



Chief Executive's Department  
Civic Centre  
HARTLEPOOL

9 December, 2019

Councillors C Akers-Belcher, S Akers-Belcher, Black, Brewer, Brown, Buchan, Cartwright, Cassidy, Fleming, Hall, Hamilton, Harrison, Howson, Hunter, James, Johnson, King, Lauderdale, Lindridge, Little, Loynes, Marshall, Moore, Prince, A Richardson, C Richardson, Smith, Stokell, Tennant, Thomas, Ward and Young.

Madam or Sir,

You are hereby summoned to attend the COUNCIL meeting to be held on THURSDAY, 19 DECEMBER 2019 at 7.00 p.m. in the Civic Centre, Hartlepool to consider the subjects set out in the attached agenda.

Yours faithfully

G Alexander  
Chief Executive

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# COUNCIL AGENDA



**Thursday 19 December 2019**

**at 7.00 pm**

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

- (1) To receive apologies from absent Members;
- (2) To receive any declarations of interest from Members;
- (3) To deal with any business required by statute to be done before any other business;
- (4) To approve the minutes of the last meeting of the Council held on 31 October 2019 as the correct record;
- (5) To answer questions from Members of the Council on the minutes of the last meeting of Council;
- (6) To deal with any business required by statute to be done;
- (7) To receive any announcements from the Chair, or the Head of Paid Service;
- (8) To dispose of business (if any) remaining from the last meeting and to receive the report of any Committee to which such business was referred for consideration;
- (9) To consider reports from the Council's Committees and to receive questions and answers on any of those reports;
- (10) To consider any other business specified in the summons to the meeting, and to receive questions and answers on any of those items;

- (11) To consider reports from the Policy Committees:
- (a) proposals in relation to the Council's approved budget and policy framework;
    - 1. Local Council Tax Support Scheme – *Report of Finance and Policy Committee*
    - 2. Medium Term Financial Strategy (MTFS) 2020/21 to 2023/24 – *Report of Finance and Policy Committee*
    - 3. Hartlepool Housing Strategy 2019-2024 – *Report of Regeneration Services Committee*
  - (b) proposals for departures from the approved budget and policy framework;
- (12) To consider motions in the order in which notice has been received;
- (13) To receive the Chief Executive's report and to pass such resolutions thereon as may be deemed necessary;
- (14) To receive questions from and provide answers to the public in relation to matters of which notice has been given under Rule 9;
- (15) To answer questions of Members of the Council under Rule 10;
- a) Questions to the Chairs about recent decisions of Council Committees and Forums without notice under Council Procedure Rule 10.1
  - b) Questions on notice to the Chair of any Committee or Forum under Council Procedure Rule 10.2
  - c) Questions on notice to the Council representatives on the Police and Crime Panel and Cleveland Fire Authority
  - d) Minutes of the meeting of the Police and Crime Panel held on 26 September 2019.



# **COUNCIL**

## **MINUTES OF PROCEEDINGS**

### **31 October 2019**

The meeting commenced at 7.00 pm in the Civic Centre, Hartlepool

The Ceremonial Mayor (Councillor Loynes) presiding:

#### **COUNCILLORS:**

C Akers-Belcher	S Akers-Belcher	Black
Brewer	Brown	Buchan
Cassidy	Fleming	Hall
Hamilton	Harrison	Howson
Hunter	James	Johnson
King	Lauderdale	Lindridge
Little	Marshall	Mincher
Moore	Prince	A Richardson
C Richardson	Smith	Stokell
Tennant	Thomas	Young

Officers: Gill Alexander, Chief Executive  
Chris Little, Director of Finance and Policy  
Hayley Martin, Chief Solicitor  
Denise McGuckin, Director of Regeneration and Neighbourhoods  
Joan Stevens, Statutory Scrutiny Manager  
Amanda Whitaker and Denise Wimpenny, Democratic Services Team

#### **58. APOLOGIES FOR ABSENT MEMBERS**

Councillors Cartwright and Ward

#### **59. DECLARATIONS OF INTEREST FROM MEMBERS**

Interests were declared by Elected Members as follows:-

Councillor S Akers-Belcher declared a personal interest in agenda item 14 as he knew of the two members of the public who had submitted questions. Council was advised also that Mr Hays had donated produce to a community organisation in which he was involved. Further explanation was provided that

the Elected Member did not consider the interest to be prejudicial.

Councillor C Richardson declared a pecuniary interest in agenda item 8 (1) and advised that he would leave the meeting during consideration of that item. The Elected Member informed Full Council that Councillor Hamilton would read a Statement. It was declared also that the Elected Member knew Mr Hays who had submitted a public question.

The following Elected Members declared that they also knew Mr Hays who had submitted a public question:-

Councillors Hunter, Lindridge, Buchan, A Richardson, James, Johnson, Hall, Mincher and Prince

Councillor C Akers-Belcher advised that he was declaring the same interests as those declared by Councillor S Akers-Belcher earlier in the meeting.

60. BUSINESS REQUIRED BY STATUTE TO BE DONE BEFORE ANY  
OTHER BUSINESS

None

61. MINUTES OF PROCEEDINGS

The Minutes of Proceedings of the Council held on the 12 September 2019, having been laid before the Council.

RESOLVED - That the minutes be confirmed.

The minutes were thereupon signed by the Chairman.

62. QUESTIONS FROM MEMBERS OF THE COUNCIL ON THE MINUTES  
OF THE PREVIOUS MEETING OF THE COUNCIL

None

63. BUSINESS REQUIRED BY STATUTE

None

64. ANNOUNCEMENTS

The Ceremonial Mayor announced that her Civic Dinner would be held on 22 November 2019 and that she would appreciate those present supporting the event.

The Head of Paid Service referred to the death of Alan Chapman, Headteacher, who had died recently in service. Tribute was paid to Mr Chapman's dedication to children and young people with particular reference to special educational needs and to his national reputation. Details were provided of Mr Chapman's funeral and it was noted that a memorial service would be held to celebrate his life and contribution to the town.

Further to minute 59, Councillor C Richardson left the meeting during consideration of the following item.

65. TO DISPOSE OF BUSINESS (IF ANY) REMAINING FROM THE LAST MEETING AND TO RECEIVE THE REPORT OF ANY COMMITTEE TO WHICH SUCH BUSINESS WAS REFERRED FOR CONSIDERATION.

- (1) Allowances Paid to the Chair and Vice Chair of Council and Referral from Full Council – Funding To Any Organisation which an Elected Member is Affiliated – Report of Audit and Governance Committee

The report enabled Council to consider the report from the Audit and Governance Committee in relation to the above issues. The Audit and Governance Committee had agreed to establish a working group which had been chaired by an Independent Person, Clare Wilson. The working group had a number of meetings and had reported their finding to the Audit and Governance Committee on 24<sup>th</sup> October 2019. A copy of the report to the Committee had been appended to the report. The report included the recommendations referred from the Audit and Governance working group.

A supplementary report had been circulated following the Committee meeting on 24 October. The supplementary report advised Full Council that the Audit and Governance Committee on the 24<sup>th</sup> October 2019 had agreed:-

- a) To endorse the recommendations contained in paragraph 4.4 of the Committee report, in relation to the issue of 'funding to any organisation to which an elected member is affiliated'.
- b) To amend the recommendations made in relation to the 'allowances paid to the Chair and Vice Chair of Council' to reflect that the Audit and Governance Committee refers the following findings to Full Council to:-
  - i) Note that the allowances paid up to 2011/12 to the Chair and Vice Chairs were authorised by officers and publically reported as a collective figure during the period 2007/8 in the Council's Statement of Accounts and that from 2008/9 onwards they were published independently against each Member; and
  - ii) Note that officers have advised that there is no legal basis to seek to recover from the individual Members who received these allowances. To also note that this situation cannot arise again as these allowances were removed in 2011/12.

Members were advised that during the course of discussions at the Committee, Councillor James had requested that her vote against the amended recommendations, as outlined in Section 2.1 (b) be recorded. In addition to this, the Independent Chair had reaffirmed her view that:-

- i) In relation to allowances previously paid to the Chair and the Vice Chair the historic information available indicates these allowances were authorised by Officers and publically reported during the period 2008/9 to 2011/12 in the Council's Statement of Accounts. Therefore, there is no legal basis to seek to recover payments made to individuals who previously received the Chair or Vice Chair allowances. As these allowances were removed in 2011/12 and it is clear that the Council now has more robust procedures for managing allowances paid to Councillors. Therefore, the previous situation cannot be repeated and there are no recommendations in relation to this issue.
- ii) With regard to the issues reviewed in Section 4, the Working Group has concluded that the Council has well established procedures and policies in place that set out how decisions are made in relation to the expenditure of Council funds with no suggestion of inappropriate decision making. Some areas for further improvement, which should help address public perceptions, are outlined in the recommendations detailed in Section 4.4.

The report was presented by Councillor Hall, Chair of the Audit and Governance Committee, who expressed appreciation to Clare Wilson and commended the report and the supplementary report containing the amended recommendations, to Full Council.

It was moved by Councillor Hall and seconded by Councillor Hamilton:-

“That the Council consider and approves the amended recommendations referred from the Audit and Governance Committee.”

An amendment was moved by Councillor C Akers-Belcher and seconded by Councillor S Akers-Belcher:-

“That recommendation (a) be accepted by Full Council and consideration of recommendation (b) be deferred until this Council seeks external legal advice on the lawfulness of the payments to the Chair and Vice Chair of Council’

On moving the amendment, Councillor C Akers-Belcher explained the rationale for his amendment referring to the requirements of the Local Government Act 1972 and whether it was ‘reasonable’ to make the payments. Reference was made also to whether the decision made in 1998 by the Policy Plenary Committee, that the allowance be grossed up for taxation and national insurance purposes, was reasonable in law.

Councillor Hamilton sought approval to read out a statement on behalf of Councillor C Richardson. The Chief Executive responded that if the amendment

was carried, the statement could be read out following receipt of the external legal advice. It was highlighted that it was important for full Council to receive information on the financial implications of seeking external legal advice.

A recorded vote was requested.

The Monitoring Officer advised that the cost of external legal advice would be approximately £2,000 and that the advice would be shared with all Elected Members.

In accordance with Council Procedure Rule 15.5 of the Constitution, a recorded vote was taken on the amendment:-.

Those in favour:

Councillors C Akers-Belcher, S Akers-Belcher, Black, Brewer, Buchan, Cassidy, Fleming, Hall, James, King, Lauderdale, Little, Loynes, Marshall, Mincher, Moore, A Richardson, Smith, Stokell, Tennant and Young

Those against:

Councillors Brown, Hamilton, Harrison, Howson, Hunter, Johnson, Lindridge, Prince and Thomas

Those abstaining:

None

It was announced that the vote on the amendment was carried.

Prior to a vote being taken on the substantive Motion, a debate took place on issues arising from the Committee's report. An Elected Member referred to discussion at the Committee meeting and suggested that the issues around sanctions in relation to mandatory training for Elected Members be referred to the Constitution Committee for consideration.

In accordance with Council Procedure Rule 15.5 of the Constitution, a recorded vote was taken on the substantive Motion, including the issues around sanctions in relation to mandatory training for Elected Members be referred to the Constitution Committee for consideration.

Those in favour:

Councillors C Akers-Belcher, S Akers-Belcher, Black, Brewer, Buchan, Cassidy, Fleming, Hall, Harrison, James, Johnson, King, Lauderdale, Lindridge, Little, Loynes, Marshall, Mincher, Moore, Prince, A Richardson, Smith, Stokell, Tennant and Young

Those against:

Councillors Brown, Hamilton, Howson, Hunter, C Richardson and Thomas



Those abstaining:

None

It was announced that the vote was carried.

66. TO RECEIVE REPORTS FROM THE COUNCIL'S COMMITTEES

None

67. TO CONSIDER ANY OTHER BUSINESS SPECIFIED IN THE SUMMONS OF THE MEETING

None

68. REPORT FROM THE POLICY COMMITTEES

(a) Proposal in relation to the Council's budget and policy framework

None

(b) Proposal for Departure from the Budget and Policy Framework

None

69. MOTIONS ON NOTICE

Three Motions on Notice had been received and approved for submission to this meeting of Full Council:-

- (1) The Labour Group believes the devastating cuts, implemented by central government through austerity measures since 2010, have been shouldered on the most vulnerable and working people in our town and believes the following has been the direct result of these policies:

- Increase to food bank use
- Increase in local council tax
- Depleted local authority reserves
- Increase in homelessness
- Increase in household debt
- Increase in mental health issues

This Council resolves to lobby the Minister for local Government by writing to him to seek adequate and immediate vital funding in order to relieve the financial burden on the most vulnerable in our town.

Councillors P Brown, A Prince, S Thomas, B Harrison and C Richardson.

The Motion was moved by Councillor Prince and seconded by Councillor Brown and the background and rationale for submission of the Motion was outlined.

Amendment moved by Councillor Moore and seconded by Councillor Tennant:-

“That the sentiments of the Motion be supported but that writing the letter to the Minister for Local Government be delayed until after the forthcoming General Election when a new Minister is appointed.”

In accordance with Council Procedure Rule 15.5 of the Constitution, a recorded vote was taken on the amendment, acknowledging the recent increase in the core settlement from Central Government this year.

Those in favour:

Councillors C Akers-Belcher, S Akers-Belcher, Black, Brewer, Brown, Buchan, Cassidy, Fleming, Hall, Hamilton, Harrison, Howson, Hunter, James, Johnson, King, Lauderdale, Lindridge, Little, Loynes, Marshall, Mincher, Moore, Prince, A Richardson, C Richardson, Smith, Stokell, Tennant, Thomas and Young

Those against:

None

Those abstaining:

None

It was announced that the vote was carried unanimously.

The Chief Executive announced that she had been informed that Councillor Moore had withdrawn his support of the following Motion. It was highlighted that the Motion continued to be valid.

- (2) This Council believes that it is wrong for staff in any workplace to be subjected to bullying and harassment.

We acknowledge that whilst it is difficult for those experiencing such behaviour to ‘speak out’ we encourage them to do so.

Following the recent revelations in the national press about the Sexual Harassment of Parliamentary staff, we believe that bullying and harassment in all its forms is abhorrent and has no place in civilised society.

Whilst legally this may not be enforceable there is a moral responsibility on elected representatives who, if an accusation is

found proven, should resign from their position with immediate effect.

This is in keeping with the Nolan Principles.

We urge this Council to agree with the sentiment of the motion and refer it to the Constitution Committee to consider whether any changes can be incorporated into the Constitution.

Councillors C Akers-Belcher, S Moore, S Akers-Belcher, M A James, A Marshall and M Young.

The Motion was moved by Councillor James and seconded by Councillor S Akers-Belcher.

On moving the Motion, Councillor James explained the background and rationale for submission of the Motion.

It was moved by Councillor Young:-

“That the Chair of Council utilise her power under procedural rule 11.5 for this Motion to be referred to the Constitution Committee.”

The Chair of Council, Councillor Loynes, responded that she supported the approach set out by Cllr Young and having consulted the Chief Executive and Monitoring Officer, she invoked section 11.5 of the Council Procedure Rules for the matter to be referred without discussion to the Constitution Committee.

- (3) On the 16th October the Secretary of State for Transport announced he had requested new proposals in relation to the future of the Northern rail franchise.

We welcome this news as this franchise has always been ran poorly, with little investment and using outdated trains that have been handed down to us from other areas once they deem them past their useful life there.

We therefore request that this council write to the Secretary of State and thank him for his intervention but urge him to bring the franchise into the direct control of the Department of Transport. This model has proven successful with LNER and will ensure that services are ran for the benefit of the people of this area, rather than the profit of a small number of shareholders.

Councillors S Moore, S Akers-Belcher, M Young, L Cartwright and B Ward.

The Motion was moved by Councillor Moore and seconded by Councillor James, subject to sending the letter to the Secretary of State for Transport being deferred until after the forthcoming General Election when a new Secretary of State had been appointed.

An amendment was moved by Councillor C Richardson and seconded by Councillor Hunter:-

“That the Motion be amended to include all railway franchises”.

The Mover of the Motion accepted the amendment.

A further amendment was moved by Councillor S Akers-Belcher:-

“That the Motion be amended to include all public modes of transport.”

A vote on the further amendment, by show of hands, was carried.

## CHIEF EXECUTIVE’S REPORT

### 70. SUNDAY TIMES BRITISH HOMES AWARDS

Council was advised that Hartlepool housing regeneration scheme ‘The Green’ which converted properties in Carr, Hopps and Rodney Streets off Hart Lane into homes to rent by developers Placefirst in partnership with the Council had recently won three national Sunday Times British Homes Awards including the Judges Special Award for Excellence. Elected Members were advised that the Judges Special Award was the most coveted accolade at the awards and the Chair of the judges deemed The Green to be the best overall project across all 26 award categories and 99 shortlisted entries.

Appreciation was expressed to all those who had been involved in the scheme.

RESOLVED – That the report be noted.

### 71. CHANGE IN COMMITTEE MEMBERSHIP

The Chief Executive reported that she has been notified of the following change to the membership of the Planning Committee:-

Councillor A Richardson to replace Councillor Mincher.

RESOLVED – That the proposed change be approved.

### 72. COMMUNITY SAFETY PLAN 2017-20

The Chief Executive reported that in accordance with the Crime and Disorder Act 1998 and associated regulations the Authority was required to produce a three year Community Safety Plan to set out how it intends to tackle crime and disorder, substance misuse and re-offending in Hartlepool. The legislation also required the Authority to review the plan on an annual basis. At the last meeting of Council, Members had considered the Community Safety Plan Year 3 Review and a number of issues were highlighted as requiring attention. As this was a review of the plan, the issues raised would be considered and

reflected in the new Community Safety Plan when work commenced on this next year.

Following a request for clarification from an Elected Member, the Chief Executive provided assurance that the outcome of the current investigation into anti-social behaviour, by the Audit and Governance Committee, would be reflected in the new Community Safety Plan.

RESOLVED – That the report be noted.

#### 73. PRESSURES IN CHILDREN'S SERVICES

Members were reminded that at the meeting on 12 September, 2019 (minute 44 refers), Full Council had agreed that a letter be forwarded to the Secretary of State for Education with regard to budget and capacity concerns in Children's Services, subject to additional information being included to highlight the north/south divide in relation to school funding highlighted at the meeting by an Elected Member. A copy of the letter sent by the Ceremonial Mayor and the response received from Luke Hall MP, Minister for Local Government and Homelessness were appended to the report.

RESOLVED – That the report be noted.

#### 74. ADOPTION OF THE INTERNATIONAL HOLOCAUST REMEMBRANCE ALLIANCE (IHRA) WORKING DEFINITION OF ANTISEMITISM

Council was advised that a letter, appended to the report, had been received from the Rt Hon Robert Jenrick MP Secretary of State for Housing, Communities and Local Government seeking Councils to adopt the IHRA definition of antisemitism.

It was moved by Councillor Young and seconded by Councillor Tennant that a recorded vote be taken.

In accordance with Council Procedure Rule 15.5 of the Constitution, a recorded vote was taken.

Those in favour:

Councillors C Akers-Belcher, S Akers-Belcher, Black, Brewer, Brown, Buchan, Cassidy, Fleming, Hall, Hamilton, Harrison, Howson, Hunter, James, Johnson, King, Lauderdale, Lindridge, Little, Loynes, Marshall, Mincher, Moore, Prince, A Richardson, C Richardson, Smith, Stokell, Tennant, Thomas and Young

Those against:

None

Those abstaining:

None

It was announced that the vote was carried unanimously.

## 75. PUBLIC QUESTION

Two public questions had been received:-

1.From Mr Wilson to the Chair of the Neighbourhood Services Committee

*“In the year of 2018 you issued a paltry 13 fines for littering offences and zero for dog fouling offences. With a town population of approximately 93000 this shows the huge failings within the enforcement team of Hartlepool Borough Council. In relation to traffic violations the Council issued 4826 fines.*

*I believe your policies are absolutely useless and both ineffective and inefficient in tackling the major problem of littering and dog-fouling in the town. You are solely focusing on matters that are none confrontational, which is obvious by the figures.*

*When is the Council going to tackle the real problem of the state of the town and address the litter and dog fouling problem?”*

The Chair of the Neighbourhood Services Committee responded that the Authority addresses issues of dog fouling by raising awareness by both education and enforcement. Public Space Protection Orders had been introduced recently which placed an additional responsibility on dog owners – namely that in addition to being required to pick up their dogs waste, dog walkers must also carry the means to be able to pick up after their dog and can be issued with a Fixed Penalty Charge if they refuse or are unable to show that they have such means with them. This measure had been introduced in conjunction with the provision of a number of dispenser stations at key public open spaces, which offer free biodegradable dog waste bags for dog walkers. In terms of what assistance the public can provide, the Authority had only a limited officer resource for this area of enforcement and it was often extremely difficult to catch irresponsible dog owners who failed to pick up.

In this respect it was requested that any reports or submitted intelligence from the public include as much detail as possible. If known the dates / times when the offences took place, locations and any descriptions of the owner / dog involved and their vehicle. Intelligence would then be used to best deploy the team even if that means working outside of core working hours. In terms of awareness, although signs were regularly erected on street furniture advising of the Fixed Penalty Charge for non-compliance of the orders and raising awareness that enforcement takes place, this was often supplemented with temporary stencilled signs on the footpath areas, at particularly problematic areas while Officers look to implement signs promoting the reporting of individuals in key locations. Temporary marking paint was used which washes away after a few months but this simple message raises awareness and often has a short term impact on behaviour. Stencilling the footpaths was again

resourceful for the team and may be something that could be supplemented and assisted by volunteers where appropriate.

It was moved by Councillor C Akers-Belcher and seconded by Councillor S Akers-Belcher:-

“That the Neighbourhood Services Committee explore the costs and delivery of introducing two separate enforcement teams, as part of this year’s budget process.”

Elected Members expressed their support of issues arising from the question and supported ‘targeted enforcement’. The Chair of the Neighbourhood Services Committee advised Full Council that he had already spoken to Officers in the Department to review performance and agreed that the issue could be discussed at the Neighbourhood Services Committee.

It was highlighted that as the Chair of the Neighbourhood Services Committee had agreed to the issue being considered by the Committee, there was no requirement for a vote to be taken.

2. Letter from Mr Hays to the Chair of the Neighbourhood Services Committee

*“Can you please explain why the occupants of Burn Valley Allotments are being treated less favourably than those at Stranton Allotments in respect of enforcement?”*

*No enforcement has been taken against the removal of fencing adjacent to the commercial garage on Catcote Road yet the community organisation, supporting the Council’s priority of tackling Family Poverty, on Burn Valley Allotments is being asked to vacate their plot.”*

The Chair of the Neighbourhood Services Committee responded that the Council works hard to ensure that plots on all allotment sites complied with the appropriate rules and regulations. In comparing Burn Valley to Stranton, the Chair advised that since April 2018 to date, action had been taken to remove 5 tenants from their plots at Burn Valley compared to 28 tenants removed at Stranton. The Chair added that it would be inappropriate to comment on individual plots at a public meeting however he advised that tenants had been removed for a number of reasons including:

- Non-payment of rent;
- Sublet offences;
- Non-cultivation; and
- Failed probation.

It was highlighted that the figures demonstrated the Council’s approach to allotment enforcement across all sites is appropriate and in response to where tenants are found to be in breach of the rules and regulations.

An extensive debate followed on issues arising from the question. During the debate, it was questioned how many people had been removed from allotment sites for sub-letting. It was considered that no action should be taken in terms of the Burn Valley allotment issue until that information was known. The Chair of Neighbourhood Services Committee agreed to provide the information requested to Councillor S Akers-Belcher, following this meeting.

A number of Elected Members sought assurance to ensure that any enforcement action was correct. The Chair of Finance and Policy Committee responded to concerns which had been raised including the background to the long standing issue and assured Elected Members that procedures had been followed and he was happy to share information he had available relating to the issue. It was highlighted that if the allotment holder was not happy, he would encourage him to follow the Corporate Complaints Procedure.

Following reference by Councillor C Akers-Belcher to pertinent documentation which he had in his possession, the Chief Executive invited the Elected Member to share the information he held with the Director of Regeneration and Neighbourhoods. It was agreed that the issues around the question in relation to allotment sites be investigated following receipt of that documentation.

## 76. QUESTIONS FROM MEMBERS OF THE COUNCIL

- a) Questions to the Chairs about recent decisions of Council Committees and Forums without notice under Council Procedure Rule 12.1

An Elected Member referred to minute 56 of the meeting of Finance and Policy Committee held on 14 October 2019, relating to Tees Valley Future Waste Treatment and Disposal. Assurances were sought from the Elected Member that a municipal waste scheme is not overlooked and also that the Authority disposes of waste responsibly. The Chair of the Committee responded by highlighting that details of the contract were commercially sensitive but that he was able to provide the assurances which had been sought.

- b) Questions on notice to the Chair of any Committee or Forum under Council Procedure Rule 12.2

None

- c) Questions on notice to the Council representatives on the Police and Crime Panel and Cleveland Fire Authority

None

- d) Minutes of the meetings held by the Cleveland Fire Authority and the Police and Crime Panel



Minutes of the meetings held by the Cleveland Fire Authority held on (i) 7 June 2019 and (ii) 26 July 2019 and the Cleveland Police and Crime Panel held on 2 July 2019 had been circulated.

The meeting concluded at 8.50 p.m.

CEREMONIAL MAYOR

# COUNCIL

19th December 2019



**Report of:** Finance and Policy Committee

**Subject:** LOCALISED COUNCIL TAX SUPPORT  
SCHEME 2020/21

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## 1. PURPOSE OF REPORT

- 1.1 To present details of the final proposals for the Localised Council Tax Support Scheme for 2020/21 as part of the Budget and Policy Framework.

## 2. BACKGROUND.

- 2.1 The Local Council Tax Support (LCTS) scheme only applies to working age households and does not apply to low income pensioner households, who continue to receive the same level of financial support as they did under the former national Council Tax Benefit scheme.
- 2.2 The agenda papers for this meeting include a copy of the report considered by Finance and Policy Committee on 9<sup>th</sup> December 2019, which includes the results of public consultation on options for the Council's 2020/21 Local Council Tax Support (LCTS) scheme. The papers also include a copy of the report to Finance and Policy Committee of 14<sup>th</sup> October 2019 to assist familiarisation by Members of the issues and financial risks associated with the operation of the Local Council Tax Support scheme.
- 2.3 The former national Council Tax Benefit scheme was abolished on 31<sup>st</sup> March 2013 and since then local authorities are required by Government to establish their own Local Council Tax Support Schemes (LCTS). For 2013/14 the Government reduced its funding nationally to operate these new local schemes by 10% (over 13% in Hartlepool).
- 2.4 From 2014/15, the Government ceased making a specific grant for LCTS schemes but instead mainstreamed the grant paid to support LCTS schemes within the Core Revenue Grant paid to Councils. However, the Government's financial settlement for 2014/15 and successive years have included significant ongoing cuts in Revenue Grant funding.

- 2.5 Sustainability and affordability are key principles that underpin the operation of the LCTS scheme. The report to Finance and Policy Committee of 14<sup>th</sup> October 2019, set out financial analysis which confirmed that a 2020/21 LCTS scheme that maintains a level of award cut at 12% is viable and sustainable.
- 2.6 Finance and Policy Committee on 14<sup>th</sup> October 2019 decided 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 higher percentages will in the short-term provide more Council Tax income, 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. Therefore, over time any benefits of a higher contribution level will reduce.
- 2.7 As detailed in section 6 of the report to Finance and Policy Committee on 9<sup>th</sup> December 2019 any increase in the LCTS percentage will result in increased annual Council Tax liabilities for low income working age households.
- 2.8 For the last 6 years (2014/15 to 2019/20) 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 eg. Bedroom Tax, Benefit Cap, Tax Credit changes, Universal Credit etc.
- 2.9 The LCTS scheme has been a key component of the Council's strategy to support low income households. 64% of respondents to the public consultation think the Council should maintain the existing 12% LCTS scheme.
- 2.10 The Hartlepool Joint Trade Union Committee (HJTUC) have submitted a letter in relation to the Council's 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 within the report to Council on the Medium Term Financial Strategy at Appendix D – Part 3.

### **3. PROPOSALS**

- 3.1 The proposal put forward by Finance and Policy Committee is to maintain the 2020/21 LCTS scheme award cut at 12% the same level as in 2019/20. The proposed continued 12% LCTS cut for 2020/21 is viable and avoids an additional increase in the Council Tax liability for low income working age households at a time when households are adjusting to the ongoing impacts of the wider national welfare reforms.

#### **4. RECOMMENDATIONS**

##### **4.1 Council are recommended to:**

- i) Approve the decision of Finance and Policy Committee of 9<sup>th</sup> December 2019 to maintain a 12% LCTS scheme, the same as for the last 6 years.
- ii) Approve the continuation in 2020/21 of the existing LCTS scheme Principles detailed in paragraph 5.7 of the Finance and Policy Committee report of 14<sup>th</sup> October 2019.
- iii) Approve the passporting of about £4,000 of the 2020/21 Core Revenue Grant to Parish Councils in accordance with national regulations.
- iv) Note that the approved Local Council Tax Support Scheme will be subject to close monitoring and annual review.

#### **5. BACKGROUND PAPERS**

- 5.1 Local Council Tax Support 2020/21 – Finance and Policy Committee 9th December 2019 as attached Appendix 1.
- 5.2. Local Council Tax Support 2020/21 – Finance and Policy Committee 14<sup>th</sup> October 2019 as attached Appendix 2.

#### **6. CONTACT OFFICER**

John Morton  
Assistant Director Finance and Customer Services  
01429 523093  
[John.morton@hartlepool.gov.uk](mailto:John.morton@hartlepool.gov.uk)

# Finance and Policy Committee

9<sup>th</sup> December 2019



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

**Subject: LOCAL COUNCIL TAX SUPPORT 2020/21**

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## **1. TYPE OF DECISION / APPLICABLE CATEGORY**

1.1 Budget and Policy Framework Decision.

## **2. PURPOSE OF REPORT**

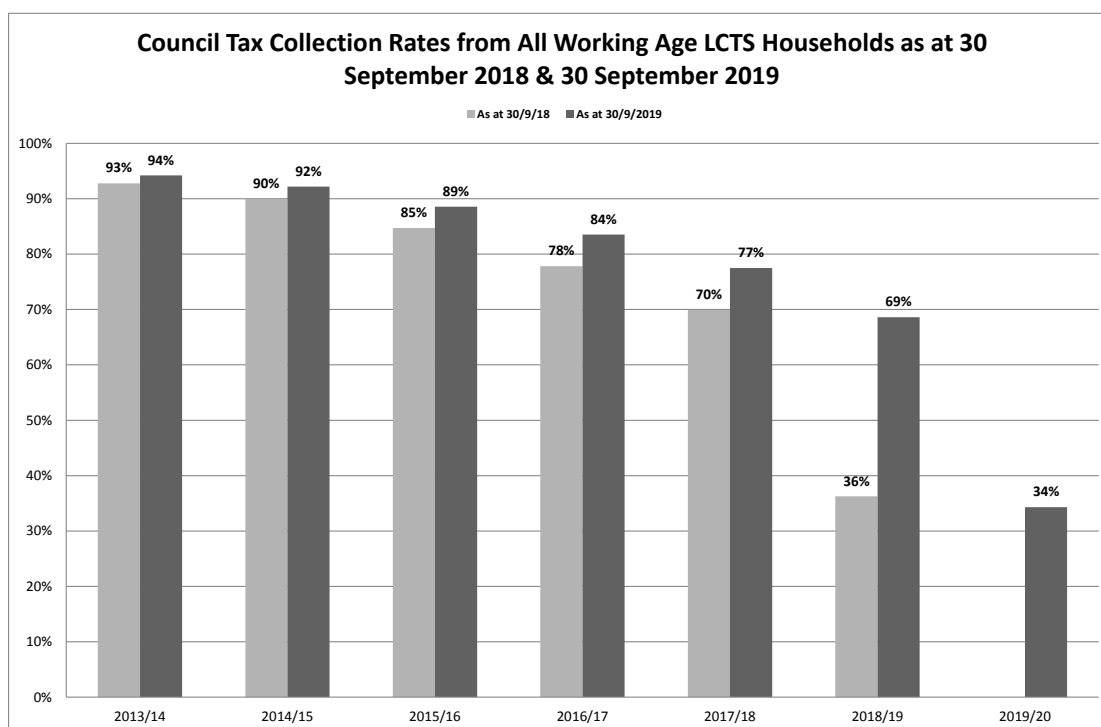
The purposes of the report are to:

- 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 14<sup>th</sup> 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 21<sup>st</sup> October 2019 and closed on 2<sup>nd</sup> 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 14<sup>th</sup> 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.



