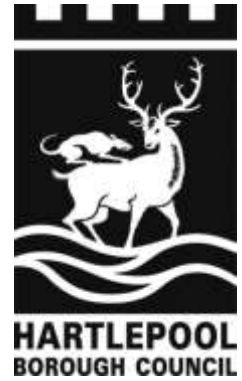


FINANCE AND POLICY COMMITTEE

AGENDA



Monday 9 December, 2019

at 10.00 am

**in the 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 11 November 2019.
- 3.2 To receive the minutes of the meeting of the Safer Hartlepool Partnership held on 11 October 2019.

4. BUDGET AND POLICY FRAMEWORK ITEMS

- 4.1 Local Council Tax Support Scheme 2020/21 – *Director of Finance and Policy*
- 4.2 Medium Term Financial Strategy (MTFS) 2020/21 – 2023/24 – *Director of Finance and Policy*

5. KEY DECISIONS

No items.



6. OTHER ITEMS REQUIRING DECISION

- 6.1 HR Policy Review – Restructure and Redundancy Policy - *Assistant Director, Corporate Services*

7. ITEMS FOR INFORMATION

- 7.1 Council Plan 2017/18 – 2019/20 6 Months Progress Update - *Chief Executive*

8. ANY OTHER BUSINESS WHICH THE CHAIR CONSIDERS URGENT

9. LOCAL GOVERNMENT (ACCESS TO INFORMATION) (VARIATION) ORDER 2006

EXEMPT ITEMS

Under Section 100(A)(4) of the Local Government Act 1972, the press and public be excluded from the meeting for the following items of business on the grounds that it involves 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

10. EXEMPT ITEMS FOR DECISION

- 10.1 Warm Homes Fund Tees Valley Consortium Bid - *Director of Regeneration and Neighbourhoods* (para. 3)

FOR INFORMATION

Future meeting dates –

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

11 NOVEMBER 2019

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

Present:

Councillor Shane Moore (In the Chair)

Councillors: Christopher Akers-Belcher, James Brewer, Jim Lindridge, Sue Little, Ann Marshall, Leisa Smith, John Tennant,

Also Present: Councillor Cameron Stokell as substitute for Councillor Mike Young in accordance with Council Procedure Rule 4.2.

Officers: Gill Alexander, Chief Executive
Hayley Martin, Chief Solicitor
Chris Little, Director of Finance and Policy
Claire McLaren, Assistant Director, Corporate Services
Sally Robinson, Director of Children's and Joint Commissioning Services
Dr Pat Riordan, Director of Public Health
Jill Harrison, Director of Adult and Community Based Services
Gemma Ptak, Assistant Director, Preventative and Community Based Services
Denise McGuckin, Director of Regeneration and Neighbourhoods
Steve Hilton, Communications and Marketing Team
Denise Wimpenny, Democratic Services Team

57. Apologies for Absence

Apologies for absence were submitted on behalf of Councillors Paddy Brown and Mike Young.

58. Declarations of Interest

Councillor C Akers-Belcher declared a personal interest in Minute No 64.

59. Minutes of the meeting held on 14 October 2019

Received.

60. Minutes of the meeting of the Health and Wellbeing Board held on 1 July 2019

Received.

In relation to Minute 6, a Member raised concerns in terms of reference in the strategy to visceral fat and body fat and was of the view that the strategy should place more emphasis around being healthy.

61. Minutes of the meeting of the Safer Hartlepool Partnership held on 26 July 2019

Received.

62. Sale of Land at Hart (*Director of Regeneration and Neighbourhoods*)

Type of decision

Key Decision (test (i)) Forward Plan Reference No. 30/18

Purpose of report

The purpose of the report was to seek consent to revised terms for the sale of land at Hart previously reported on 18th September 2017. The report had been intended for submission to the Committee on 14th October 2019. However, due to time taken to complete negotiations, there had been a departure from the Forward Plan.

Issue(s) for consideration

The Director of Regeneration and Neighbourhoods reported on the background to previous approval to a joint venture based sale and subsequent site investigation works which had identified abnormal costs, details of which were set out in confidential appendices attached to the report. Due to the high level of abnormal costs the developer had now revised the offer for the property, as set out in a confidential appendix. **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.**

Following extensive discussions with the developer and checking by Council officers, it was considered that the major abnormal development costs were unavoidable and any similar proposals would encounter the same issues.

It was proposed that the sale be completed on the terms outlined in Confidential Appendix 6. **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).**

Members were referred to the risk and financial considerations of the proposals, as set out in the report.

In the discussion that followed presentation of the report, a Member expressed disappointment that full details of the risks referred to in the report, were not adequately presented to Members when the Committee's approval was sought in September 2017 and decision taken to approve a tender made on a "joint venture" basis. Given the current financial climate and uncertainty around Brexit, the proposals were questioned. Whilst the Director acknowledged that receipt from the sale was less than anticipated, Members were advised that completion would result in a substantial receipt and recommended that the sale should continue. The financial implications in the event that the sale did not proceed to completion were outlined.

A Member requested that the meeting move into closed session to enable the figures contained within the confidential appendices, attached to the report, to be explored.

63. 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 during part of the discussions on the following item of business on the grounds that it 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 62 – (Sale of Land at Hart) – 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).

- 62. Sale of Land at Hart** (*Director of Regeneration and Neighbourhoods*) 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).

Issue(s) for consideration

Further to discussions in the open session of the meeting, a Member raised a number of concerns in relation to the impact on the Council's financial position should Members agree to sell the land to the developer at a reduced price. The need to explore alternative options were suggested including the Council developing the site and undertaking a re-tendering process. Comparisons were made between this sale and previous land sales. The Director of Regeneration and Neighbourhoods provided clarification in response to suggestions made and explained the difficulties around comparing two sites indicating that abnormal costs would not change. In response to clarification sought, the Director of Finance and Policy reiterated the importance of the Council meeting its capital receipts target and indicated that there were no alternative sites available in the Local Plan.

A Member made reference to the current asset register and provided examples of potential development land available that could be explored which included Briarfields and surplus land at Brierton. A query was raised in relation to proposed house types for the site at Hart to which the Director of Regeneration and Neighbourhoods agreed to provide following the meeting.

- 62. Sale of Land at Hart** (*Director of Regeneration and Neighbourhoods*)

Issue(s) for consideration

Further to discussions in the closed section of the meeting, details of which were set out above, the meeting returned to open session whereupon all attendees re-joined the meeting and the Chair sought any further proposals as well as views on the recommendations.

Decision

- (i) The Committee approved the revised terms for the sale of the land at Hart, as set out in a confidential appendix to the report.
- (ii) That delegated authority be granted to the Director of Regeneration and Neighbourhoods, in consultation with the Chief Solicitor and

Chair of Finance and Policy Committee, to agree the detailed terms of the contract.

- (iii) That details of proposed houses types for this site be provided following the meeting.

Councillors C Akers-Belcher and Marshall requested that their votes against the above recommendations be recorded.

Prior to consideration of the following item of business Councillor C Akers-Belcher left the meeting.

64. Financial Advice and Guidance Contract (*Director of Adult and Community Based Services*)

Type of decision

Key Decision test (i)/(ii) – Forward Plan Ref. ACBS093/19

Purpose of report

To present options for providing a financial advice and guidance service beyond March 2020 when the current contract ends, and to gain approval for a preferred option.

Issue(s) for consideration

The Assistant Director, Preventative and Community Based Services reported on the background to the funding arrangements pre and post 2015/16 for the provision of financial advice and guidance services. Details of current service provision, an overview of how the service operated together with key outcomes were provided, as detailed in the report.

The Committee was advised that demand for financial advice and support, including specialist debt advice, continued to rise and there were potential opportunities to increase co-ordination and enable more effective management of demand through different delivery models. The following three options for future service delivery had been considered, a summary of which was included in the report:-

- | | |
|----------|---|
| Option 1 | Continuation of service under existing specification |
| Option 2 | Revision of service specification to represent current demand |
| Option 3 | Bring services in-house |

It was recommended to progress with Option 2 based on the measure of benefits and risks associated with each option, details of which were provided.

In the discussion that followed officers responded to a number of queries raised in relation to the report. Clarification was provided regarding the type

of advice and guidance provided and it was noted that despite such support some individuals repeatedly accessed services of this type due to a lack of money management expertise and continued crisis and hardship issues. Emphasis was placed upon the importance of gaining a better understanding of long term individual needs as opposed to short term needs.

In relation to the increased demand for debt related advice, clarification was sought in relation to waiting times for appointments. The Assistant Director, Preventative and Community Based Services agreed to provide this information following the meeting. Discussion ensued in relation to capacity issues generally, the options available for managing the increase in demand as well as the three options available for future service delivery. Members acknowledged the benefits of Option 2 and the potential to maximise funding by working more closely with the Welfare Support Team which would support demand management and maximise co-ordination across all financial advice services locally.

Decision

- (i) The Committee supported Option 2 for the reasons outlined in the options appraisal.
- (ii) That waiting times for debt related advice be provided following the meeting.

Councillor C Akers-Belcher re-joined the meeting.

65. Filling the Holiday Gap Scheme 2018/2019 Update and Proposals for 2019/2020 *(Director, Children's and Joint Commissioning Services, Director of Public Health)*

Type of decision

Non Key Decision.

Purpose of report

To inform members of the Committee of key outcomes from the 2018-2019 "filling the Holiday Gap" community grant schemes. These were delivered over summer 2018 6-week holidays, Christmas 2018 2-week holidays, Easter 2019 2-week holidays and summer 2019 6-week holidays.

To present options for the development and delivery of future programmes with the recommendation that additional resources be allocated from the Child and Family Poverty Initiatives reserve.

Issue(s) for consideration

The Director of Public Health reported on the background to the scheme. Over the four main holiday periods the child and poverty reserve supported fifty organisations to provide “Filling the Holiday Gap”, the key outcomes of which were included in the report. Members’ views were sought on the following options for the development of future programmes, the benefits and risks of which were provided:-

Option A

To test the feasibility of procuring a single catering provider who will work in partnership with local partners to distribute nutritional meals from Easter 2020 and operate the current arrangements for Christmas 2019.

Option B

To continue with the current system with enhanced criteria for application and evaluation

To test the viability of Option A, it was proposed to seek tenders for a single provider commencing Easter 2020, with the option of moving to Option B if a suitable tender was not received. It was also recommended that additional resources be allocated from the Child and Family Poverty Initiatives reserve.

In response to a query raised in relation to the level of funding which contributed towards transport costs, the Director of Public Health agreed to provide clarification following the meeting. A lengthy discussion followed during which Members and members of the public shared examples of how spending was being utilised and were keen to see a strict criteria that organisations in receipt of funding must adhere to to ensure spending was being utilised solely for food items of a good quality nutritional standard. In circumstances where the criteria was not met, views were expressed that spending should be reclaimed.

The Committee welcomed the scheme and commented on the benefits of exploring schools as a preferred provider and requested that the feasibility of this be explored.

Decision

- (i) That the feasibility to procure schools as a preferred provider of meals be explored along with alternative single provider options with the proviso that if this was not feasible to revert to Option B, the outcome of which be reported to a future meeting of this Committee.
- (ii) Members agreed to provide further ring fenced community resources through the Child and Family Poverty Initiatives Reserve to support

schemes for Christmas 2019, Easter 2020, Summer 2020 and Christmas 2020.

- (iii) That details of the level of funding utilised for transport costs be provided following the meeting.

66. Corporate Complaints Annual Monitoring Report 2018/19 *(Assistant Director, Corporate Services)*

Type of decision

For information only.

Purpose of report

The purpose of the report was to inform Finance and Policy Committee of the 2018/19 outturn position in relation to corporate complaints and those considered by the Local Government Social Care Ombudsman (LGSCO).

Issue(s) for consideration

The Committee was advised that there had been a total of 23 corporate complaints received in 2018/19. The historical comparison of corporate complaints since 2014/15 showed that the number of complaints received annually had been steadily decreasing, however this year had seen an increase of 6 complaints. The number of corporate complaints upheld or partly upheld had seen a decrease in the last 2 years.

Members were referred to a summary of the (LGSCO) Annual Review Letter 2019 which set out the annual statistics on complaints made to the LGO about Hartlepool Borough Council for the year ending 31st March 2019. A comparison of LGO data for 2018/19 for the North East region showed that Hartlepool had the lowest uphold rate in the North East Region, with an uphold rate of 20% against an average of 50% for the 12 North East Local Authorities.

Decision

The Committee noted the 2018/19 outturn position on corporate complaints received and the annual statistics on complaints made by the LGO during 2018/19.

67. Housing Revenue Account (HRA) Strategic Financial Management Report - as at 30th September 2019

(Director of Regeneration and Neighbourhoods and Director of Finance and Policy)

Type of decision

For information only.

Purpose of report

The purpose of the report was to inform Members of the 2019/20 Forecast HRA Outturn; and the 2019/20 HRA performance.

Issue(s) for consideration

The Director of Finance and Policy reported on the HRA Business Plan presented to Members in October 2017 which highlighted that the HRA would be in deficit for a number of years as a result of government rent cuts and benefit changes. The HRA had undergone a period of challenge which resulted in a deficit of £190,000 in 2018/19. Corrective action had now been taken to reduce the level of long terms voids and additional housing stock had been acquired using grant funding and section 106 developer contributions which had helped to generate net surplus rent income. This action reduced the forecast deficit to £50,000 in 2019/20 which was broadly in line with the budgeted deficit of £53,000.

A Member requested that thanks be conveyed to officers for their efforts in terms of reducing the number of long term voids.

Decision

That the report be noted.

68. Strategic Financial Management Report - as at 30th September 2019 *(Corporate Management Team)*

Type of decision

For information only.

Purpose of report

The purpose of the report was to inform Members of:

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

Issue(s) for consideration

The Director of Finance and Policy updated the Committee on the current financial position of the local authority. The Director highlighted that the pressures in relation to Looked after Children were continuing in 2019/20. It was anticipated that this pressure would continue in 2020/21. An updated assessment of the forecast 2019/20 outturn had been completed and a departmental over spend of £590,000 was anticipated compared to the previous outturn of £850,000. A strategy for addressing the previous forecast outturn had been approved as part of the previous Medium Term Financial Strategy (MTFS) report considered on 30 September 2019.

Detailed financial information on the projected outturn for individual departments by Committee was provided as set out in appendices to the report. The report included details of corporate income collection rates, business rates income, council tax collection rates, sundry debts income, capital receipts information as well as discretionary housing payments.

Officers provided clarification in relation to queries raised regarding the anticipated timescales for submitting future business case reports/schemes to Committee in relation to the Town Hall and Borough Hall. An update was requested in relation to the current position on Victory Square improvements as well as progress around the 106 agreement for refurbishment of the tennis courts at Brierton.

Decision

- (i) That the report be noted.
- (ii) That an update be provided in relation to Victory Square improvements and refurbishment of the tennis courts at Brierton.

The meeting concluded at 11.35 am.

H MARTIN

CHIEF SOLICITOR

PUBLICATION DATE: 18 NOVEMBER 2019

SAFER HARTLEPOOL PARTNERSHIP MINUTES AND DECISION RECORD

11 October 2019

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

Present:

Responsible Authority Members:

Councillor: Shane Moore (In the Chair)
Councillor John Tennant
Denise McGuckin, Director of Regeneration and Neighbourhoods
Tony Hanson, Assistant Director, Environment and Neighbourhood Services
Chief Inspector Nigel Burnell, Chair of Youth Offending Board
Kevin Harrison, Cleveland Fire Authority

Other Members:

Barry Coppinger, Police and Crime Commissioner for Cleveland
Sally Robinson, Director of Children's and Joint Commissioning Services

Also Present:

John Lovatt was in attendance as substitute for Jill Harrison,
Ian Armstrong as substitute for John Graham,
Karen Hawkins as substitute for Michael Houghton, and
Tony O'Ceallaigh as substitute for Pat Riordan
Councillor Lee Cartwright
Sarah Wilson, Office of Police and Crime Commissioner for Cleveland

Officers: Rachel Parker, Community Safety Team Leader
Denise Wimpenny, Principal Democratic Services Officer

19. Apologies for Absence

Apologies for absence were submitted on behalf of Jill Harrison, Director of Adult and Community Based Services, Hartlepool Borough Council, John Graham, Durham Tees Valley Community Rehabilitation Company, Pat Riordan, Director of Public Health, Hartlepool Borough Council, Superintendent Alison Jackson, Cleveland Police, Joanne Hodgkinson, Safe in Tees Valley, Michael Houghton, NHS Hartlepool and Stockton on Tees and Darlington CCG.

20. Declarations of Interest

None.

21. Minutes of the meeting held on 26 July 2019

Confirmed.

22. Drug and Alcohol Service Provision (*Director of Children's and Joint Commissioning Services*)**Purpose of report**

To update the Partnership on the current provision of services for drugs and alcohol in Hartlepool and to inform the Safer Hartlepool Partnership of the development of future provision for the service.

Issue(s) for consideration

The Public Health Consultant reported on the background to the recent review of drug and alcohol service provision and the agreement to establish a new model of provision that would report jointly to the SHP and Health and Wellbeing Board. The proposed changes to the current model of drug and alcohol delivery had been presented to Finance and Policy Committee in August when they agreed their preferred option to keep the PSI element of treatment in house with significant restructure and review and re-procure the prescribing element through the appropriate channels. The new integrated clinical drug and alcohol services would commence from 1 June 2020. The changes to current service provision would include the offer of a number of treatment option to clients, details of which were set out in the report.

Decision

The Partnership noted the new model of integrated clinical service provision which had been approved by Finance and Policy Committee and the progress being made towards its delivery.

23. Police and Crime Plan (*Police and Crime Commissioner for Cleveland*)**Issue(s) for consideration**

The Police and Crime Commissioner, who was in attendance at the meeting, reported on the background to the requirements by law for PCC's to develop a plan setting out key objectives for policing and community

safety in their area. In support of the report, the Police and Crime Commissioner provided the Partnership with a detailed and comprehensive presentation in relation to the Police and Crime Plan for 2019-2020 which included an overview of the Commissioner's key commitments over the next year for each of the five priorities, together with the outcomes which would be measured through the Commissioner's Performance Management and Scrutiny Programme:-

Five Key Priorities

- Investing in Policing
- A Better Deal for Victims and Witnesses
- Tackling Offending and Re-offending
- Working Together to make Cleveland Safer
- Securing the Future of Communities

In the discussion that followed the presentation the representative responded to queries raised arising from the presentation. In response to a query raised, the Partnership was advised that there would be a consultation process to seek views in relation to proposed plans to return to a neighbourhood policing model. The Police and Crime Commissioner was pleased to report the recent announcement regarding the proposed recruitment of additional police officers, details of which were provided.

The Chair of the Youth Offending Board advised that the police were keen to receive input/views from Partnership Members as well as other key partners in relation to future neighbourhood policing teams and suggested engagement activities. The Chair requested that a hard copy of the survey be provided to Partnership Members to enable their views to be fed into the proposals.

The Chair commented on the benefits of neighbourhood policing and the importance of PCSO's in terms of community intelligence gathering. In relation to a query raised regarding the future custody suite arrangements for Hartlepool, the representative advised that this would be reviewed by the Superintendent. A number of positive comments were raised regarding the benefits of the integrated community safety arrangements operational in Hartlepool. In response to a query raised regarding the costs to the Council of the co-location arrangements, the Director of Regeneration and Neighbourhoods advised that a copy of the full business case was available and could be provided following the meeting. It was noted that the Corporate Management Team was currently undertaking a piece of work in terms of office accommodation and disposal of buildings.

Decision

- (i) That the contents of the 2019/20 Police and Crime Plan and comments of Partnership Members be noted.

- (ii) That a hard copy of the survey regarding future policing arrangements be provided to Partnership Members following the meeting.

24. Safer Hartlepool Partnership Performance *(Director of Regeneration and Neighbourhoods)*

Purpose of report

To provide an overview of the Safer Hartlepool Partnership performance for Quarter 1 covering April to June 2019.

Issue(s) for consideration

The report provided an overview of the Partnership's performance during Quarter1, as set out in an appendix to the report. Information as a comparator with performance in the previous year was also provided. In presenting the report, the Community Safety Team Leader highlighted salient positive and negative data and responded to queries in relation to crime figures by type.

With regard to the significant increase in deliberate fires, it was reported that information would be submitted to the November meeting of the Partnership which would provide some context around the work the Fire Service was doing to address this increase. Anti-Social Behaviour Officers had been working with individuals involved in deliberate fires during the reporting period and there had been no further reports of anti-social behaviour in this regard since the restorative interventions had been introduced.

A representative from the Fire Service commented on the hot spot areas within the town and the measures in place to address this.

Comments were raised regarding interpretation of the data around the proportion of substance misusers that successfully completed treatment and represented back into treatment within six months of leaving treatment and the potential reasons for an increase in these figures.

A Member expressed concern regarding the negative perceptions around the response times of the 101 police response service and was keen to receive performance data in this regard with a view to addressing such perceptions. Whilst it was noted that additional resources had been allocated to the 101 police control room, given the increase in demand which had resulted in service improvements, the Police and Crime Commissioner agreed to speak to the Member following the meeting and investigate the issues raised. The Police and Crime Commissioner commented on the opportunity to invite a representative from the Control Room to attend a future meeting of the Partnership to provide an update on

the ongoing work of the Control Room Team and respond to any issues raised.

The importance of pro-active crime prevention to support vulnerable individuals was highlighted. The Director and Police and Crime Commissioner provided clarification in response to further queries raised regarding the joint working arrangements between the police, Community Safety Team as well as various other agencies and outlined the type of issues that were discussed at regular problem solving meetings which included issues such as patrols and the symptoms of crime.

Decision

- (i) That the Quarter 1 performance figures and comments of Partnership Members be noted and actioned as appropriate.
- (ii) That a representative from the Police Control Room be invited to a future meeting of the Partnership to provide an update on the ongoing work of the Control Room Team and respond to any queries raised.

25. Prevent Update *(Director of Regeneration and Neighbourhoods)*

Purpose of report

To update the Partnership on the local and national arrangements for the delivery of Prevent.

Issue(s) for consideration

The report provided the background to the Prevent Strategy and statutory duty and responsibilities upon local councils for embedding and co-ordinating Prevent activity in their local area. Hartlepool's Prevent Operational Group had been established to assist local partners in fulfilling their statutory responsibilities under the Counter-Terrorism and Security Act (2015) to prevent people from being drawn into terrorism by ensuring the Prevent Duty was embedded within partner organisations.

The Hartlepool Operational Prevent Group commenced work on its self-assessment in April and initial findings had identified that the Group was achieving or developing expected compliance and good practice activity against some of the benchmarks. Gaps in the delivery of Prevent had been identified in relation to community engagement and the proactive communication of Prevent to the wider community and the Group would focus on these areas to develop good practice.

Decision

That the contents of the report be noted.

26. Any Other Items which the Chairman Considers are Urgent

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

27. Any Other Business – Update from Hartlepool Action Lab – Stronger Neighbourhoods Project

The Chair welcome representatives from Hartlepool Action Lab and Joseph Rowntree Foundation, who were in attendance at the meeting, and updated the Partnership in relation to their ongoing work around building stronger neighbourhoods.

The Partnership was advised that the project focussed on Cornwall Street and Oxford Road where intense support had been provided by Hartlepool Action Lab. A number of engagement events had been held in these communities, the outcomes of which were shared with the Partnership. Concerns were raised regarding housing standards in this area, the high number of empty properties, that properties available were of a poor standard and that rents were high resulting in individuals struggling to make ends meet. The negative impact on individuals taking up such tenancies due to a lack of alternative options available were outlined. Feedback in relation to some of the challenges facing this community included a high prevalence of addiction, drug problems, sofa surfing, poor health, chaotic lifestyles, no access to GP's, financial difficulties, anti-social behaviour as well as difficulties around obtaining support from services in terms of access to a safe house for individuals who may be at risk of harm and unable to return to their home for fear of repercussions.

The positive engagement links that had been established with the community as a result of this project were discussed and the importance of working together and sharing intelligence information with the Council's Community Safety Team as well as other services were emphasised. The Chair of the Partnership and Chair of Youth Offending Board were keen to provide support and agreed to meet with the representatives following the meeting to discuss areas of concern around housing related issues and engagement opportunities.

Decision

That the information given and comments of Partnership Members be noted.

28. Date and Time of Next Meeting

The Chair reported that the next meeting would be held on Friday 22 November 2019 at 10.00 am.

The meeting concluded at 11.00 am.

CHAIR

Finance and Policy Committee

9th December 2019



Report of: Director of Finance and Policy

Subject: LOCAL COUNCIL TAX SUPPORT 2020/21

1. TYPE OF DECISION / APPLICABLE CATEGORY

1.1 Budget and Policy Framework Decision.

2. PURPOSE OF REPORT

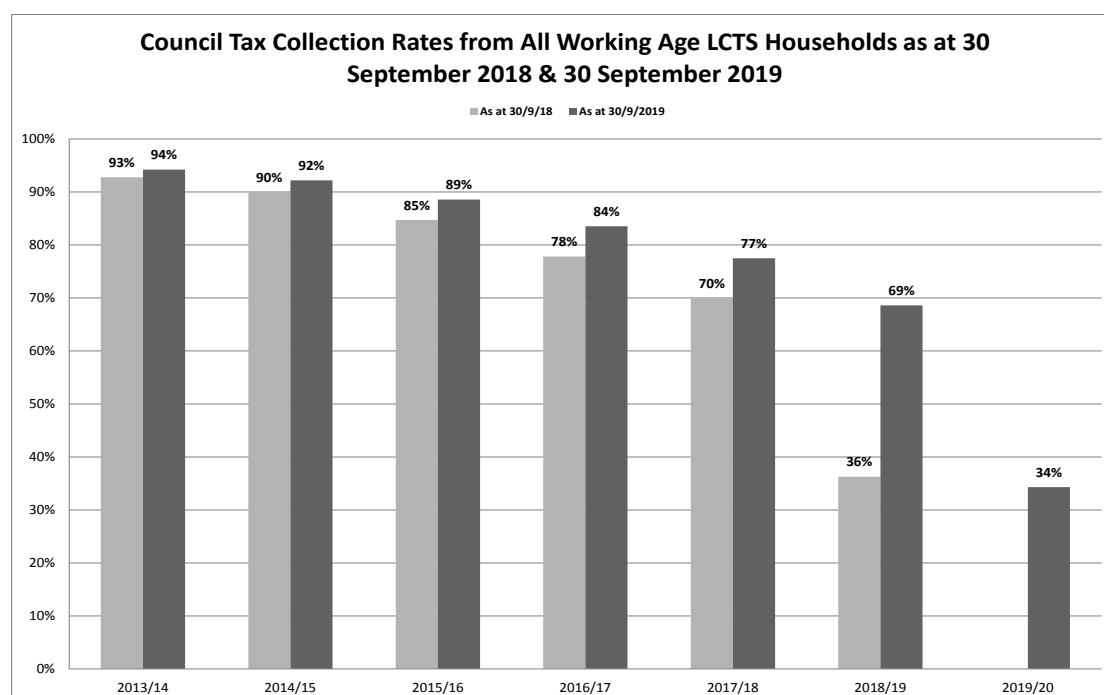
The purposes of the report are to:

- i) Update Members on the results of the public consultation on options for the Council's 2020/21 Local Council Tax Support (LCTS) scheme;
- ii) To enable Members to determine the 2020/21 LCTS scheme to be referred to Council.

3. BACKGROUND

- 3.1 A report to Finance and Policy Committee on 14th October 2019 updated Members on the operation of the LCTS scheme and the scheme's future financial risks. Financial modelling indicated that a 2020/21 LCTS scheme reduction should be able to be maintained at 12%, the same level as the previous six financial years (2014/15 to 2019/20).
- 3.2 Members determined that public consultation should be undertaken on the 2020/21 Local Council Tax Support Scheme on the options of retaining a 12% scheme, or introducing 14%, 16%, 18% or 20% schemes. The public have also had through the consultation the ability to make comments or put forward alternative suggestions as required by case law.
- 3.3 The Consultation process commenced on 21st October 2019 and closed on 2nd December 2019. The Consultation was advertised via Press Release, Social Media and on the Council's website. A copy of the Consultation is attached as Appendix A.

- 3.4 The Consultation used the Council's normal consultation arrangements via "survey monkey". In addition paper copies of the consultation were made available at the three Community Hubs.
- 3.5 The consultation responses highlighted some misunderstanding of how the current LCTS scheme has operated in relation to annual Council Tax increases. To clarify, annual Council Tax increases apply to LCTS contributions as the current minimum 12% contribution is based on the overall Council Tax level set, including annual Council Tax increases set by the Police and Fire.
- 3.6 As reported on 14th October the Council has established robust and proportionate arrangements for collecting Council Tax from LCTS households. These arrangements reflect the financial circumstances of households, whilst balancing the needs of the Council to collect this income to pay for services.
- 3.7 Collecting Council Tax from LCTS households is more difficult and resource intensive, as these households are less likely to pay by Direct Debit and make payments in different ways i.e. Attachment of Benefit Order and a greater proportion who pay by cash, either at the Civic Centre or via the Post Office and Paypoint network at local shops.
- 3.8 The Council monitors the levels of collection from LCTS households. The graph below shows that collection of Council Tax from these households is positive, albeit there is a time lag in securing collection. This positive level of collection reflects the Council's decision to retain a 12% scheme, which has significantly reduced the financial burden on low income households. The collection performance has been reflected in the revised scheme forecasts for 2020/21 onwards.



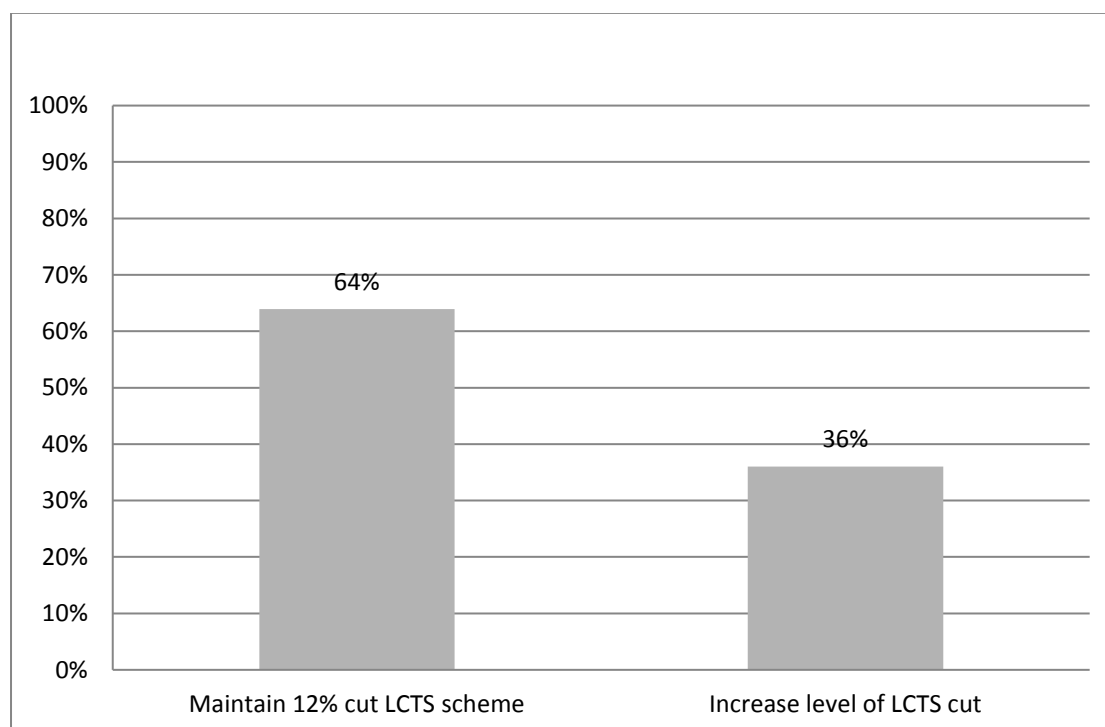
4 CONSULTATION RESULTS

- 4.1. In total 333 responses had been received when this report was prepared (26.11.19) which is in line with the levels of response for other consultations and 97% of those responding live within the Borough. A verbal update will be provided on the final consultation responses received.
- 4.2. 66% (220) of responses were from individuals who have never been in receipt of a Local Council Tax Support award. Only 34% of responses were received from individuals who are either currently or have previously been in receipt of a LCTS award. The lack of engagement and participation by those most likely to be affected by any change to the Council's LCTS scheme is consistent with the experiences of previous consultations undertaken within Hartlepool.
- 4.3. Almost two thirds of respondents think the Council should maintain the existing 12% scheme as shown in the graph below:

Qu 1 The Council currently has a 12% Local Council Tax Support scheme. This means that working age households must pay at least 12% of the Council Tax bill for their home.

Do you think the Council should;

- Maintain the existing 12% LCTS scheme
- Increase the minimum contribution that working age households make

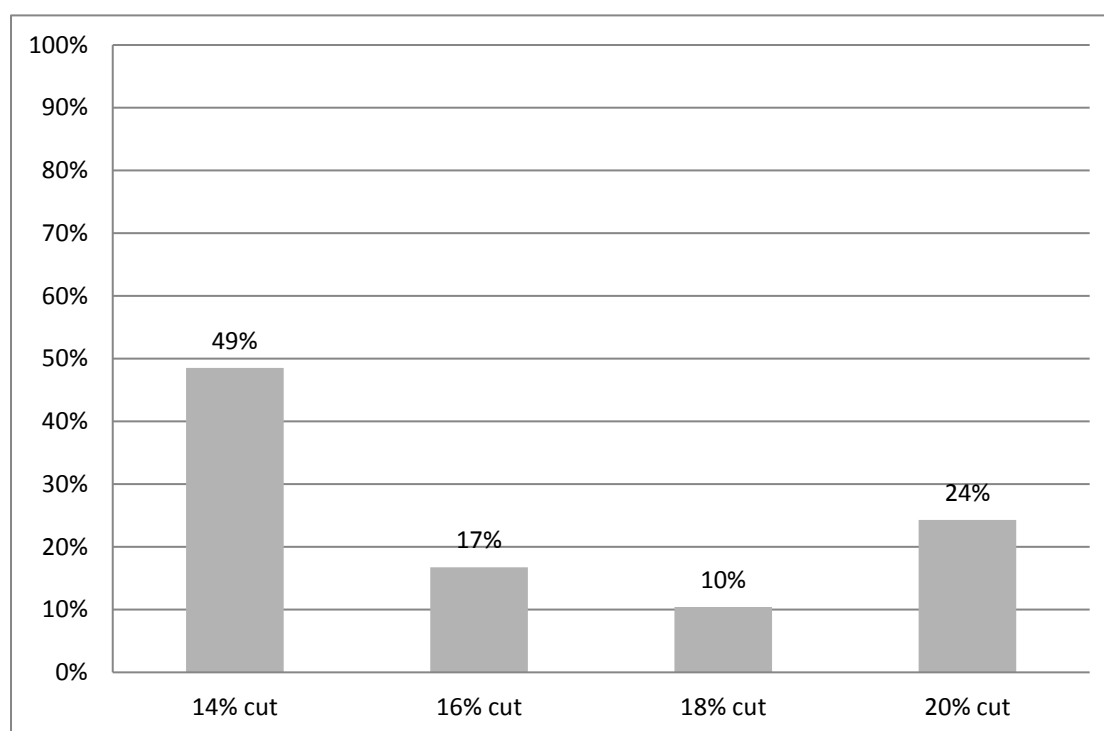


- 4.4 The breakdown of responses from respondents who think the existing 12% LCTS scheme should be maintained is as follows:

Respondents never in receipt of LCTS	32%
Respondents currently/previously in receipt LCTS	26%
Other	6%
Total	64%

- 4.5 The Consultation also sought views on what the minimum contribution should change to if the Council were to increase the minimum contribution from working age households. As summarised below, almost half of respondents had a preference for any increase to be limited to a 14% LCTS cut scheme.

