  |  |  |  | Impartial Outcomes<br>Ltd<br>County Durham                    |                                    |  |                                    |  |
|  |  |  |  |  | (Fiona Noone)<br>Independent Social<br>Worker<br>Tyne & Wear  |                                    |  |                                    |  |
|  |  |  |  |  | (David Mason)<br>Inglenook Services<br>Ltd<br>North Yorkshire |                                    |  |                                    |  |
|  |  |  |  |  | Insight Coaching &<br>Consulting<br>Cleveland                 |                                    |  |                                    |  |
|  |  |  |  |  | Jackie James<br>Tyne & Wear                                   |                                    |  |                                    |  |
|  |  |  |  |  | Jeanette Callaghan<br>County Durham                           |                                    |  |                                    |  |
|  |  |  |  |  | Jim Murdoch<br>Tyne & Wear                                    |                                    |  |                                    |  |
|  |  |  |  |  | Johnston & Blockley<br>Ltd<br>Derbyshire                      |                                    |  |                                    |  |
|  |  |  |  |  | Julie Rosling<br>Tyne & Wear                                  |                                    |  |                                    |  |
|  |  |  |  |  | Lesley Sledmore<br>Cleveland                                  |                                    |  |                                    |  |

|  |  |  |  |  |  |  |  |  |  |
|--|--|--|--|--|--|--|--|--|--|
|  |  |  |  |  | <p>Linda McCalmont<br/>North Yorkshire</p> <p>Mike Batty<br/>Consultancy<br/>Moffatt</p> <p>MJC Safeguarding<br/>Consultancy Ltd<br/>Guisborough</p> <p>(Alyson Mackenzie)<br/>Myla Consulting Ltd<br/>North Yorkshire</p> <p>PD Consultants<br/>Cleveland</p> <p>R Corkhill<br/>Consultants<br/>Tyne &amp; Wear</p> <p>RPC Outcomes Ltd<br/>Tyne &amp; Wear</p> <p>Sandra Mitchell<br/>Cleveland</p> <p>Seashell Trust<br/>Cheshire</p> <p>Simfinuk<br/>Newcastle</p> <p>(Lynda Garbutt)<br/>Social Care services<br/>Wolviston</p> <p>Stan Taylorson<br/>Cleveland</p> |  |  |  |  |
|--|--|--|--|--|--|--|--|--|--|



|          |   |   |   |     |   |                                       |   |                                       |                                     |
|----------|---|---|---|-----|---|---------------------------------------|---|---------------------------------------|-------------------------------------|
|          |   |   |   |     | Susan Cawtherley<br>Brotton<br><br>SWIPHT Consultancy<br>County Durham<br><br>Tripod Partners Ltd<br>London<br><br>(Deborah Barnet) T-<br>ASC (Training Advice<br>solutions<br>Consultancy)<br>Durham |                                       |   |                                       |                                     |
| 08 08 19 | JCB Waste<br>Materials<br>Handler<br>DN414731 | 3 Suppliers were<br>invited to bid for a<br>JCB   | One Off<br>Procurement                                      | R&N | TC Harrison JCB<br>Sheffield<br><br>Scot JCB Ltd<br>Glasgow<br><br>Watling JCB Ltd<br>Leicester   | TC Harrison<br>JCB<br>Sheffield       | 100% Price<br>and passing<br>Selection<br>Questionnaire               | TC Harrison<br>JCB<br>Sheffield       | N/A                                 |
| 14 08 19 | Independent<br>Visitor Service<br>DN424081    | 3 suppliers were<br>invited to deliver an<br>Independent visitor<br>service to properly<br>referred children or<br>young people<br>assessed as<br>requiring this<br>service | 3 years<br>plus (1 x<br>12 month<br>potential<br>extension) | C&A | Barnardo's<br>Essex<br><br>Changing Future NE<br>Hartlepool<br><br>National Youth<br>Advocacy Service<br>(NYAS)<br>Merseyside   | Changing Future<br>NE<br>Hartlepool   | 100 % quality<br>and passing<br>Selection<br>Questionnaire            | Changing Future<br>NE<br>Hartlepool   | Changing Future<br>NE<br>Hartlepool |
| 19 08 19 | Rating List<br>Advise<br>DN418276             | 3 companies were<br>invited to bid to<br>audit the accuracy<br>of the historic rates<br>bills and to re-claim<br>any overpayments<br>on the Council's<br>behalf.            | 32 months   | R&N | Avison Young<br>Newcastle<br><br>Lambert Smith<br>Hampton<br>Newcastle<br><br>Sanderson<br>Weatherall Leeds   | Lambert Smith<br>Hampton<br>Newcastle | 50% Price<br>50% Quality<br>and passing<br>Selection<br>Questionnaire | Lambert Smith<br>Hampton<br>Newcastle | N/A                                 |

**Procurements Exempted from Council Contract Procedure Rules****Exemption Information**

| Dept. | Service Unit                       | Company Name                          | Company based at | Duration                | Description  | Approval  |
|-------|------------------------------------|---------------------------------------|------------------|-------------------------|--|---|
| R&N   | Engineering, Design and Management | Seymour Civil Engineering Ltd         | Hartlepool       | 08/07/2019 - 31/10/2019 | Emergency works to protect Christ Church from further erosion and to protect the public from falling debris.   | Approved by Tony Hanson, Hayley Martin, Denise McGuckin, Chris Little on 04.07.2019 |
| R&N   | Building Design and Construction   | Bryan Crisp & Son Specialist Services | Cramlington      | 17/07/19 - 30/07/19     | The works involve the stripping off and replacing the roof covering to Lynnfield Primary School. It will maintain the manufacturers' guarantee of the current roofing system replaced late last year and allow the same contractor to connect together the work previously undertaken and the proposed new scheme. | Approved by Tony Hanson, Hayley Martin, Denise McGuckin, John Morton on 16.07.2019  |
| R&N   | Building Design and Construction   | RNJ Partnership LLP                   | Newcastle        | 22/07/2019 – 30/06/2020 | Consultants to execute the Shades refurbishment programme up to the end of RIBA 4.   | Approved by Tony Hanson, Hayley Martin, Denise McGuckin, John Morton on 18.07.2019  |
| R&N   | Building Design and Construction   | Catherine Woolfit Associates          | Bristol          | 22/07/2019 – 30/06/2020 | Consultants to execute the Shades refurbishment programme up to the end of RIBA 4.   | Approved by Tony Hanson, Hayley Martin, Denise McGuckin, John Morton on 18.07.2019  |
| R&N   | Building Design and Construction   | Historic Property Restoration Ltd     | North Shields    | 22/07/2019 – 30/06/2020 | Consultants to execute the Shades refurbishment programme up to the end of RIBA 4.   | Approved by Tony Hanson, Hayley Martin, Denise McGuckin, John Morton on 18.07.2019  |

**Extension Information**

| Dept. | Service Unit                    | Company Name    | Company based at | Duration            | Description                          | Approval  |
|-------|---------------------------------|-----------------|------------------|---------------------|--------------------------------------|---|
| C&A   | Childrens & Joint Commissioning | Teesside Age Uk | Middlesbrough    | 04/07/19 - 03/09/19 | Extension to the Befriending Service | Approved by Danielle Swainston, Chris Little, Hayley Martin and Jill Harrison on 01.07.2019 |