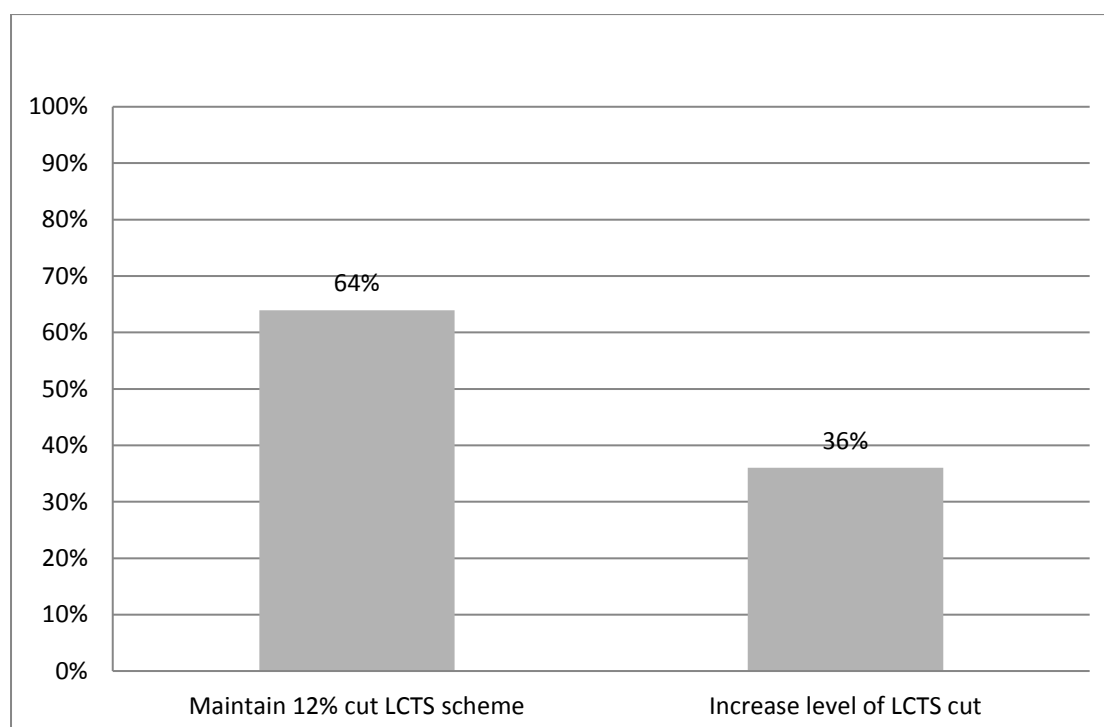
#### 4 CONSULTATION RESULTS

- 4.1. In total 343 responses were received to the consultation. This is in line with the levels of response for other consultations and 97% of those responding live within the Borough.
- 4.2. 67% of responses were from individuals who have never been in receipt of a Local Council Tax Support award. Only 33% 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

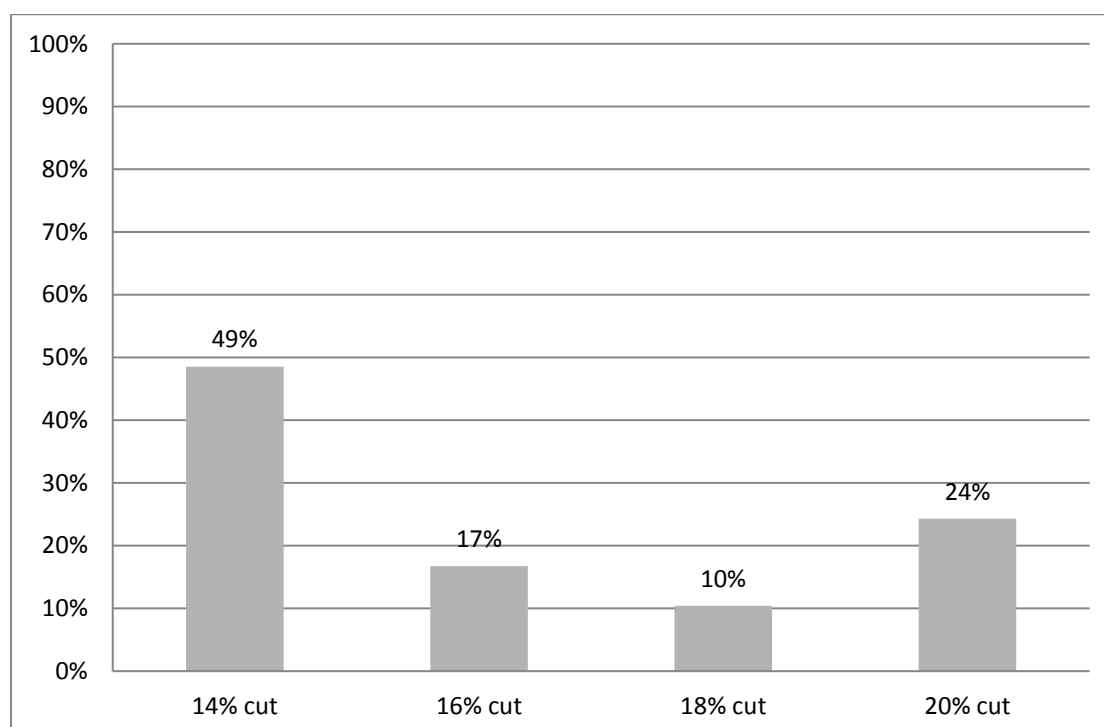


4.4 The breakdown of responses from respondents who think the existing 12% LCTS scheme should be maintained is as follows:

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.**



4.6 155 (about 45%) of 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 14<sup>th</sup> 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.

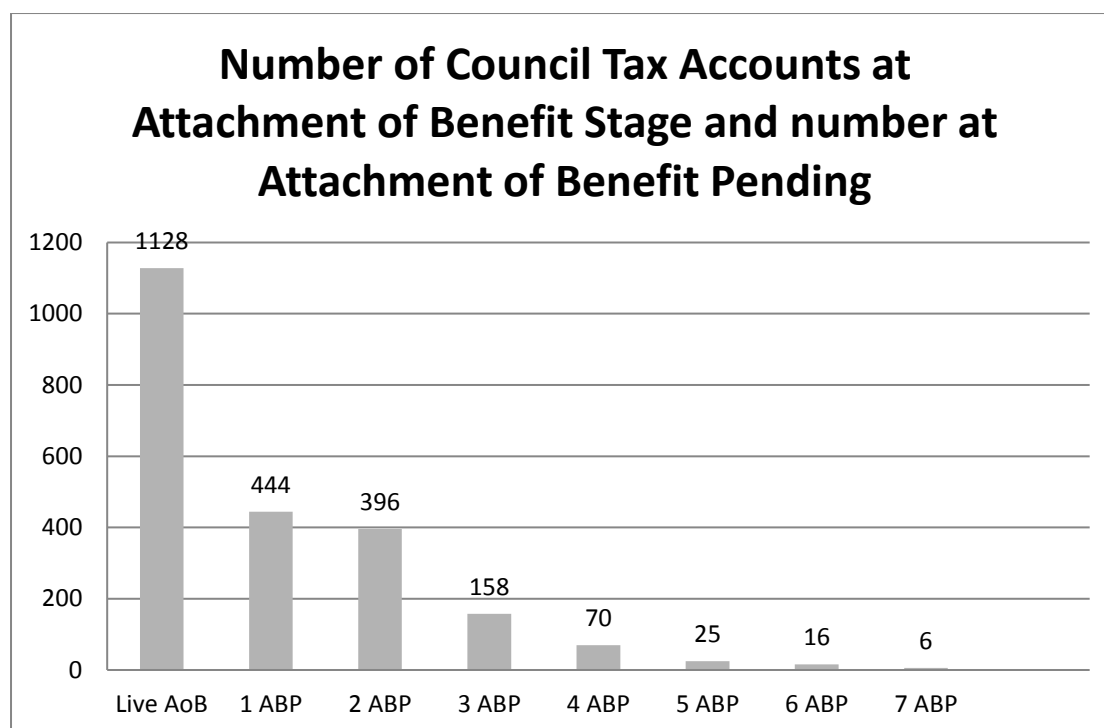
6.12 To provide context for these figures, a household paying full Council Tax for a Band A property will see an increase in their total Council Tax bill of £48.19 (3.6%) for 2020/21. These figures are all based on individual authorities (i.e. the Council, Police and Crime Commissioner and Fire Authority) 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 / pended 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 31<sup>st</sup> 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 19<sup>th</sup> 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 21<sup>st</sup> October 2019 to 2<sup>nd</sup> 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
<b>Additional Support to Households in 2020/21 who previously received 100% Council Tax Benefit</b>	<b>£ 111</b>	<b>£ 129</b>
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 14<sup>th</sup> 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  
14<sup>th</sup> October 2019



**18. CONTACT OFFICER**

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[John.morton@hartlepool.gov.uk](mailto: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 10<sup>th</sup> most deprived area nationally and the 2<sup>nd</sup> 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 **2<sup>nd</sup> 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](mailto: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 bills. £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 can't even afford to feed myself. I rely on food banks. And I'm getting more into debt each month. I can't 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 don't 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 backfired, 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 their 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't 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 high on £100,000 in business 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	Hartlepoons 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

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



## 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"> <li>• Every working age household will pay some Council Tax.</li> <li>• Other non-dependant adults in the household will be expected to contribute to council tax.</li> <li>• The scheme will encourage work through the disregarding of earned income.</li> <li>• That scheme will retain the key features of the former CTB scheme and will “mirror” national Housing Benefit regulation changes.</li> <li>• A universal reduction in the value of the award will be made for all working age low income households.</li> <li>• Low income pensioner households are protected in line with Central Government Policy.</li> <li>• Will continue to comply with the Armed Forces Covenant.</li> <li>• Continue to fully disregard child maintenance when assessing LCTS awards. This is consistent with national Housing Benefit regulations.</li> </ul> <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>	
		<b>POSITIVELY</b>	<b>NEGATIVELY</b>
<b>Age</b>		<b>X</b>	
<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><b>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.</b></p>			
<b>Disability</b>		<b>No differential impact</b>	

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.

The scheme will provide those disabled people of working age who are eligible with some support towards their Council Tax liability.

**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.**

<b>Race / Gender / Gender Re-assignment</b>	<b>No differential impact</b>
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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.**

<b>Religion</b>	<b>No differential impact</b>
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No effect.

<b>Sexual Orientation</b>	<b>No differential impact</b>
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No effect.

<b>Marriage &amp; Civil Partnership</b>	<b>No differential impact</b>
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No effect.

<b>Pregnancy &amp; Maternity</b>	<b>No differential impact</b>
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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 & Policy Committee

14th October 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 operation of the Local Council Tax Support (LCTS) scheme and the scheme's future financial risks associated with the Government's national welfare reforms;
- ii) set out a proposed LCTS scheme for 2020/21.

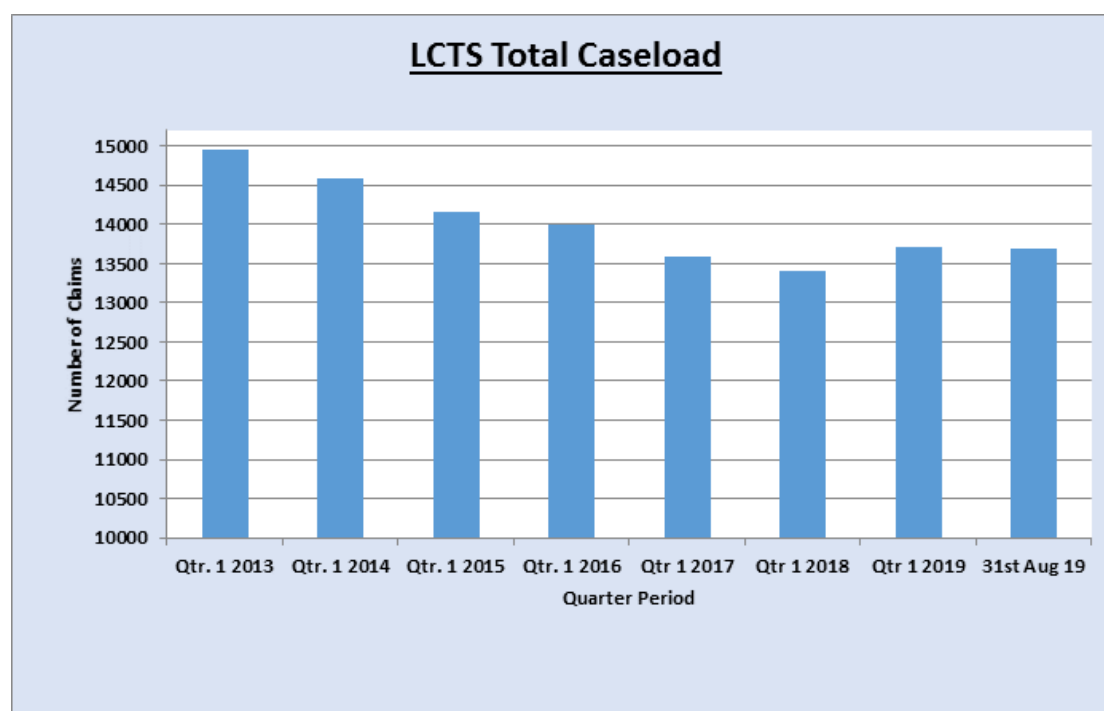
## 3. BACKGROUND

- 3.1 The Coalition Government abolished the former national Council Tax Benefit scheme on 31<sup>st</sup> March 2013 and replaced it with a requirement for Councils to determine and operate their own LCTS schemes from April 2013.
- 3.2 This was a fundamental change to the Welfare State which transferred responsibility for Council Tax support from the national Government to individual Councils. Previous reports to Members have set out three key issues arising from this change:-
  - (i) Funding transferred by the Government for 2013/14 LCTS schemes was cut overall by 10% nationally. However, when account was taken of the value of awards the initial grant cut for Hartlepool for 2013/14 was 13.4%;
  - (ii) Councils are required to fully protect low income Pensioners eligible for LCTS support, which means the initial funding cut falls on working age households and effectively built a 20% reduction for this group into the system;
  - (iii) Since April 2014 Central Government funding for LCTS is no longer provided as a separate grant allocation but has been

included in the annual Core Revenue Grant allocation for individual Councils.

- 3.3 It would have been much clearer for Councils and the public, if funding for LCTS schemes had continued to be paid as a specific grant. The new arrangements have a significantly greater impact on Councils which are more dependent on Government Grant and have higher levels of deprivation.
- 3.4 Previous Medium Term Financial Strategy reports have highlighted the implications of this change and the ongoing annual reductions in Revenue Support Grant. Despite these challenges, the Council has determined, as part of its strategy to support vulnerable households affected by the national Welfare Reforms, to avoid implementing LCTS cuts of 20% over the last seven years and has implemented the following LCTS schemes:
- 8.5% in 2013/14;
  - 12% in 2014/15;
  - 12% in 2015/16;
  - 12% in 2016/17;
  - 12% in 2017/18;
  - 12% in 2018/19;
  - 12% in 2019/20.
- 3.5 Research by the Institute for Fiscal Studies (published January 2019) shows that in 2018/19 nationally 20% was the most common level of cut. Other Tees Valley councils have operated LCTS schemes involving cuts of 20% since April 2013, albeit Redcar and Cleveland moved to a 17.5% scheme from 2017/18 and Middlesbrough introduced a 15% scheme from 2018/19.
- 3.6. The actual cost of the Council's LCTS scheme is determined by a range of external factors including, the total number of households accessing support, the balance of claimants between pensionable age and working age and the particular financial circumstances of individual claimants as Council Tax support continues to be means tested support.
- 3.7. The Council now has seven years experience of operating a LCTS scheme covering:
- 2013/14, 2014/15, 2015/16, 2016/17, 2017/18, 2018/19 – both estimated costs and outturn costs;
  - 2019/20 – estimated costs
- 3.8 On the basis of this experience, the LCTS financial model has been updated to reflect changes in the key cost drivers – i.e. claimant numbers and Council Tax collection levels, as detailed in the following paragraphs.

- 3.9 **Claimant numbers** - Since June 2013, there has been a reduction in the numbers of households receiving LCTS covering both Pensioner Households (a protected group under LCTS) and Working Age Households, from approximately 15,000 households in June 2013 to about 13,700 in August 2019.



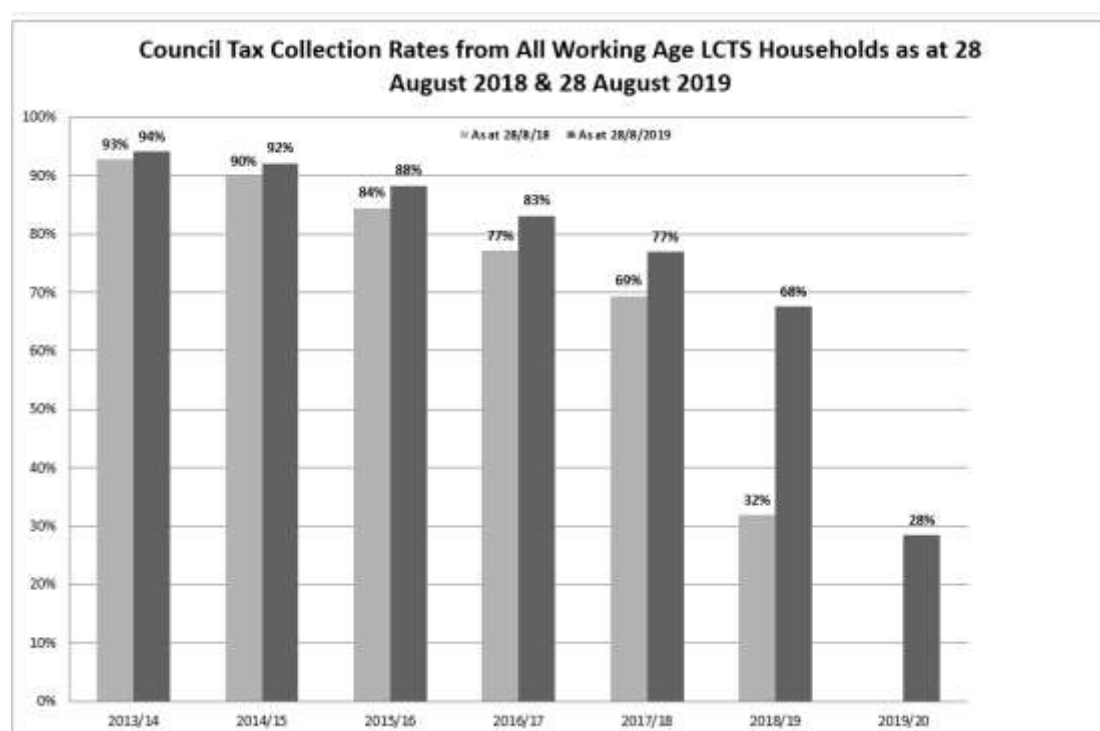
- 3.10 This trend was reflected in the 2019/20 LCTS scheme modelling. An updated assessment of caseload trends has been completed and caseloads are now stable around 13,700 comprising pensioner households (5,000) and working age households (8,700). However there remains short to medium term risks that claimant numbers could increase linked to global economic volatilities together with the economic and employment uncertainties in relation to the UK economy. In addition, the LCTS scheme may in future years continue to be impacted by further national welfare reforms.

- 3.11 **Collection Levels** – in Hartlepool, the operation of the LCTS scheme means that in 2019/20 about 5,900 working age households have received a Council Tax Bill who would have been exempt under Council Tax Benefit; and a further 2,800 working age households have received a higher Council Tax Bill. Robust and proportionate arrangements for collecting Council Tax from LCTS households are embedded within the Council's recovery arrangements to reflect the financial circumstances of households, whilst balancing the needs of the Council to collect this income to pay for services.

- 3.12 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.

- 3.13 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 the anticipated 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.



- 3.14 Modelling the LCTS scheme costs beyond 2019/20 is complex and challenging owing to the many variables affecting scheme costs, including the total number of claimants, both pensioner households and working age households, individual claimants' financial circumstances and eligibility for support.

## 4. PROPOSALS

- 4.1. Members need to determine a LCTS scheme for 2020/21 that is financially viable and balanced providing for sustainability in future year's schemes.
- 4.2. Updated financial modelling indicates that the 2020/21 LCTS scheme reduction should be able to be maintained at 12%, the same level as financial years 2014/15 to 2019/20. This is predicated on Council Tax collection rates from LCTS claimants being sustained and a range of

forecast scheme cost pressures and savings linked to welfare reforms, economic factors and fraud / error initiatives. However, some Councils have decided to increase the level of cuts to their LCTS Awards scheme. This approach increases the amount of Council Tax receivable from working age LCTS Claimants but must be balanced with the challenges / delays in collection of the additional amounts levied and the impact on low income households impacted by other Government welfare reforms. Further analysis of the additional Council Tax yield at various higher levels of cut are set out in section 6.

- 4.3. A LCTS Risk Reserve has been established to support the LCTS scheme and to provide one-off funding to manage the risk of an unexpected in-year increase in LCTS costs arising from increased caseloads. It is proposed to maintain this reserve at £0.3m to manage any in-year financial risks that may emerge.
- 4.4. LCTS entitlements are determined using a complex means tested calculation. Many councils continue to apply within their LCTS schemes those changes being applied by the DWP to the national Housing Benefit scheme. This approach has historically been followed in the Hartlepool LCTS scheme and it is proposed that this continues for 2020/21 to “mirror” national changes to promote consistency and simplify administrative processes. This approach may become unsustainable as Universal Credit continues to be rolled out and the Council may need to consider alternative administrative arrangements for 2021/22. Details of any proposed administrative changes will be reported to a future meeting.
- 4.5. A number of core principles as set out in section 5.7. underpin the Council’s LCTS scheme and have been in place since 2013/14. These principles are embedded and robust and it is proposed that these principles are carried forward into the 2020/21 scheme.

## **5 FINANCIAL CONSIDERATIONS**

- 5.1. The LCTS scheme forecasts for 2020/21 and future years have been updated to reflect experience of operating the LCTS scheme to date and the latest caseload forecasts. These scheme cost forecasts reflect recent announcements by the Chancellor in his 2020/21 Spending Review including a further Adult Social Care Precept.
- 5.2. In summary, the updated financial forecasts for the LCTS scheme for the period 2019/20 to 2021/22 are based on the following planning assumptions:



Key Planning assumptions underpinning LCTS forecasts for 2019/20 to 2021/22

- i) The existing Working Age caseload continues to be broadly stable;
  - ii) Council Tax increases are in line with the Medium Term Financial Strategy (MTFS)
  - iii) The retention of an un-committed LCTS Risk Reserve of £0.3m to manage LCTS financial risks to provide a slightly longer lead time for the Council to respond to changes in forecasts;
  - iv) DWP counter fraud and error initiatives will continue to reduce the value of some claimant entitlements.
- 5.3. Regular reviews of these factors will continue to be undertaken to assess the implications of any changes in these planning assumptions which are inevitable and unavoidable, as the majority of factors are outside the Council's direct control.
- 5.4. There is a direct inter- relationship between the LCTS scheme, the level of cut in LCTS awards, adjustments for forecast non collection of Council Tax from LCTS households and the Council Tax Base calculation. The Council Tax Base calculation is also significantly impacted by future housing growth within the Borough.
- 5.5. The following table summarises how the value of LCTS awards is forecast to increase over the period of the Medium Term Financial Strategy (MTFS) (based on sustaining a 12% LCTS cut). This will be factored into the MTFS Tax Base forecasts reported separately to Members.

Forecast Cost of LCTS Awards  
2019/20 to 2021/22

	19/20 £m	20/21 £m	21/22 £m
Cost of LCTS Support	13.77	14.29	14.48
Less Working Age Contribution 12%	(1.03)	(1.08)	(1.10)
Net Cost of LCTS Awards	<u>12.74</u>	<u>13.21</u>	<u>13.38</u>

- 5.6. Continuing with a 12% LCTS cut for 2020/21 would avoid an increase in the Council Tax liability of low income working age households at a time when households continue to be impacted by the Government's ongoing welfare savings programme, in particular freezing in cash terms a number of benefits for 4 years. A 12% cut LCTS support scheme will also increase the likelihood of the Council maintaining high levels of Council Tax collection in 2020/21. 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.
- 5.7. In common with LCTS schemes established by many other Councils, the Hartlepool LCTS scheme has been centred on a number of core principles for the period 2013/14 to 2019/20. These core principles are clear, fair and are now embedded. In summary these principles are that:

**A - Every working age household should pay something towards Council Tax**

All Working age claimants will have their LCTS entitlements recalculated and reduced to ensure an affordable and sustainable scheme.

**B - Everyone in the Household should contribute appropriately**

Hartlepool will implement Central Government changes to the value of non dependant adult deductions from Council Tax Support entitlements.

**C - The LCTS scheme should encourage work**

Claimants will be allowed to keep more of their earnings before they are taken into account in the LCTS award calculation. The Hartlepool LCTS scheme increases earnings disregards by £5 per week; to £10, £15 and £30 for single person, couple and single parent households respectively.

**D - Streamline / Simplify the LCTS Scheme**

The Hartlepool LCTS scheme will continue to remove 2<sup>nd</sup> Adult Rebate, and restrict backdating of LCTS to a maximum of 4 weeks.

**E - Retain War Widows / War Pensions Local disregards framework**

Under the national CTB regulations Local Authorities are required to disregard the first £10 per week of War Pension Scheme and Armed Forces Compensation Scheme payments. In addition Local Authorities have the discretion to top up the disregard to the full amount. Hartlepool have historically applied the discretionary top up and this continues to apply in the Council's LCTS scheme.

- 5.8. In relation to Parish Councils, the national regulations require Billing Authorities (ie. Hartlepool Borough Council) to pass on an element of the Council Tax Support Grant received to individual Parish Councils. For some Local Authorities with a large number of Parish Councils levying relatively high Parish Council Tax precepts this may be a significant issue. This is not the case for Hartlepool as the total share of the grant for all Parish Councils is estimated at around £4,000 for 2020/21.

## 6 IMPACTS OF INCREASING LEVELS OF CUT TO LCTS AWARDS 15%, 17.5% OR 20%

- 6.1. Research by the Institute for Fiscal Studies (IFS) has identified that nationally since 2013/14 the levels of cuts to LCTS have become larger from an average of 15% in 2013/14 to 19% in 2018/19. The most common level of cut was 20% in 2018/19, but a fifth of Councils in that year were operating LCTS schemes with cuts in excess of 20%, with the highest cut being 50%.
- 6.2. Modelling in Hartlepool of the additional Council Tax that would be billed and due from LCTS households at higher levels of LCTS cut between 15% and 20% are shown in the table below:

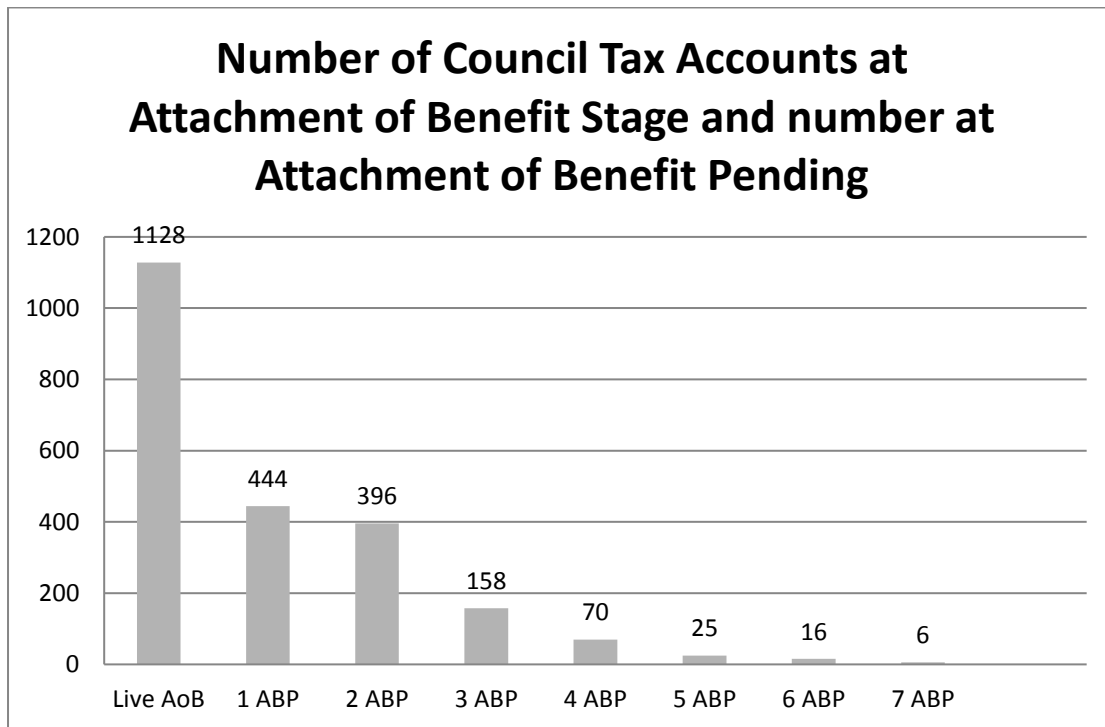
Estimated additional Council Tax yield from working age households from implementing LCTS cuts of 15% to 20%

Cut	Additional Council Tax yield £	Extra Council Tax payable Band A property * £
15%	£212,800	£42
17.5%	£391,200	£77
20%	£568,800	£113

\* Band A property that previously received 100% Council Tax Benefit

- 6.3. The IFS estimate that nationally about 75% of the additional council tax liability arising from cuts to LCTS is collected in the year it is due. In Hartlepool there is a similar picture with about 70% of the extra Council Tax from this group being collected by the financial year end. Collection of these amounts is challenging and in many cases recovery is only possible by deduction from welfare benefits via the DWP.
- 6.4. Attachments of Benefits (AOB) at £3.70 per week can only be requested to the DWP following the Council securing a liability order via the Magistrates Court. Furthermore, for a council taxpayer only one AOB deduction can be 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 1,115 had between 1 and 7 stacked pending AOB's as shown in the graph below.



6.5. Any decision to increase the level of cut to LCTS awards will increase the time and the risks to recover the additional amounts billed. The IFS concluded that those households that previously received full Council Tax Benefit but are faced with a new bill to pay experience a substantial increase in their probability of being in arrears.

6.6. In Hartlepool about 5,900 working age LCTS cases formerly had no Council Tax to pay and any decision to increase the amount these households have to pay will probably lead to a substantial increase in their arrears. Furthermore, there is a risk that the workload could increase the Council's recovery costs. It is therefore proposed that the Council should not seek to increase the level of LCTS cut for 2020/21.

## 7. LEGAL CONSIDERATIONS

7.1. Councils are required to determine and operate their own LCTS scheme for each financial year. Once a LCTS scheme has been set for a financial year it cannot be altered for that year.

## 8 CHILD / FAMILY POVERTY CONSIDERATIONS

8.1. 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 £113 for Band A and £131 for Band B properties compared to a 20% cut scheme.

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.	£ 281	£ 327
Council Tax Liability with a 12% LCTS cut in 2020/21.	£ 168	£ 196
<b>Additional Support to Households in 2020/21 who previously received 100% Council Tax Benefit</b>	<b>£ 113</b>	<b>£ 131</b>
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%

- 8.2. 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.

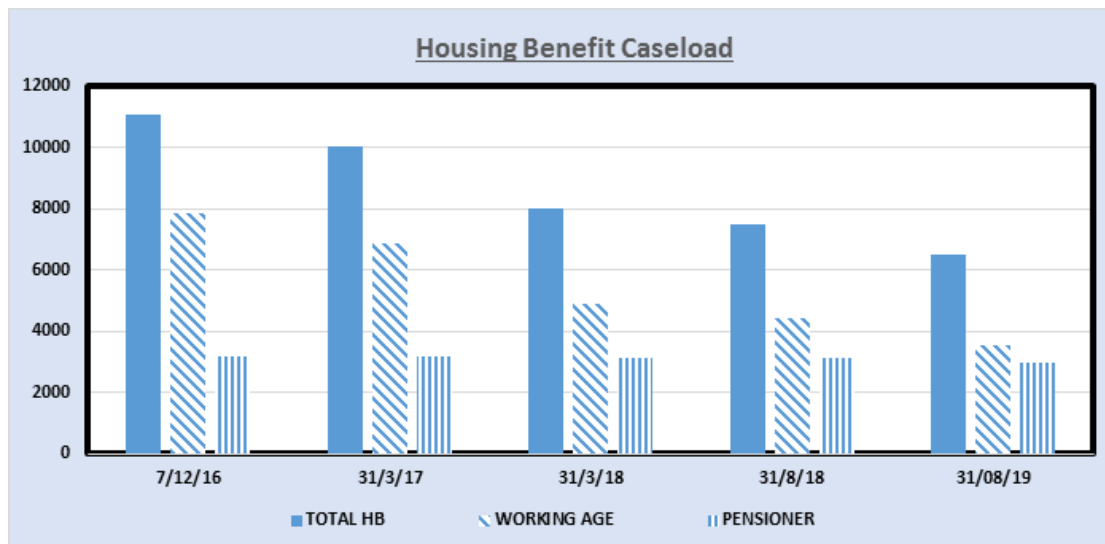
## 9. EQUALITY AND DIVERSITY CONSIDERATIONS

- 9.1. An Impact Assessment covering LCTS has been reviewed and is included as Appendix A.