Qu2 If you feel that the Council should increase the minimum contribution that working age households make, what do you think should be the minimum contribution level in the 2020/21 scheme.



- 4.6 Nearly half of all respondents also took the opportunity to make comments which are set out in Appendix B for member information and consideration. In summary the main comments are:

- The Council should reduce the contribution rather than increase it
- People are already struggling to pay the current amount
- Don't change it
- Workers are being penalised / subsidising others who won't pay.

- 4.7. The Hartlepool Joint Trade Union Committee (HJTUC) have submitted a letter in relation to the 2020/21 budget proposals and this includes their request for the Council to reject any increase in the LCTS scheme. The

HJTUC letter is included in the Medium Term Financial Strategy report at Appendix D – Part 3.

5 PROPOSAL

- 5.1. The LCTS 2020/21 report to Finance and Policy Committee on 14th October recommended retaining a 12% cut LCTS scheme for 2020/21 as this is financially viable and sustainable. The public consultation exercise shows that retaining a 12% scheme is the preferred choice amongst 64% (213) of the public who responded.
- 5.2. Members need to determine the level of LCTS scheme they wish to recommend to Council. In considering this issue, Members need to take account of the issues detailed in section 6.

6 FINANCIAL CONSIDERATIONS

- 6.1 There are two financial considerations arising from alternative levels of LCTS support:
- Impact on Medium Term Financial Strategy (MTFS)
 - Impact on individual working age LCTS claimants.
- 6.2 These issues are considered in the following paragraphs.
- 6.3 Impact on MTFS**
- 6.4 The current MTFS forecasts are based on the continuation of a 12% LCTS scheme, which is the level operated for the last 6 years. The Council has established effective arrangements for collecting Council Tax with a 12% LCTS scheme. Therefore, maintaining this level provides greater financial certainty and stability for the Council than higher LCTS schemes.
- 6.5 A higher LCTS percentage would increase the level of Council Tax that low income working age households would be required to pay. This income could be reflected in the MTFS for 2020/21.
- 6.6. Whilst, the additional income from a higher LCTS could be reflected in the 2020/21 budget, the current levels of Council Tax collection will not be sustainable in the medium term as the annual Council Tax liability will exceed the amounts that can be recovered by Attachment to Benefit Order. This will be particularly the case with higher LCTS schemes. This will result in a budget pressure as the Council will need to increase the provision for bad debts which will be a cost to the General Fund in future years. This pressure will occur sooner with higher LCTS schemes. It would not be unreasonable to anticipate the majority of the additional income from a 20% scheme not being sustained beyond 2020/21 owing to the impact on households.

- 6.7 The following table summarises the additional forecast Council Tax income for different levels of LCTS scheme and the potential reduction in the 2020/21 Council Tax increase. These figures need to be considered in the context of the risks highlighted in the previous paragraphs. If the LCTS percentage was reduced at a future date this would reduce recurring Council Tax income. The loss of this income would then need to be addressed by making budget cuts in future years.

2020/21 Impact on MTFS of different LCTS levels

LCTS Level	Increase in income from 12% LCT scheme £'000	Potential reduction in 2020/21 Council Tax increase
12%	0	0%
14%	142,000	0.33%
16%	284,000	0.68%
18%	426,000	1.02%
20%	568,000	1.36%

- 6.8 The figures for the potential reduction in the 2020/21 Council Tax increase exclude the impact of using the £300,000 LCTS risk contingency. As detailed in the MTFS report using one off resources to reduce a Council Tax increase is not robust. In addition, there is a risk that using this risk reserve could result in an unbudgeted cost if LCTS claimant numbers increase from those forecast. This is a real risk given national and international financial uncertainty and lower economic growth forecasts over the next few years. Even if this funding is not needed for an increase in 2020/21 LCTS claimant numbers it may need to be re-allocated to support increased DHP and LWS costs if a higher LCTS scheme is introduced for 2020/21 as demand for support from these resources will probably increase.
- 6.9 Increasing the LCTS percentage will increase the level of Council Tax low income working households are required to pay. As these households have also been affected by other Government welfare reforms this will place additional pressures on households budgets. As the Council will need to continue to implement robust and proportionate recovery arrangements for LCTS Council Tax income, including increasing the number of Attachments to Benefits, this will place additional financial pressure on individual household budgets. This in turn is likely to increase demand on cash limited budgets the Council has for Local Welfare Support (LWS) and Discretionary Housing Payments (DHP) as households will have less disposable income after paying Council Tax and therefore seek support from these sources. The Council is likely to find it increasingly difficult to manage actual expenditure within the annual cash limited budgets for LWS and DHPs if LCTS contributions increase. This will need to be closely monitored.

6.10 Impact on Working Age households

6.11 The following table details the additional annual Council Tax liability for Band A properties for different level of LCTS, including the annual percentage increase compared to retaining a 12% LCTS scheme.

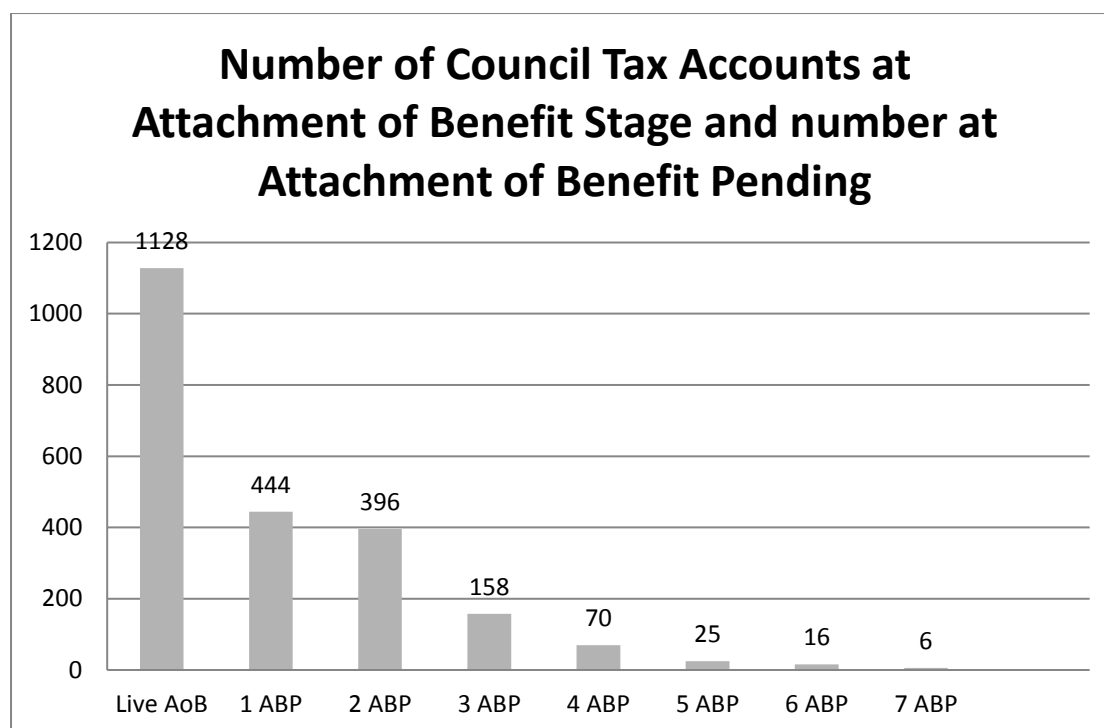
6.12 To provide context for these figures, a household paying full Council Tax for a Band A property will see an increase in their total Council Tax bill of £48.19 (3.6%) for 2020/21. These figures are all based on individual authorities (i.e. the Council, Police and Crime Commissioner and Fire Authority) implementing Council Tax increases in line with the Government proposed Council Tax referendum limits for 2020/21.

Impact on Working Age Households in a Band A property of changes to the LCTS cut level

LCTS cut Level	Annual Council Tax liability £	Increase in annual liability from 12% LCTS Scheme £	Percentage increase from 12% LCTS scheme in annual liability	Weekly Council Tax liability £
12%	£166.84	0	0%	£3.21
14%	£194.64	£27.80	17%	£3.74
16%	£222.45	£55.61	33%	£4.28
18%	£250.25	£83.41	50%	£4.81
20%	£278.06	£111.22	67%	£5.34

6.13 The Attachment to Benefit Order (ABO) limit is £3.70 per week. To secure an ABO the Council has to follow robust procedures and seek a liability order from the Magistrates Court. This process takes a number of months and results in additional costs being incurred by the Council which are then added to the Council Tax due. With higher LCTS levels the Attachment of Benefit limit is not sufficient to recover these amounts in the financial year and this will increasingly lead to the 'stacking' of ABO's.

6.14 As reported in October, a council taxpayer can only have one AOB deduction active at any one time. In Hartlepool as at August 2019 there were 1,128 Council Tax accounts with active AOB's. Of these accounts 39% (444) had 1 AOB stacked / pending and 35% (396) had 2 AOB stacked. These figures would increase if higher LCTS schemes are implemented.



6.15 The 'stacking' of ABO's has a negative impact on the in-year Council Tax collection rates. Equally, it means households will become increasingly indebted to the Council. This is demonstrated in the table below which shows that for higher LCTS percentages the number of weeks needed to pay the Council Tax by AOB will increase. Therefore, the arrears and number of weeks outstanding at the end of the 2020/21 financial year will also increase.

Impact of higher LCTS percentages on payment by Attachment of Benefit Order

LCTS Option	Band A Council Tax	Number of weeks AOB to pay Council Tax	Number weeks outstanding at end of 2020/21
12%	£166.84	45 weeks	23 week
14%	£194.64	53 weeks	31weeks
16%	£222.45	60 weeks	38 weeks
18%	£250.25	68 weeks	46 weeks
20%	£278.06	75 weeks	53 weeks

6.16 On the basis of the risks that income from a higher LCTS will become increasingly unsustainable, and the impact on low income working age

households, a 12% scheme for 2020/21 continues to have the least financial risk to the Council and impact on low income households.

7 LEGAL CONSIDERATIONS

- 7.1. Councils are required to determine their own LCTS scheme for the forthcoming financial year by 31st December each financial year. Once a LCTS scheme has been set for a financial year it cannot be altered for that year. Members are therefore requested to agree a LCTS scheme for 2020/21 that can be submitted to full Council on 19th December 2019 for approval.

8 CONSULTATION

- 8.1. In consulting on the Finance and Policy Committee's decision to potentially revise the existing LCTS Scheme, the Council have considered the Cabinet Office's general guidance for public authorities on conducting consultations as well as relevant case law.

The consultation was advertised via:

- Press release
- Social Media
- Information on the HBC website

The consultation ran from 21st October 2019 to 2nd December 2019.
A copy of the consultation document, is attached as Appendix A

9 CHILD / FAMILY POVERTY CONSIDERATIONS

- 9.1. Households in receipt of welfare benefits continue to be impacted by the breadth of the national welfare reforms. The Council recognises these issues and has sustained a LCTS scheme involving a 12% cut since 2014/15. Other Tees Valley Councils have historically operated LCTS schemes involving cuts of 20%, albeit Redcar and Cleveland moved to a 17.5% scheme from 2017/18 and Middlesbrough introduced a 15% scheme from 2018/19. If Hartlepool were to continue with a 12% scheme for 2020/21 it would provide an annual benefit of £111 for Band A and £129 for Band B properties compared to a 20% cut scheme. A Poverty Impact Assessment should members decide to change the existing LCTS scheme is attached at Appendix C.

Additional Benefit to LCTS claimants in 2020/21 of operating a 12% cut LCTS scheme as opposed to a 20% cut LCTS scheme

	Band A	Band B
Council Tax Liability with a 20% LCTS cut in 2020/21.	£ 278	£ 324
Council Tax Liability with a 12% LCTS cut in 2020/21.	£ 167	£ 195
Additional Support to Households in 2020/21 who previously received 100% Council Tax Benefit	£ 111	£ 129
Number of Households Supported (i.e. who previously received 100% Council Tax Benefit)	5,182	532
Percentage of LCTS Households (i.e. who previously received 100% Council Tax Benefit)	88%	9%

- 9.2. Furthermore, the Hartlepool LCTS scheme complements the local policy of exempting Hartlepool Care Leavers from Council Tax until the age of 25. The Care Leaver policy removes a key financial challenge and provides support as Care Leavers move to independence and adult life.

10 EQUALITY AND DIVERSITY CONSIDERATIONS

- 10.1. An Impact Assessment covering LCTS has been reviewed and is attached at Appendix D.

11 STAFF CONSIDERATIONS

- 11.1. None.

12 CONCLUSIONS

- 12.1. For the last 6 years the Council has operated a 12% LCTS scheme that is financially viable and balanced. The annual schemes have reflected the ability of working age households to pay additional amounts of Council Tax during a period in which they have been impacted by a series of national welfare benefit reforms e.g. Bedroom Tax, Benefit Cap, Tax Credit changes, Universal Credit etc.
- 12.2 The LCTS scheme has been a key component of the Council's strategy to support low income households. Other initiatives have included maintaining the real term value of the LWS budget (£198,000 for 2019/20, increasing to £202,000 for 2020/21, other councils have reduced or removed this support

following the removal of the previous ring fenced grant) and initiatives funded from the Child and Family Poverty reserve.

- 12.3 At Finance and Policy Committee on 14th October 2019, Members instructed officers to consult on potential LCTS schemes of 12%, 14%, 16%, 18% and 20%. The higher percentages will provide more Council Tax income than forecast in the MTFS for 2020/21. However, this income will become increasingly difficult to collect and increased provision for bad debts will need to be made, which will offset the initial income increase. Furthermore, 64% of respondents (213) to the public consultation think the Council should maintain the existing 12% scheme.
- 12.4 The options of higher LCTS percentages will increase the amount of Council Tax low income working age households will be required to pay. This is particularly the case with a 20% LCTS scheme where a LCTS household in a Band A property will face an increase in their annual Council Tax liability of £111.22 (67%) inclusive of 2020/21 forecast Council Tax increase, compared to an increase of £48.19 (3.6%) for a household paying full Band A Council Tax.
- 12.5 In considering alternative LCTS levels, Members need to balance the conflicts between increasing total Council Tax income in the short-term and the impact on low income households. This includes the challenges / delays in collection as there are already lags in the collection of Council Tax from LCTS households. An increase in the level of LCTS cut would further increase the financial burden on working age households receiving welfare benefits.
- 12.6. The probability is that a higher level of LCTS will adversely impact on Council Tax collection levels, increase Council Tax arrears and therefore result in higher write offs. A report by the New Policy Institute in August 2017 concluded that local authorities with the highest levels of cut in LCTS had the largest increases in uncollected Council Tax. These issues would be minimised if the Council maintains an LCTS scheme of 12% for 2020/21.
- 12.7 Based on experience over the last 6 years the continuation of a 12% LCTS would minimise the financial risks to the Council and individual working age households for 2020/21. Therefore, this is the officer recommended option.

13. ASSET MANAGEMENT CONSIDERATIONS

- 13.1 There are no asset management considerations.

14 APPENDICES

- 14.1 Appendix A – 2020/21 LCTS Consultation Document.
Appendix B – Respondent comments to Consultation
Appendix C – Poverty Impact Assessment
Appendix D – Equality Impact Assessment

15. RECOMMENDATIONS

15.1 It is recommended that Members:

- i. Note the future financial and administrative risks associated with the LCTS scheme;
- ii. Note that higher LCTS levels than 12% will provide additional income in 2020/21,
- iii. Note the financial risk regarding the sustainability of higher LCTS schemes beyond 2020/21 arising from increasing arrears;
- iv. Consider the financial impact of higher LCTS schemes on low income working households and other Council budgets namely LWS and DHP;
- v. Consider the outcome of the consultation on different levels of LCTS cuts for 2020/21;
- vi. Determine whether to recommended to Council the continuation of the existing 12% LCTS scheme (as operated for the last 6 years) or a higher LCTS percentage, which will require working age households to pay a higher level of Council Tax as detailed in paragraph 6.12 in 2020/21;
- vii. Note that pensioners will not be affected by any changes in the level of LCTS support as under national regulations they continue to receive 100% support on a means tested basis.

16. REASONS FOR RECOMMENDATIONS

- 16.1 To update Finance and Policy Committee on latest available data on the LCTS scheme costs, the future risks associated with the Government's national welfare reforms and outcome of consultation on alternative LCTS proposals.
- 16.2. To enable Members to agree a LCTS scheme for 2020/21 to refer to full Council.

17. BACKGROUND PAPERS

17.1. Report to Finance and Policy Committee Local Council Tax Support 2020/21
14th October 2019

18. CONTACT OFFICER

John Morton
Assistant Director Finance and Customer Services
01429 523093
John.morton@hartlepool.gov.uk

Sign Off:-

Director of Policy and Finance ☒

Chief Solicitor ☒

Local Council Tax Support Scheme 2020/21



Background

- The national, Central Government led, Council Tax Benefit system ended in March 2013.
- At that time Central Government shifted to local councils the responsibility for providing financial help with Council Tax to the most financially disadvantaged households.
- However, the funding from Central Government for local schemes is less than was provided for the national scheme.
- Central Government directed local Councils to protect pensioner's households and ensure that they receive the same level of financial help as they would have done in the national scheme.

Current Scheme

- Hartlepool's current Local Council Tax Support Scheme ('LCTS Scheme') began in April 2013.
- This LCTS Scheme has not changed in 6 years in order to support low income working age households whilst they have adjusted to a number of other Central Government welfare reforms including the Bedroom Tax, Benefit Cap and the introduction of Universal Credit.

Future Local Council Tax Support Scheme 2020/21

- In finalising the Council's budget for next year the Council needs to agree its Local Council Tax Support Scheme for 2020/21.
- The Council's Finance and Policy Committee have decided to consider changing the Scheme and therefore must consult the public as to whether the current LCTS Scheme of a minimum 12% contribution should continue or if the minimum contribution should increase to 14%, 16%, 18% or 20% or if any other contributions should be applied.
- Decreasing the minimum amounts which low income working age households contribute would mean the Council may have to consider raising Council Tax, reducing services or a combination of the two.
- Increases to the minimum payment will impact on low income working age households and will result in those households paying more towards their Council Tax bill.
- These households have already been affected by a range of national welfare reforms including the Bedroom Tax, Working Tax Credits, Child Tax Credits, Benefit Cap, Universal Credit and freezing of the value of a number of out of work benefits for 4 years. These national welfare changes have already placed additional pressures on their household budgets.
- Any increase in the minimum contribution will place additional pressure on household budgets and many will be unable to pay which will increase the number of cases that the Council has to take to court to make them pay (Attachment of Benefit orders).
- Hartlepool is the 10th most deprived area nationally and the 2nd most deprived town in both the North East Region and in the Tees Valley area. There is local evidence that suggests there has been an increase in the number of people who require extra support both from the Council and from community and voluntary bodies e.g. Food banks and free meals venues.
- Pensioner households will continue to be protected as directed by Central Government and will not be impacted by any change to the LCTS Scheme.

The majority (about 88%) of those low income working age households who are eligible for the LCTS Scheme are living in properties in Council Tax Band A. The following table sets out what a household living in a typical Band A property would be expected to pay depending on what minimum contribution level is agreed:

	Estimated Total amount of Council Tax the household would need to pay in 2020/21.	Estimated amount of additional Council Tax that the household would need to pay over what they would pay in a 12% Scheme.	The percentage increase this would actually be on what they would pay
12% minimum contribution	£166.84		
14% minimum contribution	£194.64	£27.80	17%
16% minimum contribution	£222.45	£55.61	33%
18% minimum contribution	£250.25	£83.41	50%
20% minimum contribution	£278.06	£111.22	67%

(There are also a number of residents who live in a Band B and above properties benefiting from the LCTS Scheme and it should be noted that they will be paying proportionally more than detailed in the table above.)

We want to understand your views on the Local Council Tax Scheme for 2020/21. The answers to the following questions will be considered when decisions about the Local Council Tax Scheme for 2020/21 are made. The survey will be open until **2nd December 2019**. If you have any questions with regards to the survey please contact John Morton on 01429 523003 or via email on john.morton@hartlepool.gov.uk

1. The Council currently has a 12% Local Council Tax Support scheme. This means that all working age households must pay at least 12% of the Council Tax bill for their home. Do you think that the Council...

...should maintain the existing 12% LCTS scheme?



...should increase the minimum contribution that working age households make?



2. If you feel that the Council should increase the minimum contribution that working age households make, what do you think should be the minimum contribution level in the 2020/21 scheme?

14%	<input type="checkbox"/> 1
16%	<input type="checkbox"/> 2
18%	<input type="checkbox"/> 3
20%	<input type="checkbox"/> 4

3. Do you have any further comments with regards to the 2020/21 Local Council Tax Support Scheme or alternative suggestions for Members to consider eg. a higher or lower contribution than the 12% - 20% options?

And finally...

We are now going to ask some details about you – your answers will help us to understand some of your earlier responses. We will use this information to see if the responses given to earlier questions vary based on some of these details. This information will not be used to identify individuals and won't be shared. You do not need to complete this section if you do not want to or you can choose to answer some but not all of the questions.

4. Do you currently live in Hartlepool?

Yes	<input type="checkbox"/> 1
No	<input type="checkbox"/> 2
Other (please specify)	<input type="checkbox"/> 3

5. If you currently live in Hartlepool please tell us your postcode:

6. Are you currently, or have you ever been, a recipient of the Local Council Tax Support scheme?

Yes	<input type="checkbox"/> 1
No	<input type="checkbox"/> 2

7. Are you....

Male	<input type="checkbox"/> 1
Female	<input type="checkbox"/> 2
Prefer not to say	<input type="checkbox"/> 3
Self-identify:	<input type="checkbox"/> 4

8. What is your age?

Under 16	<input type="checkbox"/> 1
16-25	<input type="checkbox"/> 2
26-35	<input type="checkbox"/> 3
36-45	<input type="checkbox"/> 4
46-55	<input type="checkbox"/> 5
56-65	<input type="checkbox"/> 6
66+	<input type="checkbox"/> 7
Prefer not to say	<input type="checkbox"/> 8

9. Do you consider yourself to have a long term limiting condition or disability?

Yes	<input type="checkbox"/> 1
No	<input type="checkbox"/> 2
Prefer not to say	<input type="checkbox"/> 3

10. What is your ethnic origin?

White	<input type="checkbox"/> 1
Mixed / Multiple ethnic groups	<input type="checkbox"/> 2
Asian or Asian British	<input type="checkbox"/> 3
Black African, Caribbean or Black British	<input type="checkbox"/> 4
Other ethnic group	<input type="checkbox"/> 5
Prefer not to say	<input type="checkbox"/> 6
Self-identify:	<input type="checkbox"/> 7

By completing this questionnaire you give Hartlepool Borough Council the authority to collect and retain information about you. The information collected about you will be held securely and will be processed to produce statistical reports. No personal data will be disclosed. Hartlepool Borough Council is the Data Controller for the purposes of the Data Protection Act.

Local Council Tax Support Scheme 2020/21

Q3 Do you have any further comments with regards to the 2020/21 Local Council Tax Support Scheme or alternative suggestions for Members to consider i.e. a higher or lower contribution than the 12 - 20%?

Answered: 155 Skipped: 187

#	RESPONSES	DATE
1	people paying full council tax have had increases year on year, and made sacrifices too make sure bills have paid and so should everyone else otherwise its going to be another reason to stay on benefits or low incomes as they will financially better off rather than having to also look at the sacrifices other have made or look at moving into full time employment or other jobs and contributing fully.	11/12/2019 4:02 PM
2	I think it should only be 10%	11/9/2019 2:27 PM
3	Investigate a lowering of the contribution funded through a rise in council tax	11/8/2019 10:34 AM
4	Look at the cost incurred by councillors and senior officers. Sort that out first.	11/5/2019 2:39 PM
5	No Cut at all, I do not agree with the proposals set out !	11/5/2019 1:24 PM
6	Increasing the tax burden on the most vulnerable and poorest people of our town is both immoral and cruel.	11/5/2019 12:32 PM
7	We should pay less poll tax.	11/5/2019 11:37 AM
8	Why are the people with the least amount of money been put at further risk of debt	11/5/2019 11:13 AM
9	People are struggling as it is without making them pay more from what little they do have to score political points.	11/5/2019 11:02 AM
10	Why on earth are you sending this out during a Live GE	11/5/2019 11:02 AM
11	The burden of this increase falls to a smaller portion of the electorate than a Council Tax increase would, who are already suffering financial hardship.	11/5/2019 10:54 AM
12	County Durham operate a 0% scheme. Asking those most in need to carry the burden of national Tory cuts is a disgrace of the highest order. This Brexit/Tory coalition are without shame.	11/5/2019 10:50 AM
13	Please try to keep at 12% so that new UC transferee can catch up and get in balance. If it has to be increased I would say only by 2% to 14% please because any higher could cause an imbalance in my finances and be much more detrimental to other people on UC and other benefits. Kind Regards [REDACTED]	11/4/2019 12:45 PM
14	most people cannot even afford the current ammount	11/3/2019 6:55 PM
15	The 16% increase of £55 pa represents approximately £1 per week extra. We aren't given figures to suggest the ACTUAL level of earnings that a 'low income' family receive nor do we know what they actually do with their money. However, there will be many low income families who apportion their funds much more widely than others and it is situations like this which must be addressed. It's no good telling me they need council tax relief if they have cable television or they smoke - neither of which I have and do - when my net salary allows me nothing more than to break even with good budgeting.	11/3/2019 2:01 PM
16	IN SINGLE PERSON HOUSEHOLDS IT SHOULD 50% OF TOTAL TAX AND NOT 75%, PLEASE LOOK INTO THIS SCANDAL.	11/2/2019 1:31 PM
17	I just think council tax should be paid by everyone and the burden should be spread.	11/1/2019 5:49 PM
18	If low income households show the willingness to work but still only receive a low wage they should be given as much support as possible	11/1/2019 5:37 PM
19	No	11/1/2019 2:23 PM
20	the council could base the contributions on the number of adults in the household and the overall benefits being claimed	11/1/2019 1:50 PM
21	FFS council tax in this town is a joke already, even for those who work. Realistically, how the hell do you expect people on benefits/low income to be able to contribute more. Here's an idea, reduce the pay for councillors, stop letting them spend money on pointless schemes/pet projects, why has the mayor got a private registration number?, and start remembering that this is Hartlepool, not a borough in London, and taking the mick with the annual council tax rise. Would love a response to this, so please respond to [REDACTED]	10/29/2019 10:10 PM
22	cases should be looked at individually as younger single people struggle to maintain any payments and are also caught in the employment trap because if they accept low wage jobs then they cannot afford to pay bills such as council tax water rates TV licence and then buy food	10/29/2019 2:08 PM

Local Council Tax Support Scheme 2020/21

23	occupiers of bands E upwards should pay an extra 6% and reduce the lower end by the same margin. How on earth did this idea come to be even considered, low income households cannot afford what they already need to pay, hence the CT arrears!	10/29/2019 9:45 AM
24	If you increase then you will push these families further into debt.	10/28/2019 8:56 AM
25	Council tax is not wage dependant why should someone who earns more be financially penalised I work hard for what I get yet have to pay full council tax	10/26/2019 10:10 PM
26	a very bad idea for the town of Hartlepool,	10/26/2019 8:00 AM
27	i do not consider any of the proposals in question 1 & 2 to be fair as the council should be awarding 100% support to those in receipt of qualifying means tested disability benefits such as DLA, PIP or the support group of ESA i therefore cannot support any of the following in the above questions submitted in this consultation.	10/26/2019 6:35 AM
28	My Council Tax pays for a wide range of services which I don't use, therefore I think everyone should have to contribute something. However, this needs to be affordable for those on low incomes or you are just going to increase the amount of arrears owed, which does not make anyone (the Council or the householder) any better off.	10/25/2019 3:59 PM
29	People will complain and it will have a knock on effect in other areas, but it should be increased. People need to contribute to services / Council Tax.	10/25/2019 2:31 PM
30	I feel that this would lead to further deprivation within families and therefore they would need to access more services, which in turn would add additional pressure on an already stretched budget, which could also lead to staff cuts within the Authority as a cost cutting measure.	10/25/2019 2:30 PM
31	If you increase the contribution this will have an impact on low paid workers and on those who are eligible for council tax support, therefore putting additional strain on the local authority as more people will require support also how will the local authority borrow money (isn't this based on what the local authority get in council tax) and people will end up in arrears which will not only affect the individual but also the local authorities budget and ability to borrow money. I think this is a poor and ill thought out suggestion	10/25/2019 2:27 PM
32	Benefits have not been increased so it should remain the same.	10/25/2019 2:21 PM
33	I think pensioners should start contributing	10/25/2019 2:11 PM
34	Appreciate the struggles those on low income endure but they still afford "luxuries" that a lot of us do without.	10/25/2019 2:11 PM
35	we have a morale responsibility to protect the most vulnerable families in the borough, I hope my family are never in the position to benefit LCTS but if we were its good to know its there	10/25/2019 1:58 PM
36	Considering Hartlepool LA already has one of the highest council tax charges in the country as well as one of the most deprived areas, I feel putting more financial burden on those on low income would be a disaster. More people using foodbanks, increased shop-lifting, more crimes and generally a more impoverished population. I would focus on empty properties, regenerating neighbourhoods and investing in the economy. In turn, more people and businesses will come to reside in the town hence more people paying full council tax as well as opportunities for low income people to prosper and start paying full council tax.	10/25/2019 1:55 PM
37	they should have to pay the full amount, as they still get the same service as the people who pay the full amount of council tax	10/25/2019 1:51 PM
38	the difficulty in paying the 12% is hard enough. Increasing the required percentage plus the yearly increase in council tax would put households further into difficulty. The problem would then be collecting the unpaid charge which can not be collected within the current tax year as it stands. Increasing the charge does not mean an actual increase in money paid to the council.	10/25/2019 1:51 PM
39	It will end up costing the council more in chasing up unpaid council tax than what a rise will generate. Has a calculation been carried out to work out how much debt exists from this form of council tax and if increased what it will rise to? Nobody likes to read in the press what the unclaimed council tax is every year!	10/25/2019 1:46 PM
40	suggest members speak with MP's to ask them to consider including pensioners in this contribution to take the pressure off working age people who are struggling to make ends meet.	10/25/2019 1:46 PM
41	It makes no difference as Council Tax will go up at the maximum allowed to prop up Hartlepool's moronic councillors and their vanity projects	10/25/2019 1:39 PM
42	Pensioners should make some contribution 5% at least, then we may be able to maintain the 12%	10/25/2019 1:39 PM
43	I feel this has not been looked into thoroughly, why is it that people on low income pensions remain the same but people on low income will increase, what makes people on low income have more money spare then people on low pension income? there are people struggling to feed their families and attending the food banks weekly because of this and you are wanting to raise the council tax, I believe there are more important areas that need to be looked at.	10/25/2019 1:39 PM
44	Yeah. Don't be a tory.	10/25/2019 1:38 PM
45	Hartlepool has one of the highest council tax contribution in the country and it should not be made higher at all	10/25/2019 1:37 PM

Local Council Tax Support Scheme 2020/21

46	The increase is fine. The reality of the situation is we say we are poverty stricken but when you drive past the numerous takeaways you always see a queue or the phones going so how is that afforded? Its also common knowledge that whilst there are people really struggling to survive there is also a large proportion of drug users and alcoholics who access the free food and help to save their money to buy drugs. This therefore makes the statistics unreal.	10/25/2019 11:30 AM
47	Should be lowered to 10%	10/25/2019 8:50 AM
48	I'm on universal credit and I receive 170 per month. I currently have to spend 100 on gas and electricity which leaves me 70 pound for other Bill's. £10 goes to council tax leave me 60. £ 22 goes to water rates leave me 38. Then phone and internet is 27. As you can see I cant even afford to feed myself. I rely on food banks. And I'm getting more into debt each month. I cant survive on another rise.	10/24/2019 8:18 PM
49	Already too expensive not budgeting properly	10/24/2019 3:30 PM
50	To increase by 2% this year (to 14%) with a potential for a further 2% in 2021/22. This is <£1 per week. Would like to see officers being given discretionary powers to waive this in extreme cases of need.	10/24/2019 1:35 PM
51	Lower contribution as I have to use food banks to survive!	10/24/2019 12:54 PM
52	Many councils dont charge ANY council tax for those on benefits, Durham being one of them, moving from durham to hartlepool only a few miles, thinking we would be downsizing our home and trying to save on bills, and we had to rebudget as we are now paying council tax and have less rent rebate too. We pay enough Universal credit sucks as it is without having all the extra charges Hartlepool insists on. Our downsize to save money back fired, we are in a small house and paying more. If the increases happen we will be moving again. :(10/24/2019 9:27 AM
53	Taking more money from people who already struggle is wrong and i feel people who do actually pay the minimum will cease paying if they increase through no fault of there own.	10/24/2019 9:21 AM
54	Please keep it at 12% or under x	10/23/2019 9:17 PM
55	I think it should stay or go under 12% I would struggle to feed myself if this was to increase. The poverty we are in is unbearable. My mental health has come back rapidly since all this change. I struggle daily to even want to be in this world anymore. I see no help and happiness any more. Increase this and you have blood on your hands	10/23/2019 9:13 PM
56	The people are suffering. The government and council are forcing families into further poverty. This needs to stop. Children are relying on food banks. I pray all this comes to an end.	10/23/2019 9:05 PM
57	It should be increased to reflect the significant increases that households paying 100% have incurred and can ill afford to either, working families should not have to pay for any deficit through other increases.	10/23/2019 8:49 PM
58	People on less than £10,000pa should have 100% exemption	10/23/2019 8:08 PM
59	Lower for everyone! We pay an extortionate amount compared to the rest of the country for very little in return other than seeing the council workers getting nicer houses and cars whilst the working population is suffering massively!!!!!!	10/23/2019 6:13 PM
60	Stop robbing off the poor	10/23/2019 6:08 PM
61	Considering your own notes tell us that more people are struggling to pay so more people are being taken to court decreasing the contribution or removing it altogether would be more appropriate.	10/23/2019 5:54 PM
62	Absolutely disgraceful to consider squeezing those with least income. Anyone on Income Support, JSAIB, ESAIR or UC should be paying less than 16%!	10/23/2019 5:02 PM
63	As a home owner who works full time with my husband also working full time, we feel we pay more than enough council tax and, considering Hartlepool's higher than average council tax anyway, would not be happy subsidising those on benefits further. This is particularly true due to the incredibly poor police response we receive.	10/23/2019 4:30 PM
64	It is disgusting what I have to pay on min wage even with my single person discount. It's a lot of money out of my monthly wage	10/23/2019 3:24 PM
65	They should be paying council tax as the rest of us do	10/23/2019 3:15 PM
66	I believe that instead of punishing hard working, NMW persons try and recoup the nigh on £1000000 in buisness tax that was brushed under the carpet. I work hard and can barely afford to eat now	10/23/2019 3:11 PM
67	Why does a house that is on the market for sale, has been empty for 2 years and has the council tax increased to 150% as it has been applied to us even though I am the only wage earner and on low wage.	10/23/2019 1:01 PM
68	Council tax needs to stop going up we pay for nothing no improvements it's disgusting less rubbish removals and then you threaten court straight away and collections and not one of them have a sympathetic bone in their body your victimising people who are on the bread line struggling already	10/23/2019 12:56 PM

Local Council Tax Support Scheme 2020/21

69	Petition to the government for the money the budget needs rather than raising an already disproportionately high council tax when there more poverty in hartlepool than ever and more families are struggling, feeling the need to claim benefits, food stamps etc	10/23/2019 10:46 AM
70	Cutting support for the younger, working age residents of the town who may already be struggling is a harsh decision. Cuts should be made from the top.	10/23/2019 9:13 AM
71	It is unclear what percentage of households are in this bracket. Council should prepare list of activities stating what would change if income is reduced and then issue for people to vote on what they would prefer the money to be spent on so that HBC are using the money it does get wisely	10/23/2019 8:49 AM
72	The council needs to stop all council tax increases. It's crippling to all households in the town across the spectrum as is. Shortfalls cannot continually be made up for by yearly council tax increases.	10/23/2019 7:46 AM
73	Shouldn't be a percentage increase because the 12 per cent increases in value a council tax goes up	10/23/2019 7:41 AM
74	Hartlepool's Band A for people that work hard and pay full council tax pay almost the highest in the COUNTRY! For band A!!! Just let that sink in as we subsidise the rest! Enough is enough! 20 per cent of my 100 per cent contribution is not a lot! Its about time they all paid there fair share as well. Old age pensioners that are on low state pension and severely disabled should be exempt. All the people on so called low income struggling always have a cigarette hanging out there mouth complaining everything is too expensive!!!	10/23/2019 7:22 AM
75	No alteration to Anyone's council tax.	10/23/2019 7:21 AM
76	consultation does not follow the high court ruling made in 2014 where all available options have been put to the public in this consultation, I shall now be in contact with the director of finance & policy to issue a formal complaint	10/23/2019 7:12 AM
77	Money is already tight and when you are unable to work due to long term health issues supporting yourself and or family is a struggle, higher bills will make it harder to keep gas and electric topped up and enough food in the house to manage through till next pay day.	10/23/2019 6:49 AM
78	Stop or Penalising people who work I am fed up of paying this tax and getting nothing in return. Also sort the business payments out	10/23/2019 6:49 AM
79	When you say working, you are also including the most vulnerable in that, those who are disabled or carers. Though they are working age, many are unable to actually work. Also, for those on basic job seekers it is hard enough to pay for water, utilities, internet, food ect. By increasing the amount they have to pay in council tax (something which they didn't have to pay at all in the past) you are increasing the risk of homelessness, risk of winter deaths from lack of heat, and increasing pressure on the food bank because of that increase. I would urge the council to weigh up the potential increase in income against the potential cost increase for increased pressure on other services and recovery costs for those who haven't paid.	10/23/2019 6:30 AM
80	Purse strings are already tight and people are on benefits because of low incomes and are living on what the government believe is the lowest amount they should be. People can't magic money out of nowhere. I work part time so only entitled to partial benefits but have no spare money at all other than my cost of living	10/23/2019 6:28 AM
81	Stop being greedy! If you can't afford to pay this then you can't afford it! People are struggling to put food on the table for their children, help them!	10/23/2019 5:55 AM
82	Hopefully by increasing this contribution amount you can decrease the amount of council tax payable overall as you will be getting more income!	10/23/2019 5:40 AM
83	I think you should look at increasing this and decreasing it slightly for those of us who work hard and pay an absolute fortune.	10/23/2019 5:39 AM
84	People on the lowest incomes need help to maximise household income so any increase would be detrimental. Practically, would any increase generate additional revenue for HBC or would it simply result in more unpaid council tax and be absorbed by efforts to claim this.	10/23/2019 5:37 AM
85	As I understand the council have issues around non payment of council tax from those on low incomes. Larger Increases would only exacerbate this issue resulting in increased expenses and resources within the council to recover these debts so could be a false economy.	10/23/2019 5:19 AM
86	I think those on Universal Credit are struggling too much and should not have to pay any council tax at all, however increasing the charges for those of us who are working is not at all fair. If those of pension age don't have to pay council tax maybe this needs looking at and amending depending on their income?	10/23/2019 4:40 AM
87	Consider lower!	10/23/2019 3:26 AM
88	If the council didn't waste our council tax on pointless schemes there would be no need to for any increase in fact they would be able to hold the tax at it's present level or even REDUCE the exorbitant tax being paid by Hartlepool residents	10/22/2019 11:39 PM
89	This proposal is a disgrace and designed to cynically play into the Daily Mail, right wing rhetoric that pretends that people in receipt of financial support from the state are the 'undeserving poor'; the fact that it was suggested by a man who pretends to be a socialist beggars belief. I pay full council tax and I want the current system of support to remain.	10/22/2019 11:34 PM

Local Council Tax Support Scheme 2020/21

90	Try taking tax at source. Not giving benefits to those who don't work so they can willingly contribute. They never will.	10/22/2019 11:16 PM
91	People can't afford to eat. Or heat there homes. How do you expect them to pay more. Where's it spent. Services don't exist apart from bin emptying and throwing expensive perennial plants in skips at the end of every season!	10/22/2019 10:36 PM
92	It should be reduced to 6%. A manageable amount for virtually all households, which will reduce arrears and create more useable funds. Registered long term disabled should be exempt from paying any contribution. By registered I mean in receipt of DLA/PIP and claiming ESA in the support group or equivalent.	10/22/2019 10:36 PM
93	I believe everyone should make a contribution.	10/22/2019 10:31 PM
94	Need to have an increase to further encourage people to invest into the town, rather than rely on those already offering 100% input into the council tax. The fact that some households have to pay per month, more than what the assisted support people do in a year basically encourages people to do and offer less to the town. There is currently no real benefit to those paying full council tax.	10/22/2019 10:18 PM
95	People who work two jobs to afford their rent and bills should not be paying to the high heavens for council tax. Mental health is slowly decaying in Hartlepool and money is one of the main reasons. Find money in different ways, littering, parking fines, there are loads of different ways	10/22/2019 10:17 PM
96	People in the town are already hard pressed for money, this is just another slap in the face	10/22/2019 10:13 PM
97	There hasn't been an increase for 6 years, I think that's enough of a break for working age households. An extra £7 per month wouldn't have a major impact and would be fair for all rather than driving folk out of the town who are sick of carrying others who are practically encouraged not to work	10/22/2019 10:13 PM
98	We pay more than enough now. Please don't raise it I'm starting a petition. We are the highest in the country.	10/22/2019 10:10 PM
99	I think increasing the minimum contribution is a disproportionate tax on the most vulnerable in our society. Why not increase council tax for the top bands?	10/22/2019 10:09 PM
100	I'm a single Working mum of two living on the headland (BANDA) and I have never been so financially broke. I have no savings n a left in arrears with my rent and council tax I work hard all month to still have nothing left to treat my kids this rise will cripple me. I don't feel the benefit of going to work anymore I'm financially not better off!	10/22/2019 9:54 PM
101	Reduce the waste spent on over indulgent pay grades for councillors to save money, stop paying mileage and other expenses use local council buildings to hold meetings and not hire out conference rooms and stop paying for expensive buffet style meals for council meetings	10/22/2019 9:46 PM
102	People already struggle to pay what the requirement is alot of which get in to debt for like our family! Hbc are considering charging more for things like brown bin collections but increasing council tax rates and contribution rates more people will struggle and more children and families will sufer	10/22/2019 9:44 PM
103	.	10/22/2019 9:43 PM
104	I think it's time that a fairer scheme was introduced it's not sustainable to keep it at 12% and consistently put up council tax for others especially as our area pays an extortionate amount of council tax and services are reducing	10/22/2019 9:43 PM
105	The problem is, we have a higher number of low income families and it would be fair to help them. But some of us, already paying full Council Tax, are also on relatively low incomes, to increase our share would cripple us financially. What's the answer then? All I know is Hartlepool folk pay one of the highest Council Taxes in the country and yet we are one of the most deprived areas in the country. It's probably time to open the HBC coffers and spend some of the millions held in the vault	10/22/2019 9:43 PM
106	There should be sub thresholds of income to determine those who stay on 12% and those who rise to 14%. If it means a child is going hungry in order to pay council tax then obviously the family can't afford it. If it means a parent can't smoke 'x' number of cigarettes a day in order to pay the council tax then clearly that family can afford the rise. My husband and I pay a high amount for our council tax (approx £270 a month over 12 months not 10 months). And trust me, times have not been easy. My husband lost his job and for over a year has been unable to secure a permanent job. Yet we have always managed to pay our council tax and we work hard to pay it as it is a priority on our household bills. We have cut out on so much in order to make ends meet. We have seen so many rises in council tax over the years which we understand and have had to make cuts in our own monthly spending in order to then pay the council tax. We have had no choice but to take on a rise in council tax and we have struggled just as much as anybody else when this has happened. It needs to be fair. I am guessing our council tax will rise again this year as it does always. Why is it ok to raise tax for one family and not for another? We are all facing hard times. It depends on our priority for where our spending goes and how we manage our money.	10/22/2019 9:43 PM
107	Lower income people should get more help ! Higher tax should be brought of ritch people !	10/22/2019 9:36 PM
108	Higher contributions will put more strain on low income working families and increase the need of resources from mental health services, food banks, baby banks and also increase the unfortunateness of increasing debts by taking out loans to just get by and save for emergencies.	10/22/2019 9:33 PM

Local Council Tax Support Scheme 2020/21

109	Lower - the town is struggling as it is, high unemployment, high suicide rate, people pay enough in taxes etc without raising the amount paid it's disgusting	10/22/2019 9:30 PM
110	Lower as personally I am a low income household, single adult occupier with 2 dependants and you still charge me full band a because your robbing me blind!	10/22/2019 9:24 PM
111	How does this level compare to other local schemes? How does this compare to what central government would/did historically give? How much is the council tax in relation to average household bills/income for a low income household? Aim should be for households to pay what they can without pushing family's And/or households into poverty - surely there are some who could pay more than the current level and some who already struggle to make this	10/22/2019 9:22 PM
112	You can't go any higher than you are at the moment it's undoable since it adds extra strain to households already	10/22/2019 9:21 PM
113	██████████ joke, they all need lining up and shooting, monkeys can run this criminal organisation better	10/22/2019 9:17 PM
114	I feel like I already pay far too much and I am struggling. I get very little universal credit help!	10/22/2019 9:17 PM
115	I believe that council tax should be lowered. I've lived in my own home for only 3 years and it's increased twice in that time. Why should people who work be penalised and have to pay more? Why should people who are already struggling, have to try and scrape together the money to pay.	10/22/2019 9:16 PM
116	Lower income families and single parent families should pay less than 12% our council tax in this town is already one of the highest!	10/22/2019 9:14 PM
117	It is not fair to keep the existing 12% and then put the council tax up for everyone else. I should not be paying extra for those who don't pay anyway! I am a single parent who does not qualify for 'extra help' so why penalise me and my family even more by increasing my council tax. It will come to a time when I will be better off by leaving work and claiming benefits!	10/22/2019 9:11 PM
118	People pay enough council tax, stop trying to make them pay more! Not to mention that students are required to pay as soon as they leave education whether they have found work or not. That is not fair at all. Council tax is crippling our already suffering communities. Increasing it is a shameful move on part of the council. Not to mention I fail to see where all of this tax money is going to.	10/22/2019 9:10 PM
119	Low income working households already struggle. Maybe consider increasing high income household percentages instead? Not based on property band but on income	10/22/2019 9:08 PM
120	Lower contributions	10/22/2019 9:07 PM
121	Can't afford mortgage due to no funding off universal credit	10/22/2019 9:06 PM
122	Most people can't afford basic needs. How could they afford to pay more council tax, I work and struggle to pay my bills	10/22/2019 9:02 PM
123	I do not want to pay more because I work hard and contribute to our town in more ways than just council tax, I do not want to pay for others that do not and I do not want people in this town to be given a free ride and I have to pay all because I've worked very very hard all my life	10/22/2019 8:53 PM
124	I think 12% is a fair amount to pay for people on the scheme	10/22/2019 8:51 PM
125	I think the council should always have a survey put to the locals on big spending projects and acquisitions of properties and keep it at 12%	10/22/2019 8:50 PM
126	Whilst appreciating any increase on low income families is putting additional strain on budgets, I feel it is unfair to expect other tax payers take on the burden of making up the shortfall.	10/22/2019 8:37 PM
127	Maybes those who work full time deserve a decrease for a change. Always the same people that benefit. It seems it doesn't pay to work hard these days!	10/22/2019 8:28 PM
128	A lower contribution would affect those who don't qualify for assistance as services would be reduced or council tax increased when we already pay a top rate and have limited services. The rate should not be decreased under any circumstance as this disadvantages those who dont qualify for support but still struggle.	10/22/2019 8:26 PM
129	Lower than 10 for lowest income houses	10/22/2019 8:25 PM
130	Just remember, households do not have a bottomless pit of savings or incomes.They won't be anywhere as well off as Councillors. Use due thought process on this and don't use the people of Hartlepool as an escape goat for bringing in revenues. We are NOT rich!!!	10/22/2019 8:19 PM
131	Apply any increase in stages eg 2% per year until the new % figure is reached to allow people to adjust rather than applying an increase in one go.	10/22/2019 8:19 PM
132	Lower the wages of the councillors and stop spending money on pointless endeavours	10/22/2019 8:11 PM
133	The full amount I pay is extortionate. I am sick to death of subsidising lazy, work shy, drugged up skanks, those who pop kids out left right and centre and those who just cannot be bothered to work because this council and this country keep paying out benefit after benefit for this sort while I and many others work my arse off, are taxed more than others bother to earn and yet I pay more council tax in one month than these creatures do in an entire year. Boils my blood and this isn't even a nice town to live in for the cost of the council tax. Roll on moving out of this dump.	10/22/2019 8:09 PM

Local Council Tax Support Scheme 2020/21

134	A lower contribution than 12% is needed. Just bite the bullet ,ask the Treasury for more funding. The social costs are far more devastating in terms of crime, child poverty and the suicide rate is the highest in the North East. This needs to change .	10/22/2019 8:06 PM
135	Shouldn't be raised as most working families struggle to pay - I know we do and it places a huge strain on us financially	10/22/2019 8:02 PM
136	Hartlepool residents are amongst the lowest earners in the country and have one of the highest Council Taxes. Contributions from those who cannot afford, should be reduced to 0% to enable them to feed themselves and their families.	10/22/2019 8:00 PM
137	Money grabbing don't forget to give yourself a rise	10/22/2019 8:00 PM
138	I work and struggle to pay my bills. A lot of these people choose to work less or not at all. Why should i be punished in the long run and have to pay more because i do more. Not fair	10/22/2019 8:00 PM
139	I believe you should increase council tax for low income people who receive benefits and lower it for the people who contribute more in tax who work more. Eventually it's going to be more logical to not be working at all the way things are going. They already get benefits for rent, council tax and living and to me if they are sitting around in the house due to not working as much they don't need money or extra benefits to live such a lifestyle.	10/22/2019 7:58 PM
140	Lower contribution should be made as we are paying for the less services within our town	10/22/2019 7:56 PM
141	I don't believe there should be any minimum payment for people on low to zero incomes. These types of families are already in financial crisis and increasing their charge would only worsen their situation	10/22/2019 7:56 PM
142	Should not have wasted all the money on the cafe in the cemetery and all the other schemes that just wasted money	10/22/2019 7:56 PM
143	I think it should be assed on each persons financial circumstances and some maybe would pay less.	10/22/2019 7:54 PM
144	Council tax bills are too high as it is, govern the fact that its cut back after cut back. Road network and public transport are a joke and we don't even have a fully functioning hospital	10/22/2019 7:52 PM
145	I think the council is already receiving a lot of money from the people of Hartlepool and further increasing the rates that the poorest of Hartlepool have to pay is just asking for the town to go further down hill.	10/22/2019 7:51 PM
146	Remove all councillor allowances, then see how they cope.	10/22/2019 7:46 PM
147	I think the scheme should lower the contribution from 12%. Far too many people in town struggling already without having to worry about this. The collection rate will just go down and you'll have more to write off. Why not look at something else that doesn't discriminate against the poorest of society?	10/22/2019 7:37 PM
148	More people should contribute to the council tax in Hartlepool! I understand people need support but it's actually the full paying residents who subsidise this. But think the increase should be a gradual increase as people still need to budget.	10/22/2019 2 52 PM
149	25% Would be fair... We all have access to the same services.	10/22/2019 12:26 PM
150	Think maintaining it as it is now should remain as there are lot of people struggling as it is to keep their heads above water. Increasing it will only make it worse, then if course there's the liability element to think of, for those who struggle to pay. Offering assistance to those in financial hardship surely must mean it's going to end up costing the council more money.	10/22/2019 12:19 PM
151	Councils are having to provide a wide range of services which need to be funded if it is in the best interests of the community to help with contributions from all.	10/22/2019 12:18 PM
152	Should be no contribution for unemployed.	10/22/2019 12:04 PM
153	Those who are on a limited income because of disability should get a tax exemption. This, in the long run would reduce additional resources to catching up with people, save money when paying liability orders and reduce overall costs. Those who are the higher earners should potentially pay more -	10/22/2019 12:00 PM
154	I think it should be reduced to 0%. Some people are on jobseekers and are really struggling to pay the 12%. They are struggling to pay for gas & electric and topping up there rent, they are struggling to feed themselves.	10/22/2019 12:00 PM
155	Let's not hit the poorer any harder	10/22/2019 11:47 AM

POVERTY IMPACT ASSESSMENT

1. Is this decision a Budget & Policy Framework or Key Decision? YES If YES please answer question 2 below				
2. Will there be an impact of the decision requested in respect of Child and Family Poverty? YES, if the Council agrees to change the existing LCTS scheme to reduce the support for eligible working age adults. If YES please complete the matrix below				
GROUP	POSITIVE IMPACT	NEGATIVE IMPACT	NO IMPACT	REASON & EVIDENCE
Young working people aged 18 - 21		X		If the Council agrees to change the existing LCTS scheme to reduce the support for eligible working age adults then individuals within each of these groups will be affected as they will be required to pay more Council Tax.
Those who are disabled or suffer from illness / mental illness		X		
Those with low educational attainment		X		
Those who are unemployed		X		
Those who are underemployed		X		
Children born into families in poverty		X		
Those who find difficulty in managing their finances		X		
Lone parents		X		
Those from minority ethnic backgrounds		X		
Poverty is measured in different ways. Will the policy / decision have an impact on child and family poverty and in what way?				
Poverty Measure (examples of poverty measures appended overleaf)	POSITIVE IMPACT	NEGATIVE IMPACT	NO IMPACT	REASON & EVIDENCE
None identified.				
Overall impact of Policy / Decision				
POSITIVE IMPACT		ADJUST / CHANGE POLICY / SERVICE		
NO IMPACT / NO CHANGE		STOP / REMOVE POLICY / SERVICE		
ADVERSE IMPACT BUT CONTINUE	X			

POVERTY IMPACT ASSESSMENT

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

Impact Assessment Form

Department	Division	Section	Owner/Officer
Chief Executives	Finance	Revenues & Benefits	John Morton
Service, policy, practice being reviewed/changed or planned	Local Council Tax Support Scheme 2020/21, Universal reduction in LCTS Awards (excl. low income pensioners).		
Why are you making the change?	<p>The Council has already agreed:</p> <ul style="list-style-type: none"> • Every working age household will pay some Council Tax. • Other non-dependant adults in the household will be expected to contribute to council tax. • The scheme will encourage work through the disregarding of earned income. • That scheme will retain the key features of the former CTB scheme and will “mirror” national Housing Benefit regulation changes. • A universal reduction in the value of the award will be made for all working age low income households. • Low income pensioner households are protected in line with Central Government Policy. • Will continue to comply with the Armed Forces Covenant. • Continue to fully disregard child maintenance when assessing LCTS awards. This is consistent with national Housing Benefit regulations. <p>However, the Council is considering the level of universal reduction and whether to retain the current 12% scheme or change this to another value. They will also consider any other proposals to change the scheme put forward through the public consultation.</p>		
How might this impact (positively/negatively) on people who share protected characteristics?			
		<i>Please tick</i>	
		POSITIVELY	NEGATIVELY
Age		X	
<p>The Government considered the position of low income pensioners associated with the abolition of Council Tax Benefit and the introduction of LCTS. The Government determined that unlike most other groups, pensioners cannot reasonably be expected to seek paid employment to increase their income. Therefore the Government determined that as a specific vulnerable group, low income pensioners should be protected from any reduction in support as a result of this reform. The Government has not changed its position on this core principle for 2020/21.</p> <p>In Hartlepool 5,027 low income pensioners account for 37% of all LCTS claimants and the Council is required by Government to continue to protect this group.</p>			
Disability		No differential impact	
<p>It is difficult to quantify accurately either the number of disabled people living in Hartlepool or the number of households in receipt of LCTS and where an individual in that household is receiving a disability related benefit.</p> <p>The scheme will provide those disabled people of working age who are eligible with some support towards their Council Tax liability.</p> <p>Fundamentally, the 2020/21 Hartlepool LCTS scheme continues with the core equity principle that every working age household should pay something to towards Council Tax and that the level of cut should be equal. The Council endeavours to minimise the impact of LCTS but the LCTS scheme does not provide for protection / detriment for any specific working age group i.e. all eligible individuals will receive the same level of support based on their financial circumstances irrespective of their characteristics.</p>			

4.1 APPENDIX D

Race / Gender / Gender Re-assignment		No differential impact	
The Government does not believe ‘that this nationally driven policy change will disproportionately affect any particular gender or ethnicity’. The Government has not changed its position on this core principle for 2020/21. However both nationally and locally, there are significantly more female than male council tax support claimants, reflecting the number of single female claimants with child dependants.			
Only about 2.3% of Hartlepool’s population are non-white. It is not known how many of this group claim LCTS, as data within the LCTS system is incomplete for this group.			
The 2020 /21 Hartlepool LCTS scheme does not provide for protection / detriment for any specific working age group i.e. all eligible individuals will receive the same level of support based on their financial circumstances irrespective of their characteristics.			
Religion		No differential impact	
No effect.			
Sexual Orientation		No differential impact	
No effect.			
Marriage & Civil Partnership		No differential impact	
No effect.			
Pregnancy & Maternity		No differential impact	
No effect.			
Has there been consultation /is consultation planned with people who will be affected by this policy? How has this affected your decision making?		Consultation on the level of the LCTS has been undertaken and the results of this are included in the report to Members to help inform their decision on the scheme. A review of available information has also been completed including: HBC data on caseload / awards, financial modelling of local scheme ,CLG full EIA, Family Resources Survey data, Census 2011, ONS population statistics, DWP data.	
As a result of your decision how can you mitigate negative/maximise positive outcomes and foster good relationships?		The 2020/21 LCTS scheme has been developed with the aim of removing any potential for discrimination. LCTS awards for 2020/21 will provide financial support as households continue to adjust to the impacts of the wider national benefit reforms. The 2020/21 Hartlepool scheme continues to provide no protection/ detriment for any specific working age group and is centred on equality of impact i.e. all eligible individuals will receive the same level of support based on their financial circumstances irrespective of their characteristics.	
Describe how you will address and monitor the impact		1. No Impact - No Major Change The proposal is robust there is no potential for discrimination across eligible working age claimants as all will be supported equally. (The council has no choice on the protection of low income pensioners).	
Initial Assessment	14/10/19	Reviewed	27/11/19
Completed	00/00/00	Published	00/00/00

FINANCE AND POLICY COMMITTEE

9th December 2019



Report of: Director of Finance and Policy

Subject: MEDIUM TERM FINANCIAL STRATEGY (MTFS)
2020/21 TO 2023/24

1. TYPE OF DECISION/APPLICABLE CATEGORY

Budget and Policy Framework.

2. PURPOSE OF REPORT

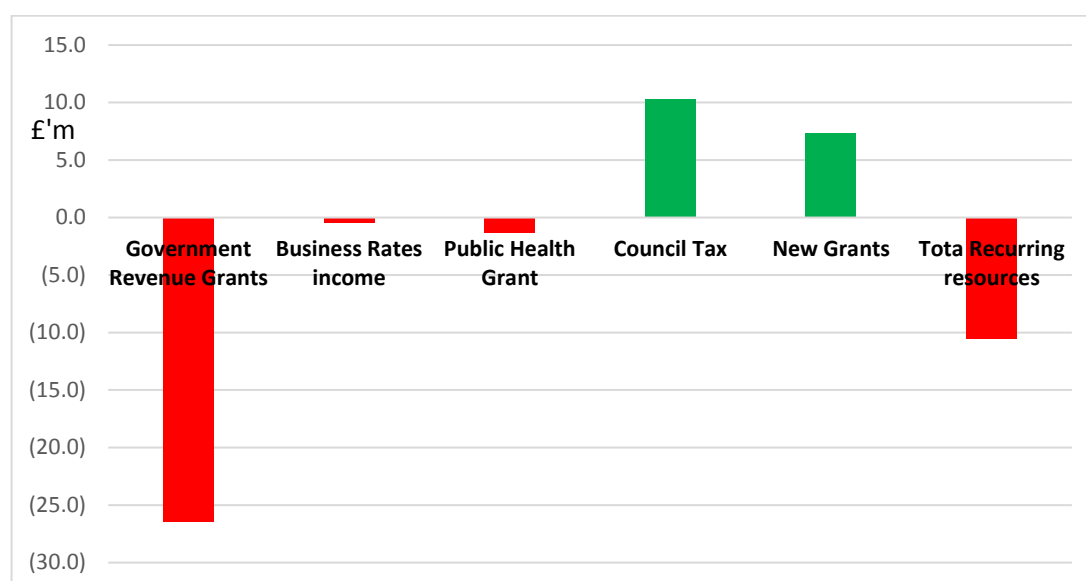
- 2.1 The purpose of this report is to enable Members to approve the MTFS proposals to be referred to Council.

3. BACKGROUND AND SPENDING REVIEW 2019

- 3.1 Previous MTFS reports advised Members that councils have faced nine years of austerity up to 2019/20. This includes the period since 2013/14 when significant changes to the national funding system were made, including transferring responsibility for Public Health and Local Council Tax Support to councils. Nationally these changes have reduced Government grant paid to councils and increased reliance on Council Tax, including the introduction of the Adult Social Care Council Tax precept. In summary these changes have result in:

- A national increase in the percentage of local services funded from Council Tax from **40%** in 2013/14 to **62%** in 2019/20;
- For Hartlepool the respective figures are **33%** in 2013/14 to **49%** in 2019/20.

- 3.2 Government grant cuts have had a disproportionate impact on more deprived areas, including Hartlepool. These areas also have a lower Council Tax base (i.e. higher than average proportion of properties in Band A and B) and therefore have had less ability to offset Government funding reductions from Council Tax increases. The impact on the Council is summarised in the table below, which shows a significant reduction in recurring cash resources for local services.

Changes in recurring resources 2013/14 to 2019/20

3.3 In addition, to the net reduction in resources, the Council also had to manage recurring budget pressures arising from pay awards, the national living wage, inflation and increased numbers of Looked after Children. The Council has addressed the recurring reduction in resources and increased costs from a combination of efficiencies and cuts. Over the nine years up to 2019/20 the Council removed 500 jobs - a reduction of 20%. This included a 38% reduction in chief officer posts (i.e. Director and Assistant Director posts) and a 50% reduction in the next senior management tier.

3.4 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 £6.9 billion 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.**

3.5 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 next Government in relation to a number of key national issues, which include:

- Government Spending Review 2021/22 to 2023/24 – This will determine the next 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;
- future national funding arrangements to address 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. It is now expected that detailed proposals will be issued in 2020 and this still means that councils will only have a short time period to plan for the impact of these changes. There is a potential risk that changes to the national funding system may result in the redistribution of resources between authorities;
- 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.

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

3.7 **Comparative information**

3.8 Members previously requested additional information to show how Hartlepool's financial position compares to a more affluent unitary authority and this is summarised in the following table, which shows:

- Hartlepool's core Government funding cut was more than 3 times the cut in Windsor and Maidenhead;
- Hartlepool's Public Health grant cut was double the cut in Windsor and Maidenhead;

Funding Changes 2013/14 to 2019/20

	Hartlepool	Windsor and Maidenhead
Population (2018 Mid-Year estimate)	93,242	167,979
Deprivation – Index of Multiple Deprivation (IMD) 2019 (Rank out of 317 English Local Authority areas – 1 st being most deprived)	10 th	316 th
Local Super Output Area in 20% least deprived nationally – IMD 2019	10.3%	83.8%
Reduction in Core Government funding between 2013/14 and 2019/20 – per resident	£284	£91
Reduction in Public Health funding between 2013/14 and 2019/20 – per resident	£10	£5

- 3.9 The following table shows that the proposed 2020/21 allocation of the new Social Care funding of £1 billion includes some recognition of ‘need’ and the ability to raise resources locally from the 2% Social Care precept.

2020/21 Forecast Funding Allocations – per resident

	Hartlepool	Windsor and Maidenhead
Share of £150m allocated to equalise 2% Adult Social Care precept	£5.02	Nil
Share of £850m allocated using 2013/14 Relative Needs Formula	£18.10	£10.57
Total Share of £1billion Social Care grant	£23.12	£10.57

The above tables shows that the formula for distributing the 2020/21 additional £1 billion of Adult Social Funding provides more funding per adult to more deprived councils. This means Hartlepool will receive more than twice the additional funding as Windsor and Maidenhead. However, this position needs to be considered against the impact of austerity over the last nine years, as highlighted in the previous table in paragraph 3.8.

3.10 **Spending Review 2020/21**

- 3.11 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 – covering both children and adults;
- continuation of the Adult Social Care precept for 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 increase 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.

3.12 Local Government Finance Settlement 2020-21: Technical Consultation

3.13 The technical consultation covered proposed arrangements in relation to the following areas. Final arrangements will be confirmed in the Local Government Finance Settlement, although the timing is now uncertain owing to the General Election.

- **Social Care grant 2020/21**

The technical consultation provided more detail in relation to the Government's proposals for allocating the additional social care funding. At a national level the Government's forecast anticipate that councils will partly 'match fund' the additional Social Care Grant by implementing the 2% Social Care precept. As summarised in the following table the Social Care grant formula used by the Government provides more grant funding for Hartlepool for each £1 of Adult Social Care precept than the national total. This position reflects the lower ability of areas like Hartlepool to raise additional resources from the Adult Social Care precept owing to the low Council Tax base (i.e. higher than average proportion of properties in Band A and B).

Comparison of Social Care Grant and Adult Social Care precept

	Social Care Grant	Adult Social Care precept
National Position	£2.00	£1.00
Hartlepool	£2.70	£1.00

On the basis that the Government's proposals are confirmed in the 2020/21 Local Government Finance Settlement the Council will receive £2.343m, which is £0.503m more than forecast. The increase reflects changes in the formula proposed by the Government for allocating this funding.

Part of this funding will need to be allocated to offset the impact of the CPI uplift of Revenue Support Grant being set at 1.7%, compared to the MTFS forecast of 2%. This commits £0.052m, leaving a net financial benefit of £0.451m.

This additional funding will help the sustainability of the budget for 2020/21 and future years by providing recurring funding of £1.053m (£0.451m plus £0.602m initial recurring funding reported in September) towards 2020/21 Looked after Children pressures of £1.403m. The 2020/21 shortfall of £0.350m will still have to be funded from one off resources detailed in the September MTFS report.

For planning purposes it is assumed that the additional 2020/21 Government funding for Social Care costs will be sustained in 2021/22 and future years. If this is not the case authorities with social care responsibilities will face a financial crisis. However, even with this additional recurring funding the Council will face a recurring shortfall in 2021/22 and future years of £0.350m if current demands on Children's services continue. As detailed in **Appendix A** the available one off funding should avoid this issue becoming a budget shortfall in 2021/22 and 2022/23. This will provide a longer time scale to either reduce costs/demand, or for the next Government to provide additional recurring funding for Looked after Children costs, which is the largest pressure for many councils, including Hartlepool.

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

In addition to the Government proposed 2% Adult Social Care precept the Government has proposed a 2% Council Tax referendum limit for councils, fire and police authorities.

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, with the highest amount being received in 2016/17 of nearly £2.3m.

The annual NHB allocations have helped offset cuts in core Government funding and therefore reduced the budget cuts the Council has had to make. However, it would have been more beneficial if the national resources allocated for NHB had been allocated to meet Social Care pressures, including Looked after Children costs. The following table details NHB allocations for the period 2016/17 to 2020/21.