## 10 STAFF CONSIDERATIONS

- 10.1. There are current economies and efficiencies in administering LCTS as many of the underlying principles mirror the national Housing Benefit scheme. Funding is provided annually by the DWP to councils to administer Housing Benefit and by the Ministry for Housing, Communities and Local Government (MHCLG) for Local Council Tax Support. Many claims for support are dual, covering both Housing Benefit and LCTS and the process and calculations of entitlement are currently undertaken together.

- 10.2. However, the scope of the DWP's Universal Credit (UC) initiative continues to expand. All councils have now moved to "full service UC" whereby working age benefit claimants of all types are moved onto UC when their personal circumstances change significantly. Those households transferring no longer receive housing benefit from the Council but instead receive housing financial support as part of their Universal Credit.
- 10.3. Nationally, as at July 2019 there were about 2.3 million working age people receiving UC. In Hartlepool about 55% of working age housing benefit claimants have already transferred to UC. This natural caseload transfer as claimant circumstances change will continue and is closely monitored as shown in the graph below. The DWP has future plans to increase the numbers transferring through a Managed Migration process. However, any national Managed Migration programme will be dependent on the results of a pilot exercise that has only recently started. It is unlikely that any national Managed Migration will commence until 2021/22 at the earliest.



- 10.4. DWP funding to individual councils to cover their costs of administering housing benefit is notified in an annual funding allocation. Core DWP funding for Hartlepool has been declining reflecting caseload reductions and also because the DWP national funding for Housing Benefit administration grant has been cut as part of savings targets for central government departments.
- 10.5. Hartlepool together with all other Councils has faced the challenge of administering LCTS and a reduced Housing Benefit caseload (pensioner housing benefit will continue to be delivered by Councils) against a background of reducing overall central government administration funding. As the table below shows, the Council has managed down the Benefits staffing establishment as central government funding has been

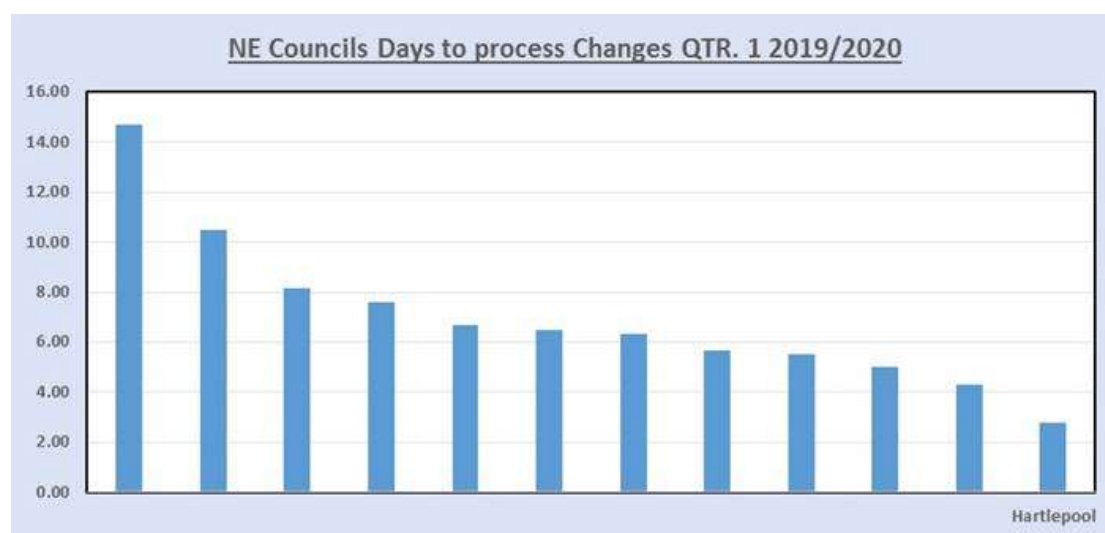
withdrawn. With the exception of one Early Retirement / Voluntary redundancy case, all staffing reductions have been via natural turnover and non-filling of vacant posts and there have been no compulsory redundancies.

Benefits Service Administration Funding and Establishment levels since Universal Credit “Full Service” live date of February 2015.

	Central Govt Administration Grant	Benefits Staffing	Benefits Staffing
	£	Number	FTE
2014/15	983,000	39	36.2
2019/20	625,000	26	24.1
Reduction	36%	33%	33%

10.6. For 2020/21, a further reduction in DWP Housing Benefit administration grant funding is anticipated as the working age housing benefit caseload continues to reduce. This will require a further managed reduction in Benefits Establishment levels. Latest forecasts from the DWP are that Natural and Managed Migrations to UC will not be completed before the end of December 2023. On this basis it is likely that further realignments of staffing establishment levels will be required.

10.7 A key challenge for the Council is sustaining Benefits Service performance standards during a period of significant change. Benchmarking data from NE Councils shows that in 2018/19 Hartlepool ranked sixth in speed of processing new Housing Benefit and Local Council Tax Support claims and 4<sup>th</sup> in speed of processing claimant changes in circumstances. Recent data for quarter 1 of 2019/20 as shown in the graphs below shows that Hartlepool is ranked 2<sup>nd</sup> for speed of processing new claims and was the quickest NE Council for processing claimant changes.



## 11 CONCLUSIONS

11.1. The Council has for a number of years operated an 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 eg. Bedroom Tax, Benefit Cap, Tax Credit changes, Universal Credit etc.

11.2. Some councils have decided to increase the level of cuts to their LCTS awards scheme. Whilst this approach increases the amount of Council Tax receivable from working age LCTS claimants, this must be balanced with the challenges / delays in collection. There are already lags in the



collection of Council Tax from LCTS households and increases in the level of LCTS cut would further increase the financial burden on working age households receiving welfare benefits.

- 11.3. The probability is that any increase in the level of cut would adversely impact on Council Tax collection levels and increase Council Tax arrears, with recovery in many instances being restricted to the holding / pending of greater numbers of Attachment of Benefit Orders. It is therefore proposed that the Council maintains an LCTS scheme involving a 12% cut in 2020/21.

## **12. ASSET MANAGEMENT CONSIDERATIONS**

- 12.1 There are no asset management considerations.

## **13 APPENDICES**

- 13.1 Appendix A – Equality and Diversity Impact Assessment.

## **14. RECOMMENDATIONS**

- 14.1 It is recommended that Members:

- i. Note the future financial and administrative risks associated with the LCTS scheme;
- ii. Approve a 2020/21 LCTS scheme involving a cut of 12% to be referred to full Council.

## **15. REASONS FOR RECOMMENDATIONS**

- 15.1 To update Finance and Policy Committee on latest available data on the LCTS scheme costs and the future risks associated with the Government's national welfare reforms.
- 15.2. To enable Members to agree a LCTS scheme for 2020/21 to refer to full Council.

## **16. BACKGROUND PAPERS**

- 16.1 There are no background papers.

**17. CONTACT OFFICER**

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[John.morton@hartlepool.gov.uk](mailto:John.morton@hartlepool.gov.uk)

Sign Off:-

Director of Policy and Finance ☒

Chief Solicitor ☒

Department	Division	Section	Owner/Officer
Chief Executives	Finance	Revenues & Benefits	John Morton
Function/ Service	Local Council Tax Support Scheme 2020/21, Universal 12% reduction in LCTS Awards (excl. low income pensioners).		
Information Available	HBC data on caseload / awards, financial modelling of local scheme ,CLG full EIA, Family Resources Survey data, Census 2011, ONS population statistics, DWP data.		
Relevance  <i>Identify which strands are relevant to the area you are reviewing or changing</i>	<b>Age</b>		
	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.		
	<b>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.</b>		
	<b>Disability</b>		
	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.		
	<b>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.</b>		
	<b>Race / Gender / Gender Re-assignment</b>		
	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. <b>The 2020 /21 Hartlepool LCTS scheme does not provide for protection / detriment for any specific working age group</b>		

## 11 (a) (i) Appendix 2

### Appendix A

Appendix A

	<b>Religion</b>		
	No effect		
	<b>Sexual Orientation</b>		
	No effect		
	<b>Marriage &amp; Civil Partnership</b>		
	No effect		
	<b>Pregnancy &amp; Maternity</b>		
	No effect		
<b>Information Gaps</b>	<i>Nil.</i>		
<b>What is the Impact</b>	<ul style="list-style-type: none"><li>• Every working age household will pay some Council Tax</li><li>• Other non dependant adults in the household will be expected to contribute to council tax</li><li>• The scheme will encourage work</li><li>• The 2020/21 LCTS scheme will continue to be based on the key features of the former CTB scheme and will “mirror” national Housing Benefit regulation changes</li><li>• A universal 12% reduction in the value of the award will be made for all working age low income households.</li><li>• Low income pensioner households are protected in line with Central Government Policy.</li><li>• The 2020/21 LCTS scheme will continue to comply with the Armed Forces Covenant.</li><li>• The 2020/21 LCTS scheme will continue to fully disregard child maintenance when assessing LCTS awards. This is consistent with national Housing Benefit regulations.</li></ul>		
<b>Addressing the impact</b>	<p><b>1. No Major Change</b> - The proposal is robust there is no potential for discrimination across working age claimants. (The council has no choice on the protection of low income pensioners).</p> <p>The maintenance in the level of cuts to LCTS awards for 2020/21 at 12% sustains 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.</p>		
<b>Actions</b>			
<i>The 2020/21 LCTS scheme has been developed with the aim of removing any potential for discrimination.</i>			
<b>Action identified</b>	<b>Responsible Officer</b>	<b>By When</b>	<b>How will this be evaluated?</b>
<b>Scheme Principles review</b>	<b>Liz Cook Principal Benefits Officer</b>	<b>Sept 20</b>	<b>Peer review by Chief Executive’s Department Diversity Lead officer.</b>

# COUNCIL REPORT

19 December 2019



**Report of:** Finance and Policy Committee

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

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## 1. PURPOSE OF REPORT

- 1.1 The purposes of the report are to enable Council to consider the recommendations from the Finance and Policy Committee in relation to the 2020/21 budget and Council Tax level for Hartlepool Council services.

## 2. BACKGROUND

- 2.1 In accordance with the Constitution the Finance and Policy Committee is required to develop budget and Council Tax proposals for the forthcoming year for consideration by Council. A detailed report on these issues was considered by Finance and Policy Committee on 9<sup>th</sup> December 2019 and is attached to enable Members to familiarise themselves with the financial issues facing the Council.
- 2.2 The report advises Members that after nine years of cuts in Government funding the 2020/21 Spending Review provides additional national funding, mainly for Children and Adult social care. The additional funding allocated to the Council amounts to £2.448m, which is significantly less than the recurring cut in Government Revenue grant of £26.4m over the previous nine years.
- 2.3 Prior to the General Election the Government also announced a 4% Council Tax referendum limit, including a 2% Adult Social Care precept for 2020/21. National figures anticipate the Adult Social Care precept will generate £500 million, with the Government providing £1 billion of new grant funding for Children and Adult social care.

## 3. ISSUES TO BE CONSIDERED BY FINANCE AND POLICY COMMITTEE ON 9<sup>th</sup> DECEMBER 2019

- 3.1 The detailed report considered by the Finance and Policy Committee covered the following areas:

- Background and Spending Review 2019;
  - Strategy for Managing 2020/21 Budget Deficit;
  - Budget 2021/22 to 2023/24;
  - Capital Strategy 2020/21 to 2022/23;
  - Reserves
  - Robustness Advice – Director of Finance and Policy's Professional Advice.
- 3.2 In relation to the revenue budget the report reminds Members that 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 of the Finance and Policy Committee report. The efficiencies and savings implemented over the last nine years cannot be repeated.
- 3.3 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 for 2020/21 include additional grant funding for Children and Adult social care. The developments also delay major planned reforms of the national funding system for councils until 2021/22, which increases risk and makes financial planning extremely challenging.
- 3.4 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.
- 3.5 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. In relation to 2021/22 there is a forecast deficit of £1.301m (including £0.547m deferred from 2020/21 by using reserves) and a plan will need to be developed to address this deficit.
- 3.6 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 an 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.
- 3.7 It was clarified at the Finance and Policy Committee meeting that on 21<sup>st</sup> March 2019 Council approved the following recommendation and this point

had not be reflected in the Finance and Policy Committee report as a commitment against the available Tees Valley Combined Authority funding:

- “approved the first priority to be funded from the Indigenous Growth is the development of the events space at the Waterfront and to delegate authority to the Regeneration Services Committee to approve the detailed business case to drawdown this funding from the Combined Authority”.

### 3.8 Robustness Advice

- 3.9 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.
- 3.10 The robustness advice is detailed in paragraphs 8.8 to 8.16 of the Finance and Policy Committee report and on the basis that the both the proposed savings and Council Tax increase are approved the budget proposals are robust.
- 3.11 If either of these components is not approved the budget cannot be signed off as robust until such time as alternative recurring savings have been identified.
- 3.12 In the event that Members identify alternative savings to replace the proposed Council Tax increase these would need to be assessed before they could be signed off as 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 1<sup>st</sup> April 2020 which would mean only a part year saving can be achieved.
- 3.13 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.

- 3.14 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.
- 3.15 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.

#### **4. MTFS RECOMMENDATIONS REFERRED BY FINANCE AND POLICY COMMITTEE FOR COUNCIL'S CONSIDERATION AND APPROVAL**

- 4.1 In summary the Finance and Policy Committees final recommendations for Council to consider and approve are as follows:
- 4.2 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.
- 4.3 It is recommended that Council approves the following proposals:

##### 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 14<sup>th</sup> 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 proposals 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 £40.895m;
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 £0.5m of the available capital funding to enable work to progress on the development of detailed business cases 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.

#### Additional Recommended referred by Finance and Policy Committee

21. A review of fees and charges be completed during 2020/21 to enable Members to consider potential options for increasing income for the 2021/22 budget.

### **5. CONTACT OFFICER**

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# FINANCE AND POLICY COMMITTEE

9<sup>th</sup> December 2019



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

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

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## 1. TYPE OF DECISION/APPLICABLE CATEGORY

Budget and Policy Framework.

## 2. PURPOSE OF REPORT

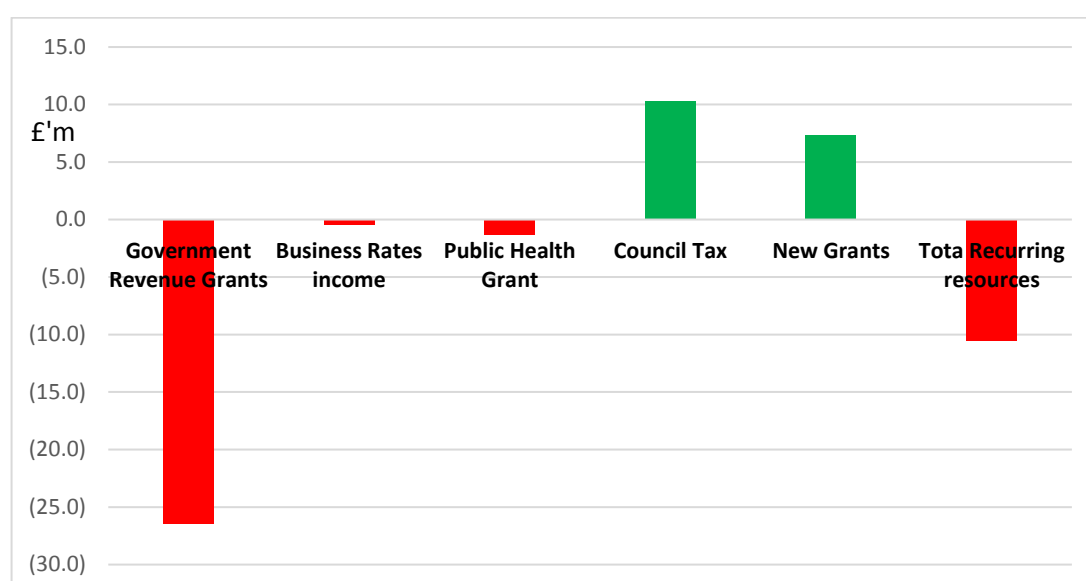
- 2.1 The purpose of this report is to enable Members to approve the MTFS proposals to be referred to Council.

## 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 <sup>st</sup> being most deprived)	10 <sup>th</sup>	316 <sup>th</sup>
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

	<b>Number of years NHB paid for</b>	<b>Hartlepool</b>	<b>National</b>
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 6<sup>th</sup> 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

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

	<b>September 2019 initial proposals</b>	<b>Revised proposals</b>
	Increase / (decrease) £'000	Increase / (decrease) £'000
Local Changes in Planning Assumptions (continued)	602	1,053
• Looked after Children Pressure		
• Recurring Business Rates income (Biomass Power Station) and uncommitted Ward Member Budget saving as detailed Appendix B	0	(200)
• Prudential Borrowing costs for issues detailed in Appendix B	0	200
<b>Revised Deficit to reflect Spending Review and Local Changes</b>	<b>2,636</b>	<b>2,636</b>
Proposed Work Stream Savings – Details in Appendix E	2,345	2,089
<b>Proposed Use of Budget Support Fund</b>	<b>0</b>	<b>547</b>
<b>Deficit still to be addressed</b>	<b>291</b>	<b>0</b>

#### 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
<b>Total</b>	<b>1.301</b>

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 15<sup>th</sup> 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 19<sup>th</sup> 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 31<sup>st</sup> March 2019, compared to £45.119m at 31<sup>st</sup> 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.

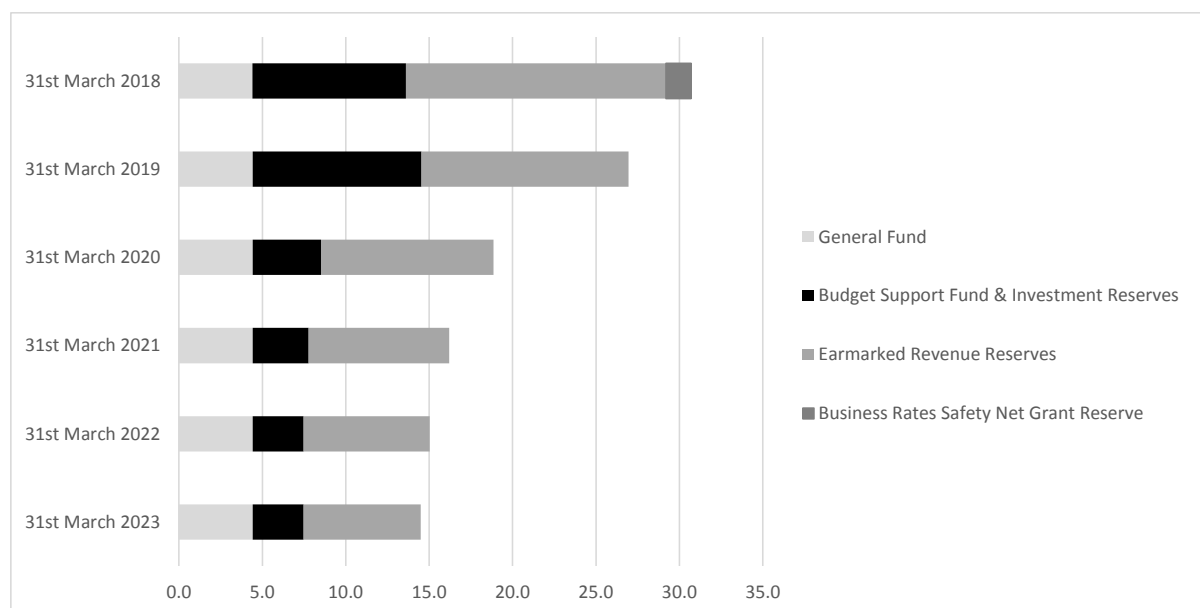
6.5 Since the 31<sup>st</sup> March 2018 Other Reserves have reduced and there will be a further reduction in the current year as reserves will be used in accordance with decisions approved in the February 2019 MTFS. As summarised below between 31<sup>st</sup> March 2018 and 31<sup>st</sup> March 2020 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 31<sup>st</sup> 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 31<sup>st</sup> March 2023 and shows that reserves will reduce to £14.5m.



- 6.8 As reported last year it was forecast that by 31<sup>st</sup> 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 31<sup>st</sup> 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 1<sup>st</sup> 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 19<sup>th</sup> 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 14<sup>th</sup> 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 – 30<sup>th</sup> September 2019

**12. CONTACT OFFICER**

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Director of Finance and Policy  
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Sign Off:-

Chief Executive



Director of Finance and Policy



Chief Solicitor





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

	2019/20 £'000	2020/21 £'000
<b>Release of Risk Contingency</b>  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
<b>Review of Grant Regimes</b>  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
<b>Northgate Contract Savings</b>  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
<b>Custodian Property Provision</b>  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.		
<b>Waterfront Loan Cash backing</b>  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
<b>Total Resources in year one off resources</b>	<b>1,118</b>	<b>533</b>
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)
<b>Uncommitted one of resources earmarked to manage Looked after Children costs exceeding the base budget (note 2)</b>	<b>0</b>	<b>711</b>

- (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><b>Business Rates income - Biomass Power Station</b></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><b>Business Rates income –CPI inflation</b></p> <p>The actual CPI is slightly less than forecast in the MTFS, which will reduce Business Rates income.</p>	(49)
<p><b>General Fund - Public Health Inflation saving</b></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><b>Use of General Fund - Public Health Inflation savings</b></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"> <li>• Allotments £50,000 – to support affordable access and remove proposed increase in fees</li> <li>• GP Referral Scheme £62,000</li> <li>• Diabetes prevention £15,000</li> <li>• Sport &amp; Recreation Leisure Facilities Income Subsidy £43,000 – to support affordable access</li> </ul>	170
<p><b>Ward Member Budget savings</b></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><b>St Hild's School – repayment prudential borrowing</b></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><b>Capital Investment Programme (CIP)</b></p> <p>Funding for the CIP can be provided from the following sources:</p> <ul style="list-style-type: none"> <li>• The Ward Member Budget saving of £66k will provide Prudential Borrowing of £1.535m towards this shortfall.</li> <li>• 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.</li> </ul> <p><b>The above proposals provide £3.395m of borrowing based on a building with a 40 year operational live.</b></p>	<p>(66)</p> <p>(80)</p>
Net Total Uncommitted recurring resources	0

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

Issue and comment	One off funding  £'000
<p><b>Business Rates income - Biomass Power Station</b></p> <p>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.</p>	610
<p><b>St Hild's School –</b></p> <p>As detailed in Table 1 one off funding will also need to be allocated for this issue.</p>	(455)
<p><b>SEND Transport Pressures</b></p> <p>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.</p> <p>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.</p>	(200)
<p><b>New Home Bonus</b></p> <p>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.</p> <p>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.</p>	336
<p><b>Net Uncommitted one off resources</b></p> <p>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.</p>	(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:-
  - 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)*

<b>1.</b>	<b>Presentation</b>
<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 &amp; Policy Committee on 30<sup>th</sup> September 2019 and reported on Hartlepool's forecast financial position for 2019/20 to 2021/22.</p>	

<b>Comments Made by Trade Union Representatives</b>	<b>Response</b>
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 <sup>th</sup> 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)*

<b>1.</b>	<b>Presentation</b>
<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 &amp; Policy Committee on 30<sup>th</sup> September 2019 and reported on Hartlepool's forecast financial position for 2019/20 to 2021/22.</p>	



<b>Comments Made by Business Sector Representatives</b>	<b>Response</b>
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 <sup>th</sup> Dec, this would allow the comments to be put forward to Finance and Policy Committee on 9 <sup>th</sup> 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

26<sup>th</sup> 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**

<b>Consultation question</b>	<b>Responses</b>
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
<b>Potential Changes in Planning assumptions</b>			
<u>Workstreams</u>			
<u>Overheads</u>			
- 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	
<u>Waste &amp; Environmental Services</u>			
- 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	<p>Mattresses can already be collected as one of the items on the bulk waste collection service where residents can have up to three items collected for £20, there is however evidence from customers that there is a demand to collect single items. Additional income can be achieved by introducing a separate mattress collection service, charged at £7.50 per mattress generating approximately £14,000 to cover service collection and disposal costs.</p> <p>The introduction of a FREE permit scheme for Hartlepool residents will enable staff to monitor users of the site and prevent the disposal of waste from commercial operators and residents from out of the borough. Other authorities which have introduced similar schemes have reported reduction in tonnages and based on this experience a £9,500 savings is forecast.</p> <p>The HWRC current operates 7 days per week and only closes on Christmas day, Boxing Day and New Year's day. It is proposed to reduce the opening of the HWRC site from 7 days per week to 5 days, closing the site Monday and Tuesday, the least busy days, would achieve an annual saving of £51,500</p> <p>HBC currently spends around £80k per annum on purchasing new bins. It is proposed that these costs should be recovered (excluding those damaged by the refuse vehicle). This would be achieved by the following mechanisms</p> <ul style="list-style-type: none"> <li>• Implement revised charges to fully recover costs of replacement bins, estimated income £30,000</li> <li>• Amend the current bin charging policy to include charges for new builds and bin exchanges which are currently provided free of charge. Estimated that this will recover circa £50,000 per annum.</li> </ul> <p>Expand the Trade waste service and review charges – HBC Commercial waste services currently serves 468 external customers and 113 internal customers (including schools) in the Borough. The service has grown in recent years and has managed to sustain its place in a competitive marketplace. It is proposed to implement operational changes to increase efficiency and save £23,000.</p>
	343	5	
<u>Income Generation</u>			
- 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 &amp; Adult Health, Care &amp; 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
<b><u>Service Specific Capital Grants</u></b>												
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	<b>3,789</b>	0	0	3,622	<b>3,622</b>	0	0	3,622	<b>3,622</b>
<b><u>Departmental Prudential Borrowing - Funded from Specific Business Cases</u></b>												
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	<b>2,648</b>	2,236	0	0	<b>2,236</b>	343	0	0	<b>343</b>
<b>Total Forecast Resources</b>	<b>2,648</b>	<b>0</b>	<b>3,789</b>	<b>6,437</b>	<b>2,236</b>	<b>0</b>	<b>3,622</b>	<b>5,858</b>	<b>343</b>	<b>0</b>	<b>3,622</b>	<b>3,965</b>

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 gully 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
<b>Total for Year</b>		<b>2,560</b>



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
<b>Totals for year</b>		<b>2,146</b>

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
<b>Totals for year</b>		<b>255</b>

\* 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.

DRAFT

**General Fund Balance**

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

<b>1718</b>		<b>1819</b>	<b>Note</b>
<b>£000s</b>		<b>£000s</b>	
4,417	General Fund Balance	4,417	<b>1</b>
<b>4,417</b>		<b>4,417</b>	

- 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

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

- 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

<b>1718</b>		<b>1819</b>	<b>Note</b>
<b>£000s</b>		<b>£000s</b>	
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
<b>15,619</b>		<b>12,412</b>	

**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

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

- <sup>1</sup> 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
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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	<b>Medium Term Financial Strategy (MTFS) 2020/21 – budget savings proposals</b>		
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"> <li>• Overheads</li> <li>• Waste and Environmental Services</li> <li>• Income Generation</li> <li>• Transforming Child &amp; Adult Health, Care &amp; Wellbeing Services</li> </ul>		
<b>How might this impact (positively/negatively) on people who share protected characteristics?</b>			
<i>Please tick</i>		<b>POSITIVELY</b>	<b>NEGATIVELY</b>
<b>Age</b>			
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.			
<b>Disability</b>			
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.			
<b>Gender Re-assignment</b>			
No differential impact.			
<b>Race</b>			
No differential impact.			
<b>Religion</b>			
No differential impact.			
<b>Gender</b>			
No differential impact.			
<b>Sexual Orientation</b>			
No differential impact.			
<b>Marriage &amp; Civil Partnership</b>			
No differential impact.			
<b>Pregnancy &amp; Maternity</b>			
No differential impact.			

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 <sup>th</sup> 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**

<b>Financial Risk</b>	<b>Risk Rating</b>	<b>2020/21 Base Budget £'000</b>	<b>Budget as %age net budget</b>	<b>Description of Risk and Summary of Risk Management Arrangements</b>
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.

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

				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.

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**

<b>Budget Assumption</b>	<b>Financial Standing and Management</b>
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.



**Report of:** Regeneration Services Committee

**Subject:** HARTLEPOOL HOUSING STRATEGY 2019-2024

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**1. PURPOSE OF REPORT**

- 1.1 To enable Council to consider approval of the Housing Strategy for 2019-2024 and the adoption of the Action Plan following referral from the Regeneration Services Committee meeting on 13<sup>th</sup> November 2019 (**Appendix 1**).

**2. BACKGROUND**

- 2.1 The new Housing Strategy for 2019-2024 and the associated Action Plan (**Appendix 2 and 3**) details the key housing priorities for the Council and its partners for the period to 2024. The Action Plan is the delivery plan for the priorities which have been identified.
- 2.2 The new strategy will replace the Hartlepool Housing Strategy 2015-2020. Many of the priorities remain relevant and are reflected in the 3 themes that have been identified and developed through consideration of legislation and government policy direction and in consultation with partners and stakeholders.
- 2.3 The strategy sets out a clear direction, for the next 5 years, as to how we will work with our partners and residents to grow, improve, support and deliver our housing offer. Our ambition is to offer more housing choice by developing new homes and improving and regenerating our existing homes and communities. We are strongly committed to supporting our most vulnerable residents to access and maintain appropriate and good quality housing to meet identified needs.
- 2.4 The new Housing Strategy has been developed during a period of prolonged challenging economic conditions. Therefore, while the Strategy sets out a longer term vision it also recognises that short and medium term actions are needed to address immediate issues such as affordability.

**3. RECOMMENDATIONS**

- 3.1 Council is recommended to approve the adoption and publication of the new Housing Strategy and Action Plan for 2019 – 2024.

**4. BACKGROUND PAPERS**

- 4.1 Regeneration Services Committee Report – 13th November 2019.

**5. CONTACT OFFICER**

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Sign Off:-

- Director of Finance and Policy ☒
- Chief Solicitor/Monitoring Officer ☒
- Chief Executive ☒ Finance & Policy Committee only

# REGENERATION SERVICES COMMITTEE

13<sup>th</sup> November 2019



**Report of:** Assistant Director (Economic Growth and Regeneration)

**Subject:** HARTLEPOOL HOUSING STRATEGY 2019-2024

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## 1. TYPE OF DECISION/APPLICABLE CATEGORY

1.1 Part of the Budget and Policy Framework.

## 2. PURPOSE OF REPORT

2.1 To seek approval from Regeneration Services Committee for the Housing Strategy for 2019-2024 and the adoption of the Action Plan. The Strategy details the key housing priorities for the Council and its partners for the period to 2024. The Action Plan is the delivery plan for the priorities which have been identified.

## 3. BACKGROUND

3.1 The current Housing Strategy for 2015–2020 was approved by Finance and Policy Committee on 27<sup>th</sup> July 2015. This Strategy also incorporates the Council's Homelessness Strategy and Empty Homes Strategy.

3.2 Since the adoption of the 2015–2020 Housing Strategy and its Action Plan there have been legislative and policy changes. Government has introduced a range of new legislation to positively intervene in the delivery of housing supply and to reform the welfare system, namely the Housing and Planning Act 2016, Welfare and Reform Act 2016 and Homelessness Reduction Act 2017.

3.3 The new strategy will replace the Hartlepool Housing Strategy 2015-2020, which identified a range of priorities to meet housing needs within Hartlepool. Many of these priorities still remain relevant and are reflected in the 3 themes that have been identified and developed through consideration of legislation and government policy direction and in consultation with partners and stakeholders.

3.4 The strategy sets out a clear direction, for the next 5 years, as to how we will work with our partners and residents to grow, improve, support and deliver our housing offer. Our ambition is to offer more housing choice by developing new homes and improving and regenerating our existing homes and communities. We are strongly committed to supporting our most



vulnerable residents to access and maintain appropriate and good quality housing to meet identified needs.

- 3.5 The Strategy provides a framework for the actions the Council and its partners will take over the next 5 years to guide future planning and delivery to meet the housing needs of our residents. This Strategy should be read in conjunction with the Council Plan, Local Plan and other relevant strategies across Council departments.
- 3.6 To enable delivery of the strategy's priorities, the Council will work with a range of agencies and organisations. Strong relationships will be maintained with the enabling authority, Homes England, to make best use of resources and best practice. Partners and residents' views will also be sought throughout the life of the strategy to measure whether the housing offer within Hartlepool is improved and meets local needs.
- 3.7 The new Housing Strategy has been developed during a period of prolonged challenging economic conditions. Therefore, while the Strategy sets out a longer term vision it also recognises that short and medium term actions are needed to address immediate issues such as affordability.

#### **4. CONSULTATION**

- 4.1 Public consultation took place between 8<sup>th</sup> May and 17<sup>th</sup> July 2019 via the Council's website. The on-line questionnaire was shared through the use of social media.
- 4.2 147 responses were received to the consultation with 85.57% of respondents being residents. The biggest age group to respond was the 46-65 years age range, making up 52% of the responses. 17.35% of respondents said they have a disability. 92.86% said they are white. The Ward where the most responses came from was Rural West (15.31%) and the least from Headland and Harbour (4.08%). 6.12% of respondents were from outside Hartlepool.
- 4.3 The following issues emerged from the consultation and are listed in the order of the most responses received:
- The ageing population with demand for bungalows, care provision and wheelchair accessible properties;
  - Regeneration of the Town Centre, Oxford Road area and West View;
  - Private rented sector issues with additional support for landlords and issues around quality and enforcement;
  - The requirement for affordable housing, low rents, provision for first time buyers and for additional council housing;
  - The design, quality of place, infrastructure and future proofing;
  - Ongoing issues around tackling empty homes and empty buildings;
  - Prioritising the use of brownfield sites;
  - Homelessness prevention with the emerging concerns around rough sleeping and beggars; and

- The need for specialist housing and accommodation for people with complex needs.
- 4.4 Additional themes were raised but with less responses, these include anti-social behaviour, environmental maintenance, improving existing stock and partnership working.
- 4.5 All of the aims for each priority were supported through the consultation. Concerns around the delivery of the Strategy were based on:
- The delivery of new build versus the numbers of empty homes;
  - The extent of Government funding to support initiatives; and
  - Anti-social problems in regeneration areas.
- 4.6 The new Strategy has also been produced following engagement with the Council's partners which includes Registered Providers, private landlords, developers and Members.
- 4.7 A number of action planning meetings were held with the key respondents to the consultation and their knowledge was used to develop the draft Action Plan. The Action Plan is a 'live' working document and any additional actions or amendments to existing actions will be made during the lifetime of the Housing Strategy subject to approval from the Housing Partnership.
- 4.8 The 2<sup>nd</sup> draft of the Housing Strategy 2019–24 is attached at **Appendix 2** and the draft Action Plan is attached at **Appendix 3**. Performance Indicators have been identified for each of the priorities; clear outcomes have been stated above each set of actions and achievable timescales for delivery have been agreed.

## 5. PROPOSALS

- 5.1 The vision of the Housing Strategy 2019-2024 remains the same as the one developed for the previous 2015-2020 strategy, which is:

*Developing and maintaining successful communities where people choose to live, by meeting the housing needs of our residents now and in the future.*

- 5.2 To achieve this vision the Housing Strategy has been developed under three themes which will contribute towards achieving the vision:
- Maximising housing growth and delivering sustainable new homes.
  - Making the best use of existing homes, regenerating and improving communities.
  - Supporting people with specific housing needs to access and maintain appropriate housing.
- 5.3 Theme 1 - Maximising housing growth and delivering sustainable new homes.

The Council and partners will work to deliver suitable new homes, across all tenures, for all demographic groups. The challenges faced in achieving this priority revolve around delivering high quality new housing which meets identified need, in places where people choose to live whilst continuing to deliver housing regeneration.

The priorities identified for this theme are:

- Increase the delivery of new homes;
- Deliver housing that meets identified needs.

#### 5.4 Theme 2 – Making the best use of existing homes, regenerating and improving communities

Although the delivery of new housing is important it only makes up a small proportion of the overall housing stock. The Council therefore aims to improve existing homes across all tenures. The challenges faced in achieving this priority include ensuring housing quality and choice, raising standards within the rented sector, tackling fuel poverty and helping owner occupiers to maintain their homes. The Council will also work with partners to bring long-term empty homes back into use, support intervention in housing regeneration and use enforcement powers, where necessary, to improve the quality of housing.

The priorities identified for this theme are:

- Improve housing standards, quality and choice;
- Support regeneration activity in areas identified as in need of intervention;
- Manage the impact of long-term empty homes.

#### 5.5 Theme 3 – Supporting people with specific housing needs to access and maintain appropriate housing

The Council will work with partners to assist vulnerable people and people with specific housing need to access appropriate housing to enable independent living with the relevant support that they require. The challenges faced in achieving this priority include ensuring that there is a variety of housing options to meet the different needs of older people, young people, disabled people and homeless people. There are also challenges in addressing the wider areas of health, employment and developing skill capacity for people to be independent.

The priorities identified for this theme are:

- Target those most vulnerable to homelessness and provide early intervention where possible;
- Support residents who continue to be affected by welfare reform;
- Improve access to appropriate accommodation for vulnerable residents;
- Improve housing options for people with specific housing needs;
- Enable independent living.

#### 5.6 Delivery of the actions set out in this Housing Strategy will be managed and monitored annually, overseen by the Housing Partnership. The action plan will be reviewed annually to ensure that progress is being achieved as well

as to ensure that it is kept up-to-date with any changes in national or local policy.

- 5.7 The annual housing forum will continue to be delivered during the lifetime of the Housing Strategy with relevant speakers and workshops. Regular newsletters and reports will also be circulated.

## **6. RISK IMPLICATIONS**

- 6.1 The Council has housing responsibilities that provide opportunities to improve the town and its resident's lives and there are risks associated if the Council does not manage housing strategically. Funding and regulatory frameworks reinforce the need to have a robust Housing Strategy. Without a Strategy that has been agreed with the Council's partners, funding and support from Homes England will not be achievable. Without a clear vision it will be more difficult to attract developers and funding; tackle homelessness; tackle empty properties and improve housing quality. Without a Housing Strategy and a clear approach to strategic housing the Council will be restricted from identifying opportunities and responding quickly to initiatives.

## **7. LEGAL IMPLICATIONS**

- 7.1 The Housing Strategy forms part of the Council's Policy Framework.
- 7.2 Although there is no legal requirement to have a Housing Strategy, the strategy provides a framework to guide future planning and delivery to meet housing needs of our residents and allows Elected Members to scrutinise delivery.
- 7.3 There are no other legal implications.

## **8. CONSULTATION**

- 8.1 Formal consultation took place with from 8<sup>th</sup> May to 17<sup>th</sup> July 2019. The second draft of the Housing Strategy and Action Plan has been produced following this to incorporate, where considered appropriate, any formal feedback received and the views, suggestions and issues that were raised.

## **9. EQUALITY AND DIVERSITY CONSIDERATIONS**

- 9.1 The Housing Strategy will be made widely available in a number of formats following its adoption.

**10. OTHER CONSIDERATIONS**

Financial Considerations	No relevant issues
Child/Family Poverty Considerations	See <b>Appendix A</b>
Equality and Diversity Considerations	See <b>Appendix B</b>
Section 17 of The Crime And Disorder Act 1998 Considerations	No relevant issues
Staff Considerations	No relevant issues
Asset Management Considerations	No relevant issues

**11. RECOMMENDATIONS**

- 11.1 That Regeneration Services Committee refer the new Housing Strategy and Action Plan for 2019 – 2024 to full Council for approval.

**12. REASONS FOR RECOMMENDATIONS**

- 12.1 The recommendation will ensure that there is a Housing Strategy and supporting Action Plan in place to deliver the identified priorities and the vision of “developing and maintaining successful communities where people choose to live, by meeting the housing needs of our residents now and in the future”.

**13. CONTACT OFFICER**

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**EQUALITY AND DIVERSITY IMPACT ASSESSMENT FORM**

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

**EQUALITY AND DIVERSITY IMPACT ASSESSMENT FORM**

<b>Overall impact of Policy / Decision</b>			
<b>NO IMPACT / NO CHANGE</b>		<b>ADJUST / CHANGE POLICY / SERVICE</b>	
<b>ADVERSE IMPACT BUT CONTINUE</b>		<b>STOP / REMOVE POLICY / SERVICE</b>	
<b>Examples of Indicators that impact of Child and Family Poverty.</b>			
<b>Economic</b>			
Children in Low Income Families (%)			
Children in Working Households (%)			
Overall employment rate (%)			
Proportion of young people who are NEET			
Adults with Learning difficulties in employment			
<b>Education</b>			
Free School meals attainment gap (key stage 2 and key stage 4)			
Gap in progression to higher education FSM / Non FSM			
Achievement gap between disadvantaged pupils and all pupils (key stage 2 and key stage 4)			
<b>Housing</b>			
Average time taken to process Housing Benefit / Council tax benefit claims			
Number of affordable homes built			
<b>Health</b>			
Prevalence of underweight children in reception year			
Prevalence of obese children in reception year			
Prevalence of underweight children in year 6			
Prevalence of obese children in reception year 6			
Life expectancy			

**EQUALITY AND DIVERSITY IMPACT ASSESSMENT FORM**

Department	Division	Section	Owner/Officer
Regeneration and Neighbourhoods	Economic Growth and Regeneration	Housing Strategy	Karen Kelly
Service, policy, practice being reviewed/changed or planned	<b>Housing Strategy 2019 - 2024 (replaces the 2015 – 2020 Strategy) and Action Plan</b>		
Why are you making the change?	<i>The Strategy needed updating due to changes in policy and legislation</i>		
How might this impact (positively/negatively) on people who share protected characteristics?			
	<i>Please tick</i>	<b>POSITIVELY</b>	<b>NEGATIVELY</b>
Age		✓	
<i>Please describe... there is reference within the strategy to the housing and support needs for older people</i>			
Disability		✓	
<i>Please describe... there is reference within the strategy to the housing and support needs for disabled people</i>			
Gender Re-assignment			
<i>Please describe... no impact</i>			
Race			
<i>Please describe... no impact</i>			
Religion			
<i>Please describe... no impact</i>			
Gender			
<i>Please describe... no impact</i>			
Sexual Orientation			
<i>Please describe... no impact</i>			
Marriage & Civil Partnership			
<i>Please describe... no impact</i>			
Pregnancy & Maternity			
<i>Please describe... no impact</i>			
Has there been consultation /is consultation planned with people who will be affected by this policy? How has this affected your decision making?	<i>Public consultation took place for 8 weeks via an online survey. As a result of consultation there were no changes necessary to the Strategy.</i>		
As a result of your decision how can you mitigate negative/maximise positive outcomes and foster good relationships?			



**EQUALITY AND DIVERSITY IMPACT ASSESSMENT FORM**

Describe how you will address and monitor the impact	<b>1. No Impact - No Major Change</b> there is no potential for discrimination or adverse impact		
	<b>2. Adjust/Change Policy</b> <i>Please Detail</i>		
	<b>3. Adverse Impact but Continue as is</b> <i>Please Detail</i>		
	<b>4. Stop/Remove Policy/Proposal</b> <i>Please Detail</i>		
Initial Assessment	00/00/00	Reviewed	00/00/00
Completed	16/09/19	Published	00/00/00

# **Hartlepool Housing Strategy**

**2019 – 2024**



**“Developing and maintaining successful communities where people choose to live,  
by meeting the housing needs of our residents now and in the future.”**

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## **FOREWORD**

**Cllr Christopher Akers-Belcher**  
**Chair of Regeneration Services Committee**

## CONTEXT AND PURPOSE

### 1. PURPOSE OF THE STRATEGY

- 1.1 Hartlepool's Housing Strategy sets out a clear direction, for the next 5 years, detailing how we will work with our partners and residents to grow, improve, support and deliver our housing offer. Our ambition is to offer more housing choice by developing new homes and improving and regenerating our existing homes and communities. We are strongly committed to supporting our most vulnerable residents to access and maintain appropriate and good quality housing to meet their needs.
- 1.2 The Strategy provides a framework for the actions the Council and our partners will take over the next 5 years to guide future planning and delivery to meet the housing needs of our residents. This Strategy should be read in conjunction with the Council Plan, Local Plan and other relevant strategies across Council departments.

### 2. VISION AND PRIORITIES

- 2.1 Our vision for the 2019-2024 Strategy is:
- 2.2 ***Developing and maintaining successful communities where people choose to live, by meeting the housing needs of our residents now and in the future.***
- 2.3 The priorities identified for the Housing Strategy have been developed using the evidence base available and reflect the issues identified through consultation. Considering legislation and government policy direction, we have developed the following themes and priorities for the next 5 years:

<b>GROW</b>	<b>Maximising housing growth and delivering sustainable new homes</b>
	Increase the delivery of new homes
	Deliver housing that meets identified needs
<b>IMPROVE</b>	<b>Making the best use of existing homes, regenerating and improving communities</b>
	Improve housing standards, quality and choice
	Support regeneration activity in areas identified as in need of intervention
	Manage the impact of long-term empty homes
<b>SUPPORT</b>	<b>Supporting people with specific housing needs to access and maintain appropriate housing</b>
	Target those most vulnerable to homelessness and provide early intervention where possible
	Support residents who continue to be affected by welfare reform
	Improve access to appropriate accommodation for vulnerable residents
	Improve housing options for people with specific housing needs
	Enable independent living

- 2.4 Good quality, appropriate and affordable housing makes an important contribution towards health and wellbeing, the economy, education and the environment.

### 3. NATIONAL HOUSING POLICY CONTEXT

- 3.1 Since the last Housing Strategy there have been several national policy changes and key pieces of legislation which indicate that housing is one of the Government's key priorities, with particular focus on the delivery of housing supply and also lessons learned from the Grenfell disaster.
- 3.2 **Housing and Planning Act 2016** introduced a range of measures mainly intended to promote homeownership and boost levels of housebuilding in England. Other measures that would potentially impact on the social rented sector have not been implemented or have subsequently been dropped, including the plans to force Councils to sell their higher value homes. In April 2018 regulations came into effect to grant local housing authorities the power to ban rogue landlords and agents from renting property and established a rogue landlord database. Minimum energy efficiency standards for the private rented sector were also introduced.
- 3.3 **Homelessness Reduction Act 2017** places new legal duties on English councils so that everyone who is homeless or at risk of homelessness will have access to meaningful help, irrespective of their priority need status, as long as they are eligible for assistance. It also places a prevention duty and a relief duty on local authorities.
- 3.4 **White Paper 2017 – Fixing our broken housing market** sets out the government's plans to reform the housing market and boost the supply of new homes in England.
- 3.5 **National Planning Policy Framework** published in July 2018 sets out the Government's Planning Policies and reflects reforms previously announced through the Housing White Paper.
- 3.6 **Universal Credit** introduced by the Welfare Reform Act 2012 a single benefit payment paid to households monthly in arrears. Full service has operated in Hartlepool since December 2016.
- 3.7 **The Rough Sleeping Strategy** published August 2018 sets out the government's vision for halving rough sleeping by 2022 and ending it by 2027.
- 3.8 **Social Housing Green Paper 2018 – A new deal for social housing** sets out a proposed strategy for reforming social housing based around five core themes: ensuring homes are safe and decent; effective resolution of complaints; empowering residents and strengthening the regulator; tackling stigma and expanding supply and supporting home ownership.
- 3.9 **Homes England Strategic Plan 2018-2023** published October 2018 is the government's five-year strategic plan setting out their ambitious new mission and

the steps they will take with industry to respond to the long-term housing challenges.

- 3.10 **Homes (Fitness for Human Habitation) Act 2018** received Royal Assent on 20 December 2018 and will give tenants the right to take private and public landlords to court if the property falls below legal standards and seek an injunction to carry out the work and damages. It includes issues not covered by landlords' current legal repair responsibilities, including damp caused by poor design and infestations.
- 3.11 **Britain's Exit from the European Union (Brexit)** is the impending withdrawal of the United Kingdom from the European Union following the referendum of 23 June 2016. The leaving date is 29 March 2019 with an initial transition period until 31 December 2020. Brexit has resulted in an uncertain economic outlook.
- 3.12 **Draft Domestic Abuse Bill** published by government on 21 January 2019 in response to the domestic abuse bill consultation as well as its research into the social and economic cost of domestic abuse.

#### 4. EMERGING POLICIES

- 4.1 **Independent Review of Building Regulations and Fire Safety** announced by government in July 2017 following the Grenfell Tower tragedy was led by Dame Judith Hackitt. The final report was published in May 2018 and in December 2018 the Secretary of State for Housing announced that the government is to implement in full the findings of the Hackitt Review with all its implications for a future regulatory framework.
- 4.2 **Ministry of Housing, Communities and Local Government Select Committee's report on the private rented sector** published in April 2018 has recommended that the Government updates the Housing Health and Safety Rating System (HHSRS) guidance and evidence base which is twelve years out of-date.
- 4.3 **Ministry of Housing, Communities and Local Government** review into the use and effectiveness of selective licensing was announced in June 2018. The review will see independent commissioners gather evidence from local authorities and bodies representing agents, landlords, tenants and other housing professionals. The review's findings will be reported in spring 2019.
- 4.4 **Disabled Facilities Grant (DFG) and Other Adaptations: External Review** published in December 2018 looks at how the DFG currently operates and makes recommendations for how it should change in the future.

#### 5. SUB REGIONAL CONTEXT

- 5.1 The Tees Valley has a good record of partnership working between the five local authorities (Darlington, Hartlepool, Middlesbrough, Redcar and Cleveland and Stockton) and in April 2016 the Tees Valley Combined Authority was created. Under the devolution deal with Government the Combined Authority has taken on responsibilities for driving economic growth and job creation in the sub-region

through taking on responsibilities previously held by Westminster and Whitehall; for transport, infrastructure, skills, business investment, housing and culture and tourism.

## 6. COMPASS CHOICE BASED LETTINGS (CBL)

- 6.1 This scheme was introduced in 2009 and is a partnership between the five local authorities and housing provider partners. It is the system through which social housing is let throughout the Tees Valley and it operates a common allocations policy. From 1<sup>st</sup> July 2019 the largest housing provider in Tees Valley, Thirteen Group, will no longer allocate its properties through this partnership and will adopt its own lettings policy. The Council will, however, be able to nominate applicants from the waiting list (currently held on Compass) to a proportion of Thirteen Group properties. A new agreement and associated protocols will be developed to assist the Council in its obligations under Part 6 of the Housing Act 1996 (as amended).

## 7. LOCAL CONTEXT

Figure 1 - Hartlepool Wards



- 7.1 Hartlepool is on the North Sea coast within the Tees Valley sub region. It serves a population of 92,600 including the town of Hartlepool and a small number of villages. It became a unitary authority in April 1996 and is the second smallest unitary authority in England.
- 7.2 Historically, the town's economy was based on the port and coal exporting trade of the nineteenth century. This gave rise to iron and steel, shipbuilding



and engineering industries which continued to flourish until the second half of the last century until the decline in heavy industries in the 1960s and 1970s.

- 7.3 Within this period, the Borough's economic landscape dramatically changed with major job losses in these key industrial sectors and the physical infrastructure of the town was in decline. However, in the past twenty-five years, the Borough has been transformed through public and private investment in regeneration including housing renewal areas and employment sites. Today, Hartlepool Marina, Wynyard Business Park and Queens Meadow Business Park are widely acknowledged as flagship initiatives.
- 7.4 Increasingly the town is a visitor destination with a wide range of retail facilities and visitor attractions such as the National Museum of the Royal Navy.
- 7.5 There has been significant investment in the town. With the new £11m Northern School of Art built on Church Street along with a £7m redevelopment of the public realm designed to give the area a huge lift and foster its development as a centre for innovation and skills
- 7.6 Nevertheless, a significant amount remains to be achieved. Hartlepool has a mixed socioeconomic environment and suffers from high levels of deprivation. Hartlepool is the 18th (out of 326) most deprived district in England, based on the rank of average scores (Indices of Multiple Deprivation Indices of Multiple Deprivation 2015). Only half the population has a car compared to two thirds nationally. Levels of ill health and disability are above the national average, which is due in part to relatively large numbers of elderly people and to the social and economic deprivation in certain areas.

## 8. KEY STRATEGIC LINKS

- 8.1 The Housing Strategy does not stand alone and links into a number of Council plans and strategies as demonstrated in Table 1.

**Table 1 – Key Strategic Links**

Strategy	Date	Key Strategic Links
Sustainable Community Strategy	2014 - 2020	Sets out a long term vision for the town and explains how the Council and its partners will improve the economic, social and environmental wellbeing of Hartlepool.
Economic Regeneration Strategy	2019 - 2021	Sets out the vision, priorities and actions for the delivery of economic development and physical regeneration programmes to improve the environment and attract

Strategy	Date	Key Strategic Links
		businesses to invest and grow in Hartlepool.
Constructing Hartlepool Strategy	October 2014	Complements the shared goals of the Hartlepool Vision, Masterplan, Economic Regeneration Strategy and Housing Strategy. Through the implementation of this strategy, developers will be invited to advise the Council on how they plan to incorporate local supply chains and targeted, recruitment and training clauses within their planning proposal which will support business growth and enable greater access to employment and skills for local residents.
Enforcement Policy	ongoing	The purpose of this policy is to explain clearly the approach of the Council's Housing Service towards enforcement. It provides guidance to enforcement officers, businesses, consumers and the general public on the range of options that are available to achieve compliance with the legislation that we enforce.
Child and Family Poverty Strategy	2016 - 2020	Provides the strategic priorities which aim to improve the life chances of all children, young people and their families.
Children Looked After Strategy	2014 - 2017	This strategy outlines the vision for children and young people in care and care leavers. Hartlepool Children's Services is committed to improving the experiences and outcomes for children looked after and care leavers in the town and are aspirational in its plan to deliver continuous improvement and remove the gap between children in care and their peers.
Health and Wellbeing Strategy	2018-2025	The vision of the Health & Wellbeing Strategy is that Hartlepool will develop a culture and environment that promotes and supports health and wellbeing for all. The ambition is to improve health and wellbeing outcomes and reduce inequalities for our population.

Strategy	Date	Key Strategic Links
Hartlepool Local Plan 2018	2016-2031	Establishes a spatial strategy together with strategic policies, guiding development over the next 15 years.  Sets out the planning policy framework to enable ongoing regeneration, provide new housing sites, ensure an appropriate mix of housing is delivered and affordable housing is provided. Housing completions from April 2016 are taken into account.
Community Safety Plan	2017-20	The Safer Hartlepool Partnership's Community Safety Plan 2017 – 2020 outlines the Partnership's vision for maintaining and improving community safety in Hartlepool.
Substance Misuse Strategy		This Strategy is supported by an Annual Substance Misuse Treatment Plan with recovery as the central goal. Recovery requires an effective 'whole systems' approach working with education, training and employment, housing, family support services, wider health services and criminal justice agencies where appropriate
Ward Profiles	2015	Ward Profiles were refreshed in 2015 with sustainability plans produced for the localities identified as vulnerable.

## 9. KEY FACTS:

9.1 Key facts and statistics relating to Hartlepool are set out below:

- There are currently 42,599 dwellings of which 40,631 are occupied dwellings.<sup>4</sup>
- Hartlepool has a population of 92,600 and this is projected to increase 5.2% by 2037<sup>4</sup>.
- 23.2% of the population have a limiting long-term illness compared to 17.9% in England and Wales<sup>1</sup>.

<sup>1</sup> Census, 2011

- The median house price in Hartlepool remains consistently lower than the regional and national average at £123,000 in June 2018<sup>2</sup>.
- Levels of owner occupation in Hartlepool remain lower than the national average<sup>1</sup>.
- Levels of social and private renting are higher than the national average<sup>1</sup>.
- 2.8% of households are overcrowded which is less than the national average of 3.1% across England<sup>1</sup>.
- At the beginning of January 2019 2,900 applicants in Hartlepool were registered on the Compass CBL Waiting List of which 715 were in the Priority Bands 1-3<sup>3</sup>.
- The percentage of empty properties in Hartlepool's private sector exceeds the national average with an overall vacancy rate of 4.6% compared to 2.7% across England<sup>4</sup>.
- The affordable housing requirement calculated by the Hartlepool Strategic Housing Market Assessment (SHMA) was calculated at 144 net additional units per year<sup>4</sup>.
- 34.8% of the private sector stock is non decent and there are estimated to be 21.2% of households in fuel poverty<sup>5</sup>.
- The average energy efficiency rating using the Government's Standard Assessment Procedure is 51 which is slightly above the England average<sup>5</sup>.
- At January 2018 6.9% of people were unemployed in Hartlepool which is nearly triple the national average<sup>2</sup>.
- The number of working age adults on out of work benefits was 19.3% in November 2017<sup>2</sup>
- 11,463 people commute out of Hartlepool for work<sup>4</sup>.
- The Indices of Multiple Deprivation (IMD) 2015 identified that just over a third of the population of Hartlepool live in the 10% most disadvantaged areas nationally.
- Since 2015 there has been on average 326 net additional dwellings per annum.
- Since 2013 Hartlepool has had the fastest growth in housing in the Tees Valley – up 9.7%.

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<sup>2</sup> ONS Office for National Statistics

<sup>3</sup> Priority Bands contain the applicants who have been identified as in the greatest housing need

<sup>4</sup> Hartlepool Strategic Market Assessment, 2015

<sup>5</sup> Private Sector House Condition Survey, 2009

## 10 REGISTERED PROVIDERS (RPS)

- 10.1 11 RPs currently operate in Hartlepool, including Hartlepool Borough Council. The largest of these is Thirteen Group with approximately 71% of the social housing stock. Table 2 sets out the stock levels of the RPs operating in Hartlepool. Since the last strategy the social housing stock in Hartlepool has increased by just over 100 units.

**Table 2 – Registered Providers operating in Hartlepool**

<b>Registered Provider (RP)</b>	<b>Stock Number (at November 2018)</b>
Thirteen Group	7045
Home Group	883
Bernicia	376
Karbon	368
Anchor	312
North Star	280
Hartlepool Borough Council	270
Joseph Rowntree Housing Trust	242 of which: 150 rented 58 shared ownership 34 owner occupied
Accent	108
Housing & Care 21	44
Railway Housing	25
<b>Total Social Rented Stock</b>	<b>9953</b>

## 11. LOCAL PRESSURES

- 11.1 Year on year cuts to government grants, reduced public expenditure, planning, social housing and welfare reforms have had an impact in Hartlepool. These circumstances provide the backdrop to the Strategy and will continue to present challenges. In addition there are pressures emerging on adult mental health with people increasingly presenting with chaotic lifestyles and substance misuse issues.

## 12. LOCAL HOUSING NEED

- 12.1 The Housing Strategy, along with other key strategies will address current and future housing need and demand in the Borough. As a result a comprehensive and robust evidence base has been established, including the following documents and sources detailed in Table 3:

**Table 3 - Housing Need Evidence Source**

<b>Evidence Source</b>	<b>Information</b>
Hartlepool Strategic Housing Market Assessment (2015) and SHMA Addendum 2016	Local housing need and demand
Tees Valley Strategic Housing Market Assessment (2012)	Sub-regional and local housing need and demand
Gypsy and Traveller Accommodation Assessment (2014) (updated 2017)	Specific housing need with regard to the Gypsy and Traveller and Travelling Show persons groups
Hartlepool Strategic Housing Land Availability Assessment (2015)	Identification of sites with housing land capacity.
Private Sector Housing Condition Survey (2009)	A detailed picture of housing conditions in the private sector.
Homelessness Statistics	Data relating to housing advice and homelessness cases
Compass Housing Register	Social housing need and demand
Joint Strategic Needs Assessment (JSNA)	The JSNA analyses the health needs of the population to inform and guide commissioning of health, wellbeing and social care services.
Census 2011	Provides a detailed snapshot of the population and its characteristics
HBC Market Position Statement for the care of adults and older people (2016)	Identification of future demand for care services

12.2 Housing need is affected by a variety of factors. Evidence on the overall housing market in Hartlepool, set out in Table 3, can be summarised in that currently:

- Hartlepool is a self-contained housing market on the basis of migration and also in terms of workplace.
- There is a mismatch in market demand compared to availability and aspirations/expectation.
- During the period January 2013 to end of June 2014, median house prices across Hartlepool were £112,000 and lower quartile prices were just under £70,000.

12.3 Evidence on the key demographic drivers that affect housing need and demand, set out in Table 3, can be summarised as being:

- An increasing population with ONS 2012-based population projections indicating an increase of 5.2% from 92,600 in 2014 to 97,400 by 2037.
- Decline in working age populations and increase in elderly population.

12.4 Current economic drivers include:

- 67.1% of residents in employment work in Hartlepool Borough.
- Median incomes are lower than the national median but slightly higher than the regional figure.
- There is considerable income polarisation across Hartlepool, with 51.2% of households receiving less than £300 each week, 21.7% receiving between £300 and £500 each week and 27% receiving at least £500 each week.

12.5 In terms of dwelling stock:

- 73.3% of properties are houses, 12.1% are bungalows, 13.7% are flats/maisonettes and 0.9% are other property types
- 51% of the housing stock was built before 1964, 7.7% has been built since 2005.
- 84% of the housing stock has 3 bedrooms or less, with 40% having 2 bedrooms or less.
- Housing stock tenure is owner occupier 60.2%, social rented 23.1%, private rented 16% and 0.7% intermediate tenure.
- There is a strong aspiration for houses

12.6 All of the above drivers influence the current and future housing market. Through evidence established in the documents listed in Table 3, it is demonstrated that there are 4,694 households currently in housing need, representing 11.6% of all households. The current housing need can be used as baseline with which to estimate the future housing need.

### 13. FUTURE HOUSING NEED



13.1 Using evidence identified in the 2015 SHMA and 2016 SHMA Addendum analysis suggests there should be a focus on delivery of:

- 3 bedroom houses and 4+ bedroom semi-detached and detached houses for market sale; and
- Bungalows for both market sale and social rent

13.2 Table 4 indicates where there is a lack of a particular type and size of property by ward, based on the aspirations of households planning to move.

**Table 4- Comparison between current dwelling stock and market aspirations**

Dwelling stock relative to aspirations													
Dwelling type	Ward												
	Burn Valley	De Bruce	Fens and Rossmere	Foggy Furze	Hart	Headland and Harbour	Jesmond	Manor House	Rural West	Seaton	Victoria	Total	
Detached house/cottage 1-3 Beds	-18.6	-8.5	-17.4	-17.2	-6.8	-17.0	-14.3	-18.9	-2.8	-13.4	-18.8	-14.1	
Detached house/cottage 4 or more Beds	-20.8	-23.7	-18.6	-23.4	17.8	-21.3	-23.7	-24.7	17.6	-3.6	-24.8	-13.1	
Semi-detached house/cottage 1-2 Beds	-2.7	5.8	3.0	1.9	0.4	0.5	4.9	10.4	-1.8	1.1	3.1	2.2	
Semi-detached house/cottage with 3 Beds	5.3	33.5	32.8	23.9	10.6	-0.2	14.3	8.8	1.2	18.6	2.2	13.8	
Semi-detached house/cottage 4 or more Beds	7.9	-0.1	2.0	2.3	1.5	-0.8	2.1	-1.8	0.7	-1.0	2.0	1.6	
Terraced house/cottage 1-2 Beds	17.6	5.1	4.7	4.1	-2.0	3.0	2.3	25.6	-2.0	-0.8	28.2	7.9	
Terraced house/cottage 3+ Beds	29.8	10.9	3.9	18.2	2.5	25.3	38.6	27.3	-0.1	7.4	30.9	17.4	
Bungalow	-13.1	-12.7	0.1	-2.7	-15.4	-15.8	-10.9	-18.5	-2.3	-6.7	-16.9	-10.1	
Flat	-6.4	-11.9	-10.5	-7.4	-9.1	23.2	-13.3	-8.2	-10.6	-3.6	-7.4	-6.4	

 Insufficient dwellings available relative to aspiration  
 Sufficient dwellings available relative to aspiration

13.3 The Housing Strategy will help deliver and guide this new housing provision alongside the adopted Local Plan (May 2018).



## **THEME 1: GROW: MAXIMISING HOUSING GROWTH AND DELIVERING SUITABLE NEW HOMES**

- 14.1 The Council will work with partners to deliver suitable new homes, across all tenures, for all demographic groups. The challenges faced in achieving this priority revolve around delivering high quality new housing which meets identified need, in places where people choose to live whilst continuing to deliver housing regeneration.
- 14.2 The Strategic Housing Market Assessment (SHMA) and Addendum identified that the housing need for the next 15 years in Hartlepool is primarily driven by:
- An increasing population from 92,600 in 2014 to 97,400 by 2037;
  - An increase in new household formation amongst the existing population;
  - An ageing population;
  - The need to retain the young and working age people;
  - Economic growth and improvement and diversification of the local economy; and
  - The ongoing replacement of obsolete housing stock.

### **15. PRIORITIES:**

- Increase the delivery of new homes;
- Deliver housing that meets identified needs.

### **16. ACHIEVEMENTS DURING THE HOUSING STRATEGY 2015-2020**

- Continued delivery of affordable housing with 176 affordable houses delivered between 2015 and 2018.
- Completion of refurbishment and remodelling of properties on the Carr/Hopps regeneration scheme by PlaceFirst with their £7.6m award winning scheme called The Green providing 94 homes for market rent.
- Production of the Local Plan 2016-2031 which was adopted in May 2018.
- Delivery of schemes through the 2018-21 National Affordable Housing Programme.
- Expansion of the Council's own housing stock with new build at King Oswy, Headland and Seaton Carew.



### **CASE STUDY – CARR AND HOPPS STREET REGENERATION “THE GREEN”**

The Carr and Hopps street area suffered housing market failure over a number of years and was prioritised by the Council for redevelopment. Approximately 100 homes were acquired by the Council within the area and a comprehensive regeneration of the area was envisaged including clearance and replacement with modern family homes. There were however a number of privately owned homes within the area that were unable to be purchased by agreement. This led to the need for a different approach to the regeneration of the area than had previously been used on sites such as Perth Street or the Headway regeneration schemes.