NHB allocations for the period 2016/17 to 2020/21

	Number of years NHB paid for	Hartlepool	National
2016/17	6	£2.279m	£1.485bn
2017/18	5	£1.895m	£1.252bn
2018/19	4	£1.611m	£0.938bn
2019/20	4	£1.299m	£0.900bn
2020/21 – forecast ##	4	£1.039m	£0.900bn
Percentage reduction between 2016/17 and 2020/21		54%	39%

The 2020/21 forecast consist of legacy payments of £0.703m plus £0.336m for growth between October 2018 and October 2019.

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

Nationally the Government propose a 2020/21 NHB allocation of £0.9 billion, the same as 2019/20. This funding includes legacy payments for the previous three years.

The Government's consultation proposals state - "It is the Government's intention to look again at the New Homes Bonus and explore the most effective way to incentivise housing growth. We will consult widely on proposals prior to implementation. As the roll forward is for one year, with any funding beyond 2020/21 subject to the 2020 Spending Review and potential new proposals, any new allocations in 2020/21 will not result in legacy payments being made in subsequent years on those allocations".

When the Government consults on the New Homes Bonus it is suggested that the Council asks the Government to abolish this system, as authorities do not need an additional incentive to achieve housing growth as they already benefit from additional Council Tax. Additionally, the New Homes Bonus regime takes no account of service demands and deprivation. The national resources of £900 million would be better

allocated using the 2020/21 Social Care formula. If this was adopted Hartlepool would receive an allocation of £2.1 million, compared to a forecast 2020/21 New Home Bonus allocation of £1.039m.

3.14 Review of local issues

3.15 Since the previous MTFS report was considered in September a range of additional local recurring and one off issues have arisen which need to be addressed as part of the 2020/21 MTFS. These issues are detailed in **Appendix B** and the key issues are summarised below:

- **Recurring issues**

These issues are detailed in Appendix B table 1. The main positive financial issues relate to the rateable value of a Biomass Power Station recently set by the Valuation Office Agency and action taken by officers to submit an application to have this property classified as a renewable energy power station. This was confirmed on 6th November 2019 and enables the Council to retain 100%, rather than 50% of the Business Rates income. The additional recurring income will:

- Offset a reduction in overall Business Rates income arising from an actual CPI increase of 1.7%, compared to a forecast of 2%;
- Address the recurring loan repayment costs arising from the strategy to fund the St Hild's deficit;
- Provide recurring funding, including allocating the recurring Ward Member Budget saving, to meet Prudential borrowing repayment costs to support a Capital Investment Plan (CIP) as detailed later in the report;

- **One off issues**

As detailed in Appendix B table 2 there are a range of positive one off financial issues in relation to the Biomass Power Station Rateable Value being back dated to 2017/18 and the 2020/21 New Homes Bonus allocation. These one off resources enable the Council to address one off pressures as detailed in Appendix B. After reflecting these commitments the one off uncommitted resources are £291,000, which it is recommended is allocated towards the Budget Support Fund. Further information on the impact of this proposal is detailed in the next section.

- **Pension Fund Valuation**

As reported previously the triennial valuation of the Teesside Pension Fund will determine employers pension contribution rates for 2020/21 to 2022/23. This is a very complex exercise and takes many months to complete. The reduction in the employers' pension contribution rate to the Teesside Pension Fund has provisionally been confirmed as 3.1%, compared to a forecast reduction of 2% which has already been allocated towards reducing the 2020/21 budget deficit. The additional decrease reduces recurring costs by £440,000.

The availability of this recurring funding and favourable interest rates provides a unique opportunity for the Council to address capital expenditure priorities and ambitions, as detailed in section 5.

3.16 **Outcome of Budget Consultation, including feedback from Policy Committees**

3.17 The proposed 2020/21 savings have been considered by individual Policy Committees and feedback is detailed in **Appendix C** and key issues are summarised below:

- **Garden Waste**

The Neighbourhood Service Committee sought clarification regarding the risk of introducing a charge referring to the new burdens principle that Government will provide additional national funding when they make policy changes which result in additional costs to councils. In the Government's 'Our Waste, Our Resources: A Strategy for England' Government are proposing to consult on the provision of free garden waste collections for households with gardens and will consider the impacts and costs for local authorities so these can be taken into account in assessment of new burdens with the proposal that those who currently charge for the service will be compensated for the charge, whereas those who don't currently charge will not be receive any new burdens payment. The Council currently spends £429,000 on the provision of the collection of Garden Waste, which is not currently a statutory requirement placed upon it.

The proposed implementation of a Garden Waste charge would have recovered this cost over a two year period, with £256,000 forecast income for 2020/21 and a further recurring £173,000 in 2021/22.

- **Additional savings £291,000**

A number of Policy Committees indicated that they would need to consider these proposals as part of the budget and they were advised that details would first be considered by Finance and Policy Committee. In order to enable the budget to progress and for key strategic decisions to be made, including the level of Council Tax and funding for capital investment, it is suggested that additional proposals are not now identified for the residual deficit. If Members did not wish to adopt this approach detailed savings proposals would need to be identified, risk of implementation assessed, as well as completing equality impact assessments and consulting with individual Policy Committees on additional savings proposals. The impact of not identify additional savings of £291,000 is considered in paragraph 3.20.

3.18 Separate consultation meetings have also been held with the Trade Unions and Business Sector and the minutes of these meetings are detailed in **Appendix D – Part 1 and 2**. Both the Trade Unions and Business Sector recognise that the proposed Council Tax is unavoidable and necessary to

protect services. The Hartlepool Joint Trade Union Committee formal submission to the 2020/21 budget and Local Council Tax Support scheme proposals is detailed in **Appendix D – Part 3** and includes the statement – “The current proposals around Council Tax (including the Social Care Precept) and the Local Council Tax Support Scheme are prudent and unavoidable if the Authority are to maintain jobs and services whilst endeavouring to protect those most vulnerable in society”.

- 3.19 Public Consultation has also been undertaken in relation to four questions and this was supported with information summarising the 2020/21 budget position. Only 50 responses were received to this consultation as detailed in **Appendix D – Part 4**. This consultation provided no clear views, although in response to the question “From the information we have provided do you understand that the Government expects us to increase Council Tax to help protect services?” - 76% said yes, 14% no and 10% don’t know / not sure. These results would suggest that people who responded understand this issue.

3.20 **Impact of consultation feedback**

- 3.21 If Members support the proposals not to implement the proposed Garden Waste charges and the additional unidentified 2020/21 savings the Council would need to use £547,000 from the uncommitted Budget Support Fund. This would not be an unreasonable use of the Budget Support Fund, although it would reduce the uncommitted resources to £3.058m as summarised below:

Budget Support Fund

	£'000
Approved Budget Support Fund - Established as part of 2019/20 budget from reserves review	7,909
Add – One off contribution from non recurring issues detailed in Appendix B	291
Less – allocated to support 2019/20 Budget (reduced from forecast of £3.847m to reflect final 2019/20 Local Government Finance Settlement)	(3,745)
Less – allocated to support invest to save initiatives (approved by Finance and Policy Committee 30.09.19 for inclusion in final recommendation to be referred to Council. This proposal will seek delegated authority to the Chief Executive to use 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, including further development of Community Hubs to relocate staff from leased accommodation to deliver the planned 2020/21 property savings).	(500)
Less – allocated to support pilot of a new service model to reduce demand placed on Children's Services (approved by Finance and Policy Committee 22.07.19 in accordance with delegation from Council regarding use of the Budget Support Fund)	(350)
Less – allocated to support 2020/21 Budget (£256,000 Garden Waste plus £291,000 removal of additional savings)	(547)
Uncommitted Budget Support Fund - Available to manage financial risks and uncertainties in 2021/22 and 2022/23, detailed in section 4.	3,058

- 3.22 In summary, the following table details the impact of the revised savings proposals and use of the Budget Support Fund and shows how the 2020/21 budget can be balanced. The table includes the impact of forecast housing growth and a 3.9% Council Tax increase, including the 2% Adult Social Care precept.

- 3.23 The Council Tax increase reflects the Government's continued policy of increasing the proportion of local services funded from Council Tax.

Summary of initial and revised proposals to balance 2020/21 Budget

	September 2019 initial proposals	Revised proposals
	Increase / (decrease) £'000	Increase / (decrease) £'000
Gross Deficit	6,324	6,324
<ul style="list-style-type: none"> 1.9% Core Council Tax increase 	(794)	(794)
<ul style="list-style-type: none"> Forecast Housing Growth 	(700)	(700)
Forecast Deficit - February 2019	4,830	4,830
<u>Spending Review 2020/21 Changes:</u>		
<ul style="list-style-type: none"> 2% Adult Social Care precept 2020/21 	(836)	(836)
<ul style="list-style-type: none"> Social Care Grant (Children and Adults) <p>Increase reflects Local Government Finance Settlement 2020/21 – Technical Consultation as detailed in paragraph 3.11</p>	(1,840)	(2,343)
<ul style="list-style-type: none"> Core Settlement Funding ((baseline funding and Revenue Support Grant – i.e. Government grant) <p>Decrease reflects Local Government Finance Settlement 2020/21 – Technical Consultation as detailed in paragraph 3.11</p>	(360)	(308)
<ul style="list-style-type: none"> Business Rate increase 	(304)	(304)
<ul style="list-style-type: none"> New Homes Bonus Reduction before 2020/21 one off allocation. 	507	507
<u>Local Changes in Planning Assumptions:</u>		
<ul style="list-style-type: none"> Choice Based Lettings – Approved by Finance and Policy Committee 22.07.19 	37	37

	September 2019 initial proposals	Revised proposals
	Increase / (decrease) £'000	Increase / (decrease) £'000
Local Changes in Planning Assumptions (continued)	602	1,053
<ul style="list-style-type: none"> Looked after Children Pressure 		
<ul style="list-style-type: none"> Recurring Business Rates income (Biomass Power Station) and uncommitted Ward Member Budget saving as detailed Appendix B 	0	(200)
<ul style="list-style-type: none"> Prudential Borrowing costs for issues detailed in Appendix B 	0	200
Revised Deficit to reflect Spending Review and Local Changes	2,636	2,636
Proposed Work Stream Savings – Details in Appendix E	2,345	2,089
Proposed Use of Budget Support Fund	0	547
Deficit still to be addressed	291	0

4. BUDGET 2021/22 to 2023/24

- 4.1 The MTFS would normally be rolled forward to cover the next three financial years. However, the one year Spending Review and delay of significant reforms to the Local Government funding system, including the Fair Funding Review and Business Rates Retention reforms, mean this is not currently possible. The deferment of these issues results in a further 12 months of financial uncertainty until 2021/22, which continues to make medium term service and financial planning extremely challenging. This will only be addressed when the Government provide a multi-year grant settlement and forward indication of future Council Tax Referendum limits.
- 4.2 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. Total public sector spending may also be affected by future national tax receipts which will be driven by economic and political factors.

- 4.3 There is a continuing 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. Similarly, there is a risk in relation to how Public Health funding is allocated and whether this continues as a separate grant or is rolled into the Fair Funding Review.
- 4.4 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 “gain” will be offset by a greater reduction in Revenue Support and there is a risk that new arrangements to address this position may not fully compensate the Council. These changes will be a significant risk to the Council as **£9.160m (28%)** of total annual 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.
- 4.5 Under the existing system the Government only provides financial support to individual Councils 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 approximately £2m. 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.
- 4.6 There are also expenditure risks in 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 £1.053m 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 recurring additional budget may be required;

- **Inflation** - the current forecast for 2021/22 is based on inflation of 2%. There may be higher inflation pressures and each additional 1% inflation adds £0.470m to the Council's costs;
- **National Living Wage (NLW)** – a number of political parties have made policy statements in relation to the NLW. If these proposals are implemented this will have a significant impact on external contracts and result in unfunded budget pressures if additional Government funding is not provided.

4.7 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;
- continuing housing growth.

4.8 On the basis of the above planning assumptions the revised 2021/22 deficit is **£1.301m**, which consist of:

2021/22 Forecast Deficit

	£'m
Forecast deficit 30.09.19	0.844
Less – Additional Forecast Housing Growth (i.e. total growth 2020/21 of £0.804m)	(0.090)
Add – Deficit deferred from 2020/21 by using reserves	0.547
Total	1.301

4.9 To begin to address the 2021/22 deficit officers will commence work early in the new financial year on the development of a strategy which will include a review of fees and charges, a review of accommodation and scope for further

operational changes to achieve efficiencies. Details of this work will be reported to a future Finance and Policy Committee.

- 4.10 The position for 2022/23 and 2023/24 is even more uncertain and will also depend on decisions the new Government makes in the next Spending Review, reform of the Local Government funding system, implementation of a sustainable long term funding strategy for Adult Social Care and Council Tax referendum limits.
- 4.11 Future Government funding will continue to be critical for authorities which have a low Council Tax base (i.e. high proportion of properties in Bands A and B) as these authorities, which includes Hartlepool, will never be able to fully fund local services solely from Council Tax and Business Rates income. To enable the Council to set an annual stand still budget in real terms i.e. to just keep pace with inflationary pressures, the Council would either require:
- annual inflation increases in Government funding and Council Tax; or
 - annual inflation increases in Government funding, plus an additional recurring grant if the Government want to freeze Council Tax.
- 4.12 If either of the above increases in recurring resources is not provided the Council will continue to face recurring budget deficits. For example, if Government funding is not increased in line with inflation the Council would face annual budget deficits of approximately **£0.8m** – net of continuing housing growth and annual inflation increases in Council Tax, but before any potential above inflation budget pressures, for example in relation to Looked after Children, or growth of the town costs. Clearly, after a decade of reducing budgets the capacity to manage further cuts in the budget is limited and will result in cuts in services. Further updates will be provided when more information becomes available. In the meantime, the financial uncertainties in future years, highlight the critical importance of the 2020/21 budget decisions in providing the best possible recurring resource base for the Council.

5. CAPITAL

- 5.1 As reported previously the Council has secured significant grant funding over recent years to invest in the towns' infrastructure and much of this investment has been secured through competitive bidding. The Council has also reopened the Housing Revenue Account and also secured significant external investment to increase the number of HRA properties.
- 5.2 Alongside the Council's investment the town has also seen significant investment by private sector housing developers and as reported previously over the period 2014/15 to 2019/20 the Council Tax base has increased by **11.46%** compared to a Tees Valley average increase of **9.62%**.
- 5.3 **Current Capital Programme**
- 5.4 The 2019/20 capital programme budget is **£29.6m** (excluding expenditure to be rephased to 2020/21) and the majority of projects will be delivered on

budget. The following amendments to the capital programme need to be approved:

- Stranton Chapel – Budget increase of £85,000

A detailed report on the investment strategy for Stranton Chapel was considered by Neighbourhood Services Committee on 15th November 2019. The report advised Members that the estimated costs of this scheme is £490,000, compared to available funding of £405,000. The report advised Members that the additional cost of £85,000 can be funded from Prudential borrowing and the annual repayment costs met from the Cemetery revenue budget.

- BIS – Final account increase of £237,000

The BIS project acquired and converted a vacant Grade II listed building and has created workshop/studio space for up to 28 start-up and emerging creative industries/business. This was a complex scheme owing to the age and condition of the building. The approved budget was £4.593m and the Council secured grant funding of £3.545m towards these costs.

The project went over the agreed contract length and officers have disputed the final contractual claim from the contractor and through negotiations reduced the additional cost to £237,000 (i.e. 5% of the approved budget). This amount has paid been to avoid the risk of the matter being referred to adjudication by the contractor. The department will seek to manage the over spend from revenue underspends in the remainder of the year. As a fall-back position it is proposed to fund these costs from Prudential borrowing and the resulting recurring annual repayments cost of £9,000 will be funded by the department making small savings in running cost budgets.

5.5 Future Capital Programme

5.6 The Council will continue to invest in the town and there are four existing parts to this strategy:

- **Schemes funded from specific resources**

The Government provides specific capital grants for investment in schools, Disabled Facilities Grants and the Local Transport Plan. These resources can only be spent in accordance with the specific grant conditions. Detailed grant allocations for 2020/21 have not yet been issued and indicative allocations are detailed in **Appendix F**. In line with the procedures adopted in previous years it is recommended that once the actual 2020/21 allocations are known that authority is delegated to the relevant policy committee to approve the detailed schemes to be funded. This will ensure schemes can be implemented as soon as practical and grant conditions are complied with.

The Council also funds a replacement programme for operational vehicles and equipment (e.g. refuse vehicles, grass cutters etc.) used to deliver front line services. The Council has robust procedures for managing the operational life of vehicles and equipment and this includes an annual review of the proposed replacement programme by the Neighbourhoods Services Committee. Details of the proposed programme for 2020/21 to 2022/23 are included in **Appendix F**. Officers will continue to actively manage the proposed programme and this may mean planned replacements may be delayed if this is financially advantageous for the Council. Any temporary net saving from delaying replacement will be reflected in the quarterly revenue monitoring reports submitted to Finance and Policy Committee.

- **Housing Revenue Account (HRA) capital programme**

A separate HRA business plan report will be submitted to Finance and Policy Committee in January 2020 and will include proposed capital investment. Initial forecasts indicate investment of **£15m** over the next three years to deliver additional properties. Detailed investment proposals will be set out in the Business Plan.

- **Neighbourhood Investment Fund**

A Neighbourhood Investment Fund of £2.465m has previously been established and £2.326m has been committed. The commitments include £150,000 for reclamation works at Stranton allotments approved by Finance and Policy Committee on 14th October 2019. Finance and Policy Committee also approved the recommendation that the final MTFS proposals to be referred to Council should seek approval to reinstate this amount from a one off 2018/19 accrual saving achieved in the current year. Approval of this proposal will result in an uncommitted Neighbourhood Investment Fund of £0.289m and detailed proposals for using these one off resources will be submitted to a future Finance and Policy Committee meeting.

- **Funds secured from the Tees Valley Combined Authority (TVCA)**

The Council has secured TVCA Capital Programme Funding of £20m and £10m of TVCA Indigenous Growth Funding. The Council has the opportunity to maximise the investment that can be delivered using this funding by also providing match funding from Prudential Borrowing, as detailed in paragraphs 5.7 to 5.18.

5.7 Proposed Council Capital Investment Programme (CIP)

5.8 Other than the Neighbourhood Investment Fund the Council has had limited opportunity over the last few years to fund local priorities which did not attract external grant funding owing to the limited availability of local resources. This

position partly reflected the requirement to allocate capital receipts to complete Housing Market Renewal schemes following the withdrawal of Government capital grant funding. It also reflected ongoing pressures on the revenue budget which meant capital investments using Prudential Borrowing could only be funded where there was a robust self-funded business case, either through income generation or efficiency savings.

- 5.9 As detailed earlier in the report the Council has a unique opportunity to fund Prudential Borrowing from a combination of recurring revenue savings. As summarised below these savings provide a potential capital investment pot of £13.395m.

Forecast Prudential Borrowing

	Recurring Revenue saving £'000	Prudential Borrowing support from recurring revenue saving £'m
Ward Member Budget	66	1.535
Other net budget savings (detailed Appendix B)	80	1.860
Employer's Pension contribution reduction	440	10.000
Total	586	13.395

- 5.10 The forecast capital resource of £13.395m is based on current interest rates and assets having a 40 year operational life. The actual pot may be lower if interest rates increase before the Council actually borrows this money. In the current economic climate this should be a low risk. However, there is a continuing risk that the Government may increase Public Works Loan Board (PWLB) interest rates as these rates recently increased by 1% without warning. This situation highlights the potential risk of interest rate increases, as a further increase of 1% would reduce the investment pot to £11.4m.
- 5.11 To remove this risk the Council will need to lock into long term loans once the 2020/21 budget proposals have been approved by full Council. In practice this will mean that borrowing is undertaken early in 2020 as it will not be practical to undertake this level of borrowing in the available workings days between Council on 19th December and financial markets closing down for the Christmas / New Year period. Additionally, there may be a period of interest rate volatility following the outcome of the General Election, which may impact on the timing of borrowing and the interest rates which can be secured. Once

interest rates are fixed for this borrowing the value of the investment pot will be confirmed.

- 5.12 For planning purposes it is appropriate to work on the figure of £13.395m, provided the capital spending is on assets with an operational live of 40 years. If the capital expenditure is on assets with a shorter operational live the capital pot will reduce as the loans will need to be repaid over a shorter live, which increases the annual cost.
- 5.13 On the basis of Members approving the above proposals this funding will complement funding secured from Tees Valley Combined Authority (TVCA) and provide an overall CIP pot of £40.895, as follows:

Forecast Capital Investment Pot

	Funding £'m
Prudential Borrowing	13.395
TVCA Capital Funding - £20m allocated, less existing commitments to convert Jacksons Landing loan to grant (£1.6m) and TVCA development funding (£0.650m)	17.750
TVCA – Indigenous Growth Fund (IGF) - £10m allocated, less TVCA IGF development funding (£0.250m)	9.750
Total	40.895

- 5.14 To enable further work to be progress on the development of a detailed investment plan Members need to determine if they wish to use the identified savings to support Prudential Borrowing of £13.395m. If they do detailed proposals for a CIP of £40.895m will be submitted to a future meeting.
- 5.15 In relation to priorities to be funded from these resources this will include:
- Leisure Facilities – delivery of replacement Mill House, improvement of other existing facilities and demolition of existing Mill House;
 - Waterfront – public realm, public art, exhibition space and RML497;
 - Cultural assets - Borough Hall, Town Hall, Art Gallery and Headland band stand area;
 - Attracting Investment / Business Park Investment;
 - Shades – will be based on successful Heritage Lottery Fund bid;
 - Wingfield Castle;
 - Neighbourhood Improvement Plan.

5.16 The delivery of these priorities will depend on the detailed specification, costs and project milestones for individual projects. This work is underway and details will be reported to Finance and Policy Committee in January/February 2020 to enable Members to approve funding for individual schemes. Delivery of this level of capital investment will need careful management and a phased implementation programme to ensure the overall programme can be delivered within the overall funding limit. This work will require funding and as these costs are an integral element of programme delivery these costs will need to be funded from the identified funding. It is recommended that an initial allocation of £0.5m is approved. To enable work to progress it is also recommended that authority for the use of these resources is delegated to the Finance and Policy Committee.

5.17 The future report will also address issues in relation to 'Development Phase Funding', which will cover costs of preparing business cases and delivery plans for individual schemes and also 'Contingency Funding', which will be necessary to ensure the successful financial delivery of this level of investment. The future report will also:

- ensure robust business cases are developed for both the capital spend and revenue consequences of individual projects, as once contracts are let and works commence the Council will be committed to completing projects. As there is significant evidence from both the private sector and public sector of capital costs exceeding the agreed budget this area needs careful assessment. The planning environment continues to be challenging owing to continued economic uncertainty, including the continued uncertainty in relation to Brexit and the outcome of the General election. Until these issues are resolved contractors will continue to price in risk to tender submissions.
- Identify potential scope to secure external match funding for individual schemes, which would then enable the Council's own resources to be spread over a larger number of schemes. At this stage potential external grant funding may be available for a range of schemes. However, until the Council has determined which schemes it wishes to prioritise, formal submissions for match funding cannot be submitted.

5.18 If Members do not wish to use the identified savings to support Prudential Borrowing the CIP pot will reduce by £13.395m i.e. from £40.895m to £27.5m, which is the available TVCA funding. A lower CIP pot would require the Council to prioritise schemes within the reduced resources, which would have a greater impact on schemes not eligible for grant funding i.e. leisure facilities and Wingfield Castle.

5.19 **High Tunstall College of Science**

5.20 As part of the work completed to date on the review of leisure facilities within the town officers have been approached by the Head Teacher of High Tunstall College of Science regarding a range of proposals to develop and enhance

the community offer including new 3g pitch, changing rooms, refurbishment of tennis courts, swimming pool improvements and car park improvements.

- 5.21 To facilitate this development the school are seeking a loan from the Council of £0.7m towards the overall investment of £1.826m. The total investment includes £0.5m forecast Football Foundation grant, £0.3m School Basic Need capital grant and £0.326m Local Transport Plan capital grant. The loan from the Council will only be drawdown if the other funding is secured, although discussions with the funder indicate this funding will be confirmed once the detailed grant application is submitted, including evidence of match funding (i.e. the loan from council and School Basic Need capital grant).
- 5.22 The school is seeking a loan period of 15 years and the resulting annual repayment cost would be £53,000, which equates to 0.8% of the schools 2019/20 revenue budget. The school are also seeking an option to repay over 10 years. The Council would support the loan to the school using Prudential borrowing. A risk assessment of the schools ability to make the annual loan repayments has been completed and this risk is assessed as low as repayments would be deducted by the Council from the school's delegated budget.
- 5.23 There is a potential risk that the school may choose (or be forced) to become an academy. However, any debt outstanding would automatically transfer with the school. If this occurs the Council's position will be fully protected by the original legal agreement with the School. In the unlikely event of any default the amount outstanding could be pursued by way of ordinary court enforcement methods. The likelihood of any such course of action being successful would be high by virtue of the fact that any unpaid judgement would amount to a budget deficit of the school and this would in turn lead to the ESFA serving a Financial Notice to Improve and ultimately terminating the schools funding agreement, which would mean the ESFA make the loan repayments directly to the Council.
- 5.24 Further details in relation to the scheme and financial considerations are provided in **Appendix G**.

6. RESERVES

- 6.1 The Council had total General Fund Reserves (excluding the specific ring fenced reserves for the Housing revenue account and Schools) of £39.983m at 31st March 2019, compared to £45.119m at 31st March 2018, which is a reduction of £5.136m – a reduction of 11.4%.
- National figures recently published by the Ministry of Housing, Communities and Local Government showed that all councils general fund revenue reserves had increased by £1.1 billion – an increase of 4.7% over the period;
 - Comparison for the Tees Valley councils show that three other authorities reduced reserves over this time period by an average 13.7%, with a range of 5% to 19.4%.

6.2 The fact that the Council's reserves have reduced over this period reflects the impact of a further grant cut in 2018/19 and pressures in relation to Looked after Children costs. The use of the Council's reserves in 2018/19 reflected previous MTFS decisions.

6.3 The Council's reserves consists of two elements:

Summary of Total General Fund Reserves 31.03.18 and 31.03.19

	31.03.18 £'m	31.03.19 £'m
Revenue Grants Unapplied and Earmarked Capital Reserves	14.392	13.035
Other Reserves	30.727	26.948
Total	45.119	39.983

6.4 As reported previously Revenue Grants Unapplied can only be spent in accordance with the funding conditions specified by external funders. If these conditions are not met the grants have to be repaid. The balance held at the year-end relates to schemes / projects which cover more than one financial year. Similarly Earmarked Capital Reserves relate to resources allocated for existing approved capital commitments and cannot therefore be released. Therefore, the remainder of this section concentrates on the Other Reserves, as these resources are directly controlled by the Council.

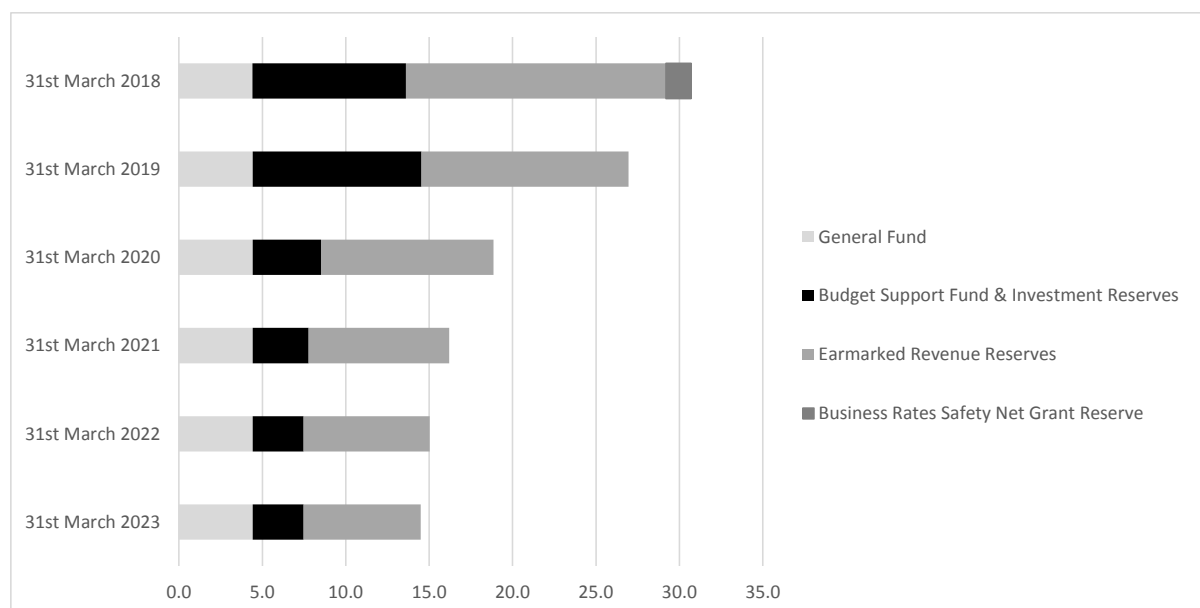
6.5 Since the 31st March 2018 Other Reserves have reduced and there will be a further reduction in the current year as reserves will be used in accordance with decisions approved in the February 2019 MTFS. As summarised below between 31st March 2018 and 31st March 2020 these reserves will have reduced significantly and this reflects previous MTFS decisions.

Other Reserves 31.03.18 and 31.03.19 actual and forecast 31.03.20

	Value 31.03.18 £'m	Value 31.03.19 £'m	Forecast 31.03.20 £'m
Unearmarked General Fund Reserve	4.417	4.417	4.417
Budget Support and Investment Reserve	9.211	10.119	4.094
Earmarked Revenue Reserves	15.619	12.412	10.347
Business Rates Safety Net Grant Reserve – balance transferred to Budget Support and Investment Reserve	1.480	0.000	0.000
Total	30.727	26.948	18.858
Percentage reduction from previous year ##	-29.6%	-12.3%	-30.0%

The percentage reduction for 2017/18 of 29.6% reflects a reduction in these reserves from £43.620m at 31.03.17 to £30.727m at 31.03.18.

- 6.6 Detail in relation to the value of the above reserves at 31st March 2019 were included in the Council's audited 2018/19 Statement of Accounts and these details are provided in **Appendix H**.
- 6.7 The following graph provides a summary of the forecast use of reserves up to 31st March 2023 and shows that reserves will reduce to £14.5m.



- 6.8 As reported last year it was forecast that by 31st March 2022 reserves would have reduced to £8.5m, consisting of an Unearmarked General Fund Reserve of £4.4m and Earmarked Revenue Reserves of £4.1m. This position reflected the planned use of reserves at the time arising from forecast continued reduction in Government funding in 2020/21 and the use of reserves to support the budget and meet one off redundancy costs (and retirement costs where the employee made redundant was 55 years and older).
- 6.9 The financial position for 2020/21 is less challenging than previously forecast owing to the Government providing additional resources, particularly for Social Care. Therefore, the planned use of reserves (i.e. the Budget Support Fund and reserves allocated for redundancy and retirement costs) is less than previously forecast and a balance of £14.5m is currently forecast at 31st March 2023. When the budget forecast is rolled forward to cover 2021/22 to 2022/23 it is anticipated that further use of reserves may be required, or a higher recommended level retained to manage ongoing financial risks 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;

- 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;
- any unknown risks which may arise from the outcome of the election or Brexit.

6.10 At this stage it is recommended that existing reserves, net of the proposed use to support the 2020/21 budget, are maintained to manage these risks. 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. This approach will also provide a longer lead time to manage these risks materialising.

7. OTHER CONSIDERATIONS

7.1 Legal Considerations

7.1 The following issues are relevant in relation to this report:

- the Local Government Finance Act 1992 requires local authorities to set a balanced budget – approval of the proposed recommendations in this report enables the Council to meet this requirement;
- the Local Government Act 2003 requires local authorities to consider the advice of their Section 151 Chief Finance Officer (the Director of Finance and Policy) when making budget decisions. This advice must include details of the robustness of the estimates made for the purposes of the calculations and the adequacy of the proposed financial reserves. These requirements are addressed in section 8;
- The requirements of the Prudential Code in relation to the use of Prudential Borrowing – the capital proposals detailed in this report comply with these requirements. The more detailed technical requirements arising from the approval of the proposals in this report will be included in the Treasury Management Strategy which will be referred to Council separately, following scrutiny by Audit and Governance Committee.

7.2 Following publication of Notice of Election for the UK Parliamentary General Election to be held on the 12 December 2019, the period of heightened sensitivity known as 'Purdah' has been activated. During this period, the Council must be careful about publicity and the use of Council resources.

7.3 Code of Recommended Practice on Local Authority Publicity (“the Code” issued under section 4 of the Local Government Act 1986) states that:

- “During the period between the notice of an election and the election itself, local authorities should not publish any publicity on controversial issues or report views or proposals in such a way that identifies them with any individual members or groups of members. Publicity relating to individuals involved directly in the election should not be published by local authorities during this period unless expressly authorised by or under statute.”

7.4 This does not mean that the Council as a decision maker must grind to a halt - ordinary Council business and that required by statute must continue.

7.5 The Local Government Association guidance entitled ‘A short guide to publicity during the pre-election period’ states that Councils must:

- *“Continue to discharge normal council business (including budget consultations or determining planning applications, even if they are controversial)”*

7.6 The Council has a statutory duty to consult upon and set a budget, Purdah does not stop this process.

7.7 **Child and Family Poverty**

7.8 As detailed in **Appendix I** there are no specific child and family poverty considerations as part of this report. The majority of proposals put forward will not impact on the delivery of frontline services or service users.

7.9 **Staff Considerations**

7.10 None.

7.11 **Asset Management Considerations**

7.12 The 2020/21 savings include property rationalisation proposals.

7.13 **Equality and Diversity**

7.14 The majority of proposals put forward will not impact on the delivery of frontline services or service users. However, there are some proposals which simply by the nature of the service area that they cover will impact on those with protected characteristics e.g. adult social care relating to older adults or those with disabilities. Owing to the financial challenges facing the Council we have no choice but to change and redesign services to reduce costs. Where we need to change and redesign services we are working to minimise the impact on those with protected characteristics and are focusing on securing services for those who are the most vulnerable within those protected characteristics.

- 7.15 Members are aware from previous MTFS reports that in making financial decisions the Council is required to demonstrate that those decisions are made in a fair, transparent and accountable way, considering the needs and the rights of different members of the community. This is achieved through assessing the impact that changes to policies, procedures and practices could have on different equality groups.
- 7.16 Equality Impact Assessments (EIA) have therefore been undertaken where required and have been included as part of the proposals reported to Policy Committees to enable Members to satisfy themselves that they are able to consider fully the potential impact of the proposed changes when making their decisions.
- 7.17 As detailed in **Appendix J** an overall central assessment has been undertaken to determine the cumulative impact of the savings proposals on each individual “protected characteristic”. This assessment demonstrates that the savings proposals do not have an overall potential impact on any one area and there is no requirement to arrange further corporate consultation in relation the budget proposals.

8. CONCLUSIONS AND ROBUSTNESS ADVICE

- 8.1 In response to Government funding cuts over the last nine years the Council has made significant changes to modernise services and achieve efficiency savings. This has included a 20% reduction in the workforce, including a higher percentage reduction in senior management posts, as detailed in paragraph 3.3. The efficiencies and savings implemented over the last nine years cannot be repeated.
- 8.2 The Council has managed previous budget reductions effectively and external inspections show that we have maintained good services, including being the only Council in the Tees Valley that Ofsted has rated Children’s Services as ‘good’. This service performance reflects the hard work and dedication of the Council’s staff.
- 8.3 Whilst, the Council faces continuing pressures in relation to Social Care costs, national figures for similar authorities (i.e. CIPFA Nearest Neighbours) show Adult Social Care per adult client costs are 12% less than average and for Child in Need 11% less than average.
- 8.4 The initial budget forecasts for 2020/21 and 2021/22 were prepared in December 2018 and reflected information available at that time. Since these forecasts were prepared, there have been significant national developments, which provide additional grant funding for children and adult social care. These changes also include a Government proposed Council Tax referendum limit of 4%, including a 2% Social Care precept.
- 8.5 The proposals detailed in the report to balance the 2020/21 budget are designed to provide the best possible financial position for 2020/21 and future

years. There are three key components to this strategy. Firstly, an increase in the recurring budget for Looked after Children. Secondly, limited reliance on the use of reserves in 2020/21. Thirdly, a Council Tax increase of 3.9%, including the 2% Adult Social Care precept.

- 8.6 On the basis that the 2020/21 proposals are approved the Council will be in a better financial position than could have been hoped twelve months ago. This is critical as the major reforms to the Local Government funding system and therefore the risks have simply been deferred from 2020/21 to 2021/22. Officers will continue to manage the budget carefully in 2020/21 and seek to identify recurring budget savings to address the ongoing deficits facing the Council. The 2020/21 proposals defer a deficit to 2021/22 of £1.301m (including a deficit deferred from 2020/21 by using reserves of £0.547m) and a plan will need to be developed to address this deficit.
- 8.7 In relation to capital the report outlines proposals to establish a capital investment programme pot of £13.395m, which will be funded from Prudential Borrowing. The annual repayment costs will be funded from recurring savings, including the additional reduction in employers' pension contributions. If these recurring savings were taken to reduce the Council Tax increase the capital pot of £13.395m would not exist.
- 8.8 **Robustness Advice**
- 8.9 As indicated in previous years the Local Government Act 2003 introduced a statutory requirement on an Authority's Section 151 Chief Finance Officer to advise Members on the robustness of the budget forecasts and the adequacy of the proposed level of reserves. If Members ignore this advice, the Act requires the Authority to record this position. This later provision is designed to recognise the statutory responsibilities of the Section 151 Officer.
- 8.10 In response to the continuing financial challenges facing councils CIPFA (Chartered Institute of Public Finance and Accountancy) issued guidance last year reminding Section 151 Officers and their authorities of the statutory responsibilities when setting budgets. This advice reinforces statutory requirements and provides practical guidance to help Section 151 Officer's discharge their responsibilities
- 8.11 In providing the appropriate robustness advice to this Committee and full Council I will be able to sign off the budget as robust if both the proposed savings and proposed Council Tax increase are approved. Further information to support this statement is provided in **Appendix K**.
- 8.12 If either of these components is not approved I will not be able to sign off the budget as robust until such time as alternative recurring savings have been identified.
- 8.13 In the event that Members identify alternative savings to replace the proposed Council Tax increase these would need to be assessed before I could confirm they were robust. This assessment would need to assess alternative

proposals in terms of deliverability, sustainability and impact on staff. In addition, alternative proposals may require statutory consultation and equality impact assessments, particularly if changes are proposed to services, the introduction of new/increased charges or reductions in staffing. There is a risk that any necessary assessments cannot be completed in time to implement alternative savings from 1st April 2020 which would mean only a part year saving can be achieved.

- 8.14 In the event that it is suggested that the proposed Council Tax increase is not implemented and the recurring income reduction is replaced by using reserves this cannot be signed off as robust. This proposal would significantly weaken the Council's ongoing financial position and the cumulative impact would be a reduction in resources of approximately **£5m**, consisting of:
- A permanent reduction in recurring Council Tax income of **£1.630m**, which cannot be replaced in future years;
 - A permanent reduction of reserves of **£1.630m** i.e. the amount which would need to be used in 2020/21;
 - A permanent reduction in services of **£1.630m** which is the amount that would need to be saved in 2021/22 to replace the use of reserves in 2020/21.
- 8.15 Using reserves to replace a Council Tax increase has no parallel to the strategy of using reserves in 2019/20 to defer part of the deficit until 2020/21. The 2019/20 budget protected recurring Council Tax income by approving a 3.9% increase, including a 1% Social Care precept.
- 8.16 The recommendations in this report are predicated on the new Government confirming the 2020/21 grant funding and Council Tax referendum limits announced over recent months. This position will not be confirmed until after the General Election and a new Government may have different priorities. However, there will be limited time for a new Government to make significant changes for 2020/21 as they have to comply with various statutory requirements and provide funding allocations etc. in sufficient time to enable individual authorities to comply with statutory deadlines for setting their budgets and council tax levels. In the event that the new Government makes any changes which impact on the recommendations in this report a further report will be submitted to enable Members to determine whether any changes are required by the Council to the recommendations detailed in this report.

9. RECOMMENDATIONS

9.1 It is recommended that Members note the following:

- i) That the Government is providing an additional £1 billion of national funding for children and Adult Social Care pressures;

- ii) The Government have proposed a 4% Council Tax referendum limit. This includes a 2% Adult Social Care precept which will generate £500 million to partly match the £1 billion referred to in recommendation (i). Continuation of the Adult Social Care precept for a fifth year continues to shift part of the funding of these services onto Council Tax.

9.2 It is recommended that Members refer the following proposals to full Council on 19th December 2019:

Revenue Budget

1. Note that the Council's allocation of the £1 billion social care funding (net of £52,000 reduction in Revenue Support Grant) is £2.291m, compared to the September 2019 forecast of £1.840m, an increase of £0.451m;
2. Approve that £1.053m of the social care grant funding (£0.602m forecast in September and £0.451m increase detailed in recommendation (1)) is allocated to partly address the recurring increase in the Looked after Children costs – forecast 2020/21 of £1.403m based on current costs;
3. Approve the detailed strategy for allocating one off resources detailed in **Appendix A** to address increased Looked after Children costs already incurred in 2019/20 and forecast in 2020/21. This strategy will provide sufficient funding to meet existing costs continuing to 2022/23, which provides a longer lead time to reduce demand, or for the Government to recognise this national pressure and provide additional funding;
4. Approve the recurring and one off issues detailed in **Appendix B**;
5. Approve the revised proposal for addressing the net 2020/21 budget deficit as detailed in paragraph 3.23, which include:
 - A 2% Adult Social Care precept;
 - A 1.9% core Council Tax increase;
 - Work stream savings of £2.089m as detailed in **Appendix E**
 - Use of reserves of £0.547m to remove the proposed Garden Waste charges and requirement to identify further budget saving of £0.291m
6. Note that a 2% Adult Social Care precept and core Council Tax increase of 1.9% for 2020/21 provides recurring income of **£1.630m**, which protects services;
7. To note that adopting recommendation (5) defers a deficit of £0.547m, to 2021/22 which increases the deficit for that year from £0.844m to £1.301m.

Recommendation Referred from Finance and Policy Committee 14th October 2019

Finance and Policy Committee considered a detailed report “Tees Valley Future Waste Strategy” on the adoption of the Outline Business Case for the treatment of municipal residual waste on behalf of the five Tees Valley councils from April 2025. The report outlined the detailed work which needs to be completed in relation to this issue and the costs of procurement, obtaining planning permission, project management and external specialist advice in the areas of legal, financial and technical during procurement. These costs will be shared by the five Tees Valley councils and would normally have to be funded up front. The Combined Authority have agreed to provide a loan for these costs, with repayment not commencing until 2025/26 when the new facility becomes operational. Finance and Policy Committee approved the following recommendation for inclusion in the MTFS proposals to be referred to Council.

8. Approve that the Council enter into a loan agreement with the Combined Authority to agree to repay the £1m associated with the procurement over a 25 year period commencing 2025/26 and delegate authority to the finalise the agreement to the Director of Finance and Policy in consultation with the Chief Executive, Chief Solicitor and Chair of Finance and Policy Committee.

Capital Issues

9. Approve the proposed funding arrangements for the increased capital costs detailed in paragraph 5.4 and inclusion in the current capital programme;
10. Note the indicative specific capital grant allocations detailed in Appendix F and in line with the policy adopted in previous years delegate authority to the relevant Policy Committee to determine, in compliance with the relevant grant conditions, the allocation of the actual capital grant allocation once these are known;
11. Approve that a one off accrual saving from 2018/19 of £150,000 is used to reinstate the Neighbourhood Investment Fund to £289,000 and to note detailed proposal for using this amount will be reported to a future Finance and Policy Committee, in accordance with the previous Council delegation.
12. Approve the proposal to use the recurring revenue saving of £0.586m summarised in paragraph 5.9 to establish a Capital Investment Programme fund of £13.395m to be funded from Prudential borrowing which will be repaid from the recurring saving. To note if Members do not wish to approve this proposal the available Capital Investment Programme fund of £13.395m will not be available;
13. To note on the basis of approving recommendation (12) the Capital Investment Programme Fund will match fund TVCA funding to provide total capital investment of £40.895;
14. On the basis of Member approving recommendation (12) to seek approval from Council to delegate authority to Finance and Policy Committee, in

consultation with the relevant Policy Committee Chair(s), to approve the detailed business cases for the schemes detailed in paragraph 5.15 to be delivered from the Capital Investment Programme Fund. To note that a further report will be submitted to Finance and Policy Committee in January/February 2020;

15. On the basis of Members approving recommendation (12) to allocate of £0.5m of the available capital funding to enable work to progress on the development of detailed business and to delegate authority for the use of these resources to the Chief Executive, in consultation with the Chair of Finance and Policy Committee and Director of Finance and Policy;
16. To approve the use of Prudential borrowing to fund the loan request of £0.7m from High Tunstall College of Science towards the total scheme costs of £1.826m. To note the annual repayment cost of 15 years will be £53,000, which is 0.8% of the schools 2019/20 budget and to note the school will seek to repay the loan over 10 years. To note that Neighbourhoods Services Committee will need to approve the allocation of £0.326m of Local Transport Plan funding towards this scheme;
17. On the basis of Members approving recommendation (16) to note the Chief Solicitor, in consultation with the Director of Finance and Policy, will complete the appropriate legal agreement with the school to protect the Council's financial position;

Reserves

18. To seek Council approval to delegate authority to the Chief Executive, in consultation with the Chair of Finance and Policy Committee and Director of Finance and Policy, to use 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. To note the uncommitted balance on the Budget Support Fund will be part of the review detailed in recommendation (19);
19. Note that a further review of reserves will be completed as part of the 2021/22 budget process and this will include an updated assessment of risk in relation to national issues and proposed changes to the local government funding system, which will increase risk if proposals to increase Business Rates retention from 50% to 75% are implemented.

Robustness Advice

20. Note the robustness advice of the Director of Finance and Policy detailed in section 8.

10. REASON FOR RECOMMENDATIONS

- 10.1 To enable the Finance and Policy Committee to approve the detailed proposals to be referred to full Council.

11. BACKGROUND PAPERS

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

Finance and Policy Committee - Medium Term Financial Strategy (MTFS)
2020/21 to 2021/22 – 30th September 2019

12. CONTACT OFFICER

Chris Little
Director of Finance and Policy
Email: chris.little@hartlepool.gov.uk
Telephone: 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"/>

APPENDIX A**One off funding identified for Looked after Children costs – 2019/20 to 2022/23**

	2019/20 £'000	2020/21 £'000
Release of Risk Contingency As reported to Finance and Policy Committee on 30th September 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.	561	140
Review of Grant Regimes 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.	300	0
Northgate Contract Savings 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.	160	0
Custodian Property Provision The four successor councils continue to be liable for Custodian Property costs in relation to former	97	0

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.		
Waterfront Loan Cash backing 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 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. 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.	0	393
Total Resources in year one off resources	1,118	533
Contribution to / (release) of new Looked after Children reserve	(528)	528
Increase in Looked after Children budget funded from additional 2020/21 Social Care Grant (£602k reported September MTFS plus £451k detailed in paragraph 3.12)	0	1,053
Less Additional Looked after Children costs 2019/20 and 2020/21 (note 1)	(590)	(1,403)
Uncommitted one of resources earmarked to manage Looked after Children costs exceeding the base budget (note 2)	0	711

- (1) The 2019/20 Looked after Children costs have not changed since the September MTFS was considered. However, the under spend on other budgets has increased and this therefore reduces the net shortfall to be funded in 2019/20 from £850,000, to £590,000.
- (2) The 2020/21 base budget includes a recurring increase of £1.053m for Looked after Children pressures and is funded from the additional 2020/21 Social Care grant. The forecast pressures are £1.403m, based on the existing over spend and an additional £162,000 for further potential

additional pressures. Therefore, in 2020/21 there is a funding shortfall of £350,000, which is funded from one off resources. If this level of demand continues the uncommitted balance of one off funding of £0.711m would provide temporary funding for 2021/22 and 2022/23. This would avoid having to make budget cuts in other areas in these years and also provide a longer lead time to potentially reduce demand, or for the new Government to provide further additional funding for Looked after Children costs.

ADDITIONAL COMMITMENTS AND RESOURCES**Table 1 – Recurring Issues**

Issue and comment	Recurring Funding / (budget pressure) 2020/21 £'000
<p>Business Rates income - Biomass Power Station</p> <p>The Rateable Value has recently been confirmed and applies from April 2017. We have recently submitted an application to the Valuation Office Agency to have this hereditament classified as a renewal energy power station and this has been confirmed. This will mean the Council retain 100% rather 50% of the Business Rates income of £0.250m per annum. The MTFS had included £50k net Business Rates growth for 2020/21. Therefore, the Biomass Power Station provide an additional £0.200m of recurring income for 2020/21.</p> <p>There is also a one off back dated element for 01.4.2017 to 31.03.20 and this is detailed in Table 2 below.</p>	200
<p>Business Rates income –CPI inflation</p> <p>The actual CPI is slightly less than forecast in the MTFS, which will reduce Business Rates income.</p>	(49)
<p>General Fund - Public Health Inflation saving</p> <p>The initial budget forecasts anticipated a Public Health Grant cash freeze. Therefore, the General Fund budget forecast deficit provided inflation for Public Health Services. This is now not required and the Public Health Grant will increase by inflation.</p>	(170)
<p>Use of General Fund - Public Health Inflation savings</p> <p>As reported in the September 2019 MTFS the inflation savings can be used to retain services as follows:</p> <ul style="list-style-type: none"> • Allotments £50,000 – to support affordable access and remove proposed increase in fees • GP Referral Scheme £62,000 • Diabetes prevention £15,000 • Sport & Recreation Leisure Facilities Income Subsidy £43,000 – to support affordable access 	170
<p>Ward Member Budget savings</p> <p>Removal of this budget will provide recurring saving of £66,000, which it is proposed is earmarked to repay Prudential Borrowing associated with the establishment of a Capital Investment Programme.</p>	66

	Recurring Funding / (budget pressure) 2020/21 £'000
<p>St Hild's School – repayment prudential borrowing</p> <p>The school has faced a challenging financial position as it is a small secondary school. Officers have been working with the school for a number of years to balance the annual budget and to then repay the accumulated deficit. A reduction in pupil numbers means this position has deteriorated and the outcome of the recent Ofsted inspection means the Council now needs to take action to stabilise the financial position.</p> <p>The Ofsted inspection has increased the risk that the school will not be able to return to an in-year budget surplus, which would have enabled repayment of the accumulated deficit to begin, as the focus will be on addressing Ofsted's concerns. In addition, there is an increased risk that the school will be forced to become an academy and if this occurs national regulations mean the deficit will remain with the Council.</p> <p>Therefore, to address this situation and ensure the Council is not left with a future unfunded liability, total funding of £2.1m is required to cover the existing accumulated deficit and forecast deficit for the next 2 years. As detailed in Table 2 one off funding of £0.455m is available.</p> <p>By using Prudential borrowing for existing Council capital schemes the Capital Funding Reserve (which is a revenue reserve) can be released and reallocated to cash back the remaining school deficit of £1.645m. The Council will then need to meet the annual repayment costs of using Prudential borrowing as a budget pressure of £71k.</p> <p>The existing deficit will remain against the school and officers will continue to work with the school to achieve an in year budget surplus and then agree a long term repayment plan. However, there is a very significant risk that repayment will not be made. Therefore, the Council needs to cash back the deficit to avoid an unfunded liability arising at a future date when there will be less financial flexibility to manage the position, which would then result in cuts to Council services.</p>	(71)
<p>Capital Investment Programme (CIP)</p> <p>Funding for the CIP can be provided from the following sources:</p> <ul style="list-style-type: none"> • The Ward Member Budget saving of £66k will provide Prudential Borrowing of £1.535m towards this shortfall. (66) • Allocating £80k within the 2020/21 budget will provide £1.860m of Prudential Borrowing. As the loan costs will not commence until the new building is operational the recurring budget provision can be allocated for one off design costs/capital contingency over the next two years. (80) <p>The above proposals provide £3.395m of borrowing based on a building with a 40 year operational live.</p>	
Net Total Uncommitted recurring resources	0

ADDITIONAL COMMITMENTS AND RESOURCES**Table 2 – One off Issues**

Issue and comment	One off funding £'000
Business Rates income - Biomass Power Station As detailed in Table 1 there will also be a one off benefit from the Biomass Power Station rateable value being back dated for the period 01.04.2017 to 31.03.20 of £750k. Part of this amount (£140k) will need to be allocated to address a Collection Fund deficit at the end of 2019/20 which needs to be addressed as part of the 2020/21 budget process. The deficit reflects slightly lower actual housing growth than anticipated when the 2019/20 budget was set.	610
St Hild's School – As detailed in Table 1 one off funding will also need to be allocated for this issue.	(455)
SEND Transport Pressures The Council is overspending on SEND costs and related transport costs. Whilst, additional specific Government grant funding is being provided for SEND costs in 2020/21, no additional funding is being provided for related transport costs. It is proposed that provision is made to meet these costs in 2020/21 to enable further work to be completed to determine if recurring funding needs to be provided in 2021/22.	(200)
New Home Bonus The MTFS anticipated the phasing out of NHB commencing 2020/21, in line with previous Government announcements and the planned implementation of the Fair Funding Review and 75% Business Rates Retention. The 2020/21 Local Government Finance Settlement Technical consultation issued on 04.10.19 confirmed that the Government will continue to honour legacy NHB payments for the previous 3 years and also make a new 2020/21 allocation for housing growth October 18 to October 19. The Government plan to consult in 2020 on options for changing NHB moving forward. At this stage the Government are saying that any new allocations in 2020/21 is for one year only. It is therefore not prudent to treat this as recurring funding until the position is clearer.	336
Net Uncommitted one off resources It is recommended that this amount is transferred to the Budget Support Fund. The report details proposed usage of the Budget Support Fund, including some use of these one off resources to support the 2020/21 budget, with the balance being held to manage financial risk in 2021/22 and 2022/23.	(291)

Consultation Feedback from Policy Committees

Table 1 – Adult & Community Based Services Committee 24 October 2019

Savings Programme 2020/21 (*Director of Adult and Community Based Services*)

Purpose of report

The purpose of the report was to enable Members to consider proposals to achieve savings in 2020/21 and to provide feedback on those proposals to the Finance and Policy Committee.

Issue(s) for consideration

The Director of Adult and Community Based Services reported on the general financial situation facing the local authority and set out details of the government's one year Spending Review for 2020/21 as announced on 4 September 2019. This included proposals to address children and adult social care pressures through the provision of £1 billion and the Government had confirmed the Adult Social Care precept would continue for 2020/21 at 2%, which would generate £500 million if all councils implemented this increase.

The downside to the one year Spending Review was a further period of uncertainty in relation to the significant reforms to the funding system that the Government now proposed to implement in 2021/22. These risks had simply been deferred one year, albeit that the 2020/21 settlement provided a better base line than previously forecast. The Government's one year Spending Review for 2020/21 provided some recognition of the pressures on children and adult social care services which made up 58% of the Council's budget.

The proposals for this Committee were based on a range of actions that were being taken to better manage demand, and were summarised in Appendix A to the report. Work was underway through the Better Care Fund plan to prevent avoidable admissions to hospital and residential care. The number of permanent admissions of people aged 65 and over to care homes in 2018/19 was 130, a significant reduction when compared to the two previous years (164 admissions in 2016/17 and 147 in 2017/18). Over the same period, the number of people supported in their own home by telecare services has increased over the last three years from 2,170 in March 2016 to over 3,100 in March 2019.

A panel was in place to review all packages of support in the community where costs were higher than the indicative resource allocation or where an increase in the support package is proposed. Different models of support such as Individual Service Funds and Shared Lives provision were being explored, which provided more cost effective ways of meeting needs as well as improving outcomes. The current model of Direct Payment Support provision through a commissioned service would also be reviewed and alternative options explored.

The Director confirmed that there were to be no compulsory redundancies or posts deleted through these proposals. The savings would deliver £225,000 in 2020/21 with a further £75,000 in 2021/22. The Director stated that it was a credit to the workforce that these savings could be made without compromising the provision of front line services.

A Member raised concern at the Equality and Diversity Considerations within the report. The Member considered that there had to be significant equality issues created through the potential increase in charges. The Adult Social Care precept had increased Council Tax by 6% on its own over three years and this, along with the other Council Tax increases was having a significant impact on families in Hartlepool. Members considered that there were undoubtedly equality issues that needed to be reported on this and many other budget

reports across the Council. The Director acknowledged Members concerns and indicated that she would raise the issue with the Corporate Management Team.

Members welcomed the Director's comments. A Member stated that the Care Quality Commission (CQC) had reported that there were significant levels of unmet need in the wider community and services were becoming even more difficult to access. Another member considered that frontline services were already being impacted with access to social workers often being very difficult. Members also commented that they objected to some of the language being used in the reports and how real cuts were being referred to as savings

The Director stated that the department had implemented significant savings over the past nine years of austerity but had always done its utmost to protect frontline services and the teams that delivered them. The level of cuts that have had to be implemented simply could not have been carried out without some impact on frontline services, but efforts had been made to minimise this; officers were well aware of the impact and shared some of the frustrations expressed by members.

The Chair stated that she would take up Members comments in relation to the Equality and Diversity Considerations in reports with the Leader of the Council. The Chair noted members frustration with the proposals and indicated that she would bring back to the next meeting a response to the concerns on the savings proposed.

Decision

That the Committee noted the content of the report and the savings proposed and that a response on the proposed savings to be presented to the next meeting of the Committee and the comments made in the debate be shared with the Finance and Policy Committee.

Table 2 – Children & Joint Commissioning Services Committee – 19 November 2019**Savings Programme** (*Director of Children's and Joint Commissioning Services*)**Purpose of report**

The purpose of this report is to enable Members to consider proposals to achieve savings in 2020/21 and to provide feedback on these proposals to the Finance and Policy Committee. It outlines a proposal for an invest to save project to be delivered within children's services.

Issue(s) for consideration

The Director of Children's and Joint Commissioning Services presented the report which provided background information to the Council's budget strategy and the report that had been considered by Finance and Policy Committee on 30 September 2019 setting out the initial budget forecast for 2021 and 2021/22 reflecting information available at that time. Government had issued a one year Spending Review for 2020/21 on 4 September 2019 which, at a national level, provided additional resources for Councils, including children and adult social care. Additionally, the Government had confirmed the Adult Social Care precept would continue for 2020/21 at 2%. This was the first increase in net funding for nine years. In summary, the 2020/21 budget was 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 for Hartlepool. In addition, since 2015 the Council had faced increased pressure in relation to Looked after Children, the impact of which was set out in the report.

No savings proposals for the Children's Services Committee had been referred from Finance and Policy Committee as the main area of the Committee's budget related to demand led costs for children looked after. The Children and Joint Commissioning Services was forecasting a net overspend of £0.850m at the end of the year. This consisted of an underlying budget pressure arising from the costs related to the high number of children looked after. The report included a summary of headline areas of spend in Children's and Joint Commissioning Services and the allocated budget. Over the past four years, demand for Children's Services in Hartlepool had increased substantially year on year leading to a 77% rise in the number of children in care, details of which were provided.

In order to reduce demand in Children's Services it was necessary to tackle external drivers. It was proposed to pilot a whole system approach to safeguarding children and support families by creating a multi disciplinary team based in a defined geographical area of the town where there was the greatest level of need and the Victoria Ward had been identified, the background to which was set out in the report. Details of the proposed aims of the pilot project as well as how the scheme would operate were provided as outlined in the report.

In the discussion that followed, officers responded to queries raised arising from the report. Clarification was provided in relation to the cross departmental support arrangements to address concerns around housing and landlord related issues, the benefits and anticipated outcomes of the project, referral arrangements, potential take-up figures as well as proposed timescales for providing an update report to Members. Members were keen to receive an update report at the earliest opportunity and there was discussion around whether this would be a six monthly or quarterly report as requested by the Chair. Following discussions in relation to

the logistics and the type of information that would be available in the short term, it was suggested that an interim report be provided in three months followed by a more detailed update report in 6 months time.

Members commented on the impact of the high level of private landlords in the Victoria Ward and other wards of this type and the importance of stability for children living in these wards accessing children's social care.

A query was raised in relation to the plans/timescales for rolling out this project to the rest of the town. The Committee was advised that the project would need to operate for at least 12 to 18 months to demonstrate impact and it was noted that funding had been allocated for 18 months. An evidence based report would be brought back to Committee for evaluation and consideration prior to roll out across the town.

Decision

- (i) That the contents of the report and comments of Members be noted and be utilised to formulate a response to be presented to the Finance and Policy Committee.
- (ii) that an interim update report in relation to the pilot project be provided in 3 months followed by a more detailed update in 6 months time.

Table 3 – Neighbourhood Services Committee 18 October 2019**Savings Programme 2020/21** *(Director of Regeneration and Neighbourhoods)***Purpose of report**

To enable Members to consider proposals to achieve savings in 2020/21 and to provide feedback on these proposals to the Finance and Policy Committee.

Issue(s) for consideration

The Director of Regeneration and Neighbourhoods presented the report which provided background information to the Council's budget strategy and the report that had been considered by Finance and Policy Committee on 30 September 2019 setting out the initial budget forecast for 2021 and 2021/22 reflecting information available at that time. Government had issued a one year Spending Review for 2020/21 on 4 September 2019 which, at a national level, provided additional resources for Councils, including children and adult social care. Additionally, the Government had confirmed the Adult Social Care precept would continue for 2020/21 at 2%. This was the first increase in net funding for nine years. In summary, the 2020/21 budget was 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 for Hartlepool. An assessment of available national information had been completed and it was estimated that there would be an increase in Government grant funding allocated to Hartlepool of £1.997m and implementation of the 2% social care precept would provide £0.836m. After reflecting local pressures of £0.639m the 2020/21 forecast deficit had reduced from £4,830m to £2.636m.

Work on the Innovation and Efficiency Strategy work streams had identified proposed savings of £2.345m of which 65% (£1.421m) would be achieved by reducing overhead costs and from income generation. Further proposals for addressing the remaining gap of £0.291m would be submitted to a future meeting of Finance and Policy Committee and would be based on achieving £0.100m from reviewing fees/charges and £0.19m from a further review of expenditure budgets.

An initial assessment indicated a revised 2021/22 deficit of £0.855m which may increase if looked after children pressures could not be contained within the increased base budget provision. Since 2015 the Council has had to manage an increase in the number of looked after children, a 77% increase, although officers had worked to mitigate the financial impact and the cost increase had been limited to 45%.

In response to the financial challenges over the last nine years the Council had made significant changes to modernise services and achieve efficiency savings which had included a reduction in the workforce of 500 posts. The savings and efficiencies implemented cannot be repeated and against this background the Council faced an increasingly challenging financial position in 2020/21 and future years. Whilst the one year spending review for 2020/21 provided some recognition of the pressures on children and adult social care services, this did not address the impact of the permanent cuts in Government funding over the previous nine years, although it did reduce the scale of the cuts required next year.

The Director went on to provide a breakdown of the savings/income generation proposals for this Committee of £657K in 2021 and £178K in 2021/22 as detailed in Appendix B of the report.

Members considered in detail the savings proposals and expressed a number of views/queries/comments which included the following:-

- (i) In relation to the proposals to introduce a charge for the collection of garden waste, a Member indicated that he could not support this proposal.
- (ii) A Member requested additional information in relation to other service areas under the remit of this Committee to enable alternative proposals to be worked up and presented to Members, referring to the budget line “other” in the budget book. The Director of Regeneration and Neighbourhoods agreed to provide this information prior to the November meeting of this Committee.
- (ii) Reference was made to previous discussions by this Committee in relation to the future waste disposal contract arrangements and suggestions around local authorities developing an in-house waste disposal scheme, the financial benefits of which were highlighted. The Director of Regeneration and Neighbourhoods advised that a report had recently been considered by Finance and Policy Committee on 14 October setting out the proposals for the Tees Valley local authorities in relation to future waste disposal, the detail of which would be provided following the meeting.
- (iv) A lengthy debate ensued in relation to the proposed garden waste collection charges during which there were differing views expressed by Members.
- (v) Clarification was provided in relation to how the proposed garden waste collection scheme would operate along with details of other proposals included in the report. It was suggested that permits be issued with Council Tax bills and the timescales for mattress/bulky waste collections be examined. The benefits of introducing a chargeable permit scheme for none Hartlepool residents to dispose waste at the Household Waste Recycling Centre was discussed. The Director advised that legally the Council had to provide a service to the residents of the borough and not outside.
- (vi) The Director confirmed that Members were to note the detail of this report, provide comments which would be presented to the Finance and Policy committee along with other savings in December.
- (vii) The process as to whether the budget information should be reported back to Neighbourhood Services or direct to Finance and Policy Committee was debated.
- (viii) Members discussed at length alternative income generation opportunities during which further information was requested in relation to the detail around proposed fees and charges. A Member commented on the need to explore alternative options to avoid responsible residents being hit with additional charges and options could include a review of car parking charges and enforcement fees.
- (ix) With regard to the proposed changes to opening hours at the Household Waste Recycling Centre, views were expressed that other alternatives be examined such as a reduction in the working day to avoid closures two

days per week and that proposals should reflect the level of demand on bank holidays.

- (x) Assurances were sought that the proposals relating to any reduction in working hours at the Household Waste Recycling Centre would not adversely affect staff and that redeployment opportunities would be explored.
- (xi) The Director provided clarification in response to queries raised in relation to grass cutting, litter picking and the costs of traffic management arrangements on the A689. Concern was also expressed in relation to an ageing workforce and concerns around the proposed move from mechanical street cleansing to manual.
- (xii) In concluding the debate, Members requested further information in relation to the following:-
 - budget book information in relation to “other”
 - detailed information on the innovation and efficiency strategy workstreams specifically on the £100,000 savings from fees and charges and details of £191,000 from review of expenditure budgets
 - details of current vacancies held across Neighbourhood Services
 - details on the impact on the proposal to move to manual street cleansing on the workforce.
- (xiii) Members supported the move towards perennial wildflower seeds from annual, the introduction of a free permit scheme for Hartlepool residents at the Household Recycling Centre, the proposal to recover full wheeled bin costs from implementing revised charges to fully recover the costs of replacement bins and introduce a new charge for new builds and bin exchanges which were currently provided free of charge and expand the trade waste service and review charges.
- (xiv) Further discussion ensued in relation to the decision making process and how the additional budget information requested by Members should be considered. The Leader commented on the value of input to the budget process from Members and indicated that all contributions from this Committee would be welcomed. A Member placed emphasis upon constitutional responsibilities, indicating that decisions relating to the Neighbourhood Services element of the budget fell within the remit of Neighbourhood Services and therefore requested that the budget information, as outlined above, be reported to the next meeting of this Committee.

Decision

- (i) That the contents of the report and comments of Members, as outlined above, be noted and be utilised to formulate a response to be presented to Finance and Policy Committee.
- (ii) That a report be provided for Members’ consideration to the next meeting of this Committee to include the following additional budget information:-

4.2 Appendix C

- budget book information in relation to “other”
 - detailed information on the innovation and efficiency strategy workstreams specifically on the £100,000 savings from fees and charges and details of £191,000 from review of expenditure budgets
 - details of current vacancies held across Neighbourhood Services
 - details on the impact of the proposal to move to manual street cleansing on the workforce.
- (iii) Members supported the move towards perennial wildflower seeds from annual, the introduction of a free permit scheme for Hartlepool residents at the Household Recycling Centre, the proposal to recover full wheeled bin costs from implementing revised charges to fully recover the costs of replacement bins and introduce a new charge for new builds and bin exchanges which were currently provided free of charge and expand the trade waste service and review charges.
- (iv) That the suggestions of Members be actioned as appropriate.

Table 3 – Neighbourhood Services Committee 15 November 2019**Savings Programme 2020/21** (*Assistant Director, Environment and Neighbourhood Services*)**Purpose of report**

To provide Members with additional information to consider proposals to achieve savings in 2020/21 presented at the October meeting of this Committee and to provide feedback on these proposals to the Finance and Policy Committee.

Issue(s) for consideration

The Director of Regeneration and Neighbourhoods reported on the background to the Committee's consideration of the savings report at the last meeting and Members' request that a further report be provided to this Committee with additional information in relation to the savings proposals which included the detail of budget lines reflected in the Council's budget book.