Place First approached the Council with a proposal which involved the demolition of two central rows of terraced properties to form a central green space with the other dwellings remaining, being stripped back to the brickwork and alterations to create larger dwellings by knocking through and making two dwellings into one. Place First use a private rented model which they run and manage which has helped to ensure a high quality and specification of properties. The development has taken place over the past couple of years and has seen a remarkable transformation of the area, including a high quality central greenspace which incorporates benches and a children’s play area and helps to create a sense of place which residents appreciate and acts as a central hub. Parking bays have been provided around the edges of the central greenspace meaning there is adequate resident parking and the area is protected by CCTV.

Whilst rents on the properties are approximately £600 per month, the scheme has proved extremely popular and has seen a high level of take up. Place First’s investment in the scheme should help to ensure the properties are well maintained and continue to be popular over the coming years.

The Green has recently been recognised as a successful scheme winning two regional awards. It has been judged the Best Residential Development of 2019 at the Insider North East Property Awards. Attended by over 400 of the regions key property professionals, the awards celebrate the achievements across all development sectors in the region. In a shortlist of seven developments, Placefirst’s new build-to-rent community impressed the judges with its “quality homes and distinctive placemaking”. In addition, The Green, was recently named as the winner of the Residential Property category at the RICS (Royal Institution of Chartered Surveyors) Awards 2019, North East.

The Green has also recently been shortlisted in a number of National awards including The Sunday Times British Homes Awards (development of the year (under £10m)), the RICS national awards (Residential Property) and the APSE 2019 awards (Best Housing, Regeneration and New Build initiative).

### **CASE STUDY – TUNSTALL FARM**

Tunstall Farm is a high quality development of 110 dwellings developed by Taylor Wimpey on the western edge of Hartlepool, to the north of Summerhill, accessed from Valley Drive. The scheme has been developed to incorporate a high standard of green infrastructure across the site to help create a sense of place and reflect the location on the rural edge. There are a range of properties ranging from 2 bedroom bungalows to 5 bedroom homes providing high quality family homes in a range of designs. The scheme also incorporates a sustainable urban drainage scheme to minimise flooding risk to neighbouring areas and a children's play area which has been designed to blend with the development.



## 17. THE EVIDENCE AND CHALLENGES FOR THE HOUSING STRATEGY

17.1 Table 5 details the specific challenges associated with delivering this priority.

Table 5 – Theme 1: Key Facts

Key Facts		Source									
Tenure Mix											
<table><tr><th>Tenure</th><th>%</th></tr><tr><td>Owner-Occupier</td><td>60.2%</td></tr><tr><td>Housing Association</td><td>23.1%</td></tr><tr><td>Private Rented</td><td>16%</td></tr><tr><td>Other</td><td>0.7%</td></tr></table>	Tenure	%	Owner-Occupier	60.2%	Housing Association	23.1%	Private Rented	16%	Other	0.7%	Hartlepool Strategic Housing Market Assessment 2015
Tenure	%										
Owner-Occupier	60.2%										
Housing Association	23.1%										
Private Rented	16%										
Other	0.7%										
<p>Tenure profile varies across Hartlepool.</p> <ul style="list-style-type: none"><li>The proportion of owner occupied dwellings is highest in Rural West (85%) and Hart (80%) wards.</li><li>Social renting is highest in Manor House (47.3%) and Headland and Harbour (43.8%) wards.</li><li>Private renting is highest in Victoria (33.9%) and Burn Valley (30.7%) wards.</li></ul>	Hartlepool Strategic Housing Market Assessment 2015										
House Prices											
<ul style="list-style-type: none"><li>Median prices in Hartlepool have been consistently lower than the median prices for the North East and England over the period 2000 to 2014.</li><li>Overall prices have increased 115.4% from £47,000 in 2000 to £101,250 in 2014. Prices peaked at £115,000 in 2013 but fell in 2014.</li><li>House prices are relatively lower in Burn Valley and Victoria wards and relatively higher in Hart and Rural West wards.</li></ul>	Hartlepool Strategic Housing Market Assessment 2015										
Relative affordability											
<p>Hartlepool is one of the most affordable districts in the region, with a lower quartile house price to income ratio of 3.9 (i.e. lower quartile house prices are 3.9 x lower quartile gross earnings) compared to 4.6 across the North East as a whole.</p> <ul style="list-style-type: none"><li>In 2013, the median income for people in employment living in Hartlepool was £24,721 per year compared with £24,560 for the North East and a national median of £27,076.</li></ul>	Hartlepool Strategic Housing Market Assessment 2015										

Key Facts	Source
<b>Income</b>	
<ul style="list-style-type: none"> <li>Incomes amongst owner occupiers tend to be high with 40.7% receiving at least £500 per week.</li> <li>63.3% of privately renting households receive less than £300 gross per week.</li> <li>87.7% of households living in affordable housing (social rented or shared ownership) receive an income of less than £300 gross per week and 60.6% receive less than £200 gross per week.</li> </ul>	Hartlepool Strategic Housing Market Assessment 2015
<b>Help to Buy</b>	
<ul style="list-style-type: none"> <li>There have been a total of 564 Help to Buy completions in Hartlepool.</li> </ul>	HM Treasury June 2018
<b>Population Changes</b>	
<ul style="list-style-type: none"> <li>The proportion of residents aged 65 and over is expected to increase by 50.6%, from 17,000 in 2014 to 25,600 in 2037.</li> <li>In the same time period the proportion of residents aged under 65 is expected to fall by 5% from 75,600 to 71,800.</li> <li>Over the next few decades the population is going to age in Hartlepool and this will put increasing strain on resources directed at the housing and support needs of older people.</li> </ul>	Hartlepool Strategic Housing Market Assessment 2015
<b>New Housing Requirements</b>	
<ul style="list-style-type: none"> <li>There is an affordable housing requirement of 144 units per year (net).</li> </ul>	Hartlepool Strategic Housing Market Assessment 2015
<b>Land Availability</b>	
<ul style="list-style-type: none"> <li>The Council has identified a five year housing land supply.</li> <li>The Local Plan provides a 15 year housing land supply prioritising land in locations which are well served by public transport and other services.</li> </ul>	Strategic Land Availability Assessment 2015
<b>Housing Regeneration</b>	
<ul style="list-style-type: none"> <li>2,000 obsolete terraced properties identified as oversupply in 2002.</li> <li>Demolition of 1,200 obsolete properties has already taken place.</li> </ul>	Housing Regeneration Strategy 2002

## **18. HOUSING DELIVERY THROUGH THE LOCAL PLAN 2016-2031**

18.1 The Local Plan 2016-2031 was adopted in May 2018. It is the main document that allocates strategic sites for housing, employment, retail, leisure and infrastructure and safeguards assets in the borough such as the natural environment. In terms of housing, over the next 15 years the Local Plan will seek to:

- Plan for housing to meet the current and future needs of the borough;
- Allocate new land for housing, a 15 year rolling provision mainly identified on greenfield sites;
- Outline the mix of housing that is required; and
- Deliver affordable housing on private housing developments of 15 units or more.

## **19. DELIVERY OF NEW HOUSING**

19.1 In planning for new housing within Hartlepool a number of issues have been identified that need to be taken into consideration. People's realistic aspirations need to be understood fully to be able to match need and demand with provision. The local market and demographics need to be understood and in particular awareness of Hartlepool's changing and ageing population.

19.2 The development of sustainable communities is important for the new Housing Strategy. In support of this the Local Plan states that the Council will seek to ensure high levels of energy efficiency in all development to minimise energy consumption, make the best use of solar gain, ensure appropriate use of green infrastructure and incorporate sustainable construction and drainage methods. In addition, Modern Methods of Construction can improve the quality of construction, address labour and materials shortages and deliver a number of additional benefits such as improved energy efficiency and health and safety.

19.3 New housing needs to be developed in the right locations encouraging development on previously used (brownfield) land and on the most sustainable greenfield sites, taking into account the associated costs with acquiring and building on both.

19.4 Since the last Housing Strategy was written allocated sites in the Local Plan have been successfully building out and house building in the borough has continued at over 300 net additional dwellings each year. However, there is an emerging and negative impact of the new allocations on the bottom end of the market with significant numbers of empty properties in the town centre terraced stock.

19.5 When planning new housing developments links to infrastructure, services, health and the economy need to be considered. Homes England announced funding for infrastructure in 2017 to help ensure the right infrastructure is in place to unlock sites for new homes.

## **20. DELIVERY OF AFFORDABLE HOUSING**

- 20.1 Affordable housing is defined as housing available to those who are unable to access accommodation suitable for their family's needs, at a price that they can reasonably afford on the open market, whether for rent or home ownership. Affordable housing includes social rented housing, affordable rented housing and intermediate housing. Intermediate housing is housing at prices and rents above those of social rent but below market price or rents.
- 20.2 It is important that through the Housing Strategy, and other key Council Plans and Strategies, the supply of affordable homes is increased and homelessness continues to be prevented in Hartlepool. The successful delivery of affordable housing is dependent upon the relationships with RPs, funding bodies and developers. Work needs to continue with developers to make new homes more affordable. Reductions in funding will necessitate the ongoing use of policies in the Local Plan to secure affordable housing provision or financial contribution as part of private housing developments; working with Homes England and developing smarter and more affordable building techniques, including Modern Methods of Construction.
- 20.3 Affordable housing will continue to be delivered through the Shared Ownership and Affordable Housing Programme. The current 2018-2021 Homes England funding programme awarded funding for a number of schemes in Hartlepool. The Hartlepool Borough Council (HBC) Housing Investment Strategy was approved in 2018 with the ambition to build and acquire new affordable homes following the re-opening of its Housing Revenue Account in 2016 after taking back the management of its housing stock in April 2015 (182 units which has since increased to 270). On 30<sup>th</sup> October 2018 the borrowing cap was lifted for local authorities which gives the Council the increased opportunity for direct delivery of new affordable accommodation.
- 20.4 Homes England published their Strategic Plan in October 2018 and this sets out how they have introduced a new way of working with RPs via the agreement of strategic partnership deals with housing associations. Thirteen Group became a strategic partner in the government's second wave of allocations with £40m awarded for 1000 additional affordable starts by March 2022.
- 20.5 The most important way of securing the delivery of affordable housing for this Housing Strategy will be through the use of planning obligations including the application of commuted sums and delivery of on-site affordable housing. An affordable housing policy is included in the Local Plan which seeks to secure affordable housing as part of all private housing developments with over 15 units. The level of provision is dependent on the economic viability of an individual scheme and the most up-to-date evidence of housing need. In some instances this will be provided off-site or as a commuted sum to benefit housing regeneration elsewhere in the Borough.
- 20.6 Whilst national space standards are not required through a policy in the Local Plan, they are a useful indicator for assessing housing proposals against. A recent exercise to consider recent planning permissions against the criteria of the national space standards indicated that a large number of the developments had a range of house types which failed on one or both of the gross internal floorspace tests or the bedroom size tests. This correlates with the Council's own



experience of purchasing properties to add to the housing stock and finding that potential tenants refused the properties on the basis that they felt they were too small. The Council is therefore keen to work with developers bringing forward schemes in the Borough to ensure that the developments offer dwellings which meet modern family lifestyles and assist in the delivery of affordable housing. To help achieve this, the Council is currently developing a Residential Design Supplementary Planning Document (SPD) which sets out guidance to developers on a number of design areas such as minimum bedroom size, energy efficiency, space standards, parking requirements, access, adaptability to dementia etc. The SPD is on schedule to be adopted in 2019/20.

## **21. ACCESS TO NEW HOUSING DEVELOPMENTS**

- 21.1 Pressure on affordability has been evident since the economic downturn of 2007, mortgage availability has been reduced, higher deposits are required and it is increasingly difficult for first time buyers to get on the housing ladder. Rising housing costs impact on household's spare income for food, fuel bills, leisure and recreation. With the recent increase in interest rates and economic uncertainty surrounding the impending British exit from the European Union, we need to be mindful of the impact this will also have on affordability.
- 21.2 The central area of Hartlepool where first time buyers traditionally bought is increasingly vulnerable because people who can get a mortgage are now choosing 'estate houses' rather than terraced properties.
- 21.3 The overall health of a housing market relies on a steady flow of first time buyers, particularly as the market is largely based on a system of trading up in the value, type and size of a home. New purchasers need to be encouraged and supported through initiatives to access a first home. Access to home ownership for first time buyers will be partly addressed through house-builders own initiatives such as shared equity, deposit match and the Government backed Help to Buy scheme to encourage the sale of properties. Since the last Strategy was published the uptake of Help to Buy has been very successful in Hartlepool with over 500 completions. The government announced an extra £10b for this in 2017 and the Budget 2018 announced the Help to Buy equity loan scheme for 2 years up to 2023.

## **22. HOUSING REGENERATION**

- 22.1 There are still large areas of early 1900's terraced properties within the central area of Hartlepool. The Local Plan assumes that over the next 15 years there will continue to be Housing Market Renewal (HMR) schemes to replace obsolete stock. This has previously been an important approach in providing new and affordable housing within Hartlepool. The current plan sets out an ambitious and challenging target of 130 demolitions per annum. It is noted that funding streams and housing regeneration interventions have reduced and therefore close working with Homes England, RPs, developers and the use of affordable housing contributions will be needed to address the challenge.



- 22.2 Housing market failure continues to persist in some parts of the town, particularly in the central area, typified by:
- Low demand in certain housing sectors including a collapse in the market for terraced properties in particular streets within the central area;
  - An imbalance between demand and supply in the local housing market;
  - Relatively low house prices;
  - Decline in owner-occupation, together with increased concentrations of private landlords;
  - Housing management issues, including absentee private landlords;
  - High levels of household moves and anti-social behaviour in certain areas of low demand;
  - High levels of dissatisfaction with housing provision reflecting changing aspirations and outdated layouts; and
  - Low rental values in the private and affordable rented sectors.
- 22.3 During the last strategy the Council's HMR programme concluded in key strategic sites in the town with schemes by PlaceFirst and Thirteen Group in partnership with the Council.
- 22.4 Through this Strategy it is imperative that Housing Regeneration is continued and a strategy is developed to intervene where the resources are available and where full appraisal of areas has taken place. Funding for all forms of regeneration has been significantly reduced by Government and schemes that come forward will involve a partnership and a joint funding requirement. Commuted sums received through planning obligations can be channelled to match any available Government funded programmes.
- 22.5 It is critical that areas adjacent to HMR sites are monitored to protect the investment in these areas and to continue the successful regeneration of Hartlepool. Further areas of decline have emerged since the last Strategy. Housing Regeneration schemes are linked closely to empty homes initiatives and investment in bringing them back into use minimises the risk to these adjacent areas.

## **23. WIDER REGENERATION**

- 23.1 In October 2014 the Council adopted the Constructing Hartlepool Strategy which complements the shared goals of the Hartlepool Vision, Masterplan, Economic Regeneration Strategy and Housing Strategy. These strategies provide the catalyst for revitalising the town and creating a more inclusive, prosperous and resilient economy which will attract new investment and major development, boost the business stock and increase the number of residents entering into sustained employment.
- 23.2 There is ongoing commercial regeneration in the innovation and skills quarter, at Seaton Carew and on the Waterfront Site.

## **THEME 2: IMPROVE: MAKING THE BEST USE OF EXISTING HOMES, REGENERATING AND IMPROVING COMMUNITIES**

24. Although the delivery of new housing is important it only makes up a small proportion of the overall housing stock. The Council therefore aims to improve existing homes across all tenures. The challenges faced in achieving this priority include ensuring housing quality and choice, raising standards within the rented sector, tackling fuel poverty and helping owner occupiers to maintain their homes. The Council will also work with partners to bring long-term empty homes back into use and support intervention in housing regeneration.
25. **PRIORITIES:**
- Improve housing standards, quality and choice;
  - Support regeneration activity in areas identified as in need of intervention;
  - Manage the impact of long-term empty homes.
26. **ACHIEVEMENTS DURING THE HOUSING STRATEGY 2015-2020**
- Enforcement Policy updated in 2017.
  - Implementation of a second Selective Licensing designation of 13 streets.
  - 49 long-term empty properties purchased and refurbished through the Empty Property Purchasing Scheme phase 2.
  - £1.6m funding secured for central heating systems.
  - Conversion of Titan House by Thirteen Group into student accommodation.
  - Ongoing investment by Registered Providers in Hartlepool of environmental and maintenance programmes.
  - Work by Registered Providers to deliver energy efficiency measures and minimise fuel poverty for tenants.
  - A rolling programme of stock condition surveys for Council owned properties implemented.
  - 2015 Smoke and Carbon Monoxide Alarm Regulations incorporated into inspection and enforcement activity.
  - National Landlord Association training sessions delivered to private landlords.
  - Enforcement action ongoing against 3 long-term empty properties.
  - 265 long-term empty properties brought back into use between 2015 and 2018.

- 9 long-term empty properties refurbished as part of the 2015-2018 Lease Scheme in partnership with Thirteen Group (one of which has been divided into 4 bedsit units).



### **CASE STUDY – BAKERS MEAD**

Householders in nine blocks of privately-owned flats on the Bakers Mead estate in Hartlepool have received free insulation measures as part of the Warm Up Hartlepool scheme

The scheme helps householders access a range of energy efficiency measures that will make their homes warmer and cheaper to heat and is a joint initiative between Hartlepool Borough Council and home insulation company J&J Crump and Sons Ltd

The Council has been able to determine where funding should be directed and homes in certain postcode areas automatically qualify for assistance which made it possible for the Bakers Mead estate flats, which had been built with only partial wall insulation, to receive free insulation measures. Cavity wall insulation has been installed in all the blocks of flats and loft insulation to the top flats.

The Bakers Mead Management Company, which is responsible for managing the flats and the estate were delighted to be able to work with the Warm Up Hartlepool scheme to get the properties insulated free of charge.

Under the scheme thousands of Hartlepool homes will be eligible to apply for a range of energy efficiency measures, such as wall insulation, loft insulation, room in the roof insulation and in some cases replacement boilers or new heating systems.

Homes in certain postcode areas could qualify, as well as those that are in receipt of certain benefits, have an income threshold of less than £32,000 a year, and those with long-term health conditions which are made worse by the cold and damp.

The Warm Up Hartlepool scheme was recognised in March 2019 at the Regional Energy Efficiency Awards, winning the award for the Best Large Scale Project (over £250k). It has also been shortlisted for the National Energy Efficiency Awards taking place in September 2019.

For more information about Warm Up Hartlepool, visit  
[www.hartlepool.gov.uk/warmuphartlepool](http://www.hartlepool.gov.uk/warmuphartlepool)



### **CASE STUDY – TITAN HOUSE**

Thirteen's design and delivery team worked in partnership with contractor Forrest to convert the existing facilities at Titan House, on York Road, into specialist accommodation for students attending The Northern School of Art

The work has seen the existing one and two-bedroom flats reconfigured to provide 44 open-plan and one bedroom flats with their own private kitchen and bathroom. A new communal room has been created as part of the new design on each floor with a lounge, kitchen and laundry area.

Thirteen's director of asset management and sustainability Paul Jenkins said, "We've worked closely with the college, contractors and partner organisations to ensure that the students have modern, secure and safe accommodation. While there is a visible difference throughout the building, a lot of essential work has been done that you can't see, including new fire safety systems, a plant room to boost the water pressure and essential mechanical and electrical Work."

Darroch Baker, divisional director at Forrest said, "The completion of this refurbishment and fire safety work, ready in time for the new academic year, enabled this prominent development to gain a new lease of life and transform into much needed accommodation for students to call home for years to come. This first project with Thirteen is demonstration of a great working partnership."

Thirteen will continue to manage the accommodation alongside the existing student residences at Crown Halls and Lime Crescent.

## 27. THE EVIDENCE AND CHALLENGES FOR THE HOUSING STRATEGY

27.1 Table 6 below details the specific challenges associated with delivering this priority.

**Table 6 – Theme 2: Key Facts**

Key Facts	Source
<b>Private Renting</b>	
<ul style="list-style-type: none"> <li>The private rented sector accommodates 16.2% of households across Hartlepool.</li> <li>20.3% of all private rented dwellings are in Victoria, 17.9% in Burn Valley and 13.3% in Headland and Harbour.</li> <li>The characteristics of tenants are diverse and in particular the private rented sector accommodates lone parents (16.7%), singles under 60 (31.9%), couples with no children (17.9%) and couples with children (15.4%).</li> <li>43.7% of private renting households have lived in their accommodation for less than 2 years.</li> <li>63.3% of private renting households receive less than £300 gross each week.</li> <li>51.1% of heads of household living in private rented accommodation are employed.</li> </ul>	Hartlepool Strategic Housing Market Assessment 2015
<b>Social Renting</b>	
<ul style="list-style-type: none"> <li>The affordable sector (social rented or shared ownership) accommodates 23.8% of households across Hartlepool.</li> <li>30.2% are older singles and couples, 30.9% of households are singles under 60, 6.9% are couples with children, 6.2% are lone parents, 9.2% are couples/lone parents with adult children and 12.2% are couples with no children.</li> <li>87.7% of households receive less than £300 gross each week.</li> <li>18% of heads of household living in affordable housing are employed.</li> </ul>	Hartlepool Strategic Housing Market Assessment 2015
<b>Overcrowding</b>	
<ul style="list-style-type: none"> <li>According to the 2011 Census, 2.8 % of households were overcrowded compared to 3.1% across England.</li> </ul>	Hartlepool Strategic Housing Market Assessment 2015
<b>Housing Conditions (Private sector)</b>	
<ul style="list-style-type: none"> <li>An estimated 11,300 dwellings in Hartlepool (34.8% of the stock) were classed as non decent. The majority of dwellings are non decent because of Category 1 Hazards<sup>6</sup> (18.5%) and thermal comfort failure (15.4%).</li> </ul>	2009 Private Sector House

<sup>6</sup> The HHSRS assesses 29 categories of housing hazard, each hazard has a weighting which will help determine whether the property is rated as having Category 1 (serious) or Category 2 (other) hazards.  
<http://www.communities.gov.uk/publications/housing/hhsrsoperatingguidance>

Key Facts	Source
<ul style="list-style-type: none"> <li>• In Hartlepool non decent dwellings were most associated with low rise purpose built flats, the private rented sector and properties built pre-1919. Non decency was also associated with heads of households aged 16 to 24 and those aged 75+.</li> <li>• The highest non decency score by sub-area was recorded in the Central sub-area at 44.1%.</li> <li>• 6,000 (18.5%) dwellings were estimated to have at least one Category 1 Hazard.</li> <li>• The highest proportion of Category 1 hazards was found in the Central sub-area followed by the Rural sub-area.</li> <li>• The total funding requirement for repairs in all dwellings that failed under the repair criterion of the Decent Homes Standard was £21.2 million, an average cost of £4,500 per dwelling.</li> </ul>	Condition Survey
<b>Housing Conditions (Social sector)</b>	
<ul style="list-style-type: none"> <li>• ALL RP stock in Hartlepool meets the Decent Homes Standard and 96% of stock meets the Decent Homes Plus Standard</li> </ul>	2011-2015 Hartlepool Housing Strategy
<b>Energy Efficiency</b>	
<ul style="list-style-type: none"> <li>• In 2009 there were estimated to be 6,900 (21.2%) dwellings which contain households in fuel poverty within Hartlepool.</li> <li>• The survey indicates that the highest rate of fuel poverty was found in the Central sub-area at 25.8% followed by the South sub-area at 19.1%.</li> <li>• The average energy efficiency level in Hartlepool, using the Government's Standard Assessment Procedure, was 51 (on a scale of 1 to 100). This was slightly above the all England average of 49 from the English House Condition Survey 2006.</li> </ul>	2009 Private Sector House Condition Survey
<ul style="list-style-type: none"> <li>• In 2014 there were estimated to be 11.8% of households in Hartlepool in fuel poverty compared to 10% of all households nationally</li> </ul>	Tees Valley Combined Authority

Key Facts				Source
Vacancy Rates				
<ul style="list-style-type: none"> <li>Within Hartlepool the percentage of empty properties in the private sector exceed the national average. In 2014 the total vacancy rate was 4.6% which compared with 2.7% across England. Of these 1.8% were long-term vacant.</li> </ul>				Hartlepool Strategic Housing Market Assessment 2015
	2015/16	2016/17	2017/18	HBC Council Tax data
Number of properties empty for more than 6 months	1075	1184	1060	
Dwelling stock and occupancy by sub-area				
Sub-area	Total Dwellings	Total Households	Total Vacant	%vacant
Burn Valley	4107	3789	318	7.7
De Bruce	3524	3446	78	2.2
Fens and Rossmere	3985	3895	90	2.3
Foggy Furze	3766	3605	161	4.3
Hart	3616	3536	80	2.2
Headland and Harbour	3966	3731	235	5.9
Jesmond	3917	3737	180	4.6
Manor House	4613	4484	129	2.8
Rural West	2976	2894	82	2.8
Seaton	3723	3617	106	2.8
Victoria	4406	3897	509	11.6
<b>Total</b>	<b>42599</b>	<b>40631</b>	<b>1968</b>	<b>4.6</b>
				Hartlepool Strategic Housing Market Assessment 2015

## 28. THE RENTED SECTOR

- 28.1 The private rented sector (PRS) accounts for almost 15% of housing stock in Hartlepool and has an important role to play in the housing market. Nationally the private rented sector is at its highest levels since the 1960s yet almost a quarter of the sector does not meet the decent homes standard, tenants can be vulnerable and unaware of their rights. The sector provides homes for a variety of people at different stages in their lives, including would-be first time buyers who cannot afford to take the first step onto the property ladder, people who enjoy the flexibility of short tenancies and those who the Council has helped into the sector to prevent them from becoming homeless. Developing products and services that will respond to those households is integral to the town centre regeneration and underpins our wider regeneration activity.
- 28.2 The PRS presents a number of challenges which include housing quality, housing management and the insecure nature of tenancies in the sector.



- 28.3 The long term aspiration is one of a town with a variety of accommodation which is balanced to ensure communities can have a greater choice in where they live. The aim is further to reduce associated costs for the Council due to rehousing from poorly managed and maintained PRS properties and the costs involved in dealing with litter and anti-social behaviour.
- 28.4 Through the Strategy the aim is to continue to develop a healthy PRS with improvements in property conditions and management standards supported through services delivered by the Council's Housing Advice Team and Housing Standards Team. Housing Advice deliver Selective Licensing which aims to improve the management standards and improve the quality of privately rented accommodation within a designated area. The service also manages the Good Tenant Scheme, a referencing service for tenants which has the express aim of reducing anti-social behaviour in the PRS.
- 28.5 In addition, the Council operates a Social Lettings Agency (SLA) which provides similar services to a commercial letting and managing agent. It works closely with the landlord and tenant to help establish and sustain tenancies. The SLA aims to provide good quality and affordable housing management services and access to a range of in-house skills and expertise. As a managing agent the Council insists on good housing standards, reasonable rent levels and effective tenancy agreements. Target tenants include those facing homelessness, those unable to afford homeownership and who find it hard to secure a tenancy in the existing rented sector.
- 28.6 The responsibility for maintaining private property rests with the home owner. However the Council recognises that intervention and assistance is necessary where areas are in decline, owners are in financial hardship or landlords refuse to undertake essential repairs or improvements. The Council will take appropriate action where it finds landlords failing in their responsibilities.
- 28.7 The Council will also work closely with landlords and agents to ensure any additional support services are provided when required. The Council actively participates in an annual Tees Valley Landlord Forum which is an essential point of contact between the Council, landlords and agents and is used as a conduit to share information and best practice.
- 28.8 The impact of Government changes to the welfare system the introduction of Universal Credit on people's ability to afford a home in the rented sector will continue to present challenges. It is important that the Council works with partners to minimise the impact of these reductions in peoples income, particularly if this means people are at risk of being made homeless and unable to afford to maintain their home.
- 28.9 Low demand in poorer areas is fuelling decline and increasingly these properties, where rental values are lower, are being occupied by vulnerable households with limited choices or by transient residents with chaotic lifestyles. As a result these communities are often hotspots for anti-social behaviour and experience high tenancy turnover and empty properties. Through this Strategy we will work in partnership to support intervention and explore regeneration initiatives. It is also becoming increasingly common for landlords and managing agents to reserve their better stock for working households.



- 28.10 Hartlepool's Community Safety Team has organised a number of Days of Action since its launch in February 2018. Days of Action are special, one off multi-agency events which target problems in a hotspot location with focused community engagement, and environmental, preventative and enforcement activity. Days of Action areas are identified by the Team using community intelligence, complaints, and crime and anti-social behaviour statistics.
- 28.11 The wider definition of a licensed House in Multiple Occupation (HMO) from 1<sup>st</sup> October 2018 will result in closer regulation of this part of the sector.
- 28.12 The strategy aims to bring together the package of tools available to the Council and its partners to improve the overall private sector housing offer through a balance between landlord engagement and partnership working and targeted enforcement action.
- 28.13 The social rented sector (SRS) accounts for 23.5% of housing stock in Hartlepool. RPs have a key role in providing affordable housing and assisting the Council in its wider housing objectives such as regeneration and the provision of new affordable homes. However, there is a stigma attached to social housing and a recent study, Rethinking Social Housing, found that people prefer to bring up their families in the private rented sector.



- 28.14 The physical condition of social stock is good and the majority meets the decent homes standard. Through this Strategy all RPs operating in Hartlepool will be encouraged to continue to offer well managed and good quality housing. Thirteen Group remains the biggest social landlord in Hartlepool and during 2018/19 has begun work to install new kitchens at more than 100 properties in the Headland area. In addition nearly 300 homes will be receiving a new boiler, 200 will have new ventilation systems and 40 properties will receive replacement windows. In Owton Manor flats will receive new double glazing along with insulation and brickwork improvement to aid energy efficiency and the appearance of the homes.
- 28.15 Low demand continues to be an issue for certain properties in some areas of the town due to the ongoing impacts of welfare reform. The Council will continue to work with partners to make best use of existing homes, increase demand and identify opportunities to increase the provision of suitable housing to meet needs.

- 28.16 The Council will monitor and respond carefully to ensure that the needs of local people are not adversely impacted by the measures already implemented and any future government policy.
- 28.17 Since April 2015 the Council has increased its own directly managed housing stock from 182 properties to 270. We will continue to increase the availability of social housing under Council ownership and bring empty properties back into use through the delivery of the Housing Investment Strategy.

## **29. HOUSING CONDITIONS AND SAFETY**

- 29.1 The Strategy acknowledges the essential role that good quality housing plays in promoting health, well-being, educational attainment and independence for residents, maintaining quality of life and vibrant local communities.
- 29.2 As evidenced earlier, the private sector in Hartlepool accounts for a large proportion of residential accommodation. A Private Sector Stock Condition Survey was undertaken in Hartlepool in 2009 which identified that 34.8% of stock did not meet the Government's Decent Homes Standard. It also found that the poorest housing conditions are concentrated in the oldest housing stock. The challenge for the Strategy is to work to improve conditions within the owner-occupied and private rented sectors, targeting the most vulnerable residents including encouraging reporting of poor property conditions.
- 29.3 Where substantial work is required to remedy Category 1 hazards (HHSRS), all available options will be fully considered including assistance, housing options advice or enforcement action, as appropriate.
- 29.4 There is lack of available funding for grants and loans so it is important that the Council's services and available funding are targeted towards making the biggest impact for those households in the greatest need.

## **30. ENERGY EFFICIENCY AND FUEL POVERTY**

- 30.1 Fuel poverty refers to a household that cannot afford to heat its home to an adequate standard of warmth and meet its other energy needs, in order to maintain health and wellbeing.<sup>7</sup>
- 30.2 The official definition of fuel poverty is the Low Income High Cost (LIHC) Indicator which classes a household as being in fuel poverty if its energy costs are above the average (median) for its household type and this expenditure pushes it below the poverty line. In 2014, this meant that 11.8% of households in Hartlepool were in fuel poverty compared to 10% of all households nationally.<sup>8</sup>
- 30.3 Fuel poverty is determined by the interaction between three factors:
- The energy efficiency of the home
  - Energy costs
  - Household income

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<sup>7</sup> An introduction to fuel poverty, UK Health Forum 2014

<sup>8</sup> Tees Valley Combined Authority statistics

- 30.4 Work has been ongoing to influence the impact of fuel poverty of Hartlepool residents and energy efficiency of homes. These have included:
- One-off health funding
  - Home Plus Grants and Regional Loans
  - Warm up North
  - Collective Energy Switching
- 30.5 A key challenge is to continue to tackle energy efficiency of homes to help reduce fuel poverty and a priority for the strategy will be to identify new sources of funding to continue to provide financial assistance to those in need.
- 30.6 We will continue to work with energy providers, partner organisations and the Energy Company Obligation scheme to target residents who are in or at risk of fuel poverty.
- 30.7 We have entered into a partnership with 6 other North East local authorities to deliver a £1.2m programme of first time gas connections and central heating systems under the new Warm Homes Fund launched in July 2018. Installations will be delivered to properties with the lowest energy efficiency levels and lowest incomes.
- 30.8 The benefits of improving the energy efficiency of existing homes includes reduced energy bills, reduced fuel poverty, warmer homes, health improvements and reduced carbon emissions.

## **31. EMPTY HOMES IN THE PRIVATE SECTOR**

- 31.1 In order to make the best use of existing housing efforts are focussed on bringing long-term empty properties back into use. The effects on communities of empty properties can be negative and wide ranging and can be characteristic of housing decline. Bringing empty homes back into use can be an effective method for increasing housing supply, whilst helping to reduce the need to build new homes.
- 31.2 Through the Housing Strategy it is important that there is a focus on linking housing need and demand strategically to existing homes and innovative solutions developed to bring these issues together.
- 31.3 The Council will continue to help owners who want to bring empty properties back into use and it will utilise a wide range of enforcement powers where needed.
- 31.4 Tackling empty properties and the use of enforcement powers is a key challenge for the Council which will need to be sufficiently resourced during the lifetime of this Strategy if it is to make a significant impact and a real difference is to be made in local neighbourhoods. Targeted action against problematic empty properties will be a focus for this strategy.
- 31.5 Whilst tackling empty properties across all sectors is important, the biggest challenge for the Council is to concentrate its resources towards the private

sector. Responding to empty properties in the social sector will be carried out in partnership with RPs.

- 31.6 The associated issues of the oversupply of pre-1919 terraced properties and specific areas with high levels of empty properties will continue to be tackled through housing regeneration initiatives.
- 31.7 The Council will continue its Empty Property Purchase Scheme (EPPS) which has been successful in acquiring and refurbishing 149 long-term empty properties to date. These properties are owned and directly managed by the Council. The EPPS phase 3 programme is being developed to balance the Council's portfolio and will concentrate on estate type, former right to buy and acquiring new build properties.

**THEME 3: SUPPORT:  
SUPPORTING VULNERABLE PEOPLE WITH  
SPECIFIC HOUSING NEEDS TO ACCESS AND MAINTAIN  
APPROPRIATE HOUSING**

- 32.** The Council will work with partners to assist vulnerable people and people with specific housing need to access appropriate housing to enable independent living with the relevant support that they require. The challenges faced in achieving this priority include ensuring that there is a variety of housing options to meet the different needs of older people, young people, disabled people and homeless people. There are also challenges in addressing the wider areas of health, employment and developing skill capacity for people to be independent.

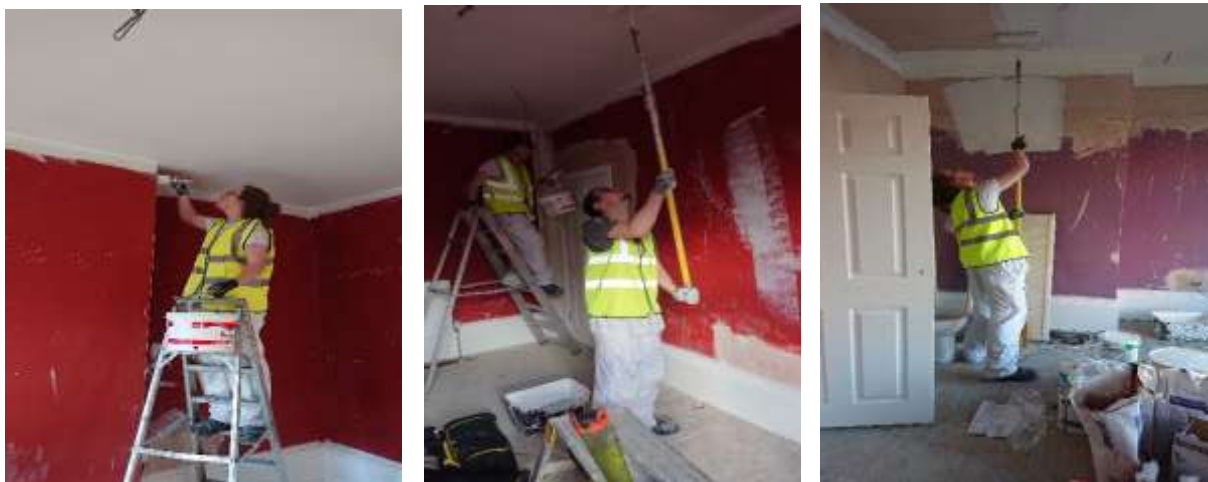
**33. PRIORITIES:**

- Target those most vulnerable to homelessness and provide early intervention where possible;
- Support residents who continue to be affected by welfare reform;
- Improve access to appropriate accommodation for vulnerable residents;
- Improve housing options for people with specific housing needs;
- Enable independent living.

**34. ACHIEVEMENTS DURING THE HOUSING STRATEGY 2015-2020**

- Successful Tees Valley bid for Department for Communities and Local Government Trailblazer funding which established the Key Step programme in partnership with Thirteen Group.
- Introduction of Thirteen Group's Support to Stay project.
- Joseph Rowntree Foundation Action Lab – Housing Heroes project launched in 2016.
- Choice Based Lettings flexible lettings cycles introduced.
- £4m Centre for Independent Living opened in May 2017.
- Tees Valley Autism Strategy developed.
- Increased take up of assistive technology by approximately 400 people year on year.
- Elan care scheme opened in Seaton Carew with 28 units of independent living for people with disabilities.
- Reduction in the waiting list for a Disabled Facilities Grant (DFG) from 115 in October 2015 to 56 in April 2018.

- More extensions completed via DFG for people with disabilities to enable them to stay in their own home.



### **CASE STUDY – HOUSING HEROES**

The Housing Heroes project was born out of the Hartlepool Action Lab, a community-led collaboration, supported by the Joseph Rowntree Foundation, aimed at developing solutions to alleviate poverty in Hartlepool. Community research revealed a real issue with young people leaving the care system being able to find good quality accommodation and having the skills to live independently.

The Housing Heroes steering group was formed in 2016 and included:-

The Hartlepool New Deal for Communities Trust – a local charity that provides construction training and owns a small number of residential properties.

The Joseph Rowntree Housing Trust – a national charity with an expertise in housing.

Hartlepool Borough Council – particularly represented by officers from Children's services and Housing.

A small number of local volunteers

The aim of the project is to provide the opportunity to every young person leaving care in Hartlepool to create, through the refurbishment of empty properties, their own sustainable home

#### **Progress to Date**

The project got off to a positive start with around 30 young people attending two workshops aimed at explaining the project and getting them to start thinking about becoming involved and what that would entail. The idea being that a

derelict house would be acquired and the young people would refurbish it, with support, and some of them live there. Support would then be provided around the tenancy as the young people move into living independently.

A business plan was devised and costed with the aim of taking it to funders in order to get enough to purchase and renovate the first property. Acquiring capital funding for the first purchase proved to be challenging and set the project back a number of months.

During that time, some of the young people did some work around finding suitable properties, house viewings etc. Once funding was in place, the young people decided on purchasing a property in Thornton Street. A local architect then did some work with the young people on the design of the property and they decided on converting the four-bedroom house to four individual housing units with a shared kitchen and dining area

Funding was also found for the renovation costs and, over the last nine months, around a dozen young people have been working on the property at different stages. They have all gained practical experience in all aspects of construction, health and safety and project management and well as some valuable life skills such as team working, following instructions, time management, working to deadlines, problem solving and much more. Some have even gained some qualifications in construction

### **What Next?**

The property is nearing completion and the process of identifying the first four tenants has been started. Some funding to employ an engagement worker to support the young people in their new tenancy and prepare them for independent living has been awarded.

A second property has been acquired so the engagement worker will be bringing together the next group of young people to get involved in Housing Heroes



### CASE STUDY – CENTRE FOR INDEPENDENT LIVING

The new £4million Centre which aims to improve the lives of disabled people in Hartlepool was officially opened in May 2017.

The three-floor building, based on the site of the Havelock Centre, in the Burbank area of town, has brought together a host of services. Council services were transferred from the Havelock Centre and the Warren Road facility at Oakesway, in a bid to improve the life chances of disabled people.

Key services are delivered from the building with partners including Tees Esk and Wear Valley NHS Foundation Trust, Thirteen Group, Incontrol-able (a community interest company) which provides support to disabled people and the In Good Hands Project, which supports those with sight and hearing difficulties.

Many of the facilities are available for public hire, with an events hall, training and meeting rooms, an ICT suite, and cafe and spa pool. The new building provides the very best services for people in our Hartlepool with disabilities along with vital other facilities for the local community.

## 35. THE EVIDENCE AND CHALLENGES FOR THE HOUSING STRATEGY

Table 7 details the specific challenges associated with delivering this priority

Table 7 – Theme 3: Key Facts

Key Facts	Source
<b>Population Changes</b>	
<ul style="list-style-type: none"> <li>Over the next few decades there is expected to be an increase in the number and proportion of residents aged 65 and over which will increase by 50.6%, from 17,000 in 2014 to 25,600 in 2037;</li> <li>In the same time period the proportion of residents aged under 65 is expected to fall 5% from 75,600 in 2014 to 71,800 in 2037.</li> </ul>	Hartlepool Strategic Housing Market Assessment 2015



Appendix

Key Facts	Source														
<b>Dementia Rates</b>															
The numbers of people in Hartlepool who will have dementia is projected to increase considerably: <table><tr><td></td><td><b>2014</b></td><td><b>2020</b></td><td><b>2030</b></td></tr><tr><td>aged 65+</td><td>1,171</td><td>1,358</td><td>1,811</td></tr><tr><td>aged 85+</td><td>492</td><td>629</td><td>894</td></tr></table>		<b>2014</b>	<b>2020</b>	<b>2030</b>	aged 65+	1,171	1,358	1,811	aged 85+	492	629	894	HBC, 2015		
	<b>2014</b>	<b>2020</b>	<b>2030</b>												
aged 65+	1,171	1,358	1,811												
aged 85+	492	629	894												
<b>Waiting List</b>															
As at January 2019 there were 15,949 active applicants on the Tees Valley housing register, of which 2,900 were registered in Hartlepool. 715 were banded in Priority Bands 1-3.  The age profile of active applicants in Hartlepool is: <table><tr><td>Under 25</td><td>17%</td></tr><tr><td>25 – 59</td><td>58%</td></tr><tr><td>60+</td><td>25%</td></tr></table> 87% of current applicants in Hartlepool are registered as White British.	Under 25	17%	25 – 59	58%	60+	25%	Compass Housing Register								
Under 25	17%														
25 – 59	58%														
60+	25%														
<b>Disabled Facilities Grant (DFG)</b>															
<ul style="list-style-type: none"><li>Funding since 2015/16 has increased for DFGs with an increased budget allocation as part of the Better Care Fund</li><li>During 2017/18 175 DFGs were completed and the average waiting time for referral from Occupational Therapy to a DFG completion was 129 days.</li><li>RPs continued to fund adaptations for tenants in their own stock. Since the last Strategy was written the percentage of the DFG budget spent in RP properties has increased from 24% in 2012/13 to 32% in 2017/18 (including HBC properties).</li></ul>	HBC														
<b>Telecare</b>															
Since 2015 there has been an increased take up of assistive technology with over 2,200 people with telecare installations in their own home.	HBC Market Position Statement 2016														
<b>Ethnicity</b>															
<table><tr><td>White British</td><td>97.6</td></tr><tr><td>Other Ethnicity</td><td>2.4</td></tr><tr><td></td><td></td></tr><tr><td>Mixed</td><td>0.8</td></tr><tr><td>Black</td><td>0.1</td></tr><tr><td>Asian</td><td>1.1</td></tr><tr><td>Other Ethnic Group</td><td>0.4</td></tr></table>	White British	97.6	Other Ethnicity	2.4			Mixed	0.8	Black	0.1	Asian	1.1	Other Ethnic Group	0.4	Census 2011
White British	97.6														
Other Ethnicity	2.4														
Mixed	0.8														
Black	0.1														
Asian	1.1														
Other Ethnic Group	0.4														

Appendix

Key Facts				Source
BME Households				
<ul style="list-style-type: none"><li>The two most ethnically diverse wards are Victoria (5.6% of heads of household have an ethnicity other than White British) and Burn Valley (3%).</li><li>35.5% are owner-occupiers, 29.4% rent privately and 35.1% live in affordable housing (social rented or intermediate tenures).</li><li>40.8% have a gross income of less than £200 each week.</li><li>17.5% are in some form of housing need (mobility impairments, other special needs, sharing facilities).</li><li>40 people with Gypsy and Traveller ethnicity living in 12 households.</li></ul>				Hartlepool Strategic Housing Market Assessment 2015
Homelessness decisions and acceptances				
	2015/16	2016/17	2017/18	CLG P1E Returns
Homelessness Applications (Total)	134	115	202	
Homelessness Applications (Accepted)	49	50	41	
Homelessness prevented and housing advice				
	2015/16	2016/17	2017/18	CLG P1E Returns
Homelessness Prevented	147	252	232	
Homelessness Relieved	1	7	25	
Housing Advice given	912	947	780	
These figures relate to active casework where intervention is required.				
Care Leavers				
At November 2018 the number of care leavers in Hartlepool:				Corporate Parent ETE Report January 2019
Age	Nov 2018			
16	14			
17	14			
18	33			
19	26			
20	21			
21	8			
22	0			
23	0			
TOTAL	116			

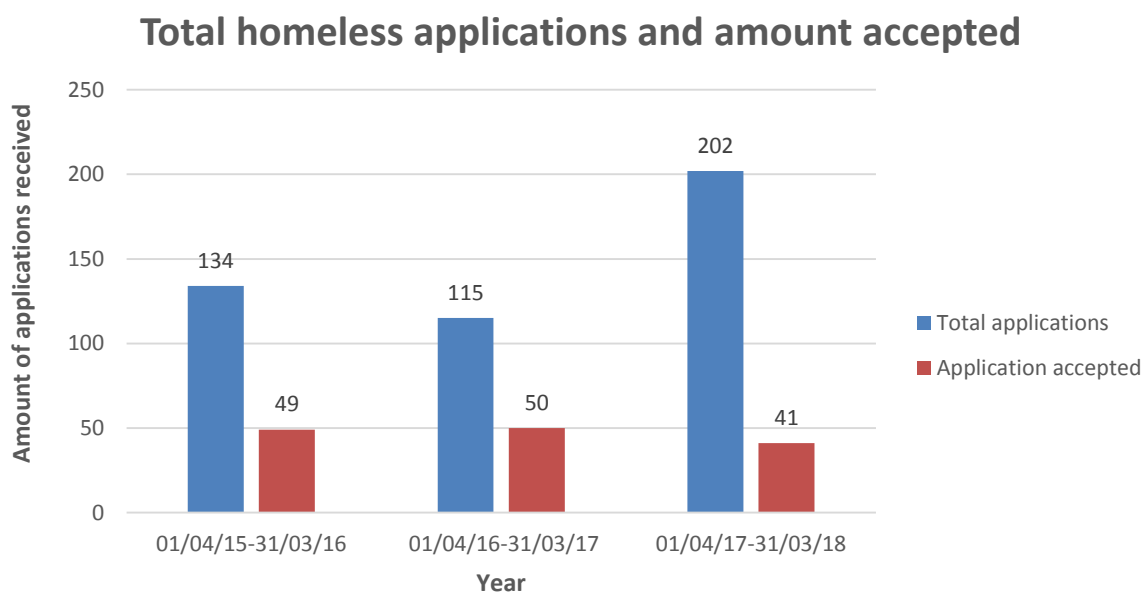
## 36. HOMELESSNESS STRATEGY REVIEW

36.1 A review of homelessness in Hartlepool was undertaken to inform this priority of the Housing Strategy. This review identified that:

- Homelessness is prevented for approximately 210 households each year which is a decrease from 300 from the previous review in 2015. However people are increasingly presenting with complex needs;
- Resources have continued to reduce since 2010 with cuts in Housing Related Support, schemes decommissioned and a reduction in staff;
- Demand for family sized accommodation in some areas of the town continues to be low and bidding activity on Compass continues to be reduced with certain properties being advertised on multiple bidding cycles;
- There has been an increase since the previous review in the number of under 25's and 25-44 year olds approaching the Housing Advice Team for assistance. These are single people who continue to be affected by the under occupancy charge and the lack of affordable single person accommodation;
- Clients with chaotic lifestyles, substance misuse and mental health problems continue to have limited housing options;
- Hartlepool has the highest level of adult re-offenders across England;
- Rough sleeping has increased to 3 in the borough from zero during the last Strategy.

36.2 Levels of homelessness continue to be low in Hartlepool, however since the Welfare Reform Act 2012 homeless acceptances have continued to increase with a peak during 2016/17.

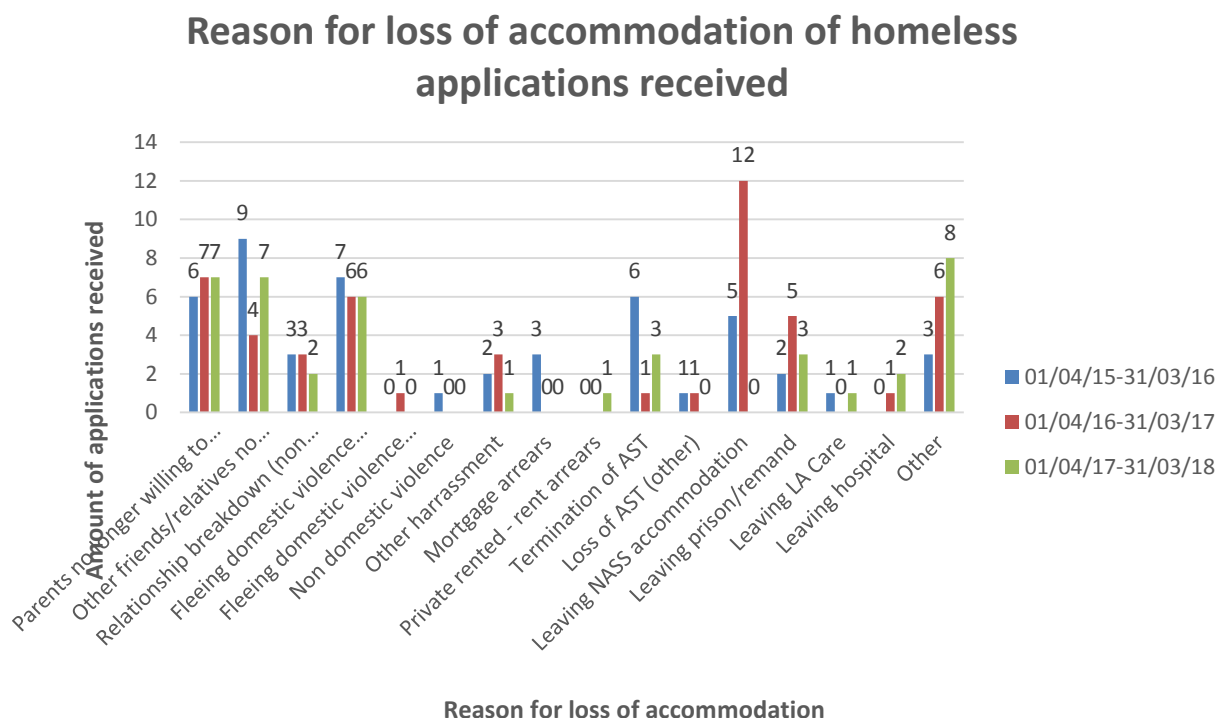
**Figure 2 - Homelessness Acceptances**



36.3 Traditionally the main cause of homelessness in Hartlepool is and continues to be 'asked to leave by family and friends'. Since the introduction of Welfare Reform there has been an increase in 'domestic violence' and 'other' as a reason for

homelessness. 'Other' includes issues such as substance misuse and mental health which is a change to the previous Housing Strategy where 'other' referred to asylum seekers and people seeking assistance specifically as a result of Welfare Reform.

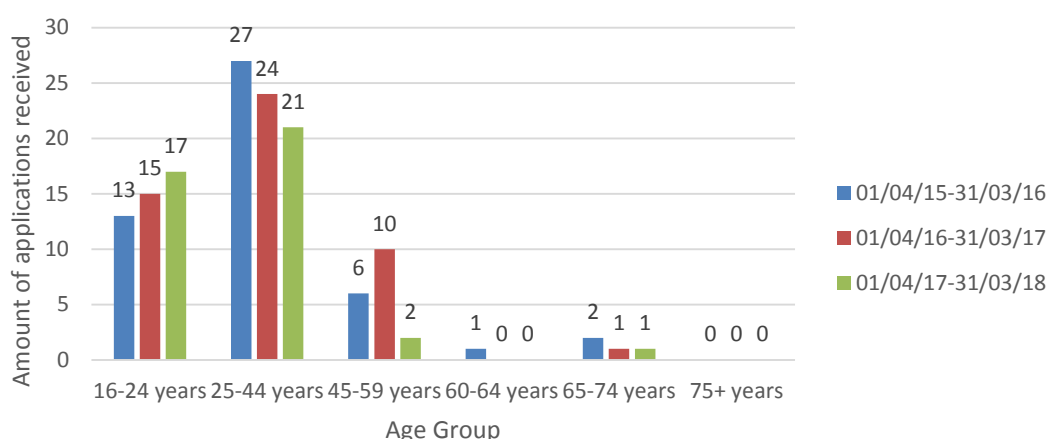
**Figure 3 - Reasons for Homelessness**



- 36.4 Since 2010 homeless acceptances (statutory homeless households) have mainly come from applicants in the 25-44 age category rather than from the under 25 age groups as was the trend previously. The impact of welfare reform on working age people unable to afford their homes is reflected in the older client group. The service is also witnessing an increase in people in their forties who have suffered from years of substance misuse falling into ill health and presenting with physical disabilities largely as a result of addiction issues as well as transient lifestyles e.g. sofa surfing.

**Figure 4 - Age Range of Homeless Applications**

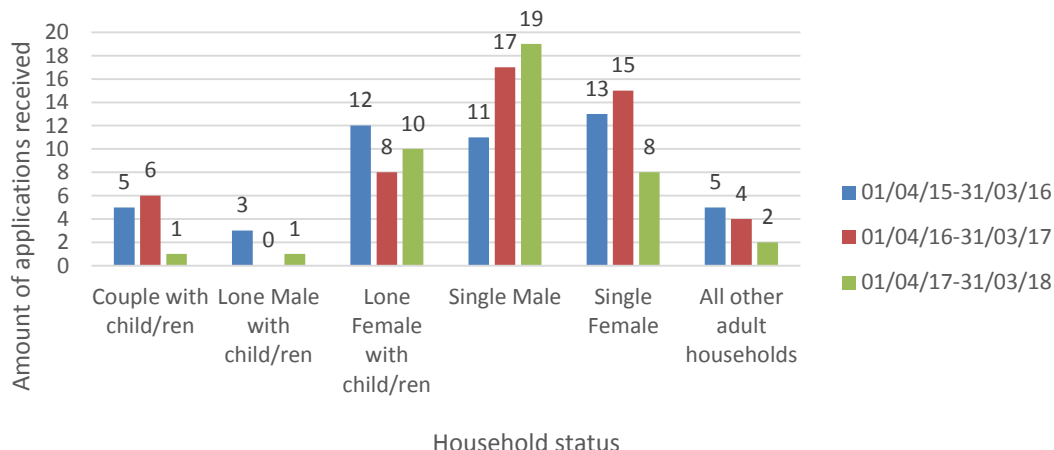
### Age groups of homeless applications received



- 36.5 It can be seen from the graph below that single males, closely followed by single females, is the biggest category of households making a homeless application due in part to the effects of the under occupancy charge and the lack of affordable single person accommodation.

**Figure 5 - Household Status of Homeless Applications**

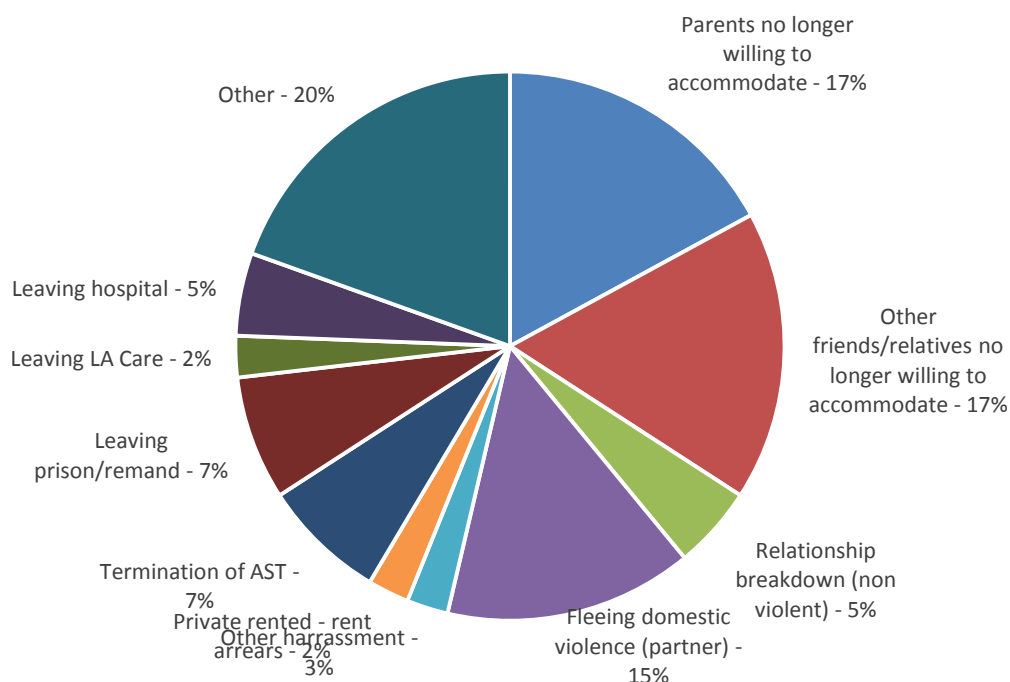
### Household status of homeless applications received



- 36.6 During 2017-18 the main presenting issues dealt with by the Housing Advice Team are illustrated below.

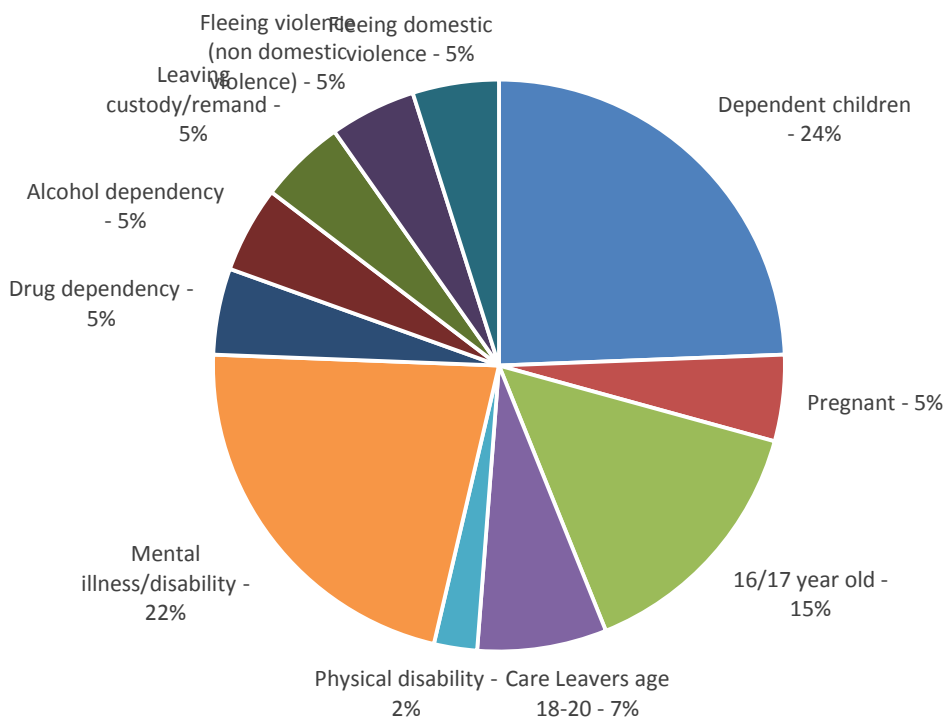
**Figure 6 – Reason for loss of accommodation**

### Reason for loss of accommodation 2017/18



**Figure 7 - Priority Need**

### Priority need of applicants 2017/18



### Provision of Supported Accommodation

**Home Group** provides

10 units of self-contained supported housing accommodation for people with diagnosed learning difficulties at **Gainford House**. This has 24 hour staff support including staff sleepover waking night concierge. This service will be operational from March 2019.

11 units of accommodation for ex-offenders and 8 units of floating support at **Scott Grange**.

**Thirteen Care and Support** provides:

7 units of supported housing accommodation, one emergency 'crash pad' facility for 16 to 24 year olds and one unit for a looked after child who has gone to university returning to Hartlepool during the break at **Rose House**.

6 units of supported housing accommodation for young parents aged 16 to 24 years old and 20 units of floating support at **Anna Court**.

**Sanctuary Supported Living** provides:

10 units of supported housing accommodation and two emergency crash pads for single homeless people aged 16-24 at **Victoria Road**.

**Creative Support** provides:

8 units of supported housing accommodation for people with mental health needs at **Eamont Terrace**.

**Accent** in partnership with **Cornerstone** provides:

6 units of supported housing accommodation and 2 'crash pad' facilities for 18 to 35 year olds with low support needs.

The **Supported Housing Panel**, a multi-agency partnership, continues to assist people with appropriate and timely 'move on' when people are ready to sustain an independent tenancy. The panel has been developed into two separate panels, one for young people aged 16-24 and an adult panel for 25 years and over.

## 37 PREVENTING AND TACKLING HOMELESSNESS

- 37.1 The Homelessness Reduction Act 2017 came into effect in April 2018 and places new legal duties on the Council requiring that everyone who is homeless or at risk of homelessness has access to meaningful help in preventing or relieving their homelessness, irrespective of their priority need status, as long as they are eligible for assistance. The Council will work with partners to ensure the successful implementation of this new duty which gives more emphasis on early intervention and homelessness prevention. New ways of working will be explored where this is appropriate in order to deliver suitable services to the people who need them.

- 37.2 The Council is working towards its long term vision to end homelessness within Hartlepool and to ensure all residents have access to a safe, secure and suitable home.
- 37.3 The Council prevents homelessness by providing advice and help to people when they are at risk of becoming homeless, including referral to specialist agencies which may enable them to stay where they are living, and debt advice to avoid eviction through arrears.
- 37.4 The Council has a strong record in tackling and preventing homelessness in Hartlepool. Homelessness prevention depends on good partnership working, and on organisations sharing information. Severe budget pressures and cuts to Housing Related Support will continue to impact on homelessness in Hartlepool.
- 37.5 Young people continue to be represented amongst those presenting as homeless and often have complex needs that require additional and on-going support. Young people leaving care and those aged 16 or 17 are assisted by joint working within the Council to ensure opportunities are available to support their education, training and employment. A new role has been created with funding from Children's Services for a Senior Housing Advice Officer leading on Care Leavers. This post provides direct support to care leavers and their social workers as well as developing housing and homelessness prevention services and protocols.
- 37.6 The Council's Housing Advice Service has been challenged by the economic recession and by welfare reform measures. This has had repercussions for people dealing with personal debt and in affordability for housing costs. In extreme cases this has led to people facing homelessness when they have no longer been able to keep up rent or mortgage payments.
- 37.7 Further challenges for the Council include improving access to housing and services for people with offending or substance misuse issues and addressing the complex issues of socially excluded adults. Since the last Housing Strategy was published a number of schemes have been decommissioned such as the single homeless person's accommodation at Avondene, supported housing accommodation for people with alcohol dependency issues at Richard House and supported housing accommodation for 16 to 25 year olds at Gainford House.

## **38. WELFARE REFORM AND DIGITAL INCLUSION**

- 38.1 The Welfare Reform Act 2012 brought about the biggest overhaul of the benefits system since the 1940s and continues to impact upon people on low incomes as well as housing providers. Around 70% of social housing tenants rely on some form of welfare benefit and social housing providers have felt the impact, as rising rent arrears result in reduced income streams. Universal Credit was introduced in Hartlepool in December 2016 and has had a significant impact on households on low incomes, including those at risk of homelessness. Since its introduction there has been an increase in the prevalence of food poverty with food banks and free food kitchens now operating across the borough. The Trussell Trust Foodbank is open twice a week and Hartlepool Borough Council is the single biggest referrer to the foodbank. In 2017/18 HBC referred 1,694 people to the foodbank helping 2,796 adults and children.



- 38.2 The housing sector has seen an increase in rent arrears as household incomes have reduced and their outgoings have increased. Housing providers and other partners are working closely together to monitor the impact of Welfare Reform and ensure that people are being supported to cope with the effects.
- 38.3 Implications which we will continue to take into account when planning services include:
- Decreasing demand for family size accommodation in certain areas;
  - Increased demand for one and two bedroom properties;
  - Need for budgeting, computer skills and internet access for all households;
  - Need to safeguard advice and support services in the face of funding pressures in the public and voluntary sectors;
  - Need to understand and remove barriers to downsizing, whether through help to find a suitable property, practical help to move, or support with the cost of moving;
  - Reduction in the funds available for Discretionary Housing Payments.
- 38.4 The requirement for individuals to apply online for Universal Credit has necessitated the need for access to appropriate IT equipment and the skills needed to use them. Through the lifetime of this Housing Strategy we will need to monitor any adverse impacts from the move towards digital services. Providers across Hartlepool are increasingly making public access points available for people to make on-line applications for housing and benefits. However, this is not generally accompanied with support for people who may have difficulty and are not computer literate.