The Committee was provided with additional information which included the following, details of which were set out in the report:-

- Risks associated with introducing a charge for garden waste collections
- Costs of opening the Household Waste Recycling Centre on bank holidays and 7 days a week
- Household Waste Recycling Centre Permit Scheme digital technology proposals
- Mattresses - impact of introducing mattress collection charges
- Environmental Services mechanical sweeper arrangements
- Grass cutting/litter picking A689
- Other budget information
- Vacancies
- Environmental Enforcement Review

Members considered in detail the additional information provided and expressed a number of views/queries/comments which included the following:-

- (i) A query was raised regarding the benefits of introducing a Household Recycling Permit Scheme and whether usage by unlicensed commercial operators, landlords and people from outside the borough was at such a level to warrant such monitoring. The Director explained the rationale and background in relation to the proposals indicating that other authorities had seen a reduction in tonnages since introducing the scheme. Whilst there was no information available to quantify the level of usage, the workforce had indicated there was evidence of abuse. Arrangements would be made to monitor the situation whereupon this would be reviewed and reported back to Members.
- (ii) A lengthy debate ensued in relation to the waste management arrangements to which the Director provided clarification in response to queries/suggestions made. Further concerns were raised that Members were being asked to make a decision on a permit scheme without robust facts and figures or case studies in support of the proposals and further information in this regard was requested. It was later confirmed that this information had been provided at the previous meeting of this Committee.
- (iii) Reference was made to the recent budget settlement and a query was raised as to whether the financial position across Neighbourhood Service areas had improved as a result of this year's grant settlement. The Director advised that this query would be referred to the Director of Finance and Policy, however, as far as she was concerned there had not.

- (iv) With regard to the proposed reduction in mechanical sweepers from two to one, concerns were raised regarding the adverse impact in terms of street cleanliness issues and potential flooding/gulley blockages.
- (v) In relation to a query raised regarding the timescales for providing feedback to Members in relation to the outcome of meetings with neighbouring local authorities to ascertain how they undertake their grounds maintenance and litter operations adjacent to their highways work, including information around robot grass cutters, the Committee was advised that a report would be provided once the potential risks associated with these issues had been examined in full and upon receipt of information from neighbouring authorities.
- (vii) The Director provided clarification in response to further queries raised in relation to aspects of the report.
- (viii) A Member reiterated comments expressed at the previous budget meeting that he would not support charges for the collection of garden waste or mattresses and would not support proposals in relation to the household recycling permit scheme until such time as there was sufficient supporting information to enable Members to make an informed decision, the potential implications of which were outlined.
- (ix) A Member referred to recent road closures in the town as a result of maintenance works and requested that advance notice be provided to the public in relation to any planned closures.
- (xiv) Prior to concluding the debate, further discussion ensued in relation to the decision making process and the potential implications of individuals not supporting the budget. Members were advised that the differing views of Members in relation to the proposed garden waste collection charges had been reflected in the minutes of the last meeting which would be included in the response to Finance and Policy Committee.

Decision

- (i) That the contents of the report and comments of Members, as outlined above, be noted and be utilised to formulate a response to be presented to Finance and Policy Committee.
- (ii) That further information be provided in relation to the Household Waste Recycling Permit Scheme, the potential for introducing a robotic service for grounds maintenance and litter clearance on the A689.
- (iii) That clarification be provided following the meeting as to whether the financial position had improved across Neighbourhood Service areas as a result of the grant settlement.

APPENDIX D - PART 1

**BUDGET CONSULTATION MEETING WITH TRADE UNION
REPRESENTATIVES - Minutes of Meeting held on
14 November 2019**

Present: ***Hartlepool Borough Council Officers***
 Councillor Shane Moore (*Chair*)
 Councillor Sue Little
 Councillor Leisa Smith
 Gill Alexander, Chief Executive
 Chris Little, Director of Finance and Policy
 Hayley Martin, Chief Solicitor
 Jill Harrison, Director

Trade Union Representatives

Edwin Jeffries
 Tony Watson
 Alison Leonard
 Matthew Pearce
 Helen Metcalfe
 Richard Marshall

Apologies:

Councillor Christopher Akers-Belcher
 Councillor John Tennant
 Sally Robinson, Director of Child and Adult Services

Sam Durham, PA to Chief Executive (Minutes)

1.	Presentation
<p>Councillor Shane Moore welcomed the group and introductions were given.</p> <p>Chris Little provided a summary of the MTFS report considered by Finance & Policy Committee on 30th September 2019 and reported on Hartlepool's forecast financial position for 2019/20 to 2021/22.</p>	

Comments Made by Trade Union Representatives	Response
Trade Unions felt there is no need to have a consultation for moving away from A 12% LCTS scheme.	
Trade Unions would like to raise the profile for children and queried where money is going for the Adult Social Care precept? Understand this is a national issue.	Analysis of national figures for the 2020/21 Social Care grant will be reported to Finance & Policy on 9 th December. This analysis shows more funding is allocated to areas with low Council Tax base. However, this does not reverse the impact of previous core grant cuts.
Trade Unions queried if the national living wage increase will have an impact on Childrens Social Care.	Confirmed there would be more of an impact on the Adult Services commissioning side.
Noted in the report that there will be no impact on services or staff and no compulsory redundancies. Trade Unions would like to provide a financial response to the report.	Welcomed Trade Union views to append the report.
Trade Unions queried if there would be an impact on the Authority if the schools national funding formula is agreed and would it impact and effect schools budgets?	North East would be worse off, although will need to assess impact of specific proposals when these are known.
Trade Unions thanked officers and Councillors for their continuous hard work during these difficult times.	The Leader welcomed any additional comments and thanked Trade Unions for their support.

APPENDIX D - PART 2

**BUDGET CONSULTATION MEETING WITH BUSINESS SECTOR
REPRESENTATIVES - Minutes of Meeting held on
19 NOVEMBER 2019**

Present: ***Hartlepool Borough Council Officers***
 Councillor Shane Moore, Leader of the Council (*Chair*)
 Councillor Sue Little, Chair of Adult and Community Based Services
 Committee
 Gill Alexander, Chief Executive
 Chris Little, Director of Finance and Policy
 Denise McGuckin, Director of Regeneration and Neighbourhoods
 Pat Riordan, Director of Public Health

Business Sector Representatives

Peter Olsen
 Adrian Liddell
 David Scott
 Rachel Anderson
 Stephen Allison

Apologies:

Councillor John Tennant
 Councillor Christopher Akers-Belcher
 Councillor Leasa Smith

Emma Armstrong, PA to CEMT (Minutes)

1.	Presentation
<p>Councillor Shane Moore welcomed the group and introductions were given.</p> <p>Chris Little provided a summary of the MTFS report considered by Finance & Policy Committee on 30th September 2019 and reported on Hartlepool's forecast financial position for 2019/20 to 2021/22.</p>	

Comments Made by Business Sector Representatives	Response
What is the total budget for Looked After Children?	CL to provide this specific split following this meeting.
One representative commented that they thought the introduction of charging for brown waste was a good idea.	
It was questioned if contingencies are put in place for snap Public Sector Pay awards?	No, only contingencies for a 2% pay award, any further pay increase would mean more in year savings.
As Hartlepool are heavily reliant on the power station for Business Rates, we have new areas developing such as the bus station area and Seaton Carew, how quickly would we see these business rates coming though?	<p>These will not be realised immediately, we are however still Lobbying hard on the potential for a new Power Station.</p> <p>The Biomass Power plant will bring some increase in business rates.</p>
The Business representatives congratulated the Council on the budget proposals. Difficult decisions within this budget and they acknowledge this.	
Clarification sort on deadline for written response to this presentation.	If response could be submitted before 9 th Dec, this would allow the comments to be put forward to Finance and Policy Committee on 9 th December.
The Business representatives agreed that 3.9% increase in Council Tax would be acceptable, given the current budget situation.	Cllr Moore thanked the representatives for their attendance today and support.

HARTLEPOOL JOINT TRADE UNION COMMITTEE

Chair:- SJ Williams

Secretary:- E Jeffries

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Gill Alexander
Chief Executive
Hartlepool Borough Council

26th November 2019 (by email)

Dear Gill,

Medium Term Financial Strategy (Finance & Policy Committee 30/09/19) – Budget Proposals

We are writing in response to the report to the Finance and Policy Committee (30/09/19) and the subsequent budget consultation meeting with the Trade Unions.

We welcome the position outlined by the proposed budget in that it achieves no compulsory redundancies whilst protecting front line services as much as the Authority are able, given the current financial position.

The one year settlement given by this government has assisted in the Authority in producing proposals that would, if fully implemented, produce a robust and sustainable base for 2020/21 and beyond, to protect jobs and services. However, we are aware of 2 proposals which are being queried in the political arena. These are a proposed charge for the collection of green waste and closure of the Burn Road site for 2 days a week. These will require further discussion and assurances re the impact on finance and staffing. Such discussion to be prior to proceeding with any alternative tabled proposals and, as you will fully expect, the current position of no compulsory redundancies must be maintained.

The current proposals around Council Tax (including the Social Care Precept) and the Local Council Tax Support Scheme are prudent and unavoidable if the Authority are to maintain jobs and services whilst endeavouring to protect those most vulnerable in society.

Indeed it is with regard to the most vulnerable, vis a vis, the proposed consultation on raising (from 12% to 20%) the Local Council Tax Support Scheme (LCTS), that we believe needs further consideration.

As you will be aware the homes of many of our members are in the two lower council tax bands, Band A and B. This is unsurprising as they very regrettably fall into the category of the lowest paid (predominately female and low paid) in both the council's workforce and the workforce as a whole. Therefore it is manifest that our members will be very much penalized by any proposal to raise the LCTS from the current position of 12%.

As far as we can deduce the rational for a rise is to entice prospective house buyers in property bands E > H to purchase in Hartlepool by a freeze on the current Council tax in these four bands. As contained in the Director of Finance and Policy's report to Finance & Policy Committee on 30/09/19 there is no evidence to

sustain such a spurious conclusion. Moreover, it will in very real terms result in a £111.22 per annum (£2.14/week) extra cost to the most vulnerable and is an increase of 66.7% per annum pushing poverty up the pay chain.

Thus, to put it bluntly property buyers of band H properties will be enticed on the back of horrendous increases (66.7%) to the most financially vulnerable in Hartlepool – many of whom are our members. We cannot and will not support this proposal.

We seek the growth and continuous improvement of Hartlepool, in all aspects, as much if not more so than many other interested parties, as Trade Unionists it is our “crie de coeur”, but not on the backs of the most vulnerable in society that this proposal, to raise the LCTS, will impact directly on.

We therefore ask that any increase in the LCTS be rejected by HBC.

Yours sincerely

Edwin Jeffries
Secretary
HJTUC.

Stephen Williams
Chair
HJTUC

CC Cllr Shane Moore, Leader
Chris Little, Director of Finance and Policy

APPENDIX D - PART 4**PUBLIC CONSULTATION RESPONSES****Summary of 50 responses to budget consultation**

Consultation question	Responses
From the information we have provided do you understand that the Government expects us to increase Council Tax to help protect services?	<p>76% said yes 14% said no 10% said don't know / not sure</p> <p>These results would suggest that people who responded understand this issue. However, this is an area where it is recommended that the Council continues to provide information to explain the position.</p>
Do you feel that we have got the balance right between raising funds through Council Tax and reducing costs through our savings and income generation proposals?	<p>35% said yes 51% said no 14% said don't know / not sure</p> <p>These results and responses to questions 3 and 4 would suggest that we need to better explain the savings made over the last nine years.</p>
Do you have any suggestions or examples of how the Council could make savings or generate more money?	<p>26 comments were made. Themes included reducing senior management costs, introducing new charges and fund raising activities, increasing income generated through enforcement action, reducing costs in relation to elected members and outsourcing / moving to shared services with other Councils. Many of the suggestions made cover areas the Council has already addressed in previous years savings, such as reducing senior management and reducing the total cost of Elected Members compared to the costs of the previous Mayoral system.</p> <p>There were also a number of comments relating to projects that have been delivered using external grant funding. This demonstrates that although the Council has attempted to explain this through its communications with the public many people still don't understand capital and revenue budgets.</p>
Do you have any comments on any specific schemes that we have included within our savings and income generation proposals?	<p>8 responses were made, including 3 responses saying no comment. Of the remaining one related to allotments, one to bringing investment and jobs into the town and two related to national issues.</p>

Summary of potential savings and increased income

	2020/21 £'000	Potential Additional saving 2021/22 £'000	Description of proposed saving
Potential Changes in Planning assumptions			
Workstreams			
Overheads			
- 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 includes a turnover allowance of £0.900m. A review of trends over the last few years indicated this can be increased by a further £0.120m, 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	
Waste & Environmental Services			
- 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 reducing the frequency of grass cutting along the A689 and A179, saving in traffic management costs (£8k).
- Improving Recycling	178	5	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. 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. 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 HBC currently spends around £80k per annum on purchasing new bins. It is proposed that these costs should be recovered (excluding those damaged by the refuse vehicle). This would be achieved by the following mechanisms <ul style="list-style-type: none"> • Implement revised charges to fully recover costs of replacement bins, estimated income £30,000 • 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. 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.
	343	5	
Income Generation			
- 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.
	232	93	

	2020/21 £'000	Potential Additional saving 2021/22 £'000	Description of proposed saving
<u>Transforming Child & Adult Health, Care & Wellbeing Services</u> Adult Social Care - demand management	225	75	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: - Better Care Fund initiatives to prevent avoidable admissions to hospital and residential care; - building on the integrated Single Point of Access model and implementing Community Led Support; - further reviewing Direct Payment processes and models of service delivery; and - reviewing preventative and intermediate care provision to ensure services are provided in the most cost effective and efficient way possible.
	225	75	
Total	2089	427	

FORECAST CAPITAL RESOURCES AND EXPENDITURE COMMITMENTS 2020/21 TO 2022/23**TABLE 1 - FORECAST CAPITAL RESOURCES**

	Forecast Resources 2020/2021 (Provisional)				Forecast Resources 2021/2022 (Provisional)				Forecast Resources 2022/2023 (Provisional)			
	Prudential Borrowing	Other Capital Funding	Capital Grants	Total	Prudential Borrowing	Other Capital Funding	Capital Grants	Total	Prudential Borrowing	Other Capital Funding	Capital Grants	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<u>Service Specific Capital Grants</u>												
Devolved Formula Capital (Schools) - Note 1	0	0	126	126	0	0	126	126	0	0	126	126
Disabled Facilities Grant (Better Care Fund) - Note 2	0	0	1,077	1,077	0	0	1,077	1,077	0	0	1,077	1,077
Local Transport Plan - Structural Highways Maintenance - Note 3	0	0	1,054	1,054	0	0	1,054	1,054	0	0	1,054	1,054
Local Transport Plan - Integrated Transport Block - Note 3	0	0	719	719	0	0	719	719	0	0	719	719
Schools Capital Programme - Note 4	0	0	813	813	0	0	646	646	0	0	646	646
	0	0	3,789	3,789	0	0	3,622	3,622	0	0	3,622	3,622
<u>Departmental Prudential Borrowing - Funded from Specific Business Cases</u>												
Replacement Wheelie Bins	90	0	0	90	90	0	0	90	90	0	0	90
Vehicle Procurement (Tables 2 - 4)	2,558	0	0	2,558	2,146	0	0	2,146	253	0	0	253
	2,648	0	0	2,648	2,236	0	0	2,236	343	0	0	343
Total Forecast Resources	2,648	0	3,789	6,437	2,236	0	3,622	5,858	343	0	3,622	3,965

Note 1 - Devolved Formula Capital allocation for Schools is an estimate based on the 2019/20 allocation. Government has stated that the 2019/20 allocations can be used as an indication of future allocations.

Note 2 - Better Care Fund is continuing in 2020/21, however detailed DFG allocations have yet to be announced by the Government. Estimates are based on 2019/20 allocations and an assumption that the Better Care Fund will continue in 2021/22 and 2022/23.

Note 3 - Local Transport Plan allocation for 2020/21 is based on an indicative allocation and future years' allocations are based on this estimate.

Note 4 - Schools Capital Programme includes an estimate of £0.646m Schools Condition Grant and £0.167m Special Provision Capital Grant for 2020/21. The Council will receive no Basic Need funding allocation in 2020/21. The forecasts from 2021/22 onwards are based on the 2019/20 allocation of Schools Condition Grant which the Government has stated is indicative of future allocations. (NB The £0.167m Special Provision Capital Grant represents one third of a £0.500m total allocation received 2018/19 - 2020/21. This funding has already been allocated to fund the delivery of a project carried out in 2018/19 as per Children's Services Committee report 20th March 2018).

TABLE 2 - 2020/21 VEHICLE REPLACEMENT PROGRAMME

Vehicle to be Replaced	Budget Area	Estimated cost £'000
Medium Panel Van	Car parking	18
Small Panel Van	Car parking	13
17 s minibus 2.4 Tdci 100ps x 2	Carlton Outdoor Centre	60
Electric Van	Client Services	30
18T Merc Axor/ Whale medium volume gulley emptier/Jetter	Highways	140
6.5T Tipper	Horticulture	45
Chipper C/W 50hp Kubota Diesel Engine 7.50 Feeder & T/Table	Horticulture	35
Cab Tipper	Horticulture	42
42 hp Tractor x2	Horticulture	80
4x4 Buggy	Horticulture	15
Tractor mount side arm flail	Horticulture	15
Tractor mount flail x2	Horticulture	14
Ride-on Brushcutter	Horticulture	8
Pedestrian flail	Horticulture	7
Grillo FD2200 c/w hi lift grass collector	Horticulture	24
2.5 tonne tipping trailer	Horticulture	15
1.25t Agricultural tipping trailer	Horticulture	10
Grave digger - Stranton	Horticulture	55
Mobile Elevating Work Platform - Tree works (to replace Nifty Lift)	Horticulture	63
9 seater Cabin Van	Parks & Countryside	29
17 seater low floor accessible welfare bus - to meet increased SEN demand	Passenger Transport	80
Small Panel Van	Passenger Transport	13
9.5MAN (euro5) 33 seat bus	Passenger Transport	130
17 s minibus 2.4 Tdci 135ps x2	Passenger Transport	60
Home to School solution to replace capacity existing 'Yellow' buses x3	Passenger Transport	480
Marginal cost contingency for DDA requirements If 4 smaller busses are required rather the 3 shown above	Passenger Transport	75
17s minibus	Sports Development	30
Large Panel van	Sports Development	20
26,000kg Refuse Collection Vehicle x3	Waste Management	555
Container/ Recycling Skip 40cu yds	Waste Management	4
RORO Hooklift Container/ Recycling Skip 40cu yds x4	Waste Management	16
44,000kg semi-trailer tractor unit c/w walking floor hydraulics - New Dry-Recycling contract potential requirement subject to Business Case	Waste Management	95
39,000kg Walking floor waste transport semi-trailer automated roof closure - New Dry-Recycling contract potential requirement subject to Business Case	Waste Management	60
Price Contingency *		225
Total for Year		2,560

TABLE 3 - 2021/22 VEHICLE REPLACEMENT PROGRAMME

Vehicle to be Replaced	Budget Area	Estimated cost £'000
Small Van	Car parking	13
SUV Car x2	Child & Adult services	66
Large Mechanical Sweeper x2	Cleansing	324
Tipper 100 T350 RWD x2	Cleansing	50
350 LWB Double Cab Chassis/Tipper	Cleansing	26
Small Van	Cleansing	16
Small Van	Couriers ITU	16
Medium Base Panel Van DSL	Fleet	26
7.5T Tipper c/w lorry loader	Highways	60
S160 bobcat wheeled loader	Highways	39
Tipper 125 T350 RWD	Horticulture	25
Tipper 100 T350	Horticulture	25
5 Tonne Hydraulic Tipping Trailer	Horticulture	11
280 SWB Low Roof Van x2	M & E	36
Small Van x11	M & E	176
Home to School' solution to replace capacity existing 'Yellow' buses x3	Passenger Transport	510
280 SWB Low Roof Van	Public Buildings	18
Tipper 100 T350 RWD	Public Buildings	25
350 SGL Van	Public Buildings	33
280 MWB Medium Roof Van	Public Buildings	18
Small Van x2	Revs & Bens	32
350 LWB High Roof Van x4	Small Works	88
Refuse Collection Vehicle	Waste Management	200
32,000kg - Hookloader	Waste Management	140
Small Van	Waste Management	16
Cabin Van	Youth Offending	22
Price Contingency *		135
Totals for year		2,146

TABLE 4 - 2022/23 VEHICLE REPLACEMENT PROGRAMME

Vehicle to be Replaced	Budget Area	Estimated cost £'000
4wd 5 Plex Mower c/w 10" 6 blade cutting heads x2	Horticulture	100
Ride on Mower x4	Horticulture	76
Grave digger - West View	Horticulture	58
Price Contingency *		22
Totals for year		255

* To allow for differences compared to the estimates used in the above tables in relation to the final purchase price of vehicles.

COMMUNITY FACILITIES DEVELOPMENT, HIGH TUNSTALL COLLEGE OF SCIENCE

1. BACKGROUND

- 1.1 High Tunstall College of Science has completed a major development to rebuild their School. As part of the Priority School Buildings Programme High Tunstall have redesigned their school to be able to provide a modern and valuable environment for all pupils. This was purely a building programme and was not designed to enhance access or wider community facility.
- 1.2 The new building will support High Tunstall College of Science to increase their intake. Existing pupil numbers are 1108 however this will increase to 1220 from September 2019 and then continue to increase each year until the College reaches maximum numbers of 1350 pupils.
- 1.3 High Tunstall College of Science is a provider of community based sport, leisure and physical activity programmes. Currently providing access to residents and clubs for the use of the Life Centre, Swimming Pool, Hydrotherapy Pool, Sports Hall and Playing Pitches.
- 1.4 Within the recent Indoor and Playing Pitch Strategy (2019 – 2024) it is clear that High Tunstall College of Science is a critical site to serve the population of Hartlepool with access to sport, arts, culture and leisure facilities providing a 'base' for a number of local clubs and community groups. Improving community use of educational sites is a strategic priority and High Tunstall are already engaged to ensure their facilities are accessible.

The strategy is also clear that we need to seek to protect and retain existing water space, playing pitches, tennis courts and look at the development of an additional 3G pitch for Hartlepool. High Tunstall College of Science has been identified as the most appropriate site for this and invited by the Football Foundation to apply for £0.500m.

- 1.5 High Tunstall College of Science would like to progress with the development of their community facilities as a continuation of works linked to the rebuild of the new school. It would be more efficient to do this than to do the works as a separate programme to capitalise on resource and time efficiencies as part of the site ground works.

2. PROPOSALS

- 2.1 The proposed programme of works to develop and enhance the community offer includes new 3g pitch including changing rooms, refurbishment of tennis courts, swimming pool improvements and car park improvements.
- 2.2 There will be the development of a Football and Rugby compliant 3g pitch and changing rooms. Programme development will be done in partnership with Football Foundation and the proposed loan from the Council. Changing

rooms are a requirement from the Football Foundation to ensure the feasibility of the 3g pitch development. There will be a Football Development Plan associated to the site as part of the monitoring and evaluation requirements.

- 2.3 Tennis court improvements will include resurfacing and some minor cosmetic improvements to the area. This will bring an unused area of the site back into operation and work is being done with the Lawn Tennis Association and local clubs to maximise opportunities for usage.
- 2.4 Swimming pool improvements will also be part of the loan request to replace critical equipment for continued operation. The pool currently provides learn to swim programmes to primary schools and the community as well as accommodating wider school, club and public aquatic activities. Without fulfilling these works the pool is at risk of quality and safety failure resulting in having less than adequate water space in town which is already under pressure due to recent closure of two school pools.
- 2.5 The existing car park is not fit for purpose and this will become more relevant as the site grows. Governors have made it clear that this is the priority to enable the school and community offer to grow and keep all site users safe. Hartlepool Borough Councils Engineering, Design and Management team have been commissioned to redesign the car park. In order to maximise the layout of the car park and improve road safety along Elwick Road, a new access point into the car park will be required.

A total of 1420 new properties have been granted planning permission within the vicinity of the school. Therefore in order to improve the traffic flow on Elwick road it is logical to allow access to the new car park off the Elwick Road/Dunston Road roundabout and close off the existing access and egress points. Therefore the design currently ongoing is for both a new car park layout and the new roundabout design thus maximising the efficiency through the design process. The car park improvements at High Tunstall College of Science is funded from Basic Need Capital Grant.

Construction of the new access and egress will rely on match funding being identified through the Local Transport Plan 2020/21 and 2021/2022 of £326k, although this will be subject to a separate report which will need to be taken to Neighbourhood Services Committee in early 2020.

- 2.6 Total loan request from HBC is £0.700m with a total investment of £1.826m into High Tunstall College of Science.
- 2.7 The school and community facilities once complete will comprise of Life Centre (health and fitness offer), swimming pool, hydrotherapy pool, 3g pitch and changing rooms, sports hall including indoor cricket facilities, tennis courts, grass pitches, theatre, dance studio and feasibility is being conducted to provide a community library offer.

3. LEGAL, FINANCIAL AND RISK IMPLICATIONS

- 3.1 The Council can provide the proposed loan in accordance with its general power of competence contained within section 1 of the Localism Act 2011. This act allows the local authority to do anything that individuals generally may do and this power is not limited by the existence of any other power of the authority. Therefore, the general powers of competence are not restricted by the existence of the existing Scheme for Financing Schools.
- 3.2 There are significant sums of external monies available by way of match funding to contribute towards this scheme. The granting of this loan will enable the school to bid for such funding and attract this inward investment which would otherwise be inaccessible.
- 3.3 School Governing bodies may only borrow money from external institutions, such as banks, with the written permission of the Secretary of State, after discussion with the Authority. The Secretary of State's general position is that schools will only be granted permission for borrowing in exceptional circumstances. This provision does not apply to loans provided by Councils. It is therefore recommended that the Authority organise the loan on the schools behalf.
- 3.4 The proposed loan will be advanced from the Council using prudential borrowing.
- 3.5 The School's budget for 2019/2020 is approximately £7.2m. The request to borrow £0.700m over 15 year's results in an annual repayment of approx. £53,000 (based upon current interest rates). This equates to 0.8% of the schools total 2019/20 revenue budget. The loan agreement will include an option to reduce the repayment term to 10 years. Repayment of the loan will commence in 2020/21.
- 3.6 The school is projecting a temporary deficit of £0.250m for 2019/20. This is an approved deficit as the Council granted permission to enable the school to furnish the new school building as the ESFA provide funding for the new building only and not for interior finishes. In addition, the school have enhanced the school buildings which are not part of the site demolition to bring the interior and exterior of the buildings to the same level of design and finish as the new build.
- 3.7 The four year projected financial forecast shows the school will be in surplus from 2020/21. This may enable the school to repay the loan over a shorter repayment period of 10 years.
- 3.8 A risk assessment of the school's ability to make the annual loan has been made based on an assessment of three scenarios:
 - Scenario 1 – Best case
The school Pupil Admission Number (PAN) was increased to 270 pupils for the 2019/20 intake and this level was achieved. This scenario

anticipates that the PAN for the next 4 years of 270 will be achieved and this is the basis used to prepare the schools expenditure and income budgets. On this basis the school is anticipated to have sufficient funding to meet the annual loan repayments and repay the loan within 10 years;

- Scenario 2 – Mid case

This scenario assumes that for the next 4 years there is an annual shortfall against the PAN of 10 pupils i.e. 260 compared to PAN 270. Under this scenario the schools income would reduce by approximately £46,000 and by 2023/24 recurring annual income would be £138,000 lower than under scenario 1. Under this scenario the school would still be able to meet annual loan repayment in 2021/22 and 2022/23 without needing to make any budget savings. From 2023/24 the school would either need to make a recurring saving of £5,000, which is 0.07% of the school's annual budget, to meet the annual loan repayment, or fund the loan repayments from accumulated reserves. Under this scenario the repayment term may increase to 15 years.

- Scenario 3 - Worst case

This scenario assumes that for the next 4 years there is an annual shortfall against the PAN of 24 pupils i.e. 246 compared to PAN 270. Under this scenario the schools income would reduce by approximately £110,000 and by 2023/24 recurring annual income would be £330,000 lower than under scenario 1. Under this scenario the school would still be able to meet annual loan repayment in 2021/22 without needing to make any budget savings. From 2022/23 the school would need to make a saving of £53,000, which is 1.0% of the school's annual budget, to meet the annual loan repayment. Under this scenario the repayment term would be 15 years.

3.9 Repayments of the loan will be deducted by the authority directly from the school's delegated budget. The school's financial information and forecasts illustrate that the repayments are affordable and the mechanism of repayments ensures that there will be negligible risk of payment default faced by the authority.

3.10 There is a potential risk that the school may choose (or be forced) to become an academy. However, any debt outstanding would automatically transfer with the school. If this occurs the Council position will be fully protected by the original legal agreement with the School, which in the unlikely event of any default could be pursued by way of ordinary court enforcement methods. The likelihood of any such course of action being successful would be high by virtue of the fact that any unpaid Judgment would amount to a budget deficit of the school and this would in turn lead to the ESFA serving a Financial Notice to Improve (FNI) and ultimately terminating the schools funding agreement, which would mean the ESFA made the loan repayments directly to the Council. The risk of the school defaulting upon the proposed loan are therefore considered to be low and the risks to the authority of any default are also low.

- 3.11 Officers have reviewed the business case for the community use and this indicates that costs will be funded from forecast income, any in-year shortfall will need to be addressed by the school. In the event of a recurring annual shortfall the school would need to either secure alternative income, or reduce the costs of the community use to the level sustainable within the income generated from this use. The business case envisages the school making the loan repayments from the schools budget to reflect their use of the facilities.

General Fund Balance

This note sets out the Unearmarked General Fund balances at 31st March, 2019

1718		1819	Note
£000s		£000s	
4,417	General Fund Balance	4,417	1
4,417		4,417	

- 1** The General Fund Balance of **£4.417m** held at **31st March 2019** is held to meet unforeseen commitments not funded from Earmarked Reserves. Any use of this reserve will need to be repaid to ensure the Council can continue to manage unforeseen commitments.

Budget Support & Investment Reserves

This note sets out the Budget Support & Investment Reserves balances as at 31st March, 2019

1718		1819	Note
£000s		£000s	
2,152	Adult Social Care Reserves	-	1
2,605	Budget Support Fund 2019/20	8,844	2
2,439	Business Rates Risk Reserve	-	3
845	2017/18 MTFS Investment Reserve	845	4
1,170	Looked After Children Reserves	-	5
-	Business Rates Levy	430	6
9,211		10,119	

- 1** This reserve provided support over the period of the MTFS to fund increasing demographic and historic budget pressures within Adult Social Care. The reserve will also fund one-off pump priming and transitional costs of implementing alternative service delivery options.
- 2** This reserve has been established to support the budget.
- 3** This reserve was established to address the financial impact of the Business rates being localised in April 2013 and the implementation of the 'safety net' arrangements. Under these arrangements the Council will only receive 'safety net' grant for shortfalls above £1.7m.
- 4** This reserve will be used to fund the five year capital plan including works at the Borough Hall, Church Square, Seaton Waterfront and building condition issues.
- 5** This reserve was fully utilised in 2018/19.
- 6** This amount is the Authority's share of the one off Business Rates Levy account funding distributed by the Government and is allocated to support 19/20 budget.

Earmarked Revenue Reserves

This note sets out the balances held in Earmarked Revenue Reserves as at 31st March, 2019

1718		1819	Note
£000s		£000s	
3,323	Strategic One Off Costs	3,323	1
4,468	Insurance Fund	2,226	2
-	Adult Social Care Reserves	1,333	3
1,207	Strategic Change Reserves	1,283	4
795	Treasury Management Risk Reserve	1,106	5
1,406	Public Health Grant Reserve	676	6
-	EIS Reserve	450	7
400	Income Risk Reserve	400	8
300	Support for Local Council Tax Support Scheme	300	9
411	Lotteries Reserve	263	10
220	Better Care Fund Reserve	220	11
402	School Attainment Reserve	143	12
295	National Museum of the Royal Navy Reserve	142	13
245	Trading Account Reserves	113	14
217	Tees Education & Skills Reserve	105	15
-	Brexit Funding	105	16
358	Supporting Family Poverty	75	17
41	Members Ward Budget Reserve	35	18
70	Museums Acquisition	29	19
48	Funding for Modern Apprentices	28	20
38	Concessionary Fares	20	21
17	Environmental Apprenticeships Scheme	17	22
15	Works in Default Empty Homes	15	23
-	CECA Trading Equalisation Reserve	5	24
901	Capital Risk Strategy Reserve	-	25
324	Regeneration Projects	-	26
118	Education Commission Reserve	-	27
15,619		12,412	

1 This reserve was created to cover one-off strategic financial issues including redundancy and early retirement costs over the period of the MTFS.

2 This reserve provides for all payments that fall within policy excesses or relate to self-insured risks. The reserve currently covers the estimated value of unpaid outstanding claims.

3 This reserve will be used to fund a range of one-off initiatives and to support the budget to fund increasing demographic and cost pressures within Adult Social Care

4 Strategic Change Reserves have been established to enable departments to meet one-off costs that will arise from strategic changes to improve services, or reduce costs, without affecting the level of services in the year.

5 This reserve was created as part of the 2013/14 MTFS to manage the risk of interest rates increasing and to ensure permanent saving built into the MTFS can be achieved if interest rates increase. This was approved by Council 14th February, 2013.

6 This reserve was created from an in-year underspend against the ring-fenced Public Health Grant. In accordance with the grant conditions a ring-fenced reserve has been created to support public health services in future years.

7 This reserve is earmarked for the Education Improvement Strategy approved by Children's Services Committee on 13th November, 2018.

8 This reserve was created as part of the 2013/14 MTFS approved by Council 4th February, 2013 and is earmarked to offset in year income shortfalls.

9 This reserve was created to partly mitigate the impact of the change to the Council Tax Benefit regime and the resulting cut in Government Grant.

10 The Lotteries Reserve, which consists of the proceeds of the Civic Lottery and donations received, is an earmarked reserve and the investment income generated is used for grants and donations to local organisations.

11 This reserve was created as a contingency to support the Adult Social Care budgets in future years arising from the impact of the Better Care Fund.

- 12** This reserve was created towards improving School Attainment.
- 13** This reserve was created to fund the contributions required to support the Hartlepool Maritime Experience and developments with the National Museum of the Royal Navy (NMRN).
- 14** This reserve is earmarked to manage future financial risks on Trading Operations.
- 15** This reserve was created from pooled resources from the local authorities of Hartlepool, Middlesbrough, Stockton and Redcar & Cleveland, to enable a collaborated approach to tackle the root cause of underperformance and deliver a first class education and skills system.
- 16** This reserve is earmarked for potential future costs relating to Brexit.
- 17** This reserve was created to Support Family Poverty over the period of the MTFS.
- 18** This reserve is to be used by Members to support minor issues within their wards.
- 19** The Museums Acquisition Reserve was set up from external donations for the acquisition of items for the Museum.
- 20** This amount was previously set to provide re-training of staff on the redeployment register. Council agreed on the 17th October, 2013 to use this reserve to provide Modern Apprenticeships. This amount will be used over the period of the MTFS.
- 21** This reserve is to cover the tri-annual cost of replacing Concessionary Fare passes.
- 22** This reserve was created to fund costs over more than one financial year in relation to Apprentices.
- 23** This reserve has been created to provide a cash backed fund for the completion of housing works in default.
- 24** This reserve has been established to mitigate risk of any Centre for Creative Arts income shortfalls in future years.

Safety Net Grant Reserves

This note sets out the balance held in the Safety Net Grant Reserves as at 31st March, 2019

		1819	Note
		£000s	
1718			
£000s			
<u>1,480</u>	Business Rates Safety Net Grant Reserve	<u>0</u>	1
<u>1,480</u>		<u>0</u>	

- ¹ This reserve has been transferred to the Budget Support Fund in line with the MTFS.

POVERTY IMPACT ASSESSMENT

1. Is this decision a Budget & Policy Framework or Key Decision? YES

If YES please answer question 2 below

2. Will there be an impact of the decision requested in respect of Child and Family Poverty? NO

If YES please complete the matrix below

GROUP	POSITIVE IMPACT	NEGATIVE IMPACT	NO IMPACT	REASON & EVIDENCE
Young working people aged 18 - 21			X	
Those who are disabled or suffer from illness / mental illness			X	
Those with low educational attainment			X	
Those who are unemployed			X	
Those who are underemployed			X	
Children born into families in poverty			X	
Those who find difficulty in managing their finances			X	
Lone parents			X	
Those from minority ethnic backgrounds			X	
Poverty is measured in different ways. Will the policy / decision have an impact on child and family poverty and in what way?				
Poverty Measure (examples of poverty measures appended overleaf)	POSITIVE IMPACT	NEGATIVE IMPACT	NO IMPACT	REASON & EVIDENCE
None				
Overall impact of Policy / Decision				
POSITIVE IMPACT		ADJUST / CHANGE POLICY / SERVICE		
NO IMPACT / NO CHANGE	X	STOP / REMOVE POLICY / SERVICE		
ADVERSE IMPACT BUT CONTINUE				

Impact Assessment Form

Department	Division	Section	Owner/Officer
All	All	All	Chris Little
Service, policy, practice being reviewed/changed or planned	Medium Term Financial Strategy (MTFS) 2020/21 – budget savings proposals		
Why are you making the change?	<p>Through the 2020-21 budget setting process the Council needs to meet a budget deficit. The budget includes a number of savings proposals across 4 workstream areas:</p> <ul style="list-style-type: none"> • Overheads • Waste and Environmental Services • Income Generation • Transforming Child & Adult Health, Care & Wellbeing Services 		
How might this impact (positively/negatively) on people who share protected characteristics?			
<i>Please tick</i>		POSITIVELY	NEGATIVELY
Age			
There are no specific equality and diversity considerations associated with the savings proposals. However, by definition, any budget reductions within adult social care will impact on older people.			
Disability			
There are no specific equality and diversity considerations associated with the savings proposals. However, by definition, any budget reductions within adult social care will impact on people with disabilities or sensory loss, people with mental health or substance misuse needs and carers.			
Gender Re-assignment			
No differential impact.			
Race			
No differential impact.			
Religion			
No differential impact.			
Gender			
No differential impact.			
Sexual Orientation			
No differential impact.			
Marriage & Civil Partnership			
No differential impact.			
Pregnancy & Maternity			
No differential impact.			

4.2 Appendix J

Has there been consultation /is consultation planned with people who will be affected by this policy? How has this affected your decision making?		Consultation on the Council's budget proposals ran for 8 weeks until the 6 th December 2019. Feedback from the consultation will be included in the report to Finance and Policy Committee in December 2019.	
As a result of your decision how can you mitigate negative/maximise positive outcomes and foster good relationships?			
Describe how you will address and monitor the impact		1. No Impact - No Major Change	
Initial Assessment	21/11/19	Reviewed	26/11/19
Completed	26/11/19	Published	26/11/19

ROBUSTNESS ADVICE FROM DIRECTOR OF FINANCE AND POLICY

As detailed in Section 8.8 the Director of Finance and Policy can advise Members that in his professional opinion the budget proposals for 2020/21 are robust and this advice is based on the following key factors being in place:

- Confirmation of the 2020/21 indicative core Council Tax increase of 1.9% and 2% Social Care precept, which in total will secure recurring additional income of £1.630m;
- Approval of the proposed 2020/21 savings;
- The detailed work undertaken by individual Directors (and their senior managers) in conjunction with my staff regarding the preparation of detailed budget forecasts, including income forecasts;
- A prudent provision for inflation on non-pay budgets and income budgets for the next three years;
- A prudent view of the net costs of the Authority's overall cash flow, including the repayment of Prudential Borrowing;
- An assessment of financial risks and the measures to mitigate these risks as detailed in Table 1;
- An assessment of the key financial assumptions underpinning the 2020/21 budget as detailed in Table 2.

TABLE 1

2020/21 FINANCIAL RISK MANAGEMENT**Risk Rating**

A simplified version of the Risk Assessment criteria used in the Council's Risk Management Strategy has been used to rank budget risks. This assessment rates risk using the convention of green/amber/red, as defined below, although different levels of risk within each category have not been defined. The risk assessment helps inform the Council's budget monitoring process as it identifies areas that need to be monitored more closely than other budgets. These procedures help ensure that departments can manage budgets and services within the overall departmental resource allocation and the Council's overall financial management framework, which enable departments to establish reserves for significant risks and to carry forward under and over spends between financial years.

The value of expenditure/income on individual areas, together with the percentage of the authority's net budget, are shown in the table below to highlight the potential impact on the Council's overall financial position.

Green - these are unlikely events which would have a low financial impact.

Amber - these are possible events which would have a noticeable financial impact.

Red - these are almost certain to occur and would have a very significant impact. Provision would need to be made for such events in the budgets.

ADULT AND COMMUNITY BASED SERVICES

Financial Risk	Risk Rating	2020/21 Base Budget £'000	Budget as %age net budget	Description of Risk and Summary of Risk Management Arrangements
Demographic changes in Older People	Amber	11,000	14.2%	Increasing number of elderly people, high percentage of chronic health problems and market pressures on price, including the National Living Wage. The individual nature of contribution towards social care provision is such that the financial circumstances of each individual can differ substantially. The level of the value of people's assets and savings can differ significantly and demographic changes can impact on levels of contribution. Other risks include increased pressure on intermediate care service, ensuring discharge from hospital is not delayed and older people's needs becoming more complex due to increased life expectancy.

4.2 APPENDIX K

Demographic changes in Working Age Adults	Amber	9,100	11.7%	Rising numbers of people with learning disabilities with increasingly complex needs.
Better Care Fund	Amber	7,215	9.3%	The Better Care Fund consists of revenue funding and capital funding (not shown). The Pooled Budget Partnership Board and Health and Wellbeing Board approve schemes and monitor BCF expenditure. The risks include BCF grant funding not continuing in 2021/22 and future years or funding being reduced. The figure shown excludes the Improved Better Care Fund allocation (iBCF).
Non-achievement of income targets - CCG contributions towards Joint Packages.	Amber	5,700	7.4%	CCG (Clinical Commissioning Group) income is received to contribute towards the costs of packages for individuals with health as well as social care needs. There is a risk that the CCG seek to reduce their contribution towards individual packages of care - increasing the costs to the LA. Risks exist for joint packages whereby an individual's circumstances can change and the level at which the CCG are liable to contribute can decrease.
Non-achievement of income targets - Sport, Leisure and Recreation	Amber	1,600	2.1%	The nature of Sport, Leisure and Recreation budgets are such that the majority of income is generated through admissions/usage of the services on offer. If this usage falls below targets then income will be reduced. Non-achievement of income targets in this area over the last few years has been the main reason for the overspends. Position will be monitored closely throughout the year.

CHILDREN'S & JOINT COMMISSIONING

Financial Risk	Risk Rating	2020/21 Base Budget £'000	Budget as %age net budget	Description of Risk and Summary of Risk Management Arrangements
Increased Demand for Looked After Children Placements	Red	9,000	11.6%	There is a national trend of increasing numbers and increased costs for the placement of children looked after. This particular area is highly volatile and potentially subject to unexpected increases in the numbers of children. This area includes in-house foster placements, independent foster placements with an agency, special guardianship, child arrangement orders and leaving care allowances as well as residential placements. The budget figure reflects an additional £3.5m of base budget funding (provided in 2018/19 and 2019/20).
Dedicated Schools Grant - High Needs Block	Amber	12,752	16.5%	The indicative 2020/21 allocation before recoupment for Hartlepool is an increase of 15.89% on the 2019/20 allocation of £11.004m. However, although this is a significant increase, this remains insufficient to meet the expected demand for services for children and young people with special educational needs and/or disability. This risk would increase to RED if the 2020/21 disapplication request is not approved by the Government. This should be a low risk as the previous two disapplication requests were approved.
Dedicated Schools Grant - De-Delegated Services	Amber	204	0.3%	There are a number of services provided by the LA which are funded from retained DSG. The LA delegates this funding into school budgets and then requests approval from Schools Forum to de-delegate these budgets back to the LA for all non-Academy schools. Academy schools retain this funding, although they have the opportunity to 'buy-back' these services from the LA. As schools in Hartlepool convert to Academy status in the future, there is the potential for funding to be reduced which could impact on service delivery.

CORPORATE RISKS

Financial Risk	Risk Rating	2020/21 Base Budget £'000	Budget as %age net budget	Description of Risk and Summary of Risk Management Arrangements
Pay	Amber	60,346	77.9%	The MTFS includes an average 2% pay award and a 3.1% decrease in pension contributions from 1st April 2020. There are potential risks from pre-election announcements in relation to public sector pay increases.
National Living Wage (NLW)	Amber	Cannot quantify until NLW changes announced	-	There are emerging risks around future increases in the National Living Wage following political parties comments ahead of the December 2019 General Election. Any significant increase could have an impact on the costs of Council-employed staff but also on external contracts, particularly the residential and non-residential contracts within adult social care where annual price increases incorporate any national living wage increase.
Higher costs of borrowing and/ or lower investment returns	Green	3,051	3.9%	<p>This budget covers annual principal repayments and net interest on the Councils borrowings and investments. Interest payable on Council's borrowings or interest earned on investments could be higher or lower than forecast.</p> <p>The Treasury Management Strategy details how these risks will be managed and establishes an appropriate framework of controls for managing these risks.</p> <p>The unprecedented low levels of interest rates have resulted in a significant reduction in investment income. This change has not had a significant impact on the MTFS as the MTFS takes a prudent approach and only includes investment income on an annual basis.</p>
Planned Maintenance Budget	Amber	241	0.3%	Much of the Council's building stock is in poor condition and the Corporate Risk Register identifies this as a "red" risk. From 2002/03 the Council has

4.2 APPENDIX K

				provided an inflationary increase to this budget in line with the MTFS.
Schools Buy-Back Income	Amber	3,836	4.9%	Buy back income underpins a range of services provided by the Council. This income budget is reliant on the schools continuing to buy back the services.
Education Services Grant	Red	614	0.8%	This funding is in two parts. The first is funded from DSG which covers statutory duties carried out on behalf of all schools. Schools Forum agree this funding annually. The second part is funded from schools and covers statutory duties for maintained schools only. Schools Forum vote annually on this. For the last three financial years Schools Forum have not approved the pass through and the Council has had to disapply to the Secretary of State. The Secretary of State has approved this request.
Failure to comply with relevant legislation.	Amber	0	N/A	The Council will take appropriate steps to ensure it keeps up to date with changing legislation and regulations. There is nothing to indicate that the Council faces any specific material risk in these areas.

REGENERATION & NEIGHBOURHOODS

Financial Risk	Risk Rating	2020/21 Base Budget £'000	Budget as %age net budget	Description of Risk and Summary of Risk Management Arrangements
Car Parking	Amber	1,470	1.9%	This includes income from off street car parks, on street parking and fines. Income levels are constantly evolving in response to changes to the number of available spaces as well as seasonality and weather condition factors in addition to incentives to encourage shoppers with free parking periods.
Fee Income - Planning & Building Control	Amber	780	1.0%	<p>The fee income target must be achieved to fund part of the department's expenditure budget. This income cannot be controlled or easily estimated.</p> <p>Achieving the target depends on sufficient numbers/size of applications being received, national economic conditions such as interest rates being sufficiently favourable to encourage development and, in the case of Building Control, the section being able to successfully compete with the private sector.</p>
Highways Maintenance	Amber	1,570	2.0%	A lack of major investment from Central Government is leading to a deterioration in the network. This is a national position and funding is needed to raise conditions generally. Maintenance budgets are under pressure as a result and the position will be closely monitored each month. Conditions surveys will be used to support the Highways Five Year Maintenance Programme and Capital and Revenue budgets will be applied accordingly. This budget includes winter maintenance which can vary between years depending on weather conditions.
Non-achievement of income targets - Cultural Services	Amber	400	0.5%	The nature of Cultural Services budgets are such that the majority of income is generated through admissions/usage of the services on offer. If this usage falls below targets then income will be reduced.

4.2 APPENDIX K

Home to School Transport Costs	Amber	1,350	1.7%	The provision of transport is a demand led service and influenced by the needs of pupils which vary from term to term. The highest area of spending relates to the requirement to transport special needs pupils which invariably requires escorts and is difficult to control other than to ensure all individual arrangements are procured as economically as possible by the Passenger Transport service. One off additional funding of £0.2m is included in the 2020/21 budget proposals for demand pressures.
Trading Accounts	Amber	16,000	20.6%	The department has a wide range of trading operations which generate income by charging clients both internal and external to the Council. This includes services such as school catering, highways, building maintenance, garage, passenger transport as well as professional fees which funds the salaries of staff in property and engineering related services. This income is not certain and depends on local and national economic conditions and can be volatile in response to reductions in client budgets and the Council's capital programme.
Non-achievement of income targets - Licensing	Amber	480	0.6%	The Council reviews the fees that it can set at regular intervals to ensure that the fee being charged recovers the cost of the application process, and is legally robust and transparent.

TABLE 2 - SUMMARY OF KEY FINANCIAL ASSUMPTIONS UNDERPINNING THE BUDGET

Budget Assumption	Financial Standing and Management
The treatment of inflation and interest rates	<p>The resource allocations for 2020/21 include 2% for anticipated general inflation on non-pay expenditure and 2% for pay expenditure.</p> <p>In addition, where it is anticipated that costs will increase by more than inflation these issues have been specifically reflected in the pressures included within the budget requirement i.e. Looked after Children costs.</p> <p>Interest exposure is managed through the Treasury Management Strategy.</p>
The treatment of demand led pressures	Individual Policy Chairs and Directors are responsible for managing services within the limit of resource allocations and departmental Risk and Strategic Change Provisions. If these resources are inadequate the Council's Managed Under/Overspends Policy provides flexibility to manage the changeover more than one financial year.
The treatment of planned efficiency savings/productivity gains	Where departmental efficiencies are planned it is the individual Directors responsibility to ensure they are implemented. Any under achievement would be dealt with on a temporary basis through the managed overspend rules until a permanent efficiency is achieved. The main areas of efficiencies in 2020/21 are corporate savings. Work undertaken during 2019/20 to ensure these savings are delivered on time makes the 2020/21 budget position more robust and sustainable.
The availability of other funding to deal with major contingencies and the adequacy of provisions	<p>The Council's approved Managed Underspend and Strategic Risk and Change initiatives are well understood and provide departments with financial flexibility to manage services more effectively. These arrangements help to avoid calls on the Council's corporate reserves.</p> <p>The Council's insurance arrangements are a balance between external insurance premiums and internal self-insurance. The value of the Council's insurance fund has been assessed and is adequate to meet known reserves on outstanding claims.</p>
The strength of financial reporting arrangements and the Authority's track record of budget monitoring	The Council's financial reporting arrangements include the identification of forecast outturns for both revenue and capital areas. These arrangements ensure problems are identified and corrective action taken before the year end, either at departmental or corporate level. These arrangements have worked well and have enabled the Council to strengthen the Balance Sheet over the last few years.
Business Rates / Safety Net	The statutory calculations setting the amount of business rates to be paid to preceptors in 2020/21 will not be completed until January 2020. The Council has used an estimate based on the most up to date information available to forecast how much business rate income will be received from both its retained share and any safety net entitlement.

FINANCE AND POLICY COMMITTEE

9 December 2019



Report of: Assistant Director, Corporate Services

Subject: HR POLICY REVIEW – RESTRUCTURE AND REDUNDANCY POLICY

1. TYPE OF DECISION/APPLICABLE CATEGORY

Non Key Decision.

2. PURPOSE OF REPORT

- 2.1 The purpose of this report is to seek Finance and Policy Committee approval for the revised Restructure and Redundancy Policy (Appendix 1).

3. BACKGROUND

- 3.1 The current Reorganisation, Redundancy and Redeployment Policy has been in place since 2010. It is proposed to have 2 separate policies, one for reorganisation and redundancy and one for redeployment, which will reported to a future Finance and Policy Committee.

4. SUMMARY OF KEY CHANGES

- 4.1 The key changes are described below:

- The scope of what type of restructure that instigates the full policy is clarified. The **Scope** now clearly states that the policy is to be applied for restructures where there is significant contractual change to the employment contract and not to non-contractual working arrangements such as service moves, changes to line management and minor job role changes.
- Clarity has been provided for managers around the planning stage for restructures and how and when to use informal consultation with staff, drawing on good practice. This is contained in new **Sections 1 and 2**.
- The stages of selection and appointment for restructure and redundancy has been clarified. The previous policy was confusing in the steps in selection and appointment. The revised policy makes each step clear in a 5 stage table in **Section 4**.
- Clearer section on the redundancy selection criteria in **Section 7**.

- The appeal stages are streamlined. This is in revised **Section 18**.
- General update in terminology and easier formatting / language for a more user-friendly document.

5. TRADE UNION CONSULTATION

- 5.1 The Restructure and Redundancy Policy has been revised in partnership with representatives of the Hartlepool Joint Trade Union Committee (HTJUC). The HJTUC support the revised policy and procedure.

6. IMPLICATIONS

RISK	The current policy does not give the clarity managers need when managing restructures and redundancy which means the Council is at greater risk of challenges from employees through appeals and employment claims.
FINANCIAL	None.
LEGAL	None.
CONSULTATION	Trade Unions have been fully involved in the review of this policy.
CHILD AND FAMILY POVERTY	None.
EQUALITY AND DIVERSITY	The policy takes into account equality and diversity considerations and protected characteristics.
STAFF	None other than those in the policy.
ASSET MANAGEMENT	None.

7. CONCLUSION

- 7.1 The current policy has been in place for a significant length of time and has been used to successfully manage circumstances of restructure and redundancy across the Council. However, it is timely to undertake a review and recommended a refresh to make it more fit for purpose which has the full support of the Trade Unions.

8. RECOMMENDATIONS

- 8.1 Finance and Policy Committee are recommended to agree the revised policy and procedure.

9. REASONS FOR RECOMMENDATIONS

- 9.1 Finance and Policy Committee have responsibility for the approval of all corporate policies affecting the entire Council workforce.

10. BACKGROUND PAPERS

10.1 None

11. CONTACT OFFICER

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Sign Off:-

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



Managing Restructures and Redundancy Policy and Procedure

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Policy

Hartlepool Borough Council is committed to the maintenance of and continued improvement in service performance, seeking to maximise the efficient and effective use of its resources and ensuring the delivery of services in a responsive manner. The Council recognises that, in order to achieve these objectives, services and structures need to evolve and transform, reflecting and responding to changing demands and priorities.

Scope and Purpose

This procedure applies to all permanent employees and those on fixed term contracts who would have a minimum of two year's continuous employment with the Council at the proposed implementation date, provided that their employment was due to extend beyond the date of the reorganisation/restructuring of services. This procedure does not include employees in schools where separate policies and procedures apply.

The procedure applies to restructures where there is a significant change to the employment contract. Changes to non-contractual working arrangements such as service moves, changes to line management, and minor job role changes still require consultation with employees to understand the impacts on employees prior to changes being implemented.

This procedure details the steps to be taken during a period of change to ensure compliance with both individual and collective statutory rights. Where redundancies are proposed as a result of reorganisation/restructure, there are specific statutory requirements and additional employment considerations which will apply.

Definition of Redundancy

Under the Employment rights Act 1996 a redundancy situation will occur in the following circumstances:

- The employer has ceased, or intends to cease, to carry on the business in which the employee is employed;
- The employer has ceased, or intends to cease, to carry on the business in the place where the employee is employed;
- The requirements of the business for employees to carry out work of a particular kind have ceased or diminished, or are expected to cease or diminish;
- The requirement of the business for employees to carry out work of a particular kind in the place where the employee is employed have ceased or diminished, or are expected to cease or diminish;

This means that a redundancy situation will arise where there is a need for a reduction in the number of employees at the place where the employee is employed or a reduction in the number of employees doing a particular kind of work.

Procedure

1. Planning for Restructures

- 1.1 Managers will ensure they plan for restructures involving both Finance and Human Resources at the earliest opportunity. No restructures can proceed without both Finance and Human Resources approval. Human Resources Services will be responsible for the overall co-ordination and management of restructures for the manager to implement.
- 1.2 Human Resources will advise whether the restructure meets the criteria where the Council must incorporate its statutory obligations for collective redundancy identified in the 'Collective Redundancy' section below.
- 1.3 Managers will ensure that all new and amended job descriptions and person specifications affected by the restructure are submitted for job evaluation. It is advisable these are submitted as early as possible to avoid any unnecessary delay in the process.
- 1.4 Trade unions should be consulted on proposed restructures as early as reasonably practicable. It is important that Members of the Council make a decision to support proposed restructures that have a political impact, are part of a larger corporate programme, or required by the Constitution. In such cases consultation with trade unions will take place as soon as is reasonably practicable after such consideration.
- 1.5 In some circumstances, where service reviews are necessary to look at service restructure options, departments will work with employees to explore these at an early stage. If this is explored ahead of any formal proposals being identified or discussed with DMT or CMT/Committee Chairs, then Chief Officers need to be mindful of any political impacts and discuss these with relevant Officers, Members and Trade Unions before speaking to employees.
- 1.6 Under the Council's Constitution, Members of the Finance & Policy Committee must approve a restructure involving the amalgamation of two service areas.
- 1.7 DMT should be briefed on all formal departmental restructure plans and approval given to commence consultation. For formal corporate restructures CMT should be briefed.
- 1.8 A voluntary redundancy sweep at either corporate or department level should be considered prior to consultation where appropriate.
- 1.9 The costs of all redundancy payments and early payment of pension costs will be funded from departmental revenue budgets, unless specific central funds are made available for this purpose as specified by the Director of Finance & Policy.

2. Informal Communication

- 2.1 It is necessary to brief trade unions and employees where restructures are being considered by Members of the Council especially where Committee papers are accessible on the internet with details of proposals particularly where a service or individual posts can be identified. Communication briefing sessions should be held with affected staff either individually or collectively to inform them of the detail, limiting information as to what is contained in the report where appropriate, unless CMT/Committee Chairs have indicated further information can be shared.
- 2.2 Managers should not share the full details of proposed restructures that involve redundancy (such as proposed structure charts or draft job descriptions), prior to formal consultation events. This could cause more distress to employees affected as there will be a delay prior to the formal consultation meeting where detailed information will then be shared. This does not preclude sharing ideas to enable informal discussions with employees. Once the formal consultations commence then individuals will have support offered from trade union representatives and wellbeing services on a formal basis. In exceptional circumstances approval may be given from Human Resources to give more details to individual employees.
- 2.3 At this stage it may be helpful for Chief Officers or Heads of Service to consider (if not already completed at paragraph 1.8) or review the voluntary redundancy sweep, review the bumped voluntary redundancy list, and to encourage those employees in affected services to apply for other vacancies in the department or across the Council, as this may mitigate the need to commence any formal consultation process.
- 2.4 Chief Officer / Head of Service will need to consider if a wider communications are required prior to any process commencing, eg. external customers, work colleagues or other key stakeholders affected.

3. Consultation

- 3.1 The Council's Human Resources Service will identify the service area(s) and/or occupational group(s) which will form the selection pool.

The selection pool will normally comprise all members of staff who are undertaking the particular kind of work where there is a diminishing need for employees of that type.

In determining which employees are undertaking "work of a particular kind", the Council will consider the extent to which there is a requirement for similar skills, knowledge and experience across job roles, whether the nature of the work is the same or broadly similar and the level of flexibility required in the actual duties undertaken. Account must be taken of the full range of job duties, referring not

only to job titles, job descriptions and person specifications but also how the work is actually performed in practice.

In some circumstances employees from more than one service area/department will form the selection pool. In considering this issue, the Council will take account of:

- the extent to which employees in other service areas/departments have identical or similar job descriptions and/or undertake similar work in practice;
- the extent to which the relevant jobs are interchangeable with others elsewhere in the Council;
- the impact of the restructure on other service areas to limit unnecessary disruption to services.

3.2 HR will draft invite to consultation meetings for employees identified in the selection pool on behalf of the relevant Chief Officer. Employees require at least 5 working days notice of the meeting and will be offered the opportunity to be accompanied at the meeting by their trade union representative or work colleague. HR will notify the Secretary of the Hartlepool Joint Trade Union Committee (HJTUC) of the meeting and name the employee(s) affected. Trade unions should only attend where there are members that require representation.

3.3 Consultation will take place over a minimum of two meetings. The first meeting will outline the proposals and reasons for the change together with any other relevant information. The following must be available for employees at this meeting:

- Current structure chart(s)
- Proposed structure chart(s)
- New or amended proposed job descriptions / person specifications with job evaluated pay band / proposed pay band
- The proposed stages for implementation (see Selection and Appointment below)
- Any other information relevant to the restructure

Managers should enable employees to meet together and/or with trade union representatives to consider the proposals between the two scheduled meetings.

3.4 The second meeting should take place ten working days later giving employees time to consider and respond to the proposals. This can take place earlier with agreement from both parties. Employees are encouraged to raise questions and seek clarity between meetings. This means by the second meeting date employees are able to respond to the original proposals and put forward any alternative proposals for managers to consider.

- 3.5 Following the second consultation meeting the HR representative will advise DMT/CEMT of the consultation outcome, any other alternative proposals and any HR considerations, to enable them to decide if they approve the restructure.
- 3.6 Chief Officers / Heads of Service will need to consider whether any wider communication to update other employees should be held. Wider communication would normally take place following the first consultation meeting however HR can advise on the appropriate timing.

4. Selection and Appointment

- 4.1 The selection pool will have been identified at the consultation phase (paragraph 3.1 above).
- 4.2 No posts in the service areas affected by the restructure will be available to employees outside of the service area, or externally, unless there is a justifiable business rationale for doing so, or until the selection and appointment process for those in the selection pool has been completed.
- 4.3 Employees will be deemed 'at risk' for the purposes of selection and appointment where their post which will cease to exist or change substantially in the new structure or where there is a reduction in the number of posts at a particular grade undertaking work of a particular kind (see paragraph 3.1).
- 4.4 The stages of selection and appointment should follow the process below. It is important to note that the circumstances of each restructure will vary and therefore the stage and/or order of which stages are implemented should be considered during consultation stage.

Stages (commence at relevant stage)	Action
<p><u>Stage 1</u></p> <p>New / vacant post(s) in the proposed structure that would provide a promotional opportunity or alternative employment and do not fall within the criteria of Stage 2 (slot-in) or Stage 3 (ring-fence). Consideration can also be given to bumped redundancy opportunities available.</p>	<p>A recruitment process can be undertaken and if necessary the post(s) can be restricted to a particular divisional/service area or group of employees. This decision may be linked to budget considerations and to mitigate the numbers of at risk employees.</p>

<p><u>Stage 2</u></p> <p>Posts in the new structure which are the same in:</p> <ul style="list-style-type: none"> • Number, and; • Grade is the same or one band higher if re-evaluated due to additional duties, and; • Type of work (as a general guide a type of work is where a substantial amount* of the duties of the post remain unchanged) as those in the old structure. <p><i>*It will be a matter for the Council to determine what constitutes a “substantial amount” according to the circumstances of each case and whether it is comparable.</i></p>	<p>Relevant employees “slotted” into equivalent posts in the new structure. No requirement for application or interview process.</p> <p>Note: If there is a reduction in the number of employees then you cannot slot-in and the redundancy selection criteria process will apply at Stage 4.</p>
<p><u>Stage 3</u></p> <p>Posts in the new structure which differ from those in the old structure in terms of:</p> <ul style="list-style-type: none"> • Number; and/or • Grade with the exception of the criteria at Stage 2; and/or • Type of work. 	<p>Remaining employees should be ring-fenced to posts in the new structure (not filled at Stage 1 or 2) at the same or one band lower/higher and the same/similar type of work and an appropriate recruitment selection process undertaken. Job descriptions and person specifications should be available for relevant employees prior to any recruitment process.</p> <p>Note: If there is a reduction in the number of employees and the job remains the same in grade and type of work, then the redundancy selection criteria process will apply at Stage 4.</p>
<p><u>Stage 4</u></p> <p>Redundancy Selection Criteria Process.</p>	<p>Implement the redundancy selection criteria process for remaining employees within the selection pool.</p>
<p><u>Stage 5</u></p> <p>Unfilled posts.</p>	<p>At risk employees who have not secured a post following the above stages can express an interest in applying for any unfilled posts. If they meet the</p>

	<p>essential criteria, or could meet the criteria in a reasonable timescale through appropriate training and development, they should be interviewed for an unfilled post. The interview panel will make the final determination of suitability for the post.</p> <p>Where this applies to more than one person then a competitive interview process should take place.</p> <p>Vacant posts after stage 5 can be advertised following normal recruitment procedures.</p>
<p><u>Stage 6</u></p> <p>At risk staff.</p>	<p>At risk staff have not secured a post in the structure will be formally placed on the redeployment register.</p>

5. Equality

- 5.1 Selection and appointment will be undertaken in a fair and non-discriminatory manner and in accordance with the relevant legislation, national and local agreements, and Council employment and equalities policies.

Particular care must be taken to ensure that no unlawful discrimination occurs, either in the identification/definition of the relevant selection criteria and/or in the application of that criteria, i.e. on grounds of sex, sexual orientation, race, disability, age, gender reassignment, religion or belief/non-belief, pregnancy or maternity, marriage or civil partnership, or part-time status. It may be necessary to modify or adjust the selection process to take account of the impact on the particular individual concerned, e.g. in accordance with the “reasonable adjustment” provisions for disability in the Equality Act 2010. Selection for redundancy for a reason related to pregnancy or childbirth, parental or other dependent care leave, or for a reason related to trade union membership/non-membership or participation in trade union activities will be automatically unfair. The selection criteria and process must comply with the Council’s Equality in Employment Policy and Procedure.

6. Avoiding or Minimising Compulsory Redundancy

- 6.1 When a potential redundancy arises the Council will consider a range of measures to seek to preserve continuity of employment for the affected staff. This will include:
- restrictions on overtime;
 - restrictions on filling vacancies across the Council;
 - restrictions on the use of agency workers, casual or temporary employees;

- seeking expressions of interest, without commitment on either side, in voluntary redundancy or early retirement, both from within the affected staff group and more widely across the Council where this may provide suitable redeployment opportunities (see section 13 below);
- consideration of alternative savings from non-pay budgets.

This list is not exhaustive and the Council will seek to identify alternatives wherever possible.

- 6.2 Chief Officers will be responsible for ensuring that all vacant posts in the relevant divisions that have not been identified for deletion or for restructure within 4 months are flagged with HR as temporary redeployment opportunities for at risk employees on the redeployment register.

7. Redundancy Selection Criteria

- 7.1 There may be occasions when, despite having implemented the range of measures set out in this procedure, there is a need to undertake a selection for compulsory redundancy. It is essential that relevant managers involved in the redundancy selection familiarise themselves with the Redundancy Selection Guidance HRPP-12/G1 which identifies the process that must be followed.

- 7.2 Having agreed the selection pool the Council will undertake the redundancy selection exercise in line with the agreed selection criteria below, and detailed more fully in the Redundancy Selection Guidance HRPP-12/G1. Managers involved in the redundancy selection panel will need to precisely define the criteria listed below, relevant to the particular selection pool. Managers are required to ensure this planning work is completed with the relevant HR Advisor in good time in preparation for the planned panel meeting date.

- Qualifications
- Specialist Knowledge
- Performance
- Skills
- Absence record
- Discipline record

The overarching objective will be the retention of a balanced workforce with the relevant skills and capabilities to meet the current and future needs of the Council.

- 7.3 The criteria, where possible, should be precisely defined and capable of objective measurement by reference to the relevant employment records and other verifiable data, e.g. personal files, training, annual review and supervision performance records, attendance/sickness absence records. A manager's knowledge of performance related activity should be recorded with examples.

Care should be taken to ensure that the records are relevant, justifiable, accurate, complete and up-to-date in respect of all those within the selection pool.

- 7.4 Employees are invited to supplement the information held by the Council where that would assist the selection process through the request to complete the form Redundancy Selection Employee Information (HRPP-12/F2). The employee should return the form to the named manager within 5 working days, or the date identified on the correspondence if longer.

The relevant employees must be informed of:

- the criteria for selection;
 - the selection process to be followed;
 - the timescales for the selection process and notification of outcomes.
- 7.5 A scoring matrix has been agreed with a defined number of points allocated to each of the identified criteria as highlighted in the Redundancy Selection Guidance HRPP-12/G1 and also detailed on the Redundancy Selection Panel Employee Record Form HRPP-12/F2. Each employee within the selection pool will be assessed against the criteria, and a total-point score identified for that individual. Once all assessments have been undertaken a rank order of the total scores will be produced for the selection pool. This will determine which employees will be declared at risk of redundancy. In circumstances where the scores for two or more employees are equal, those with the shorter length of service will be selected for redundancy. Length of service may only be used in these circumstances and will be based on continuous service (service under the redundancy modification order and TUPE will be recognised).
- 7.6 The criteria must be applied by a panel of three and the outcomes supported by the relevant evidence. The selection will normally be undertaken by a senior manager from the service, an independent line manager and lead HR officer. The employee's relevant line manager or a manager/supervisor who can give a detailed account of the employee must attend the redundancy selection panel meeting. A written record of the selection process, setting out the reasons for the assessment and outcomes for each employee, must be made by those undertaking the selection using the Redundancy Selection Panel Employee Record Form HRPP-12/F2.
- 7.7 The results of the selection process should be explained orally to the individuals concerned as soon as possible after the exercise has been completed. Each employee should be advised of their assessment against the identified criteria and given an opportunity to comment on that assessment. The outcome should be confirmed in writing to each employee within 5 working days of the completion of the selection process. In the case of employees selected for redundancy, notice of termination of employment should only be given following approval by the Finance & Policy Committee.