## **39. HOUSING RELATED SUPPORT**

- 39.1 Housing related support and services provided by RPs can have a significant impact on the physical health and mental well-being of their tenants. The homes and services they provide can help to tackle health inequalities, work to prevent re-admissions to hospital and speed up hospital discharge. The Council has responsibility for contracting with providers and monitoring performance through individual outcomes monitoring.
- 39.2 Supported housing providers in Hartlepool provide support to older people with support needs, offenders, people with learning disabilities, people with mental health problems, people with alcohol problems, single homeless people, teenage parents, women at risk of domestic violence and young people at risk.
- 39.3 Since the last Housing Strategy, the Council has re-commissioned the following:
- supported housing for people with mental health conditions;
  - supported housing for offenders;
  - floating support service for people who are homeless or at risk of being homeless.

- 39.4 The Council has a structured process for commissioning supported housing services going forward. The Council will continue to work with supported housing providers to assist the most vulnerable in communities to access the correct services and to ensure that such services are able to react to change.

#### **40. REDUCING RE-OFFENDING**

- 40.1 Homelessness and the lack of suitable accommodation can be a significant factor leading to reoffending. The underlying causes of low-level offending behaviour, like shoplifting or criminal damage, could have a range of underlying causes such as substance misuse, mental health, education and housing needs. Access to housing and support for offenders and ex-offenders to maintain a tenancy can help to prevent re-offending.
- 40.2 The latest figures for adult proven re-offending rates, published by the Ministry of Justice in April 2018, show that Hartlepool has highest rate of re-offending nationally with 41.4% of adult offenders re-offending within 12 months.
- 40.3 In January 2017, the Cleveland wide Reducing Re-Offending Group was established, made up of criminal justice agencies and partners. The purpose of the group is to identify opportunities across the Criminal Justice System to reduce intergenerational and repeat re-offending, in order to improve life chances and keep communities safe. Through effective partnership working, the group aims to ensure consistent and joined-up services throughout the region and to share best practice in how to turn people away from crime.
- 40.4 Cleveland Police have implemented a scheme, Cleveland Divert, where low level offenders are offered an intervention and are expected to engage in support to help address the issues in their lives that led to criminal behaviour as an alternative to prosecution.
- 40.5 Through this Strategy work will continue with the Safer Hartlepool Partnership and Probation to identify appropriate support, accommodation and resources for specialist services and provide local solutions to re-offending.
- 40.6 The Council will also continue to be involved in the Multi Agency Public Protection Arrangements to help offenders resettlement and reduce the risk of re-offending with targeted solutions to ensure there are accommodation options available for these client groups.

#### **41. PEOPLE WITH COMPLEX AND MULTIPLE NEEDS**

- 41.1 There are increasing numbers of vulnerable households, particularly single people with mental health issues, who are becoming homeless as a result of their inability to maintain their home.
- 41.2 People with substance misuse problems often have housing problems and can find it difficult to access and maintain suitable accommodation, additionally poor housing and homelessness can have a major impact on a person's ability to address their substance misuse problems.

- 41.3 Currently 24 clients in the Substance Misuse Service presented to treatment as no fixed abode (NFA), and a further 24 have a housing problem including short term B&B and sofa surfing. This equates to 9% of those currently in service having a housing problem or are NFA, the largest age group is for those aged 35-44 years. It is also predominantly males who are presenting with housing problems although this may be due to the fact that the ratio of male to female in service is twice as large. The housing information is collected at entry and exit of service and does not include any housing issues that may arise during the recovery journey. The Council will work in partnership with local agencies and housing providers to ensure advice and support is available for people with substance misuse problems to enable them to access and sustain suitable accommodation.
- 41.4 In addition, where appropriate, there is partnership working with the Team around the Individual programme to support people in complex situations who are on the programme and have identified housing needs. This is a multi-agency group which intervenes and co-ordinates resources around the most problematic individuals.
- 41.5 Street homelessness is not an issue in Hartlepool. However, in October 2018 the annual rough sleeper count estimated that there were 2 rough sleepers in the borough. Street begging has also increased since the last Strategy due to the introduction of welfare reform and Universal Credit where individuals are either unable or unwilling to navigate around the system.
- 41.6 Sofa surfing continues to be an issue rather than street homelessness. This insecure accommodation puts tenancies at risk due to offending and anti-social behaviour.

## **42. SUPPORTING PEOPLE TO LIVE INDEPENDENTLY**

- 42.1 In 2013, the Council reviewed the way housing adaptations, Disabled Facilities Grants (DFGs) and rehousing options are utilised to enable people to live independently in their current or future homes. This Housing Strategy reinforces the key principles of improving services for people with disabilities and improving the standard of living, health and well-being of communities.
- 42.2 Since 2014 the DFG budget has been included in the Better Care Fund. Local plans have been developed to join up health and care services so that people can stay at home.
- 42.3 The government commissioned an independent review of the DFG in February 2018 which looked at how the DFG currently operates and makes evidenced based and practical recommendations for how it should change in the future. In December 2018 the review made 45 recommendations and government is carefully considering the findings.
- 42.4 The Council recognises that health, housing, social care and support are inextricably linked. Appropriate support and care services can help people to remain independent and enjoy living in their homes for as long as possible. Well

maintained, warm, secure and suitable housing can help prevent unnecessary admissions to hospital or institutional care.

- 42.5 It is recognised that through the provision of new housing appropriate to the needs of vulnerable people, an effective advice service and housing related support, that the Council assist people to maintain their current home or make it more suitable for their needs.
- 42.6 Housing related support offers vulnerable people the opportunity to improve their quality of life by giving them access to the support they need to live more independent lives. Housing related support is delivered in extra care schemes, sheltered schemes and supported living schemes to enable people to remain independent in their own homes. The ongoing delivery of these services is therefore vital to the strategy's aim of improving housing options and enabling independent living.
- 42.7 The housing needs of vulnerable people have to be balanced against other priorities. However, the Council supports people to remain in or work towards independent living, helping them to participate in mainstream society and make a contribution to the local economy. This will be achieved through looking at a range of opportunities to help improve access to different types of housing, delivering services to people's homes and, where appropriate, developing purpose built specialist accommodation to meet needs. In the future, work will be focussed on assisting people to live independently with support. Affordability issues for people to move into appropriate accommodation will also need consideration.
- 42.8 The challenge is to meet the needs of individuals by providing greater housing choice. To do this the focus will be on developing new homes where feasible but primarily making best use of the existing homes available. A number of options will be utilised to support this approach, ranging from access to reablement, intermediate care and assistive technology to carrying out home adaptations to providing low level support to people to help them maximise independence. This needs to be considered in the context of the Adult Social Care budget being under significant pressure with the growth in demand occurring at a time of reduced budgets. There is projected to be an increase in the number of people aged 55 plus with a serious physical disability.
- 42.9 In May 2019 the Handyperson Service was de-commissioned from MIND and has been brought back in house. The work stream is still the same, providing a preventative service of low level support, minor adaptations and signposting to appropriate services.
- 42.10 The Council works with partners to ensure the housing needs of people with disabilities are addressed. When available, affordable rented accommodation that has been specifically designed or adapted is prioritised for people with disabilities. This is currently achieved through Compass CBL where vacancies are advertised specifically for people with a mobility problem.
- 42.11 The new Local Plan states the need to cater for the changing demands of the population, in particular the needs of an ageing population and those with disabilities or those who may have a disability in the future. Councils' duties to meet housing demands for elderly people are outlined in the National Planning

Policy Framework (NPPF) which states that housing mix should be determined by demographic trends and the needs of different groups, including older people. The Government's National Planning Practice Guidance (NPPG) adds that plan-makers should consider the size, location and quality of dwellings older people need. The Council provides a policy framework where developments should be flexible to ensure all members of the community have the homes they need, including particular attention to the need to create dementia friendly environments.

#### **43. SUPPORTING PEOPLE WITH LEARNING DISABILITIES**

- 43.1 The number of adults aged 18-64 with a learning disability or a mental health need is likely to remain relatively stable in Hartlepool.
- 43.2 Approximately 1.5% of Hartlepool resident are living with a learning disability. Since the last Strategy the number of people with a learning disability in Hartlepool who live in settled accommodation such as the family home, own tenancy, etc. has increased from 72% to 85-90% signifying there has been a reduction in residential care.
- 43.4 The Council will continue to work with partners to improve housing options for people with learning disabilities.

#### **44. SUPPORTING PEOPLE ON THE AUTISTIC SPECTRUM**

- 44.1 In Hartlepool, 1% of the population is identified on the autistic spectrum. The Tees Valley Autism Strategy was agreed in March 2016. The priorities within this form the basis of a plan for Autism across the sub region.

#### **45. SUPPORTING OLDER PEOPLE (INCLUDING SUPPORTING PEOPLE WITH DEMENTIA)**

- 45.1 The proportion of older people in Hartlepool aged 65 years and over is expected to rise to 37% by 2030. The increase in those aged 85 years and over is significantly greater at a projection of 71% by 2030. The latter group are more likely to require care services and to develop dementia with up to 1 in 3 expected to show signs of memory problems or dementia.
- 45.2 With the growing older population there is an increasing prevalence of dementia and depression. The challenge for this Housing Strategy will be to provide the increasing levels of support to enable people to remain independent. Providing older people with sufficient information and advice to make informed choice about their housing, care and support is essential. Many older people in Hartlepool have large or unsuitable homes that no longer meet their needs.

- 45.3 In Hartlepool the proportion of people aged 65 years and over who own their own home is lower than the national average. The accommodation of older people in Hartlepool is illustrated in the following table.

**Figure 8 - Accommodation of older people**

	Age 65-74	Age 75-84	Age 85+
Owned	68%	65%	60%
Social rented	25%	30%	33%
Private rented or living rent free	7%	6%	8%

- 45.4 The Council aims to ensure that older people are enabled to remain in their own home if that is what they choose, including specialist accommodation such as extra care housing. There is a continuing emphasis on moving away from commissioning residential and nursing care and instead providing home based support and preventative work to enable people to live at home for longer. It is recognised that a greater number of support services will be required to achieve this. Investment will be required in a range of innovative solutions and services including aids and adaptations.
- 45.5 The 2011 Strategy identified that 457 units of extra care accommodation had been developed in Hartlepool. This is a well-developed supply of extra care housing options offering a range of tenures. The Council works with partners in the allocation of these units. Hartlepool also has good provision of sheltered accommodation of high quality and with assistive technology. Housing is an important factor in supporting people with care needs in the community.
- 45.6 In addition, bungalow supply has increased since the last Strategy with new provision at Dyke House, King Oswy, Owton Manor and in the town centre.
- 45.7 By 2030 nearly a quarter of the population of Hartlepool will be aged 65 years and over (23,000) with approximately 7,000 people aged 80 years and over. Although life expectancy in Hartlepool is increasing it remains significantly lower than the national average and there is also a higher than average rate of limiting longer term illness and health problems. As life expectancy rises it is expected that dementia related illnesses generally associated with older age will also increase. The numbers of people in Hartlepool who will have dementia is projected to increase considerably over the period to 2030. The Council recognises that the traditional support systems that see people with dementia as an 'exception' will not be able to cope and that the best option is for people to live in the community.
- 45.8 In terms of accessing alternative accommodation, the ability of a person with dementia to adapt to a new environment is critical. Changes are best made as early as possible so that they can learn and orientate themselves to the new environment. This is acknowledged in the extra care allocation procedure. Through this Strategy we aim to work in partnership with social care to develop the role housing can play in meeting the challenges of creating dementia friendly communities.

## **46. SAFEGUARDING ADULTS**

- 46.1 People who live in sheltered, supported or extra care housing may be particularly vulnerable to abuse but a high, and increasing, proportion of people with care and support needs live in general needs housing. Housing providers should therefore have safeguarding systems in place and workers at all levels should be able to prevent abuse where possible and respond appropriately and proportionately when it occurs or is suspected.
- 46.2 Housing staff have a key safeguarding role to play, alongside their colleagues in social care, health and the police, in keeping people safe. They are well placed to identify people with care and support needs at risk of abuse, share information and work in partnership to coordinate responses. Partners should recognise the value, experience and skill in the housing sector that can contribute to good practice in safeguarding.
- 46.3 Prevention is better than cure, so a joint, proactive approach to preventing abuse and reducing risk makes good sense both in terms of the human and operational costs. If housing staff and contractors are aware of the issues relating to abuse and included as safeguarding partners, it is likely that tenants with care and support needs will be safer.
- 46.4 Safeguarding duties apply under the Care Act 2014. Housing providers should ensure that they are represented on or linked to Safeguarding Adults Boards which the Care Act requires to be established in each local authority area.
- 46.5 The Teeswide Safeguarding Adults Board is the statutory body that sets the strategic direction for safeguarding. The Board is responsible for protecting and promoting an adult's right to live an independent life, in safety, free from abuse and neglect in the Boroughs of Hartlepool, Middlesbrough, Redcar & Cleveland and Stockton-On-Tees.

## **47. PRIORITY THROUGH THE ALLOCATION POLICY**

- 47.1 For people whose housing conditions have a detrimental impact on their health, priority is given through the allocation policy to ensure that their housing needs are appropriately met. Medical priority will be awarded according to the extent to which the health of the applying household is affected by their housing conditions and the expected benefit of providing suitable alternative accommodation. Welfare priority may also be awarded to applicants who cannot be expected to live in their current accommodation without suffering detriment, such as: people assessed as ready for independent living who need to move as part of an agreed plan to re-integrate into the community; people with learning disabilities who are assessed as having to move in order to receive care and support; or where their current housing is having a detrimental effect on their quality of life and ability to live independently; or people leaving local authority care following a referral from social services e.g. people leaving rehabilitative care to return to independent living.

**48. GYPSIES AND TRAVELLERS**

- 48.1 In 2014, a Gypsy and Traveller Accommodation Assessment (GTAA) was carried out in Hartlepool which found a hypothetical need for five Gypsy and Traveller pitches in Hartlepool between 2016 and 2031. This assessment was revised in 2017 following updated Government guidance in Planning Policy for Traveller Sites (PPTS). None of the respondents to the GTAA met the updated PPTS definition and it is further unlikely that there will be any new household formation that will meet the new definition.
- 48.2 The 2017 study recommends that the Council commits to proactively support and positively intervene with any member of the Gypsy and Traveller community needing rehousing but that a dedicated site in the Local Plan is not allocated. Support will include access to bricks and mortar housing, referral to appropriate support agencies and awareness-raising about the full range of accommodation options and how to pursue them.



## **MONITORING, RESOURCING AND DELIVERING THE HOUSING STRATEGY**

- 49.** The three themes identified for the Housing Strategy do not sit in isolation and are connected to reinforce the vision of “developing and maintaining successful communities where people choose to live, by meeting the needs of our residents now and in the future”.

49.1 Delivery of the 2015-2020 Housing Strategy has been underpinned by:

- Delivery of the first two Empty Property Purchase Schemes.
- Increase in the Council's housing stock from 182 to 270 units.
- Adoption of the Local Plan (May 2018) which outlines policies for delivery of homes and allocates strategic sites for building new homes.

### **50. PERFORMANCE AND MONITORING**

- 50.1 Delivery of the actions set out in this Housing Strategy will be managed and monitored annually, overseen by the Housing Partnership. The action plan will be reviewed annually to ensure that progress is being achieved and to ensure that it is kept up-to-date with any changes in national or local policy. A housing forum will be held by the Council on an annual basis to inform and consult with all stakeholders. Housing Partnership members will be kept up to date about the progress of this Strategy through the forum and via regular newsletters and reports.

### **51. RESOURCES**

- 51.1 There are considerable pressures on the resources available to deliver the aims of the Strategy and resource and budgets are limited as the Council has to achieve considerable savings. To maximise resources it will be important to work with partners, sharing expertise and good practice, avoiding duplication, jointly funding or procuring projects and identifying opportunities to combine resources and bid for any available funding streams.

51.2 The key sources of funding for the Strategy have been identified as:

- Developer contributions delivered through Section 106 Legal Agreements;
- Affordable housing on-site provision through Section 106 Legal Agreements;
- Homes England funding for affordable homes through National Affordable Housing Programme;
- Homes England funding for empty homes through National Affordable Housing Programme;
- Better Care Fund - Disabled Facilities Grant for adaptations;
- MHCLG funding for housing advice and homelessness activity;
- MHCLG funding for housing-related support;

- Registered Provider (RP) investment to continue improvements in social housing stock;
- The sale and efficient use of Council assets and prudential borrowing subject to income streams to cover repayments; and
- Any other national funding that becomes available during the lifetime of the Strategy (usually on a bid for funding basis).

## GLOSSARY

<b>Affordable Housing</b>	Housing options available to residents who cannot afford to rent or buy a home in the private market. Includes social rented housing, affordable rented housing and intermediate housing solutions such as shared ownership.
<b>Affordable Rent</b>	Homes made available to tenants at up to a maximum of 80% of market rent and allocated in the same way as social housing.
<b>Anti-Social Behaviour (ASB)</b>	Activity that impacts on other people/communities in a negative way.
<b>Better Care Fund</b>	The Better Care Fund is a pooled budget that shifts resources into social care and community services for the benefit of the NHS and local government.
<b>Black and Minority Ethnic (BME)</b>	A term to describe someone who is said to belong to an 'ethnic minority'. Most often used to refer to groups or policies that affect people from non-white-UK ethnic backgrounds.
<b>Brownfield Land</b>	Also known as previously developed land, land which is or was occupied by a permanent structure.
<b>Category 1 Hazard Failures</b>	Hazards identified using the method of assessment as set out by the Housing Health and Safety Rating System upon which the local authority has a duty to act.
<b>Choice Based Lettings (CBL)</b>	Scheme for the allocation of social housing designed to offer more choice and involvement for customers in selecting a new home. Social rented housing is advertised allowing customers to 'bid' (register an interest) for those homes.
<b>Compass</b>	The name of the CBL scheme in Tees Valley.
<b>Decent Homes</b>	Homes which meet or exceed specified minimum standards and state of repair.
<b>Disabled Facilities Grant (DFG)</b>	Government funding provided to local housing authorities to provide adaptations and other facilities to disabled people enabling them to live independently.
<b>Energy Efficiency</b>	The energy output of a product, e.g. a house, at a given point in time.
<b>Extra Care Housing</b>	Housing for elderly and disabled people, where individual care needs are provided for on-site.
<b>Fuel Poverty</b>	Where a household cannot afford to keep adequately warm at reasonable cost.
<b>Good Tenant Scheme</b>	A service for prospective tenants to obtain references to enable them to access private rented accommodation in Hartlepool.

<b>Greenfield Land</b>	Previously undeveloped land in a urban or rural area either used for agriculture or landscape design, or left to evolve naturally. These areas of land are usually agricultural or amenity properties being considered for urban development.
<b>Hartlepool Housing Partnership</b>	A group of public, private and voluntary agencies that work in partnership together to ensure that there is access to good quality and affordable housing in neighbourhoods and communities where people want to live.
<b>Help to Buy</b>	Help to Buy is an umbrella term for a range of government funded schemes designed to help people to get onto the property ladder. There are several options available, including equity loans, rent to buy and shared ownership.
<b>Homes England</b>	A non-departmental public body, sponsored by the Ministry for Housing, Communities and Local Government. It provides funding for new housing and is the government's housing accelerator.
<b>Homelessness</b>	The 1996 Housing Act states that a person is homeless if: there is no accommodation that they are entitled to occupy; or they have accommodation but it is not reasonable for them to continue to occupy this accommodation.
<b>Homelessness Prevention</b>	This means providing people with the ways and means to address their housing and other needs to avoid homelessness.
<b>Homelessness Relief</b>	This is where an authority has been unable to prevent homelessness but helps someone to secure accommodation, even though the authority is under no statutory obligation to do so.
<b>Housing Benefit</b>	An allowance to people on low or no income to meet whole or part of their rent.
<b>Housing Health and Safety Rating System (HHSRS)</b>	A risk based evaluation tool to help local authorities identify and protect against potential risks and hazards to health and safety from any deficiencies identified in residential dwellings.
<b>Housing Needs</b>	The requirements that individuals and households have for housing.
<b>Housing Related Support</b>	The system for funding the support that is provided for people with care needs to go alongside their housing needs.
<b>Indices of Multiple Deprivation</b>	A defined set of indicators used to measure the level of deprivation in an area.
<b>Intermediate Tenure</b>	Housing at prices and rents above those of social rent but below market price or rent. This can include shared equity, shared ownership,

	<p>other low cost homes for sale, and intermediate rent.</p> <p><b>Shared equity</b> - a new form of joint ownership/joint mortgage that the Government is promoting as a way of helping first time buyers to get on the property ladder.</p> <p><b>Shared ownership</b> - Where a person buys part of the value of a house from a Registered Provider and pays rent on the other part, and the Registered Provider keeps part ownership.</p> <p><b>Intermediate rent</b> - new build homes to rent at 80% (or less) of typical market rents.</p>
<b>Ministry of Housing, Communities and Local Government (MHCLG)</b>	The UK Government department for communities and local government in England which has responsibility for housing policy.
<b>Modern Methods of Construction</b>	The generic term used to embrace non-traditional and off-site approaches to construction of new homes.
<b>Private Landlord</b>	A company or individual (e.g. not a local authority or registered provider) who owns and lets properties for an income.
<b>Property Developer</b>	A company or individual who secures planning permission for the development of residential property.
<b>Registered Provider (RP)</b>	Also known as Housing Associations / Registered Social Landlords (RSLs). They are not for profit organisations that provide social housing and are regulated through Homes and Communities Agency (HCA).
<b>Section 106 Agreements (S106)</b>	An agreement under section 106 of the Town and Country Planning Act 1990 regarding the use or development of land. Such planning obligations are often used as a legally binding agreement between a local authority and developer to deliver a percentage of affordable social housing within a development or commuted sums to deliver off-site affordable housing.
<b>Selective Licensing</b>	<p>Under the Housing Act 2004, local housing authorities have powers to introduce selective licensing of privately rented homes in their area, or any part of them, to tackle problems caused by one or more of the following:</p> <ul style="list-style-type: none"> <li>• low housing demand</li> <li>• significant and persistent anti-social behaviour</li> <li>• poor property conditions</li> <li>• an influx of migration</li> <li>• a high level of deprivation</li> </ul>

	<ul style="list-style-type: none"> <li>• high levels of crime</li> </ul> <p>Subject to limited exemptions, landlords who rent out properties in an area that is subject to selective licensing are legally compelled to obtain a licence for each property from the local authority, which regulates the management, use or occupation of the property concerned.</p>
<b>Social Housing</b>	A general term for subsidised rented and intermediate tenure housing provided by Registered Providers (RPs).
<b>Social Lettings Agency</b>	Social lettings agencies work in a similar way to conventional lettings agencies. They manage houses on behalf of landlords and rent them out to tenants.
<b>Standard Assessment Procedure (SAP)</b>	The Government's Standard Assessment Procedure for energy rating of dwellings.
<b>Sustainable Communities</b>	Communities that can meet the needs of existing and future residents, contribute to a high quality of life and provide opportunity and choice in areas such as housing, health, education and jobs.
<b>Tenure</b>	Type of property a person resides in. There are three main types of tenure; owner-occupied, private rented and social rented.
<b>Universal Credit</b>	Universal Credit is set to replace the present benefit structure and it will simplify the benefits system by bringing together a range of working-age benefits into a single streamlined payment.

# Hartlepool Housing Strategy Action Plan

2019 – 2024



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Section 1: Maximising Housing Growth and Delivering Sustainable New Homes

Section 2: Making the Best Use of Existing Homes, Regenerating and Improving Communities

Section 3: Supporting Vulnerable People with Specific Housing Needs to Access and Maintain Appropriate Housing

Section 4: Increasing Delivery Potential

## THEME 1 – MAXIMISING HOUSING GROWTH AND DELIVERING SUSTAINABLE NEW HOMES

INCREASE THE DELIVERY OF NEW HOMES		
PERFORMANCE INDICATOR	LEAD	ANNUAL TARGET (IF APPLICABLE)
Percentage of housing planning applications determined within government targets	Jim Ferguson	
Overall housing provided (net additional dwellings)	Matthew King	410
Affordable homes delivered (gross)	Karen Kelly	74
Total number of affordable homes delivered by the Council	Amy Waller	
Number of new build properties purchased by the Council for affordable rent/intermediate tenure	Amy Waller	
Number of new build units provided by the Council for affordable rent/intermediate tenure	Amy Waller	
Total number of Council owned and managed properties for Affordable Rent	Amy Waller	
Number of new build units provided by RPs for affordable rent/intermediate tenure	Karen Kelly	

INCREASE THE DELIVERY OF NEW HOMES		
KEY ACTIONS	LEAD	TIMESCALE
Continue to liaise with Homes England on securing grants to bring forward housing sites and improve the delivery of affordable housing	Matthew King / Amy Waller	Ongoing to 2024
Work with RPs to understand their plans for development and assess capacity to	Amy Waller / Karen Kelly	March 2020



develop smaller / larger schemes by establishing a baseline for their investment plans		
Deliver the Council's Housing Investment Strategy to rebalance the Housing Revenue Account	Tim Wynn	Ongoing to 2024
Maximise the use of all available funding to deliver new affordable homes by the Council	Amy Waller	Ongoing to 2024
Ensure delivery of new build schemes by the Council on Council owned land	Amy Waller	Ongoing to 2024
Ensure all S106 money that is spent is reported to the Monitoring Officer within Planning Services	Amy Waller	Ongoing to 2024
Monitor housing delivery test returns to track progress against housing need (objectively assessed need)	Karen Kelly	Ongoing to 2024
Monitor housing developments to see how they compare against nationally described space standards	Matthew King	Ongoing to 2024
Examine the use of modern methods of construction (MMC) and share learning from the use of the new technologies	Thirteen Group	Ongoing to 2024
Develop and adopt a multi-agency Housing Regeneration Strategy	Karen Kelly / Amy Waller	November 2020

<b>DELIVER HOUSING THAT MEETS IDENTIFIED NEEDS</b>		
<b>PERFORMANCE INDICATOR</b>	<b>LEAD</b>	<b>ANNUAL TARGET (IF APPLICABLE)</b>
Total number of new bungalows completed	Karen Kelly	
Total number of units of student accommodation across Providers	Karen Kelly	

<b>DELIVER HOUSING THAT MEETS IDENTIFIED NEEDS</b>		
<b>KEY ACTIONS</b>	<b>LEAD</b>	<b>TIMESCALE</b>
Review the Strategic Housing Market Assessment to enable us to thoroughly understand our housing needs in line with the review needs of the Local Plan	Karen Kelly	Ongoing to 2024
Deliver a range of accommodation for the increasing student population	Amy Waller	Ongoing to 2024
Complete and occupy Avondene Student Buildings	Amy Waller	December 2019
Provide a range of bungalow accommodation to meet the needs and aspirations of the disabled and ageing population	Registered Providers	Ongoing to 2024

## THEME 2 – MAKING THE BEST USE OF EXISTING HOMES, REGENERATING AND IMPROVING COMMUNITIES

IMPROVE HOUSING STANDARDS, QUALITY AND CHOICE ACROSS TENURES		
PERFORMANCE INDICATOR	LEAD	ANNUAL TARGET (IF APPLICABLE)
Number of properties where identified HHSRS Category 1 and actionable Category 2 hazards are dealt with through formal or informal enforcement action	Joanne Burnley	
Number of households which have benefitted from energy saving measures through Warm Up Hartlepool	Joanne Burnley	
Number of properties visually improved through the implementation of a Section 215 notice	Joanne Burnley	
Number of properties improved through the grants or loans schemes	Joanne Burnley	
Repairs responded to within agreed response times	Amy Waller / Martin Spaldin	90%
% of tenants satisfied with the repairs service	Amy Waller / Martin Spaldin	90%
Value of capital expenditure on major repairs (£s)	Amy Waller	
Average number of days to relet Council owned and managed properties (standard properties)	Amy Waller / Martin Spaldin	28 days
Void Loss (quarterly)	Amy Waller	

IMPROVE HOUSING STANDARDS, QUALITY AND CHOICE ACROSS TENURES		
KEY ACTIONS	LEAD	TIMESCALE
Continue to participate and promote the Warm Up Hartlepool scheme to deliver	Joanne Burnley	April 2022

energy efficient measures in the private sector		
Promote the requirement to meet energy efficiency standards in the private rented sector and follow up with enforcement action where necessary	Joanne Burnley	Ongoing to 2024
Explore additional funding opportunities for energy efficiency projects and initiatives	Joanne Burnley	Ongoing to 2024
Continue to make the best use of recycled funding (through loans repayments) to assist vulnerable owner occupiers and households in need	Joanne Burnley	Ongoing to 2024
Contribute to the production of the Corporate Enforcement Policy and its sub policies	Joanne Burnley	November 2019
Contribute to the production of the Corporate Enforcement Policy and its sub policies	Lynda Igoe	November 2019
Develop and link a fuel poverty strategy to the Council's anti-poverty strategy	Joanne Burnley	March 2020
Support tenants in the private rented sector to report poor housing conditions and/or poor management practices	Penny Thompson / Lynda Igoe	March 2020
Explore new models for targeted tenancy support in the private rented sector and how this would be funded	Penny Thompson / Lynda Igoe	December 2020
Review the government's findings on Selective Licensing and respond appropriately to any recommendations	Lynda Igoe	To be confirmed
Evaluate the effectiveness of the second selective licensing designation and	Lynda Igoe	July 2020

respond appropriately to any recommendations		
Review and improve the Good Tenant Scheme with the introduction of an on-line service and matching service for tenants to private rented sector properties	Lynda Igoe	December 2020
Undertake an annual stock condition survey sample of Council owned and managed properties	Amy Waller	Ongoing to 2024
Implement and complete the annual planned maintenance programme for Council owned and managed properties	Amy Waller	Ongoing to 2024
Carry out annual health and safety inspections for Council owned flats	Amy Waller	Ongoing to 2024
Undertake monthly estate inspections of Council owned and managed properties and monitor outcomes with regard to fly tipping, anti-social behaviour and external property conditions	Amy Waller	Ongoing to 2024
Ensure all housing staff are trained on the new Tees Valley Lettings Partnership system to ensure timely and effective allocation of properties	Gemma Day	November 2019
Explore opportunities for on-line housing management services	Gemma Day / Amy Waller	Ongoing to 2024
Ensure the timely review of all housing management policies and procedures	Gemma Day	Ongoing to 2024
Ensure the Council owned housing stock is well managed by regularly reviewing and monitoring service delivery through the use of satisfaction surveys	Gemma Day	Ongoing to 2024

Review the service delivery offered by the Council through the social lettings' agency	Gemma Day	September 2020
Undertake regular events to promote Registered Providers operating in Hartlepool	Karen Kelly	Ongoing to 2024
Develop an information directory for RPs, tenants, stakeholders with key contacts for social housing areas	Karen Kelly	March 2020
Obtain Registered Provider's investment plans for social housing areas to monitor delivery and assess outcomes	Karen Kelly	March 2020
Continue to deliver physical, community and environmental investment in social housing areas	All RPs / Karen Kelly	Ongoing to 2024
Carry out annual health and safety checks and implement recommendations from the Hackitt Review	All RPs	Ongoing to 2024

<b>SUPPORT REGENERATION ACTIVITY IN AREAS IDENTIFIED AS IN NEED OF INTERVENTION</b>		
<b>PERFORMANCE INDICATOR</b>	<b>LEAD</b>	<b>ANNUAL TARGET (IF APPLICABLE)</b>
Number of units completed through the Housing Heroes project	Amy Waller	1

<b>SUPPORT REGENERATION ACTIVITY IN AREAS IDENTIFIED AS IN NEED OF INTERVENTION</b>		
<b>KEY ACTIONS</b>	<b>LEAD</b>	<b>TIMESCALE</b>
Work in partnership to intervene in areas of high anti-social behaviour and associated issues	Karen Kelly / Amy Waller / Nick Stone	Ongoing to 2024
Continue to undertake targeted days of action where appropriate	Nick Stone	Ongoing to 2024
Develop a series of indicators to identify the vitality of neighbourhoods	Karen Kelly / Amy Waller	November 2020
Implement any schemes that emerge from gathering evidence from the Housing Regeneration Strategy	Karen Kelly / Amy Waller / Registered Providers	Ongoing to 2024
Support appropriate groups who wish to develop community-led housing proposals	Amy Waller / Gemma Day	Ongoing to 2024

<b>MANAGE THE IMPACT OF LONG-TERM EMPTY HOMES</b>		
<b>PERFORMANCE INDICATOR</b>	<b>LEAD</b>	<b>ANNUAL TARGET (IF APPLICABLE)</b>
Number of EPPS 3 properties delivered	Amy Waller	8

<b>MANAGE THE IMPACT OF LONG-TERM EMPTY HOMES</b>		
<b>KEY ACTIONS</b>	<b>LEAD</b>	<b>TIMESCALE</b>
Use enforcement action where required to target problematic long-term empty homes	Joanne Burnley	Ongoing to 2024
Explore funding opportunities for empty homes initiatives	Amy Waller	Ongoing to 2024
Deliver the EPPS phase 3 scheme	Amy Waller	March 2022
Explore the opportunities to work with other providers to lease Council owned and managed properties for specific and supported accommodation	Amy Waller	Ongoing to 2024
Share the outcomes of new initiatives and incentives to bring back into use long term empty social rented properties	All RPs / Amy Waller	Ongoing to 2024



### THEME 3 – SUPPORTING VULNERABLE PEOPLE WITH SPECIFIC HOUSING NEEDS TO ACCESS AND MAINTAIN APPROPRIATE HOUSING

TARGET THOSE MOST VULNERABLE TO HOMELESSNESS AND PROVIDE EARLY INTERVENTION WHERE POSSIBLE		
PERFORMANCE INDICATOR	LEAD	ANNUAL TARGET (IF APPLICABLE)
Number of households where homelessness was prevented	Lynda Igoe	
Number of households where homelessness was relieved	Lynda Igoe	
Number of households assessed through the main duty for homelessness	Lynda Igoe	
Number of applicants on the Tees Valley Letting Partnership's waiting list	Karen Kelly	
Number of lettings made in Hartlepool within each priority band	Karen Kelly	

TARGET THOSE MOST VULNERABLE TO HOMELESSNESS AND PROVIDE EARLY INTERVENTION WHERE POSSIBLE		
KEY ACTIONS	LEAD	TIMESCALE
Review the first 18 months of the Homelessness Reduction Act to ensure people threatened with homelessness are provided with the appropriate levels of support.	Lynda Igoe	December 2019
Review compliance of identified bodies who are required to fulfil the Duty to Refer requirements	Lynda Igoe	October 2019
Work in partnership with the Tees Valley Lettings Partnership to develop and implement the new system for social housing allocations	Karen Kelly	October 2019

Review and monitor the new system for social housing allocations to ensure access, especially for applicants vulnerable to homelessness	Karen Kelly	October 2020
Work in partnership with Registered Providers to develop and ensure robust nomination agreements are in place	Karen Kelly	October 2019
Monitor the nominations agreements in place with Registered Providers to ensure that the agreed percentages are received by the Council	Karen Kelly	Ongoing to 2024
Complete the review of the eviction protocol	Lynda Igoe	December 2019
Undertake a full Rough Sleeper Count in winter 2019	Lynda Igoe	November 2019
Produce a separate Homelessness and Rough Sleeping Strategy	Lynda Igoe / Karen Kelly	March 2020
Establish a Homelessness Partnership to deliver the identified priorities	Lynda Igoe / Karen Kelly	October 2019
Monitor and analyse tenancy failure data and share findings to identify early intervention and best practice	Karen Kelly	Ongoing to 2024

SUPPORT RESIDENTS WHO CONTINUE TO BE AFFECTED BY WELFARE REFORM		
PERFORMANCE INDICATOR	LEAD	ANNUAL TARGET (IF APPLICABLE)

SUPPORT RESIDENTS WHO CONTINUE TO BE AFFECTED BY WELFARE REFORM		
KEY ACTIONS	LEAD	TIMESCALE
Target Discretionary Housing Payments to those residents who are directly affected by Welfare Reform	Penny Thompson	Ongoing to 2024
Work with the Financial Inclusion Partnership to ensure partners are tackling financial exclusion, income maximisation and promoting common issues	Penny Thompson	Ongoing to 2024
Continue to implement the Discretionary Housing Payments scheme for under occupying Council tenants	Amy Waller	Ongoing to 2024

IMPROVE ACCESS TO APPROPRIATE ACCOMMODATION FOR VULNERABLE RESIDENTS		
PERFORMANCE INDICATOR	LEAD	ANNUAL TARGET (IF APPLICABLE)

IMPROVE ACCESS TO APPROPRIATE ACCOMMODATION FOR VULNERABLE RESIDENTS		
KEY ACTIONS	LEAD	TIMESCALE
Scope out and consult on options for a Housing First model for Hartlepool	Penny Thompson / Lynda Igoe	July 2020
Develop an accommodation resource directory for care leavers / young people and one for adults over the age of 18	Lynda Igoe / Rachel Creevy	December 2019
Work with Commissioning to ensure accommodation is secured for residents with chaotic lives, substance misuse and those with support needs	Penny Thompson	April 2020
Reduce B&B use through an effective commissioning process which ensures accommodation is available for those that are in need.	Lynda Igoe	Ongoing to 2024
Investigate opportunities for alternative temporary accommodation provision including the use of long term empty council properties for people in exceptional circumstances	Lynda Igoe	April 2020
Share outcomes from the Key Steps project to assess and explore opportunities for shared accommodation	Thirteen Group	To be confirmed
Review existing supported living schemes for people with low level mental health needs	Neil Harrison	March 2020

IMPROVE HOUSING OPTIONS FOR PEOPLE WITH SPECIFIC HOUSING NEEDS		
PERFORMANCE INDICATOR	LEAD	ANNUAL TARGET (IF APPLICABLE)

IMPROVE HOUSING OPTIONS FOR PEOPLE WITH SPECIFIC HOUSING NEEDS		
KEY ACTIONS	LEAD	TIMESCALE
Work with partners to explore the need to develop a more co-ordinated strategy for provision of supported housing	Lynda Igoe / Karen Kelly	March 2020
Monitor outcomes from Thirteen Group's accommodation Lifestyle pilot for women offenders	Thirteen Group	To be confirmed
Work with health and social care agencies to ensure housing is suitable for those with specific health needs including people with dementia, suffering life limiting illness and the effects of substance misuse.	??	??
Review all out of area placements for people with mental health needs to find appropriate accommodation in the town where possible	Neil Harrison	Ongoing to 2024
Respond to the Transforming Care Agenda (the closure of forensic inpatient beds and hospital beds for adults with learning disabilities) with a view to providing good quality local housing	Sarah Ward	Ongoing to 2024
Contribute to the refresh of the Tees Autism Strategy and identify gaps in provision/future needs for people on autistic spectrum disorders	Neil Harrison	Ongoing to 2024

Improve the accommodation and the uptake of technology to support people with a Sensory Loss to live independently in their own home	Neil Harrison	Ongoing to 2024
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<b>ENABLE INDEPENDENT LIVING</b>		
<b>PERFORMANCE INDICATOR</b>	<b>LEAD</b>	<b>ANNUAL TARGET (IF APPLICABLE)</b>
Average waiting time for a Disabled Facilities Grant to be completed (from first contact to works completed)	John Whitfield	
Number of minor adaptations completed	John Whitfield	
The number of disabled households rehoused into suitable or adapted accommodation	John Whitfield	

<b>ENABLE INDEPENDENT LIVING</b>		
<b>KEY ACTIONS</b>	<b>LEAD</b>	<b>TIMESCALE</b>
Update and refresh the 2013 Housing Adaptations Policy	Eoin Carroll	April 2020
Implement recommendations from the DFG and Other Adaptations External Review	Eoin Carroll	To be confirmed
Explore the feasibility of establishing a service to project manage a private disabled adaptations service for residents	Eoin Carroll	December 2022
Continue to deliver disabled adaptations via DFG to enable residents to live independently and keep the waiting list under review through access to additional funding streams that are made available	Eoin Carroll	Ongoing to 2024

## INCREASING DELIVERY POTENTIAL

PERFORMANCE INDICATOR	LEAD	ANNUAL TARGET (IF APPLICABLE)
% of Council tenants in arrears for more than 30 days	Gemma Day	Decreasing by 5% annually
% of rent collected (against rent collectable)	Gemma Day	100%

KEY ACTIONS	LEAD	TIMESCALE
Work in partnership with external partners to deliver the Strategy and associated plans	Karen Kelly	Ongoing to 2024
Work in partnership across the Council to uphold strong links and communication across all services who deal with housing ensuring housing representation on strategic partnerships	Danielle Swainston	Ongoing to 2024
Strengthen partnership working opportunities with statutory and voluntary agencies to ensure early intervention and the effective use of resources for homelessness prevention	Penny Thompson / Lynda Igoe	September 2020
Explore the impact on council resources of the Homeless Reduction Act and Duty to Refer	Lynda Igoe	April 2020
Reshape the Strategic Housing Partnership to deliver a refreshed vision with clear aims and objectives	Karen Kelly	December 2019
Consider the need for a joint Housing, Health and Wellbeing Board as suggested in recent policy	Penny Thompson	March 2020



Establish an Operational Housing Partnership with all Registered Providers working in Hartlepool to share information and best practice	Karen Kelly	December 2019
Maximise the income received by Strategic Housing Management (Housing) through the promotion of payment methods, promotion of rent in advance and awareness of the responsibility to pay for all housing related debts	Gemma Day	Ongoing to 2024
Undertake a review and update the HRA Business Plan	Amy Waller	August 2020
Review and increase Council housing rents, where appropriate, from April 2020	Amy Waller	Ongoing to 2024
Undertake GIS mapping of all Registered Provider stock in Hartlepool	Craig Temple	November 2020

**COUNCIL**  
19 December 2019



**Report of:** Chief Executive

**Subject:** BUSINESS REPORT

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1. ALLOWANCES PAID TO THE CHAIR AND VICE CHAIR OF COUNCIL –  
REPORT OF THE AUDIT AND GOVERNANCE COMMITTEE

Following a referral from Full Council, on the 30<sup>th</sup> July 2019, the Audit and Governance Committee undertook an investigation in relation to:

- Funding to any organisation to which an elected member is affiliated; and
- Allowances paid to the Chair and Vice Chair of Council.

The outcomes of the Audit and Governance Committee's investigation were reported to Full Council on the 31<sup>st</sup> October 2019, with approval obtained for all recommendations made in relation to the 'funding to any organisation to which an elected member is affiliated'.

With regard to the recommendations made by the Committee in relation to 'allowances paid to the Chair and Vice Chair of Council', Full Council agreed that consideration would be deferred pending receipt of external legal advice on the lawfulness of the payments to the Chair and Vice Chair of Council. This advice has now been obtained and is attached at **Appendix A**.

With due regard to the external legal advice obtained, Full Council is now asked to consider the following recommendations made by the Audit and Governance Committee in relation to 'allowances paid to the Chair and Vice Chair of Council':-

- i) Note that the allowances paid up to 2011/12 to the Chair and Vice Chairs were authorised by officers and publically reported as a collective figure during the period 2007/8 in the Council's Statement of Accounts and that from 2008/9 onwards they were published independently against each Member; and
- ii) Note that officers have advised that there is no legal basis to seek to recover from the individual Members who received these allowances. To also note that this situation cannot arise again as these allowances were removed in 2011/12.

## 2. POLLING DISTRICTS AND POLLING STATION REVIEW

As Members will be aware, under Section 18C(1) of the Representation of the People Act 1983 and Electoral Registration and Administration Act 2013, the Council conducted a review of Polling Districts and Polling Station Review with a consultation period ending on 4 October 2019.

Members will recall that the review was based on the existing Ward boundaries with consideration given to the outcome and Parliamentary Order following the Local Government Boundary Review. The outcome of the Boundary review was for an increase in one Ward to twelve and this was reflected in an increase in polling districts from 62 to 69. The aim of the additional proposed polling districts was to assist in making a seamless transition to the new Warding arrangements when they come into effect for the 2020 elections.

A number of observations were made regarding parking and the use of different types of establishments. Every effort is made to make voting accessible for all electors. Many polling districts have a limited number of available venues and where possible the use of portable facilities had been kept to a minimum (2 No.).

The new polling districts will be transferred to the appropriate Wards when the electoral register is re-published in February 2020 and polling stations will be monitored for their suitability on an on-going basis.

Council is requested to note the report.

## 3. CIVIC HONOURS COMMITTEE

Members will be aware that a 4 year moratorium on civic honours was agreed by Full Council ending in 2020, unless exceptional circumstances apply. The membership of a Civic Honours Committee was, therefore, not considered at the Annual Council meeting.

A nomination for a civic honour has been received recently which, following consultation with the Chair of Council and Leader of Council, is considered to meet the criteria that exceptional circumstances apply.

Members are requested, therefore, to nominate Elected Members to the Civic Honours Committee as follows:-

2 Nominations Labour

2 Nominations Brexit Party and Conservative Coalition

1 Nomination Socialist Labour

1 co-opted member

A meeting of the Committee will be convened in January, the outcome of which will be reported to the Full Council meeting in February.

#### 4. SPECIAL URGENCY

In accordance with the requirements of the Access to Information Procedure Rules included in the Council's Constitution, Council is informed that no special urgency decisions were taken in the periods set out below:-

August 2019 to October 2019

Council is requested to note the report.

#### 5. OFSTED INSPECTION OF COUNCIL OPERATED CHILDREN'S HOME

A report to Children Services Committee on 17<sup>th</sup> December will provide details of the outcome of recent Ofsted full inspections which provide Members with additional assurance as corporate parents that the Council is providing effective services. The Ofsted reports make a limited number of recommendations and these will be implemented by the Director of Children's and Joint Commissioning Services. In summary the Ofsted ratings are as follows:

- Exmoor Grove Children's Home - Ofsted rating 'outstanding' – third consecutive year rated 'outstanding'.
- St David's Walk Children's Home – Ofsted rating 'good' – first inspection
- Stockton Road Children's – Ofsted rating 'good' - third consecutive year rated 'good'.

#### 6. ENVIRONMENT SERVICES AWARDS

At the Constructing Excellence National Awards 2019, the Council won the Innovation Project of the Year for the Hartlepool Headland Coastal Defences and Whitley Bay Promenade Coastal Protection Works. At the same awards the Council were also presented with the Highly Commended Award for Sustainability for the Hartlepool Headland Coastal Defences Project.

At the Civil Engineering Contractors Association (North East) Awards 2019, the Council won Project of the Year for the over £5m category for the Hartlepool Headland Coastal Defence and Client of the Year.

These awards backup the success earlier in the year when the Council also won a project of the year award from the Institution of Civil Engineers and reflect the high-quality work that the Council are capable of carrying out and they will only serve to further enhance the reputation of this Authority.

**HARTLEPOOL BOROUGH COUNCIL  
("The Council")**

**CHAIR AND VICE CHAIR**

**ALLOWANCES**

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**OPINION**

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INTRODUCTION

1. I am instructed to advise the Council. The Council's many capacities include that it is a "best value" authority, under Section 3 of the Local Government Act 1999. My advice is sought as to whether allowances paid by the Council to its then Chair and Vice Chair as long ago as up until 2011/2012, and going back as far as 2008/2009, were lawful.

2. The starting points are that:-

- (1) Allowances are capable of being lawful when they are in accordance with the statutory regime relating to allowances, as these allowances were capable of being;

- (2) These allowances were not contrary to, or expressly permitted by, the Council's statutory Constitution at the material time;
- (3) Nor did they conflict with a decision of the Council's Policy Plenary Committee ("the PPC") in 1998, that remained applicable throughout the material period, from 2008/2009 to 2011/2012;
- (4) They were authorised, by the relevant Chief Officer(s);
- (5) The primary period for recovery of any overpayments was six years;
- (6) This period has expired even in relation to the least ancient payments;
- (7) There is a presumption of regularity;
- (8) This presumption is strengthened by the passage of considerable time; and
- (9) The sole questions are (i) whether there is sufficient evidence to rebut the presumption and demonstrate that the authorisation at the time was in some way flawed, and (ii) whether the payments were contrary to "best value" and/or (Wednesbury) unreasonable.

### ALLOWANCES

3. Allowances are enabled:-

- (1) By Sections 173-178, as amended, of the Local Government Act 1972, so far as not disapplied;
- (2) Pursuant to Regulations made under Section 18 of the Local Government and Housing Act 1989, and, in particular, for present purposes, Regulations made in 2003, S.I.2003/1021;
- (3) In accordance with annual “Schemes”; and
- (4) Having regard to recommendations from an Independent Remuneration Panel (“the IRP”), an important safeguard.

4. I am not aware of any suggestion, or any basis for any suggestion, that the Council has failed to meet these basic requirements, save for a question of whether the allowances were in accordance with the Council’s Constitution/Scheme.

## THE CONSTITUTION

5. Article 2 of the Council's Constitution related to Members of the Council. That provided that Councillors "will be entitled to receive allowances in accordance with the Members' Allowances Scheme set out in Part 6 of this Constitution".

## THE SCHEME

6. Part 6 of the Constitution duly referred, at Section 1, to the IRP, and addressed, amongst other matters:-

- (1) Claiming Allowances: Section 2;
- (2) Enquiries and Disputes: Section 4;
- (3) Basic Allowance: Section 6;
- (4) Special Responsibility Allowance: Section 7;
- (5) Dependant Carers Allowance: Section 8;
- (6) Travel Allowance: Section 9, and Table A;
- (7) Subsistence Allowance: Section 11 and Schedule 3 of Part B;
- (8) Telephone Allowance: Section 12;
- (9) Out of Pocket Expenses: Section 13;
- (10) Records and annual Publicity: Section 15; and



- (11) Tax, National Insurance and the Production of Receipts: Section 16.

7. The (2002) Constitution did not specifically refer to Chair and Vice Chair allowances. The Chair, but not the Vice Chair received a Special Responsibility Allowance. The Constitution has now been updated with respect to allowances to the Chair and Vice Chair.

#### THE PPC

8. The allowances in question were grossed up for taxation and national insurance in accordance with the 1998 PPC decision.

#### THE HISTORIC ACCOUNTS

9. All the allowances paid to the Chair and the Vice Chair were disclosed every year in the Council's annual Statements of Account. Those Statements of Account were duly, and externally, audited for each of the financial years in question. This reinforces the presumption of regularity and reinforces irrecoverability on the grounds of expiration of the limitation period.

### PRESENT POSITION

10. The Council's Audit and Governance Working Group, Chaired by an Independent Person, produced a Report ("the Report") for the Audit and Governance Committee on 24 October 2019, and Full Council thereafter. This Opinion is for sharing with Members, and to be referred to in future Reports. The Report stated with respect to the allowances paid to the Chair and Vice Chair, at paragraph 3.3:-

"Whilst, it has not been possible to ascertain the rationale for continuing to pay these allowances, it is clear that they were authorised by the relevant chief officer and it is not unreasonable to conclude that those officers relied upon the decision of the Policy Plenary Committee in 1998. Equally, it would not be unreasonable to conclude that given that the payments were authorised by officers the Members who received these allowances acted in good faith in accepting these payments. Therefore, from a legal perspective there are no grounds to seek to recover these payments, which were authorised by officers, despite the fact that the Constitution was silent on the payment of these payment. In any event such recovery is time-barred."

11. Similarly, the Conclusion to the Report stated, at paragraph 5.2:-

“Following conclusion of discussions, the Independent Chair made the following conclusions:-

- i) In relation to allowances previously paid to the Chair and the Vice Chair the historic information available indicates these allowances were authorised by Officers and publicly reported during the period 2008/9 to 2011/12 in the Council’s Statement of Accounts. Therefore, there is no legal basis to seek to recover payments made to individuals who previously received the Chair or Vice Chair allowances. As these allowances were removed in 2011/12 and it is clear that the Council now has more robust procedures for managing allowances paid to Councillors. Therefore, the previous situation cannot be repeated and there are no recommendations in relation to this issue.”

12. Indeed, the Report recommended as follows, at paragraph 6.1:-

“It is recommended that the Audit and Governance Committee refers the following recommendations to full Council to:-

- i) To note that the allowances paid up to 2011/12 to the Chair and Vice Chairs were authorised by officers and publically reported during the period 2008/9 to 2011/12 in the Council’s Statement of Accounts, whilst noting that the 2002 Constitution was ‘silent’ on these allowances;
- ii) To note that officers have advised that there is no legal basis to seek to recover from the individual Members who

received these allowances. To also note that this situation cannot arise again as these allowances were removed in 2011/12; and

- iii) Endorse the detailed recommendations detailed in paragraph 4.4.”

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### ADVICE

13. I agree with the Report that:-

- (1) It is not unreasonable, indeed it is far from unreasonable, to conclude that reliance was placed upon the 1998 PPC decision; and
- (2) It is not unreasonable to conclude that the recipients acted in good faith in accepting the payments: in any event proving bad faith would be a very high hurdle.

14. I agree with the Report's conclusions that:-

- (1) The payments were authorised; and
- (2) In any event, recovery is plainly time-barred.

15. I advise that neither the authorisation nor the payment was flawed by:-

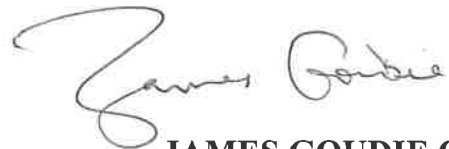
- (1) It no longer being possible to ascertain the rationale for authorisation and payment at the time; or
- (2) The “silence” of the Constitution at the time on these payments.

16. Nor, in my opinion, are the payments shown on the available evidence to be:-

- (1) Unreasonable, in a legal sense; or
- (2) Contrary to the Council’s “best value” duty, or its “fiduciary” duty to its council tax payers.

11 King's Bench Walk  
Temple EC4Y 7EQ

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**JAMES GOUDIE QC**  
4 November 2019

**HARTLEPOOL BOROUGH COUNCIL**  
**("The Council")**

**CHAIR AND VICE CHAIR**  
**ALLOWANCES**

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**OPINION**

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JK  
04/11/19

Hayley Martin  
Chief Solicitor  
Hartlepool Borough Council



**Report of:** Chief Executive

**Subject:** BUSINESS REPORT (2)

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## **7. RESIGNATION OF COUNCILLOR**

Council is aware of the resignation of David Mincher as a Borough Councillor for the Manor House Ward. An email notifying his resignation was received on 9 December 2019.

A notice of a casual vacancy arising through this resignation was published and in accordance with the six-month rule the vacancy will be held until the scheduled all-out elections to be held on 7 May 2020.

Council is requested to note the resignation.

## **Cleveland Police and Crime Panel**

A meeting of Cleveland Police and Crime Panel was held on Thursday, 26th September, 2019.

**Present:** Cllr Norma Stephenson O.B.E (Chair), Cllr Lee Cartwright, Cllr Barrie Cooper, Cllr Graham Cutler, Cllr Dave Hunter, Mr Paul McGrath, Cllr Carol Clark (Substitute for Cllr Steve Nelson), Cllr Vera Rider, Cllr Matthew Storey.

**Officers:** Peter Bell, Julie Butcher (Stockton-on-Tees Borough Council).

**Also in attendance:** Barry Copping (Commissioner), Michael Porter, Liz Byrne, Simon Dennis, Elise Pout (Commissioner's Office), Chief Constable Richard Lewis (Cleveland Police),

**Apologies:** Barry Copping (Commissioner), Michael Porter, Liz Byrne, Simon Dennis, Elise Pout (Commissioner's Office), Chief Constable Richard Lewis (Cleveland Police),

### **PCP 17/19 Welcome and Introductions**

The Chair welcomed everyone to the meeting and introductions were given.

### **PCP 18/19 Declarations of Interest**

There were no interests declared.

### **PCP 19/19 Minutes**

Consideration was given to the minutes of the meetings held on 2 July 2019.

RESOLVED that the minutes of the meeting held on 2 July 2019 be agreed.

### **PCP 20/19 Members' Questions to the Police and Crime Commissioner**

Councillor Barrie Cooper had submitted the following question:-

“Commissioner I am sure that this question is as important to my Council colleagues from Redcar & Cleveland and Stockton as it is to Middlesbrough.

Every year Local Authorities are spending 10's of thousands of pounds paying for Young Offenders awaiting Court Cases to be remanded either into LA Care or Wetherby Young Offenders Institute.

I therefore ask Commissioner that Cleveland Police work closely with The Crown Prosecution Service and Teesside Magistrates to Fast Track any Young Offenders Cases rather than have them on long periods of remand.

I have asked this of the CPS who have told me they have a good working relationship with Cleveland Police so this should not be a difficult task however at time of writing I have not yet made contact with Teesside Magistrates but I feel that also would not be difficult for you as our Commissioner.

Would you kindly give the meeting your thoughts on this request?”

The Commissioner responded with:-



“I will raise this issue through the Criminal Justice Partnership to seek assurances regarding effectiveness and efficiency and will formally feedback the response. If there is a specific case I will take it up outside of this meeting.

However, where appropriate to do so, generally children and young people are diverted away from the criminal justice system into diversionary schemes such as the Youth Triage scheme which is funded by the PCC across Cleveland where specialist assessment and intervention programmes are delivered by Youth Offending Teams to address the underlying causes of offending behaviour at the earliest opportunity. I understand your question and I’m supportive of your concerns.”

Councillor Lee Cartwright asked the following question:-

“Is there any short or long term plan to close Hartlepool Police Station?”

The Commissioner responded with:-

“No there is not and matters of the police estate would be discussed with the Chief Constable.”

The Chief Constable added:-

“Absolutely none. Hartlepool Police Station is one of the key components for us in terms of service across the Cleveland Police area. There is an additional custody block there should we need it that can be used as an overspill. There are no plans at all.”

Councillor Lee Cartwright asked the following supplementary question:-

“Thank you for that reassurance. We are seeing great progress in the policing of Hartlepool but the teams feel like they are a bit thin on the ground. Can we expect to see any reinforcements for Hartlepool?”

The Chief Constable responded with:-

“Definitely. There is money available in the budget to employ an extra 100 police officers and Hartlepool will get its fair share. We need to build on the success of the team at Hartlepool. Extra Officers will be arriving.”

**PCP  
21/19**

### **Police and Crime Commissioner’s Update**

The Commissioner and the Panel gave their best wishes to the Commissioner for County Durham and Darlington Ron Hogg.

Consideration was given to a report that provided Members with a summary update on progress since the meeting in July.

The report had been reformatted to provide clarity on the key areas of progress within the Police and Crime Plan.

Further detail on progress made was included within Community Engagement

feedback the Performance report, Scrutiny report and Decisions of the PCC.

The report highlighted the following key areas:-

Investing in Our Police

A Better Deal for Victims

Tackling Offending and Reoffending

Working Together to Make Cleveland Safer / Securing the Future of Our Communities

RESOLVED that the report be noted.

**PCP  
22/19**

### **Decisions of the Police and Crime Commissioner**

Consideration was given to a report on the decisions made by the Police and Crime Commissioner (PCC) and the Forward Plan.

The Police and Crime Commissioner makes all decisions unless specifically delegated within the Scheme of Consent / Delegation. All decisions demonstrated that they were soundly based on relevant information and that the decision making process was open and transparent.

In addition, a forward plan was included and published on the PCC website which included items requiring a decision in the future. This was attached to the report.

Each decision made by the PCC was recorded on a decision record form with supporting background information appended. Once approved it was published on the PCC website.

Decisions relating to private / confidential matters would be recorded; although, it may be appropriate that full details were not published.

Decisions made since the last meeting of the Police and Crime Panel were attached to the report.

RESOLVED that the report be noted.

**PCP  
23/19**

### **Police and Crime Commissioner's Scrutiny Programme and Performance Report**

Consideration was given to a report that gave an update on the PCC's scrutiny programme.

Holding the Chief Constable to account was the key duty of the Police & Crime Commissioner and must encompass all of the functions of the Chief Constable and functions of those who were under the Chief Constable's direction and control.

With effect from the beginning of the PCC's second term of office in 2016, the approach to scrutiny was restructured so as to provide for a broader and deeper

scrutiny regime requiring both Chief Officers and Force subject matter leads to account to the PCC for progress on key work-streams and matters of public interest and concern. These sessions were established as Scrutiny, Delivery and Performance meetings. Scrutiny lines of inquiry were focussed principally on areas most relevant to the Police & Crime Plan objectives. The PCC also established a Working Together Group to seek similar assurance from across the wider partnership landscape.

Minutes and actions from the whole Scrutiny Programme were published and had for several years by convention formed part of the Commissioner's reports to the Panel too.

The PCC had a range of scrutiny approaches in place to engage with the Chief Constable and hold Cleveland Police to account. These take place on a daily, weekly and monthly schedule and include a range of meetings, data and feedback from partners and the public.

The PCC had issued the Chief Constable with a formal Strategic Direction to respond to and improve a range of concerns identified about the performance of Cleveland Police.

A copy of the Strategic Direction was published as a Decision Record by the PCC at PCC Strategic Direction and was attached to the report.

The Strategic Direction was given as a result of information presented from the newly appointed chief, feedback from the public and partners, a review by the OPCC of former scrutiny minutes as well as a greater opportunity having been provided for in depth feedback from HMICFRS as they completed their initial fieldwork for the Integrated PEEL Assessment.

Collectively this identified a need jointly recognised by the PCC and Chief Constable for scrutiny to be received and entered into by Cleveland Police with a greater degree of transparency.

Further changes were made to the scrutiny regime in July 2019 that had resulted in a thematic approach to scrutiny specifically marshalling scrutiny lines of enquiry under the objectives set out within the Police and Crime Plan and a greater depth of information being provided from Cleveland Police to the PCC in order for the PCC to discharge his role on behalf of the public of Cleveland.

The processes would continue to develop and it had been made clear that there would be greater use of independent scrutiny approaches such as Internal Audit as well as identifying those services which would benefit from a wider multi agency scrutiny approach.

It was expected that the scrutiny processes would continue to evolve as detailed plans for change were forthcoming from Cleveland Police, improvements were made and engagement improved with the public.

Since the previous Police and Crime Panel meeting the following meetings had taken place and the minutes were attached to the report:-

- 1 July 2019 - Focus on Victims and the commitments within the Police

and Crime Plan Priority 2– A Better Deal for Victims

- 19 August 2019 - Focus on Investing In Our Police – Police and Crime Plan Priority 1, including the PCC's Strategic Direction, Force Control Room, Neighbourhood Policing, Corporate Risk, Financial Progress

Since the last update to the Panel there had been a Working Together meeting on the 25 June 2019. The minutes were attached to the report.

In addition to the meetings above, the Commissioner continued to attend the following to complement his scrutiny programme:

- Daily review of the Control Room and Serious Incident Logs;
  - Weekly accountability meetings with the Chief Constable;
  - Attend at least one local area meeting in each of Cleveland's neighbourhood police team areas.
4. Wider scrutiny arrangements are also in place including:
- Domestic Abuse and Rape Scrutiny Panel
  - Out of Court Scrutiny Panel
  - Independent Audit Committee
  - External Ethics Committee
  - Feedback from complaints, community meetings and focus groups

RESOLVED that the report be noted.

**PCP  
24/19**      **Performance Report of the Police and Crime Plan**

Consideration was given to a report that provided an overview of the performance of the PCC and his Police and Crime Plan. The information provided was accurate at the time of production. Additional information was also provided to establish the context of information presented and assist the reader in their understanding of the report.

The report covered the following keys areas:-

- Investing in Our Police
- A Better Deal for Victims and Witnesses
- Tackling Offending and Re-Offending
- Working Together to Make Cleveland Safer
- Securing the Future of Our Communities

RESOLVED that the report be noted.

**PCP  
25/19**      **Public Questions**

Members were informed that there were no Public Questions.

**PCP  
26/19**      **Forward Plan**

Members were presented with the Forward Plan for the Panel.

RESOLVED that the Forward Plan for the Panel be noted.

## **Exclusion of the Public**

Members were informed that HMICFRS had extended the embargo on the release of the HMICFRS Integrated Peel Assessment Report and it was therefore not available for the meeting but they had agreed that a verbal summary could be given to the Panel under a strict duty of confidence and had forbidden the disclosure to the public.

Her Majesty's Inspector had asked that the following be communicated to the Panel.

"I recognise the legitimate interest the PCP has in understanding the key issues emerging from our latest inspection of Cleveland Police. The report remains subject to embargo until 00.01 on Friday 27th September. I am content that PCP members are briefed on a confidential basis before the embargo is lifted given the public interest that the report will generate. I would ask that all members treat the briefing and its contents as confidential until after the embargo has ended."

As such the information to be shared was exempt information by virtue of section 100A subsection 2 and exclusion of the public was mandatory as confidential information may be shared with them in breach of the duty of confidence imposed by a government body.

In addition the Panel was advised to pass the following resolution:-

- 1) To exclude the public from the meeting pursuant to section 100A subsection 4 of the Local Government Act 1972 during the consideration of the whole of Agenda Item 12 due to the likelihood that if members of the public were present during that item there would be disclosure to them of exempt information and
- 2) The information is exempt information under the following paragraphs of Schedule 12A of the Local Government Act 1972
  - a) paragraph 1 - information relating to an individual
  - b) paragraph 2 – information which is likely to reveal the identity of an individual
  - c) paragraph 3 – information relating to the financial or business affairs of any particular person and
  - d) paragraph 7 – information relating to any action taken or to be taken in connection with the prevention, investigation or prosecution of crime

and the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

RESOLVED that under Section 100A(4) of the Local Government Act 1972 the public be excluded from the meeting for the following items of business on the grounds that they involved the likely disclosure of exempt information as defined in paragraph 1, 2, 3, 4 and 7 of Part 1 of Schedule 12A of the Act.

## **HMICFRS Integrated Peel Assessment Report**

The Chief Constable gave a verbal summary of the HMICFRS Integrated Peel Assessment Report and Members were given the opportunity to ask questions and make comment.

RESOLVED that the verbal summary of the HMICFRS Integrated Peel Assessment Report be noted.