8. Collective Redundancy

Definition (ACAS)

A collective redundancy is when an employer proposes to make 20 or more employees redundant within 90 days. This can arise if an employer needs to:

- close or move all or part of their business
- make cost savings due to a change in customer demand or an efficiency drive
- reorganise the way their business is run.

- 8.1 Collective redundancy will follow the same process as restructures but additional considerations will need to be given as outlined below.

HR will confirm where collective redundancy obligations exist and will co-ordinate and manage the process ensuring statutory responsibilities are fulfilled.

Consultation

- 8.2 Under the Trade Union and Labour Relations (Consolidation) Act 1992 (as amended), there is a statutory obligation to consult with the recognised trade unions/employee representatives when an employer is proposing to dismiss as redundant 20 or more employees at one establishment within a period of 90 days or less (note that employees who are dismissed in response to a request for volunteers for redundancy will count toward this total).

One establishment is taken to mean the site the employee is based at, unless they work over a number of sites as part of their normal working arrangements, in which case all these sites will be taken as 'one establishment'. Human Resources management will confirm this as required.

For collective redundancy purposes employees who are being dismissed for ending a fixed term contract where the reason is not redundancy will not be included in the collective redundancy process.

- 8.3 Consultation must begin in "good time" and, in any event, must commence:
- at least 30 days before the first dismissal takes effect where 20 or more employees (but less than 100) are proposed for redundancy at one establishment within a period of 90 days or less;
 - at least 45 days before the first dismissal takes effect where 100 or more employees are proposed for redundancy at one establishment within a period of 90 days or less.
- 8.4 It is the Council's policy to enter into full and meaningful consultation with the trade unions, irrespective of the number of employees who may be proposed for redundancy.

- 8.5 Consultation must be undertaken with a view to reaching agreement with the appropriate representatives about ways to:
- avoid the proposed dismissals;
 - reduce the numbers of employees to be dismissed;
 - mitigate the consequences of the dismissals.
- 8.6 Consultation must take place in respect of any employees who may be affected by the proposed dismissals or may be affected by measures taken in connection with those dismissals. This means that the potential impact of the proposed redundancies must be considered, not solely in respect of those employees who it is proposed to dismiss but also any consequential impact, either direct or indirect, on other staff, e.g. through a reallocation of duties or other changes in working arrangements.
- 8.7 Statute does not specify a time-limit within which the consultation must be completed. This will always depend on the circumstances of each case. Whilst consultation must start at least 30 or 45 days before any redundancy notices take effect, it is not necessary that consultation should last for all of this time.
- 8.8 Consultation should continue beyond the end of the 30 or 45 day period where it has not been completed by the end of that time.
- 8.9 Consultation must also take place with individuals who are affected by the proposed redundancies to ensure they fully understand the reasons for, and implications of, the changes and have an opportunity to consider and comment on them. This should make clear that they are at risk of redundancy, explain the basis for their selection and consider the opportunities for alternative employment. Employees are entitled to be accompanied by a trade union or workplace representative at any consultation meeting.

Disclosure of Information to Trade Unions

- 8.10 For the purposes of the statutory consultation requirements, the Council must disclose in writing to the appropriate representatives the following information:
- the reasons for the proposed redundancies;
 - the number and descriptions of employees whom it is proposed to dismiss as redundant;
 - the total number of employees of this description employed at that establishment;
 - the proposed method of selection for redundancy;
 - the proposed method of carrying out the redundancy programme, with due regard for the redundancy procedure, including the time scale over which dismissals will take place;

- the proposed method of calculating any non-statutory redundancy payment;
 - the number of agency workers working temporarily and under the supervision and direction of the employer;
 - the parts of the employer's undertaking which those agency workers are working; and
 - the type of work those agency workers are carrying out.
- 8.11 The information above will be provided directly to the appropriate local representatives. There is no requirement that all the information has to be given to the representatives before consultation can begin.
- 8.12 Trade unions have a right to reply to the employer who should give careful consideration to their response, including any counter proposals, giving written reasons where any such alternatives are rejected. Whilst there is no requirement to reach agreement, it is important to ensure that there has been proper consideration of the relevant information and that both parties have been actively engaged in the consultation process.

Statutory Notification

- 8.13 In addition to the statutory consultation requirements, as detailed above, there is also a statutory duty to notify the Secretary of State of the Department for Business, Enterprise and Regulatory Reform (there is a standard notification form, HR1, which is used for this purpose). This notification must take place before the employer gives notice to terminate an employee's contract and in accordance with the following timescales:
- at least 30 days before the first dismissal takes effect where 20 or more employees (but less than 100) are proposed for redundancy at one establishment within a period of 90 days or less;
 - at least 45 days before the first dismissal takes effect where 100 or more employees are proposed for redundancy at one establishment within a period of 90 days or less.
- 8.14 A copy of this notification must also be given to each of the relevant trade union representatives.

9. Voluntary Redundancy

- 9.1 In seeking to avoid or minimise the number of compulsory redundancies, the Council will give consideration to inviting volunteers for redundancy. Any agreement to release an employee on this basis must facilitate and form part of the achievement of the objectives of the particular restructure and will be subject to the Council's voluntary redundancy approval processes. The Council reserves the right to refuse any expressions of interest that do not meet the identified criteria and/or which are not cost effective.

- 9.2 The Chief Executive or other Director will write to employees in the affected staff group inviting expressions of interest from those who wish to be considered for voluntary redundancy. Applications may also be invited from other service areas/departments where this would assist in avoiding compulsory redundancies, for example, where this would provide a suitable redeployment opportunity for “at risk” staff (bumped redundancy). Any expressions of interest will be treated in the strictest confidence and without commitment on either side. This process may be undertaken on a phased basis, as appropriate, in accordance with the overall timescales for the restructuring.
- 9.3 Any discretionary enhancements to statutory redundancy payments will be made in accordance with the Council’s policy under The Local Government Pension Scheme Discretionary and Other Employer Discretions Policy, Section B. Continuous service for the purposes of calculating a redundancy payment will include only continuous service with bodies covered by The Redundancy Payments (Continuity of Employment in Local Government etc) (Modification) Order 1999 (as amended).
- 9.4 Voluntary redundancy costs must meet the 3.05 years pay-back period. All voluntary redundancies under the 3.05 years pay-back period must be approved by the Director of Finance & Policy in consultation with the relevant Director. If the 3.05 year s pay-back period is not met then the voluntary redundancy decision must be made by Members of the Finance & Policy Committee.

10. Redeployment

- 10.1 The Council will make every possible effort to identify suitable alternative employment for staff that are displaced as a result of organisational/service restructuring and endeavour not to make any member of staff compulsorily redundant. This may include redeployment to a vacant post on the same pay band, one pay band higher or one pay band lower with salary protection, or appropriate re-training for a vacant post.
- 10.2 Where a member of staff has been unsuccessful in securing a post in their restructured department/service area, they will be notified in writing of their placement on the redeployment register. This will not prevent individuals from being considered, as appropriate, for any other schemes such as early retirement or voluntary redundancy.
- 10.3 The Council will inform and consult, where necessary, with recognised trade union representatives before and during the redeployment of staff.
- 10.4 Please refer to the Council’s Redeployment Policy and Procedure (HRPP-11).

11. Suitable Alternative Employment

- 11.1 It is for the Council to decide whether, or not, a post is deemed ‘suitable alternative employment’ (as opposed to alternative employment) and Human

resources will advise accordingly. The assessment of whether, or not, a vacancy is suitable alternative employment with a statutory 4-week trial period, includes assessing similarities in pay (including pay protection), development schemes, terms and conditions of employment, status, responsibility, and a high similarity of job content between the old post and the vacancy.

11.2 All offers of suitable alternative employment must be made in writing. The offer should set out how the new employment differs from the old and be made before employment under the previous contract ends. The offer must be for the new job to start either immediately after the end of the old job, or after an interval of not more than four weeks. Additionally the letter must confirm:

- the new job title, grade and duties;
- where appropriate, any training to be given;
- the salary (including any pay protection) and any other terms and conditions which differ from the previous contract;
- the hours of work;
- the location;
- the date of commencement and end of the trial period (see section below).

11.3 If an employee does not accept an offer of suitable alternative employment, they may lose any entitlement to a redundancy payment. Each case will be considered on its merits by HR Management representatives, by reference to current employment legislation, the Council's redeployment policy, and the personal circumstances of the member of staff.

12. Statutory 4 week Trial Period

12.1 A redundant employee who is offered suitable alternative employment under a new contract of employment with terms and conditions which differ from the corresponding provisions of the previous contract has a statutory right to a trial period. The trial period will last for a period 4 weeks. The purpose of the trial period is to give the employee a chance to decide whether the new job is suitable without losing any right to a redundancy payment, and for the new manager to assess their suitability and ensure they meet the required standards, taking into account any training / retraining for the new role. Employees will be expected to show some flexibility by adapting their domestic arrangements where possible, with sufficient notice. If, following a trial period, an employee accepts a suitable alternative job within the Council there will be no entitlement to redundancy pay.

12.2 The 4-week trial period may be extended by mutual agreement for retraining purposes. Any extension must be in writing, specifying the date on which the retraining ends and setting out the terms and conditions which will apply after this date. If the employee works beyond the end of the 4-week period, or any jointly agreed extended period, they will be deemed to have accepted the new employment and there will be no entitlement to any redundancy pay.

- 12.3 The 4-week trial period may also be extended by the manager with the agreement of a member of the Human Resources Management team. Each case will be considered on its merits.
- 12.4 Should the Council wish to end the new contract within the trial period for a reason connected with the new job, the employee will preserve the right to any redundancy payment under their old contract.
- 12.5 If the dismissal is due to a reason unconnected with the redundancy, such as a disciplinary reason, the employee may lose the right to any redundancy payment.
- 12.6 If the employee terminates the contract during the trial period, they will be treated as having been dismissed by reason of redundancy on the date when the original contract came to an end. However, if the Council considers that the new job was suitable for the employee and the employee acted unreasonably in leaving it, they will lose any entitlement to a redundancy payment.
- 12.7 If, following a trial period, the new job is deemed to be not suitable, the employee will return to the redeployment register for any remaining period of notice under their contract of employment and other suitable alternative jobs within the Council will then be sought. If the notice period has been completed, then termination of employment will take effect.

13. Pay Protection

- 13.1 Where there is a reduction in salary, the relevant Council pay protection policy will apply. For members of staff who are employed in accordance with the NJC Pay and Conditions for Local Government Services Staff (the “Green Book”), the pay protection arrangements are set out in Part 2, Section 7.2 of the Single Status Agreement.

“Where an employee, who, following consultation, is either the sole occupant of a post which is no longer required or a member of a pool of employees where a reduction in the number of employees is needed is either redeployed or appointed to and accepts a post which is more than one pay band below their current pay band and is not considered ‘suitable alternative employment’ by HR Management Representatives, the employee’s “Protected Amount” is defined as the reduction between

- i) the value of the maximum SCP of one pay band higher than the new pay band at the date the pay band reduces and*
- ii) the value of the maximum SCP of the new pay band*

In all other circumstances the employee’s “Protected Amount” is defined as the reduction, at the date the pay band and/or earnings in relation to the terms and

conditions detailed in Table 2.9 reduces, between their old and new “Earnings Packages” (as defined in Part 2, Section 6)

This provides that where an “at risk” employee is redeployed or appointed to a post which constitutes suitable alternative employment, up to one pay band difference in salary will be protected. The protected amount will be calculated by reference to the value of the relevant SCPs at the date the reduction in salary occurs. This pay protection will apply for a period of up to 3 years from the date of the reduction and reduces in value as the maximum of the new (lower) pay band increases.”

- 13.2 For other employees, e.g. those employed in accordance with the JNC for Chief Officers Conditions of Service, Soulbury Conditions of Service, the pay protection arrangements will be as set out in the relevant terms and conditions of employment. In the absence of any arrangements then the Council will mirror as closely as possible a similar protection arrangement to ‘Green Book’ employees using the various national pay spines.
- 13.3 Where an ‘at risk’ employee secures alternative employment in another department then any pay protection will be funded as stated in the provisions of the Redeployment Policy under the Pay and Pensions section.

14. Support for Employees

- 14.1 The Council will provide an appropriate level of support for employees at risk of redundancy which may include provision for or signposting to; CV, application and interview preparation, financial advice, benefits advice, counselling. The level of support provided may depend on numbers of redundancies at any given time.

15. Termination of Employment

- 15.1 Notice of termination of employment will be issued to the relevant employees once a formal decision on the proposed reorganisation/restructuring has been taken by the Council. This will normally occur once:
- a formal decision on the relevant budget has been taken by the Council; or
 - formal approval to the proposed restructuring has been given by the relevant Chief Officers; or
 - approval to the proposed redundancies has been given by the Finance & Policy Committee;
- whichever is the later.
- 15.2 Employees will be notified in writing of the termination of their employment on grounds of redundancy and must be provided with the relevant statutory or contractual notice period, whichever is the longer. As an alternative, payment in

lieu of notice may be considered with agreement of a member of the HR Management Team if there is an appropriate business reason to support this. Employees who are not successful in being redeployed or obtaining alternative employment before the end of their notice period will be made redundant at that time.

15.3 The letter to the employee giving notice must include:

- the reason for the dismissal;
- any outstanding leave to be taken during the notice period (unless otherwise agreed by Chief Officer and HR Advisor);
- the date of termination of employment;
- the estimated amount of any redundancy and/or early retirement or other severance payment;
- the provision of reasonable time off to look for other work or arrange suitable training;
- their right to appeal against the dismissal and how any such appeal should be made. There is no right of appeal against voluntary redundancy as this is a voluntary arrangement.

15.4 Employees who are aged 55 and over and who are members of the Local Government Pension Scheme will be entitled to the immediate payment of their pension benefits where their employment is terminated on grounds of redundancy. Employees who are members of other pension schemes such as Teachers or NHS should seek advice regarding the impact of redundancy on their pension provisions.

15.5 Weekly pay, for the purposes of any redundancy pay calculation at the time of issuing an employee formal notice of redundancy, will take into account confirmed national pay increases and individual annual pay increments due in the stated notice period, however after the formal notice letter has been issued then no further adjustments to weekly pay will be made for the purpose of redundancy pay.

16. Time Off to Seek Alternative Employment

16.1 During their notice period, an employee will be entitled to reasonable paid time off work in order to look for new employment outside the Council or to arrange any training for future employment. Employees should provide adequate notice to their manager of any interviews or appointments for which they are seeking paid time off.

17. Redundancy during Maternity Leave

17.1 Where a redundancy situation arises whilst an employee is on a period of maternity leave, she should be treated in the same way as she would have been

had she not been on such leave. This will include access to redeployment opportunities and other support services as soon as she is identified as being at risk of redundancy.

- 17.2 In addition, there are special statutory provisions which apply where an employee is prevented from returning to her original job by reason of redundancy. In these circumstances, she is entitled to be offered suitable alternative employment where such a vacancy arises before the end of her existing contract (even if she is not ready to return to work at that point). This means work which is suitable and appropriate for her, and on terms and conditions which are not substantially less favourable than those under her previous contract.
- 17.3 The right to be offered a suitable vacancy will commence when the redundancy situation is known and will continue until her employment ends, or when the maternity leave ends, whichever is the sooner. This is a mandatory duty and, if a suitable alternative vacancy exists and the employer fails to offer it to the employee or appoints someone else into that position, the dismissal will be automatically unfair if the sole or principal reason for that dismissal is redundancy.
- 17.4 Once the employee returns from maternity leave, she should be treated in accordance with this procedure, in the same way as any other “at risk” staff.
- 17.5 Any entitlements under the occupational maternity scheme will end at the termination date. However, any entitlement to statutory maternity pay will continue for the remainder of the Maternity Pay Period or until the employee starts work with any new employer. Any payments made by way of maternity pay will go towards meeting the employer’s obligation in respect of notice pay and not exceed substantive salary.
- 17.6 Similar provisions to those set out above also apply to any employee who is on a period of adoption leave.

18. Appeals against Redundancy Dismissal

- 18.1 In the case of a Chief Officer then a member of the Human Resources Management Team will arrange for the appeal to be heard by the Personnel Sub-Committee.
- 18.2 Where a member of staff feels that they have been unfairly dismissed, by reason of redundancy, they have the right of appeal. The employee should write to the Assistant Director, Corporate Services within 10 working days of their receipt of the written confirmation of the termination of their employment, setting out their grounds for appeal. The appeal will be heard by the Personnel Sub-Committee of the Council. The hearing will normally take place within twenty working days of the receipt of the employee’s letter of appeal. The procedure to be followed will

be as set out in the Council's Appeals against Redundancy Dismissal Procedure HRPP-12/G2.

- 18.3 Appeals against any pension decision made under this procedure will be managed in accordance with the Council's Local Government Pension Scheme Internal Dispute Resolution Procedure (HRPP-29).

19. Equality Impact Assessment

This policy does not disadvantage any employee who may have a protected characteristic under the Equality Act 2010.

Documentation

HRPP-12 / F1	Redundancy Selection Employee Information
HRPP-12 / F2	Redundancy Selection Panel Employee Score Sheet
HRPP-12 / G1	Redundancy Selection Guidance
HRPP-12 / G2	Appeals against Redundancy Dismissal
HRPP-11	Redeployment Policy and Procedure
HRPP-29	Local Government Pensions Scheme Internal Dispute Resolution Procedure

FINANCE AND POLICY COMMITTEE

9th December 2019



Report of: Chief Executive

Subject: COUNCIL PLAN 2017/18 – 2019/20
6 MONTHS PROGRESS UPDATE

1. TYPE OF DECISION/APPLICABLE CATEGORY

For information only – refers to policy framework decision of full Council on 16th March 2017 'Council Plan 2017/18-2019/20'.

2. PURPOSE OF REPORT

- 2.1 The purpose of this report is to update Elected Members on the progress made on the Council Plan 2017/18 – 2019/20 between April 2019 and the end of September 2019 and to inform Members of a number of changes / updates to the Plan. The report also includes a review of the Council's Strategic Risk Register.

3. BACKGROUND

- 3.1 The Council Plan 2017/18 – 2019/20 was adopted by Council on 16th March 2017. The Plan, which was developed following the Your Say, Our Future consultation with residents and staff, sets out the priorities that the Council is committed to delivering by 2020. Finance and Policy Committee agreed an amended Council Plan 2017/18 - 2019/20 on 29th October 2018 following a mid-term review.

4. COUNCIL PLAN – PROGRESS UPDATE

- 4.1 In the mid-term review report to Finance and Policy Committee in October 2018 it was noted that the Committee would receive progress updates every 6 months. This report sets out the progress made on the Council Plan between April 2019 and the end of September 2019.

4.2 Key Deliverables - achievements

There are 6 strategic priorities within the Council Plan which are underpinned by a number of key deliverables. A lot has been achieved during the 6 months period from April 2019 to September 2019. Members are requested to note the key achievements as set out below:

GROWING OUR JOBS, ECONOMY AND SKILLS

- To help maximise the potential of business parks across the town a masterplan brief has been developed for Brenda Road for delivery by HBC Technical and Infrastructure Team. This brief is to be expanded to include all Industrial estates and business parks where appropriate.
- Working with local Further and Higher Education providers the Tees Valley Combined Authority facilitate a wide range of strategic meetings including 'Skills Routeways and Pathways to Work' to support the delivery of the Inspiring Our Future Strategy 2018/2021.
- In partnership with the Centre for Economic Strategies (CLES) a Local Wealth Building promotional event was delivered to public sector partners with the aim of increasing spending in Hartlepool. 36.5% of council spend went to Hartlepool suppliers in 2018/19 an increase from 33.6% in the previous year.
- Summer events were held to stimulate the economy in Church Street and Church Square including Hartlepool Live and the Armed Forces Day Parade.
- Derelict buildings: Enforcement action has resulted in the demolition of the Longscar Centre, Seaton Carew, and officers are in negotiations regarding future use of the site. Planning approval for a Hotel at the Wesley Chapel has been granted.

REGENERATING OUR TOWN

- The BIS – a new centre for business start-ups in the creative industries sector – has been officially opened delivering £3m of external investment. Twenty eight units are now available for the creative industries at the BIS, with current tenants including photographers, film makers, jewellery makers, sculptors and artists some of which are newly-created business and some expanding existing businesses.
- The crazy golf course has been completed in Seaton Carew.
- There were 3.6 million visitors to Hartlepool in 2018, an increase of 6.4% from 2016.
- Visitor numbers at the National Museum of the Royal Navy (NMRN) Hartlepool were up almost 40% in August 2019, compared to the same time last year.
- Another successful Waterfront Festival was delivered in July 2019 with 20,000 attending.

DEVELOPING AND PROMOTING HARTLEPOOL AS A GREAT PLACE TO LIVE

- Improvement schemes on the Headland have been completed including a footpath at Redheugh Gardens, improvements to the Town Square and restoration of the fish railings on Union Street.
- Phase 1 of works at Rossmere Park have now been completed.
- The Green, delivered by Placefirst at Carr and Hopps Street, won three awards at the Sunday Times British Homes Awards for Development of the Year (under £10m), Development Transformation of the Year and Judges' Award for Excellence.
- The new Hartlepool Community Safety Team has held a series of days of action across the town in response to information received from residents and businesses. Several hundred victims of crime and anti-social behaviour have also been supported by the Victim Care and Advice Service (VCAS) Officer.
- The #LoveHartlepool campaign, which is all about singing our town's praises and promoting our success far and wide, has continued to grow and an independently chaired Leadership Group has been established.

DEVELOPING NEW SERVICES FOR PEOPLE AND COMMUNITIES

- The first cohort of learners began the new integrated health and social care Level 3 qualification in April 2019 as part of the Health & Care Academy development.
- A significant investment in sport and leisure facilities within the town is being proposed for approval in December 2019. Over 1,000 people contributed to the public consultation in September 2019.
- The number of days delayed linked to discharges from hospital continues to reduce, from over 450 days per month in 2016/17 to 114 days per month in the first four months of 2019/20.
- The proportion of commissioned services that are rated as good or better was maintained at 87.9%. This is a significant increase from 74.4% in Q2 last year.

BUILDING BETTER BEGINNINGS AND BETTER FUTURES FOR OUR CHILDREN AND YOUNG PEOPLE

- Currently 87% of Hartlepool schools are judged as good or better (5% improvement on this time last year). This breaks down to 93% of primary school and 40% of secondary schools.
- High Tunstall College of Science and English Martyrs School and Sixth Form College opened new builds following the Council successfully attracting funding into the town.
- A recent Ofsted inspections has judged that children's social care and children's homes delivered by the Council are judged to be good and outstanding.
- 37 young people have been taken on as apprentices by the Council which bring the total number of apprentices across the Council to 81.

PROVIDING EFFECTIVE LEADERSHIP BASED ON INNOVATION AND EFFICIENCY
<ul style="list-style-type: none"> • The Efficiency and Innovation Programme has identified significant savings across overheads and with further income generation front line services have been protected. • A budget consultation survey was developed to influence the budget proposals. • Hartlepool Borough Council Online was launched to enable residents to request and receive services any day of the week and at a time that's convenient to them. There are now 75 council services available on line. A total of 5,500 people have registered for a HBC online account. A total of 16,500 online transactions have been carried out by people in the last 12 months. The bin day checker has been used more than 81,500 times.

4.3 Key Deliverables – changes / updates to the Plan

As work has progressed on delivering the Council Plan a number of changes / updates have been identified. This includes the slippage of a number of due dates which have been prompted by unforeseen delays to schemes due to staffing changes, further investigation works being required or capacity issues for our contractors. Other due dates have changed to reflect the end date of those actions rather than the start or decision making date or where new or further action has been identified within existing schemes.

4.4 Due dates have changed for the following key deliverables:

Original	Reason for change	New due date:
Engage with local businesses to maximize the potential of strategic business parks and enterprise investment programmes to support the growth of business ventures.	The Council's capital programme will be considered as part of the overall Medium Term Financial Strategy for 2020/21 which will include funding allocation towards this scheme, which has resulted in a delay to the implementation of these scheme.	April 2020
Work with partner agencies to increase the level of support available from various work programmes to support vulnerable adults into employment.	The programme will continue until March 2021, enabling further work to be undertaken with vulnerable adults bringing them closer to the work market.	March 2021

Commence construction of the Waterfront Events space.	Awaiting outcome of current site investigation work (ground conditions, stability, contamination etc.). Results are expected in November 2019 upon which all milestones will be progressed. Final milestone is now due to be completed by November 2020.	November 2020
Deliver a £4m neighbourhood and highways investment programme to deliver shopping parades, parks, play sites, road and pavements including: King Oswy Drive Shopping Parade, Headland Town Square and Rossmere Park.	Members have requested alternative equipment to be considered for the Marine Crescent play area rather than the planned works. This requires a further committee decisions to agree the additional funding meaning the completion date is now May 2020.	May 2020
Get every school to good or outstanding as measured by OFSTED.	The timing of Ofsted inspections means that some schools will not be inspected within the required timescale to achieve this ambition.	July 2020
Strengthen arrangements for identifying and addressing parental substance misuse, domestic abuse and parental mental health so that problems can be addressed at the earliest possible stage.	New model of working is being implemented from January 2020 with integrated multi-disciplinary teams focused on tackling these issues as they affect children. We anticipate the evidence from this new way of working will be emerge over the following 18 months.	July 2021

4.5 In addition, a new key deliverable focusing on the regeneration of Oxford Road has been added to the plan.

4.6 Performance Indicators

During the Council Plan refresh a suite of 30 measures were identified.

Appendix 1 sets out the position for each of the PIs as at the end of September 2019. Each PI, where possible, has been RAG rated against the

national position and the direction of travel locally has been identified. Members are requested note the changes to the PIs and the position at the end of September 2019 as outlined in the appendix.

4.7 Strategic Risk Register

Finance and Policy Committee agreed the Council's new Risk Management Framework at their meeting in June 2019 and received a copy of the new Strategic Risk Register at their meeting in August 2019. The Register captures the strategic risks facing the Council in the delivery of the Council Plan and its key responsibilities and forms the third strand of the Council's performance management framework.

- 4.8 Risks within the Strategic Risk Register have been reviewed at the end of September with no changes to risk ratings identified. A new strategic risk is being developed with regards to Brexit and its implications. This risk will be monitored alongside the other 30 Strategic Risks on the register.

5. RISK IMPLICATIONS

- 5.1 The Council agreed a new Risk Management Framework in June 2019 and this will ensure that appropriate arrangements are in place for the management of the Council's key strategic risks. Embedding the identification and management of risk will support the achievement of our strategic objectives and provide assurance to elected members that these risks are being appropriately managed. This report provides an update following the Council's 6 month review of the Strategic Risk Register.
- 5.2 The Council Plan and Strategic Risk Register are monitored regularly to enable early identification and reporting to Members of any emerging risks which might prevent delivery of the strategic priorities identified in the Council Plan.

6. FINANCIAL CONSIDERATIONS

- 6.1 All proposals will be prepared giving due regard to financial considerations. The Council Plan, Medium Term Financial Strategy and the 5 year Capital Plan are developed as three parts of a single plan to ensure the links between the three are strengthened. In addition, effective risk management arrangements should help improve the use of valuable and limited financial resources.

7. LEGAL CONSIDERATIONS

- 7.1 Whilst the Council Plan is not included in the list of plans and strategies required to be approved or adopted by the Local Authority under Regulation 3 of the Local Authorities (Committee System) (England) Regulations 2012, it is recommended good practice to do so and therefore is included as part of the Council's Budget and Policy Framework.

8. CONSULTATION

- 8.1 No implications.

9. CHILD AND FAMILY POVERTY

- 9.1 The strategic priorities and key deliverables identified in the Council Plan will work to reduce child and family poverty within Hartlepool. Specifically the plan aims to deliver: support into high value sustainable employment and also apprenticeship opportunities; improved educational attainment; high standards of career advice and enterprise education in all schools; increased availability of social housing; widened family participation in sport and leisure utilising Sport England funding. There is no change to the Child and Family Poverty Impact Assessment included within the Council Plan 2017/18 – 2019/20 Mid Term Review report to Finance and Policy Committee 29th October 2018.

10. EQUALITY AND DIVERSITY CONSIDERATIONS

- 10.1 The strategic priorities and key deliverables identified in the Council Plan aim to have a positive impact on the whole population of Hartlepool. In relation to the protected groups identified in the Equality Act there are key deliverables focusing specifically on improving outcomes for young people, older people and those with disabilities in addition to work with staff to improve awareness of different groups and communities within Hartlepool. There is no change to the Equality Impact Assessment included within the Council Plan 2017/18 – 2019/20 Mid Term Review report to Finance and Policy Committee 29th October 2018.

11. STAFF CONSIDERATIONS

- 11.1 No implications.

12. ASSET MANAGEMENT CONSIDERATIONS

- 12.1 No implications.

13. RECOMMENDATIONS

- 13.1 It is recommended that the Finance and Policy Committee:
- notes the key achievements made in the delivery of the Council Plan between April 2019 and the end of September 2019 as set out in section 4.2;
 - notes the changes to the key deliverables in the Council Plan as set out in section 4.4;
 - notes the position in relation to the Council Plan PIs as set out in appendix 1; and
 - note the 6 month review of the Strategic Risk Register.

14. REASONS FOR RECOMMENDATIONS

- 14.1 Finance and Policy Committee have overall responsibility for Performance Management and are the responsible Committee for a number of service areas contained within the Council Plan.

15. BACKGROUND PAPERS

- 15.1 Council Plan 2017/18 – 2019/20 report to Finance and Policy Committee 6th March 2017.
 Council Plan 2017/18 – 2019/20 report to Council 16th March 2017.
 Council Plan 2017/18 – 2019/20 Mid Term Review report to Finance and Policy Committee 29th October 2018.
 Risk Management Framework report to Finance and Policy Committee 24th June 2019.
 Council Plan 2017/18 – 2019/20 6 Months Progress Update 27th August 2019.

16. CONTACT OFFICER

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Sign Off:-

Chief Executive



Director of Finance and Policy



Chief Solicitor





Council Plan 2017/18 – 2019/20

Basket of Performance Measures 2019/20

RAG Rating Key

G	Better than England average and getting better (improving) or at least staying the same (static)
A	Worse than England average but getting better (improving) / better than England average but getting worse (showing signs of decline)
R	Worse than England average and getting worse or showing no sign of improvement

Direction of Travel

- Short term - change in Hartlepool data since previous data (either the previous quarter or previous year)
- Long term - change in Hartlepool data from 2016/17 baseline

Performance Indicator	Latest Hartlepool Data	Latest National Data	RAG Rating	Direction of Travel Short Term	Direction of Travel Long Term
NI 151 Overall employment rate (working age)	64.1%	76.1%	R	↓	↑
NI 171 New business registration rate per 10,000 population aged 16 and above	43	75	R	↓	↓
CEDFI P104 Total rateable value of business properties in Hartlepool	£79,443,866	N/A	Unrated—Local PI	↑	↑
RND 181 Youth unemployment rate	12.2	N/A	Unrated—Local PI	↓	↑
CEDFI P103 Percentage of Council spend that goes to local suppliers	36.5%	N/A	Unrated—Local PI	↑	↑
NEW 03 Percentage of adults (aged 16-64) without a qualification	13%	N/A	Unrated—New local PI	No data	No data
RND P092 Number of visitors to Hartlepool	3.66 million	N/A	Unrated—Comparison data unavailable	No data	No data
CEDFI P106 Vacant shops/units for retail	12.4	N/A	Unrated—Local PI	No data	No data
CEDFI P107 Council Tax base growth	11.46%	N/A	Unrated—Local PI	↑	↑
NI 155 Number of affordable homes delivered (gross)	50	145	A	↑	↑
NI 192 Percentage of household waste sent for reuse, recycling and composting in Hartlepool	37.7%	44%	A	↓	↓
RND P163 Overall crime rate per 1,000 head of population	131.7	89.5	R	↑	↑

Performance Indicator	Latest Hartlepool Data	Latest National Data	RAG Rating	Direction of Travel Short Term	Direction of Travel Long Term
CEDCS P114 Percentage of residents who are satisfied with their local area as a place to live	No data currently available	N/A	Unrated—Local PI	No data	No data
NEW 06 Percentage of commissioned adult social care providers that are rated 'good' or 'outstanding' by the Care Quality Commission	87.9%	83.3%	G	↑	↑
ASCOF 2B-1 Percentage of older people achieving independence for older people through rehabilitation/intermediate care	78.4%	80%	R	↓	↑
ASCOF 1F Proportion of adults in contact with secondary mental health services in paid employment	13.8%	7%	G	↑	↑
ASCOF 1E Proportion of adults in contact with learning disabilities in paid employment	19.0%	7%	G	↑	↑
NEW 08A Sustained recovery 6 months after completing treatment (opiates)	4.8%	5.8%	R	↓	↓
NEW 08B Sustained recovery 6 months after completing treatment (non-opiates)	24.87%	34.8%	A	↑	↑
NEW 08C Sustained recovery 6 months after completing treatment (alcohol)	32.93%	37.8%	R	↑	↓
CSD P114 Percentage of schools rated 'good' or 'outstanding' by OFSTED	87%	85%	A	↑	↑
NEW 13 Average Progress 8 score per pupil	-0.47%	-0.3%	R	↓	↓
NEW 09 Percentage of young people achieving Level 3 qualification by age 19	54.2%	57.2%	A	↑	↑

Performance Indicator	Latest Data	Latest National Data	RAG Rating	Direction of Travel Short Term	Direction of Travel Long Term
NEW 10 Percentage of 16-17 year olds who are not in education or training (NEET)	3.1%	2.71%	A	↓	↓
NEW 11 Total absence in secondary school - authorised and unauthorised	7.5%	5.5%	R	↑	↑
NEW 12 Percentage of children living in households where their household income is less than 60% of the median after housing costs.	34.1%	N/A	Unrated—Local PI	No data	No data
CSD P157 Rate of looked after children per 10,000 population	143.1	64	R	↓	↑
VSB10_M04 Immunisation rate for children aged 2 who have been immunised for Measles, Mumps and Rubella	92.4%	91.2%	G	↑	↑
CEDLS P100 Percentage total voter turnout at local elections	27.18%	32.8%	R	↑	↑
CEDCS P112 Percentage of staff who feel satisfied about working for the Council	78%	N/A	Unrated—Local PI	No data	No data